

**Opinion of the Independent Financial Advisor on
Disposal of Assets and Connected Transaction**

For

Principal Capital Public Company Limited

Presented to

The Shareholders of Principal Capital Public Company Limited

Prepared by

 **JAY CAPITAL**
ADVISORY LIMITED
Jay Capital Advisory Company Limited

April 10, 2024

This English report of the Independent Financial Advisor's Opinion has been prepared solely for the convenience of foreign shareholders of Principal Capital Public Company Limited and should not be relied upon as the definitive and official document. The Thai language version of the Independent Financial Advisor's Opinion is the definitive and official document and shall prevail in all aspects in the event of any inconsistency with this English Translation.

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Abbreviation	Full form
The Company or PRINC	Principal Capital PCL
the Company's group	PRINC and affiliates
VMS	V Management Services Co., Ltd.
the Independent Financial Advisor or the IFA	Jay Capital Advisory Company Limited
the SET	Stock Exchange of Thailand
the SEC	Securities and Exchange Commission
Notification of Acquisition or Disposal	Notification of the Capital Market Supervisory Board No. TorJor. 20/2008 Re: Rules on Entering into Material Transactions Deemed as Acquisition or Disposal of Assets, and Notification of the Board of Governors of the Stock Exchange of Thailand Re: Disclosure of Information and Rules on Entering into Material Transactions Deemed as Acquisition or Disposal of Assets B.E. 2004 (including amendments)
Notification of Connected Transaction	Notification of the Capital Market Supervisory Board No. TorJor. 21/2008 Re: Rules on Entering into Connected Transaction (including amendments), and Notification of the Board of Governors of the Stock Exchange of Thailand Re: Disclosure of Information and Rules on Entering into Connected Transaction of Listed Company B.E. 2003 (including amendments)
VB	V Brilliant Group Holding Co., Ltd.
VMEA	VMEA Co., Ltd.
VRES	V Residence Co., Ltd.
VB Group	VB VMEA and VRES
VB's Share	583,599,998 ordinary shares with a par value of THB 10 per share and 49,490,000 preferred shares with a par value of THB 10 per share, representing an aggregate amount of approximately 99.99% of VB's total issued and outstanding shares
BBD	Ban Chang Business District Co., Ltd.
PMDH	Principal Healthcare – Mukdahan Co., Ltd.
RATCH	Ratch Group PCL
The Transaction	A disposition of all the shares held by the Company in BV to VMS
P/BV	Price to Book Ratio
P/E	Price to Earnings Ratio
EV/EBITDA	Enterprise Value to Earnings before deducting interest, income tax, depreciation and amortization Ratio
BBC Building	Bangkok Business Center Building
MEA Project	Marriott Hotel Executive Apartments Sathorn Vista – Bangkok
SEB Project	Somerset Ekamai Bangkok
The Debt Restructuring Agreement	The Debt Restructuring Agreement (Asset Warehousing) between the Bank of Ayudhya Public Company Limited, the Company, and VRES dated February 10, 2024
Colliers	C.I.T Appraisal Co., Ltd.
UTM	Altima Appraisal Co., Ltd.

April 10, 2024

To: The Shareholders of
Principal Capital Public Company Limited

Re: Opinion of the Independent Financial Advisor on Disposal of Assets and Connected Transaction

The Board of Directors' Meeting of Principal Capital Public Company Limited (the "Company" or "PRINC") No. 2/2024 held on February 28, 2024 (the "Board of Directors' Meeting") has resolved to propose to the 2024 Annual General Meeting of Shareholders (the "AGM") to consider and approve the disposition of property development business of the Company's group by way of a disposition of all the shares held by the Company in V Brilliant Group Holding Co., Ltd. ("VB") totaling 633,089,998 shares comprising 583,599,998 ordinary shares with a par value of Baht 10 per share and 49,490,000 preferred shares with a par value of Baht 10 per share, representing an aggregate amount of approximately 99.99% of VB's total issued and outstanding shares ("VB Shares"), to V Management Services Co., Ltd. ("VMS"), a related person of the Company, at the purchase price of approximately THB 9.39 per share, totaling not less than THB 5,942 million (the "Transaction"). The proposed Transaction is considered a disposition of the Company's entire investment in the VB, which will result in VB being ceased to be subsidiaries of the Company. Further details of the Transaction are provided in the Information Memorandum Concerning the Disposition of Assets and Connected Transaction.

The proposed disposition is considered a disposition of material assets pursuant to the Notification of the Capital Market Supervisory Board Notification No. TorJor. 20/2008 entitled Rules on the Entering into Material Transactions Deemed as the Acquisition or Disposition of Assets and the Notification of the Board of Governors of the Stock Exchange of Thailand entitled Disclosure of Information and Other Acts of the Listed Company Concerning the Acquisition or Disposition of Assets, 2004 (as amended) (the "Notification of the Acquisition or Disposition"). When considering the size of the disposition pursuant to each calculation method prescribed under the Notification of the Acquisition or Disposition and based on the audited consolidated financial statements of the Company for the year ended December 31, 2023, the transaction size is of the highest value when calculated in accordance with the net tangible asset (NTA) value basis, which equals 77.16% of the total net tangible assets of the Company and its subsidiaries, and when consolidating it with the size of the disposition transaction entered into by the Company during the past six months prior to the date of this transaction, i.e. the disposition of 7,500,000 shares, representing 25% of the total issued shares of Principal Healthcare – Mukdahan Co., Ltd., which is the Company's subsidiary, to Ratch Group Public Company Limited, the aggregate transaction size equals 77.16% of the total net tangible assets of the Company and its subsidiaries. The Transaction is therefore classified as Class 1 Transaction pursuant to the Notification of the Acquisition or Disposition, having a transaction size of 50% or more but less than 100%.

In addition, the Transaction is considered a connected transaction pursuant to the Notification of the Capital Market Supervisory Board No. TorJor. 21/2008 entitled Rules on Related Party Transactions and the Notification of the Board of Governors of the SET entitled Disclosure of Information and Act of Listed Company Concerning the Connected Transactions, 2003 (as amended) (the "Notifications on Connected Transactions") as Miss Satita Vidayakorn ("Khun Satita") who is the major shareholder of VMS, the purchaser of VB Shares, is also the Company's major shareholder. Further, Khun Satita is also a director of VB and a daughter of Dr. Satit Vidayakorn, who is a major shareholder and a director of the Company. When considering the size of the Transaction under the Notifications on Connected Transactions, calculated based on the audited consolidated financial statements of the Company for the year ended December 31, 2023, the transaction size equals 89.84% of the total net tangible assets of the Company and its subsidiaries, which is more than 3.00% of the total net tangible assets of the Company and its

subsidiaries. In this connection, the Company has not entered into any previous related party transaction during the six-month period prior to this disposition.

The Company is therefore obliged to procedures under the Notification of the Acquisition or Disposition and the Notifications on Connected Transactions as follows:

1. Disclose an information memorandum regarding the Transaction to the Stock Exchange of Thailand (the "SET").
2. Appoint an independent financial advisor approved by The Securities and Exchange Commission (the "SEC") to provide an opinion to the shareholders of the Company regarding the reasonableness, benefits, fairness, terms and conditions, and risks of entering into the Transaction. The Opinion of the Independent Financial Advisor will be sent to shareholders of the Company along with the Invitation to the Shareholders' Meeting.
3. Organize a shareholders' meeting, in which the Company must receive affirmative votes of not less than three-fourths of the total votes of the shareholders attending the meeting and eligible to vote, excluding those of the interested shareholders.

The Board of Directors' meeting of the Company passed a resolution to appoint Jay Capital Advisory Company Limited ("Independent Financial Advisor" or "the IFA") as the financial advisor approved by the SEC, independent from the Company and the Company Group, to act as an independent financial advisor and provide opinions on the disposal of assets and connected transaction.

The Opinion of the Independent Financial Advisor was prepared based on the information obtained from interviews, documentation provided by the Company, and publicly accessible sources. Additionally, the IFA has considered the current economic conditions in providing the opinion regarding the Transaction. Therefore, any significant changes to the information utilized in this study in the future may impact the IFA's opinion on the Transaction. The information used in preparing this report are as follows:

- Resolutions of the Board of Directors meeting of the Company and information memorandum relating to the Transaction.
- Information of the Transaction which is disclosed through the information service system of the SET and/or the Company's website and/or public disclosure.
- Information disclosure and One Report (Form 56-1) 2022 of the Company
- Financial statements of the Company audited by PricewaterhouseCoopers ABAS Ltd. for the year ending December 31, 2021 – 2023.
- Pro forma financial statement of VB for the year ending December 31, 2023, prepared by the Company.
- Separate financial statement of VB audited by PricewaterhouseCoopers ABAS Ltd. for the year ending December 31, 2021 – 2023.
- Financial statements of VMEA audited by PricewaterhouseCoopers ABAS Ltd. for the year ending December 31, 2021 – 2023.
- Financial statements of VRES audited by PricewaterhouseCoopers ABAS Ltd. for the year ending December 31, 2021 – 2023.
- Agreement related to the Transaction.
- Information from interviews with management and staff of the Company and VB.
- Information and documents received from the Company.

In addition, the IFA's opinion prepared based on the following assumptions:

- All data and documentation obtained by the Independent Financial Advisor from the company, including information from interviews with the Company and VB's executives and related parties, are complete, accurate, and truthful. The opinions expressed therein are reliable and closely approximate the current reality.
- No past events, impending events, or reasonably plausible events would create significant impacts on the operating and financial status of VB VMEA and VRES.

In this regard, the IFA certifies that we studied, analyzed, and prudently performed our duties as an Independent Financial Advisor, complying with the generally accepted professional standard and rendering our opinion based on unbiased analysis with regards to the best benefit of the Company's shareholders.

However, if the information and documents received by the IFA are found to be inaccurate and/or untrue and/or incomplete and/or undergo any significant changes in the future, the opinion provided by the IFA may differ accordingly. For these reasons, the IFA is thus unable to be held responsible for any impact on the Company and its shareholders regarding such factors. Moreover, the IFA's opinion is for the sole purpose of providing opinion to the shareholders regarding entering into the Transaction. The decision to vote and approve entering into the transaction is at the discretion of the shareholders, and the shareholders should carefully study the information and consider the reasoning, advantages, disadvantages, related risks and limitations, as well as the opinions relating to each aspect of the Transaction as per the attached documents to the Invitation to the Shareholders' Meeting with prudence and care before coming to an appropriate resolution. The opinion of the IFA provided in this regard is not to certify the success of the Transaction or the potential impact on the Company, and the IFA is not responsible for any potential impacts that may arise from entering into the Transaction, whether directly or indirectly.

The Independent Financial Advisor has considered the reasonableness of the disposal of assets and connected transaction with the details as follows:

Executive summary

The Board of Directors' Meeting of Principal Capital Public Company Limited (the "Company" or "PRINC") No. 2/2024 held on 28 February 2024 (the "Board of Directors' Meeting") has resolved to propose to the 2024 Annual General Meeting of Shareholders (the "AGM"), which will be held on 25 April 2024, to consider and approve the disposition of property development business of the Company's group by way of a disposition of all the shares held by the Company in V Brilliant Group Holding Co., Ltd. ("VB") totalling 633,089,998 shares comprising 583,599,998 ordinary shares with a par value of THB 10 per share and 49,490,000 preferred shares with a par value of THB 10 per share, representing an aggregate amount of approximately 99.99% of VB's total issued and outstanding shares ("VB Shares"), to V Management Services Co., Ltd. ("VMS"), a related person of the Company, at the purchase price of approximately THB 9.39 per share, totalling not less than THB 5,942 million (the "Transaction"). Considering this, it is initially anticipated that if the transaction is approved by the AGM, the proposed disposition will be completed approximately within July 2024.

The purpose of engaging in the Transaction is corresponding to the policy approved at the Company's Board of Directors Meeting No. 6/2018 on October 17, 2018, which aims to emphasize the expansion of its hospital business and provision of related medical services, which are its main businesses, while discontinuing the expansion of real estate development businesses unrelated to it. The Company has operated in accordance with the policy which can be summarized as follows:

- In 2019 and 2020, the Company disposed subsidiaries which are in real estate business such as Bangkok Management Co., Ltd. ("BG"), V 33 Co., Ltd. ("V33"), and Udon Business District Co., Ltd. ("UBD").
- In 2021, The Board of Directors' Meeting of the Company No. 3/2021 has resolved to approve the disposition of Bangkok Business Center ("BBC Building") to Bualuang Office Leasehold Real Estate Investment Trust ("B-WORK"). However, due to Covid-19 situation in 2021 and 2022 affecting capital market and office building lease, the Company and B-WORK, therefore, postponed this transaction to maximize the Company's benefit.
- In 2022, the Company has explored investors who interested in investing in VB Group and contacted 50 potential investors to propose the asset disposition. Miss Satita Viddayakorn ("Khun Satita"), one of the tender offeror, proposed better price and terms and conditions comparing to other tender offers, which is the reason of the requesting approval with connected person in this case.

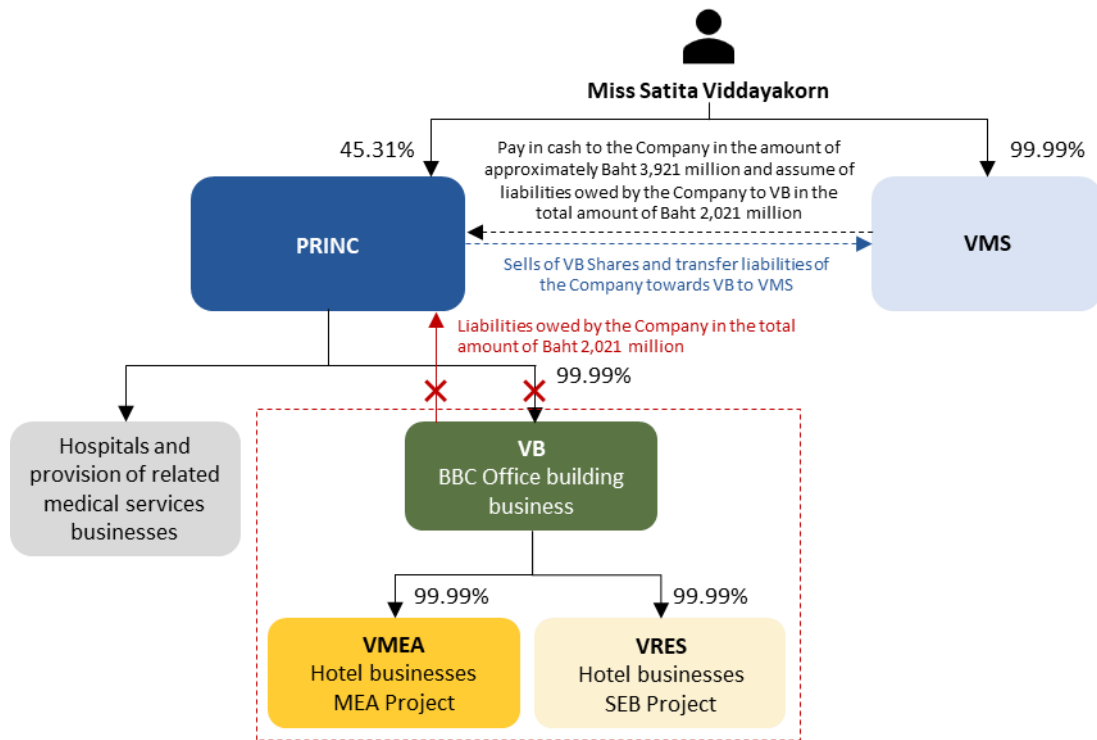
For entering this Transaction, VMS shall pay sales and purchase price of VB for not less than THB 5,942 million to the Company by cash of approximately THB 3,921 million and transfer liability obligations of the Company to VB of THB 2,021 million (the value of liability refers to audited separate financial statement of the Company for the year ended December 31, 2023) which the Company borrowed such amount from VB in 2022 for normal operation of the Company. The outstanding balance as of December 31, 2023, is THB 2,021 million. According to share purchase agreement, the Company shall pay all interest related to such liability incurred until the date of share sales and purchase as specified by contract party to VB. In addition, the Company plans to use cash received from the disposal of VB share of approximately THB 3,921 million as working capital of the Company, and repay loan, as well as expand hospital and medical service business which are main business that the Company has profession.

In addition, VB announced the dividend payment to the Company as existing shareholder of VB before the Transaction of approximately THB 58.75 million, as referred to unappropriated retained earnings of VB's audited separate financial statement for the year ended December 31, 2023.

In this regard, presently VB engages in leasing out an office building under the name Bangkok Business Center Office Building (the "BBC Building") and directly holds approximately 99.99% of shares in its two

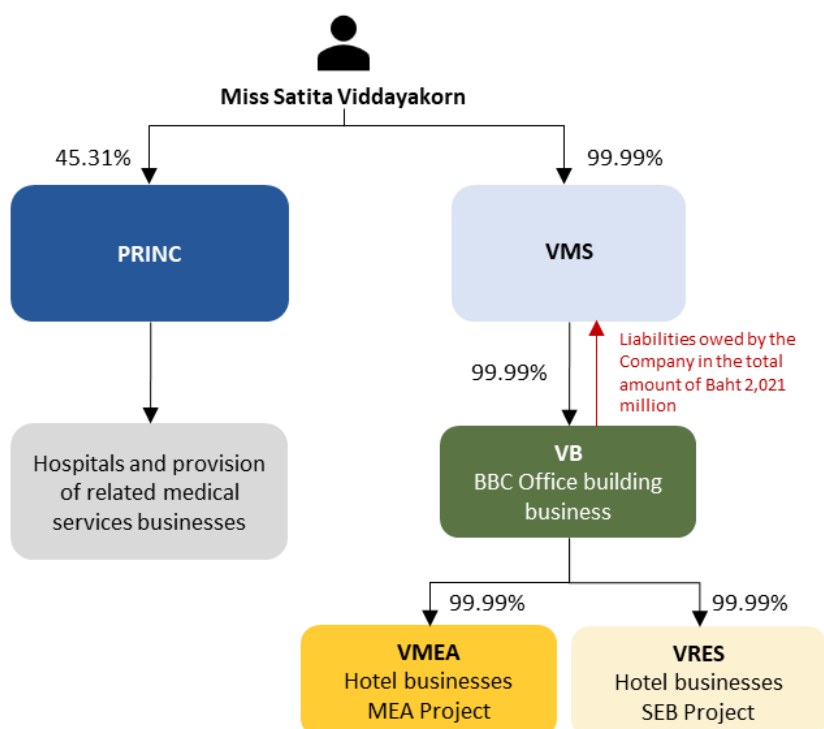
subsidiaries, (1) VMEA Co., Ltd. ("VMEA"), which operates hotel and services apartment businesses, Marriott Executive Apartments Sathorn Vista – Bangkok ("MEA Project"), and (2) V Residence Company Limited ("VRES"), which operates hotel and services apartment businesses, Somerset Ekamai Bangkok Project ("SEB Project"). (VB, VMEA, and VRES collectively referred to as the "VB Group"). The proposed disposition of VB Shares is considered a disposition of the Company's entire investment in the VB Group, which will result in the VB Group being ceased to be subsidiaries of the Company. The shareholding structure before and after entering into the Transaction can be summarized as follows:

The shareholding structure before entering into the Transaction



Remark: On February 27, 2024, VB has disposed 12,099,998 ordinary shares with par value of THB 10.00 or 99.99% of BBD's issued and paid-up shares, totaling THB 121 million, to Principal Healthcare Co., Ltd. which is the Company's subsidiaries in order to restructure within the group before entering into the Transaction.

The shareholding structure after entering into the Transaction



The proposed disposition is considered a disposition of material assets pursuant to the Notification of the Capital Market Supervisory Board Notification No. TorJor. 20/2008 entitled Rules on the Entering into Material Transactions Deemed as the Acquisition or Disposition of Assets and the Notification of the Board of Governors of the Stock Exchange of Thailand entitled Disclosure of Information and Other Acts of the Listed Company Concerning the Acquisition or Disposition of Assets, 2004 (as amended) (the “Notification of the Acquisition or Disposition”). When considering the size of the disposition pursuant to each calculation method prescribed under the Notification of the Acquisition or Disposition and based on the audited consolidated financial statements of the Company for the year ended December 31, 2023, the transaction size is of the highest value when calculated in accordance with the net tangible asset (NTA) value basis, which equals 77.16%. When consolidating it with the size of the disposition transaction entered into by the Company during the past six months prior to the date of this transaction, the aggregate transaction size equals 77.16% of the total net tangible assets of the Company and its subsidiaries. The Transaction is therefore classified as Class 1 Transaction pursuant to the Notification of the Acquisition or Disposition, having a transaction size of 50% or more but less than 100%.

In addition, the Transaction is considered a connected transaction pursuant to the Notification of the Capital Market Supervisory Board No. TorJor. 21/2008 entitled Rules on Related Party Transactions and the Notification of the Board of Governors of the SET entitled Disclosure of Information and Act of Listed Company Concerning the Connected Transactions, 2003 (as amended) (the “Notifications on Connected Transactions”) as Miss Satita Viddayakorn (“Khun Satita”), who is the major shareholder of VMS, the purchaser of VB Shares, is also the Company’s major shareholder. Further, Khun Satita is also a director of VB and a daughter of Dr. Satit Viddayakorn, who is a major shareholder and a director of the Company. When considering the size of the Transaction under the Notifications on Connected Transactions, calculated based on the audited consolidated financial statements of the Company for the year ended December 31, 2023, the transaction size equals 89.84% of the total net tangible assets of the Company and its subsidiaries, which is more than 3.00% of the total net tangible assets of the Company and its subsidiaries. In this connection, the Company has not entered into any previous related party transaction during the six-month period prior to this disposition.

The Company is therefore obliged to procedures under the Notification of the Acquisition or Disposition and the Notifications on Connected Transactions as follows:

1. Disclose an information memorandum regarding the Transaction to the Stock Exchange of Thailand (the "SET").
2. Appoint an independent financial advisor approved by The Securities and Exchange Commission (the "SEC") to provide an opinion to the shareholders of the Company regarding the reasonableness, benefits, fairness, terms and conditions, and risks of entering into the Transaction. The Opinion of the Independent Financial Advisor will be sent to shareholders of the Company along with the Invitation to the Shareholders' Meeting.
3. Organize a shareholders' meeting, in which the Company must receive affirmative votes of not less than three-fourths of the total votes of the shareholders attending the meeting and eligible to vote, excluding those of the interested shareholders.

The consideration of fairness in transaction prices, which the IFA assesses the appropriateness using 4 valuation approaches, including Book Value Approach, Adjusted Book Value Approach, Market Comparable Approach, and Sum of the Parts Approach. The summary valuation of the VB's fair value compared to the purchase price of VB's share is as follows:

The summary valuation of the VB's fair value compared to the purchase price of VB's share

Valuation Approach	VB's fair value (THB/share)	Purchase price of VB (THB/share)	Appropriateness	Fair value higher or (lower) than the purchase price (%)
1. Book Value Approach	8.06	9.39	Inappropriate	(14.11)
2. Adjusted Book Value Approach	9.23		Inappropriate	(1.68)
3. Market Comparable Approach				
- P/BV Ratio Approach	5.68 - 6.25		Inappropriate	(39.49) - (33.38)
- P/E Ratio Approach	4.70 - 6.30		Inappropriate	(49.90) - (32.86)
- EV/EBITDA Ratio Approach	6.48 - 8.42		Inappropriate	(30.92) - (10.30)
4. Sum of the Parts Approach	8.66 - 9.72 (Base price at 9.18 THB/share)		Appropriate	(7.72) - 3.59

From table above, **the IFA has the opinion that the valuation of fair value of VB share by Sum of the Parts Approach, performing discounted cash flow approach of each entity, is the most appropriate approach, in which the purchase price of approximately THB 9.39 per share falls within the range of VB's fair value evaluated by the IFA which is between THB 8.66 – 9.72 per share, considered greater (lesser) by THB (0.72) – 0.34 per share, or (7.72) - 3.59% from the purchase price.**

To consider the fairness of the Transaction terms and conditions, the IFA has considered the terms and conditions outlined in the draft Share Purchase Agreement between the Company and VMS. The key conditions can be summarized as follows:

- The payment terms of the VB's purchase price specified that VMS shall make a deposit of THB 1,000 million to the Company within 90 days of the date on which the Transaction is approved by the shareholders' meeting of the Company. The remaining amount shall be paid in the form of cash of approximately THB 2,921 million, together with the assumption of the obligations and liabilities owed by the Company to VB in the total amount of THB 2,021 million on the Closing date. The Company

shall be responsible for settling any interest expense accrued from the aforementioned loan until the date of transferring ownership rights of the purchased shares.

- The conditions precedent specified that the Company shall obtain the approval from the shareholders' meeting to execute, and perform its obligations under the Share Purchase Agreement.
- The conditions precedent specified that the Company shall arrange for VB to notify its lender(s) and/or counterparty(ies) of the entering into the Disposition of VB Shares as may be required under the relevant agreements.
- The conditions precedent specified that following receipt of the Deposit from the VMS, the Company shall obtain the release of, or binding agreements to release, all encumbrances on the real properties of the VB Group, such that, at Closing date, VB Group own their properties free and clear of all encumbrances, unless otherwise agreed between the Parties.
- The conditions precedent specified that the Company shall submit a written letter on waiving its right to buy back the assets of the VRES under the Debt Restructuring Agreement (Asset Warehousing) between the Bank of Ayudhya Public Company Limited, the Company, and VRES dated 10 February 2024 (the "Debt Restructuring Agreement") to VRES and a written notice to the Bank of Ayudhya Public Company Limited on such matter.
- VB will announce a dividend payment to its current shareholders in the amount of approximately THB 58.75 million, according to the audited financial statements of VB for the year ending December 31, 2023.

Upon consideration of the aforementioned conditions, **the IFA has the opinion that the terms and conditions of the transaction are appropriate as per the terms and conditions, as outlined in the draft Share Purchase Agreement between the Company and VMS, serve to protect the interested of both the Company and its shareholders. In addition, such mutually agreed terms and conditions are customary and conventional, which does not have a negative impact on the Company and its shareholders.**

According to the analysis of the IFA on the reasonableness of the Transaction, by comparing the advantages and disadvantages of entering into the Transaction. The IFA has the opinion that entering into the Transaction is **appropriate** based on the following reasons:

1. The company will realize a profit from the disposition of VB shares before taxes and other expenses according to separate and consolidated financial statements of the Company of approximately THB 66.46 million and THB 830.25 million, respectively.
2. The disposition of property development business of the Company's group is in line with the Company's strategy and policy to focus on operating hospitals and provision of related medical services businesses which are the main businesses in which the Company has expertise
3. The company shall use the proceeds derived from the disposition of VB shares to repay loans from financial institutions, aiming to strengthen its financial position and capital structure. This will enhance the company's ability to seize investment opportunities and expand its hospitals and provision of related medical services businesses in the future. Additionally, the proceeds can be utilized as working capital for the Company group's business operations and for the expansion of its hospital and medical services businesses, aligning with the company's mission.
4. Mitigating risks associated with the negative impacts of the hotel and serviced apartment business, which are highly susceptible to economic fluctuations and face significant competition in the hotel industry.
5. Reducing the burden of managing buildings, including capital expenditures in the building for future renovations, as VB and its subsidiaries primarily utilize office buildings and hotel properties as key assets for their business operations which continuous maintenance is necessary to maintain the competitiveness of the properties.

Nevertheless, entering into the Transaction has **disadvantages and risks** for which the shareholders shall further consider when voting for the Transaction as follows:

1. The company will not be able to recognize the performance of VB and its subsidiaries through the consolidated financial statements of the Company. This is because after the transaction, VB and its subsidiaries will cease to be direct and indirect subsidiaries of the Company, resulting in the Group not having revenue from property development business in the future.
2. The company may miss out on the opportunity to receive returns from investment the VB group if the performance of VB and its subsidiaries grows in the future.
3. The uncertainty regarding future investments using the proceeds from the sale of VB shares poses a risk for the company, potentially limiting its investment opportunities or resulting in lower-than-expected returns.
4. The Company may incur tax expense from the sale of VB shares; however, the company has accumulated tax losses carried forward for the accounting period 2021-2026, totaling approximately THB 294.99 million. These carried-forward tax losses can be utilized as deductible expenses in the accounting period of the Transactions, thereby mitigating the potential tax implications arising from the expected profits from the disposition of VB shares.
5. Transactions with connected persons impose compliance burdens and various associated expenses, including potential questions regarding benefit transfers between the Company and the connected person. Nevertheless, the IFA views that a transaction value of no less than THB 5,942 million is appropriate, and the transaction terms are customary for share sale transactions, which do not disadvantage the Company and its shareholders.

In this regard, considering the advantages that the Company and its shareholders are expected to gain from the Transaction, as well as the disadvantages and risks that may arise, along with the fairness of the transaction price, terms and conditions as mentioned above, the IFA has an opinion that the Transaction is **appropriate**. Therefore, the shareholders should **approve** this Transaction.

In this regard, shareholders shall consider the advantages, disadvantages, and risks, together with the fairness of the transaction price and conditions for entering into the Transaction as described in this report.

Part 1 Disposal of Assets and Connected Transaction

1.1 Characteristics and details of the Transaction

The Board of Directors' Meeting of Principal Capital Public Company Limited (the "Company" or "PRINC") No. 2/2024 held on 28 February 2024 (the "Board of Directors' Meeting") has resolved to propose to the 2024 Annual General Meeting of Shareholders (the "AGM") to consider and approve the disposition of property development business of the Company's group by way of a disposition of all the shares held by the Company in V Brilliant Group Holding Co., Ltd. ("VB") totaling 633,089,998 shares comprising 583,599,998 ordinary shares with a par value of THB 10 per share and 49,490,000 preferred shares with a par value of THB 10 per share, representing an aggregate amount of approximately 99.99% of VB's total issued and outstanding shares ("VB Shares"), to V Management Services Co., Ltd. ("VMS"), a related person of the Company, at the purchase price of approximately THB 9.39 per share, totaling not less than THB 5,942 million (the "Transaction").

The objective of such Transaction is to perform according to policy approved by the Board of Directors' meeting No. 6/2018 on October 17, 2018, which aims to expand hospital and related medical services business, which is main business of the Company, while ceases to expand property development business which is unrelated to main business. If there is a good and appropriate opportunity, the Company prepares to dispose property development business to interested investors. During the past few years, the Company has performed according to such policy as follows:

2019	<ul style="list-style-type: none"> Dispose all shares of Bangkok Management Company Limited ("BG") held by the Company, of 9,985,998 shares, equivalent to 99.99% of registered and paid-up capital. On the date of transaction, BG operated property development business and property rental business.
2020	<ul style="list-style-type: none"> Dispose all shares of V33 Company Limited ("V33") held by the Company, of 28,124,998 shares, equivalent to 99.99% of registered and paid-up capital. On the date of transaction, V33 operated property development business. Dispose all shares of Udon Business District Company Limited ("UBD") held by the Company, of 12,899,998 shares, equivalent to 99.99% of registered and paid-up capital. On the date of transaction, UBD operated property development business.
2021	<ul style="list-style-type: none"> The Board of Directors Meeting of the Company No. 3/2021 approved the disposal of BBC Building to Bualuang Office Leasehold Real Estate Investment Trust ("B-WORK"). However, since Covid-19 situation in 2021 and 2022 affected the capital market situation and office rental market situation, the Company and B-WORK considered to postpone the transaction until the appropriate timing for maximum benefits of the Company.
2022	<ul style="list-style-type: none"> The Company appointed the financial advisor to procure interested investors to invest in VB group's assets. The financial advisor of the Company had contacted the potential investors for approximately 50 persons. However, there are only 3 interested investors who offer to purchase VB group's assets. Miss Satita, one of the investors who offer to purchase assets, had offered price and condition which are better than offers from other investors. This is the cause of the proposing of an approval for entering this Transaction with a connected person.

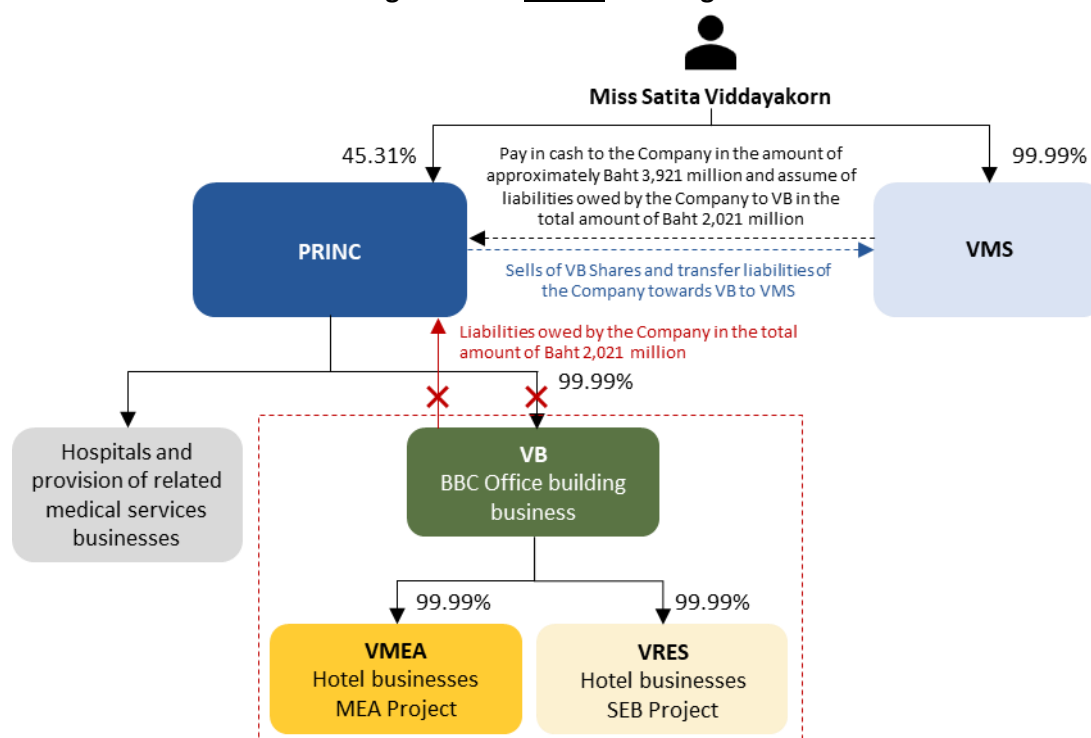
For entering this Transaction, VMS shall pay sales and purchase price of VB for not less than THB 5,942 million to the Company by cash of approximately THB 3,921 million and transfer liability obligations of the Company to VB of THB 2,021 million (the value of liability refers to audited separate financial statement of the Company for the year ended December 31, 2023) which the Company borrowed such amount from VB in 2022 for normal operation of the Company. The outstanding balance as of December

31, 2023, is THB 2,021 million. According to share purchase agreement, the Company shall pay all interest related to such liability incurred until the date of share sales and purchase as specified by contract party to VB. VMS will provide the Company with a deposit in amount of THB 1,000 million within 90 days from the date on which the Disposition of VB Shares is approved by the shareholders' meeting of the Company which will be held on 25 April 2024 and will pay the remaining purchase price in the form of cash of approximately THB 2,921 million, together with assuming the obligations and liabilities owed by the Company to VB under the loan agreement and promissory notes in the total amount of THB 2,021 million, on the completion date of the sale of VB Shares which shall be mutually determined by the Company and VMS. The Transaction's value of VB' share is not less than THB 5,942 million, and the Company will receive approximately THB 3,921 million in cash.

In addition, VB announced the dividend payment to the Company as existing shareholder of VB before the Transaction of approximately THB 58.75 million, as referred to unappropriated retained earnings of VB's audited separate financial statement for the year ended December 31, 2023.

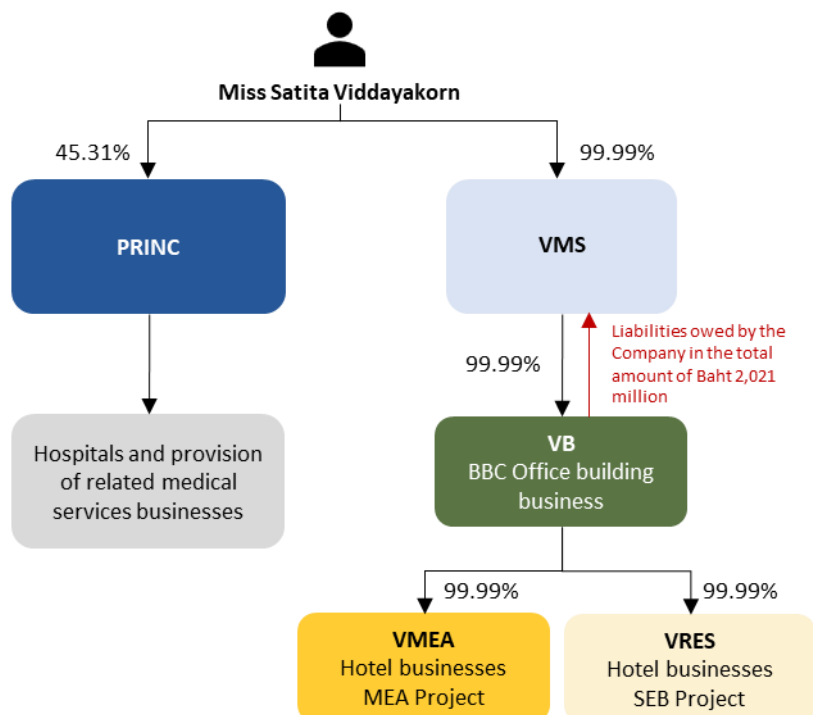
In this regard, presently VB engages in leasing out an office building under the name Bangkok Business Center Office Building (the "BBC Building") and directly holds approximately 99.99% of shares in its two subsidiaries, (1) VMEA Co., Ltd. ("VMEA"), which operates hotel and services apartment businesses, Marriott Hotel Executive Apartments Sathorn Vista – Bangkok ("MEA Project"), and (2) V Residence Company Limited ("VRES"), which operates hotel and services apartment businesses, Somerset Ekamai Bangkok Project ("SEB Project"). (VB, VMEA, and VRES collectively referred to as the "VB Group"). The proposed disposition of VB Shares is considered a disposition of the Company's entire investment in the VB Group, which will result in the VB Group being ceased to be subsidiaries of the Company. The shareholding structure before and after entering into the Transaction can be summarized as follows:

The shareholding structure before entering into the Transaction



Remark: On February 27, 2024, VB has disposed 12,099,998 ordinary shares with par value of THB 10.00 or 99.99% of BBD's issued and paid-up shares, totaling THB 121 million, to Principal Healthcare Co., Ltd. which is the Company's subsidiaries in order to restructure within the group before entering into the Transaction.

The shareholding structure after entering into the Transaction



In this regard, the Company will proceed with the disposition of all VB shares after obtaining approval for the Transaction at the Annual General Meeting of Shareholders for the year 2024, with affirmative votes of not less than three-fourths of the total votes of the shareholders attending the meeting and eligible to vote, excluding those of the interested shareholders.

1.1.1 Date of Entering into the Transaction

The Company will enter into the proposed disposition of VB Shares after its receipt of approval of the meeting of its board of directors and the meeting of its shareholders which will be held on 25 April 2024, which is one of the key conditions under the Share Purchase Agreement to be entered into between the Company and VMS (the “SPA”). Considering this, it is initially anticipated that if the transaction is approved by the AGM, the proposed disposition will be completed approximately within July 2024.

1.1.2 Type and Size of Transaction

Calculation of transaction size for the asset disposition

The proposed disposition is considered a disposition of material assets pursuant to the Notification of the Capital Market Supervisory Board Notification No. TorJor. 20/2008 entitled Rules on the Entering into Material Transactions Deemed as the Acquisition or Disposition of Assets and the Notification of the Board of Governors of the Stock Exchange of Thailand entitled Disclosure of Information and Other Acts of the Listed Company Concerning the Acquisition or Disposition of Assets, 2004 (as amended) (the “Notification of the Acquisition or Disposition”). The calculation based on the audited consolidated financial statements of the Company for the year ended December 31, 2023, and the Pro forma financial statement of VB for the year ending December 31, 2023, prepared by the Company, which already take into account the disposition of VB’s investment in Ban Chang Business District Co., Ltd. (“BBD”). The calculation is detailed as follows:

Calculation of transaction size for the asset disposition

Basis of transaction size calculation	Calculation
1. Net Tangible Asset (NTA)	$= \frac{\text{Proportion of assets disposed} \times \text{NTA of VB}}{\text{NTA of the Company}}$ $= \frac{(100.00\% \times \text{THB } 5,103.75 \text{ million})}{\text{THB } 6,614.19 \text{ million}}$ $= 77.16\%$
2. Net Profit from Operation	$= \frac{\text{Proportion of assets disposed} \times \text{Net Profit from Operation of VB}}{\text{Net Profit from Operation of the Company}}$ $= \frac{(100.00\% \times \text{THB } 160.56 \text{ million})}{(\text{THB } 730.31 \text{ million})}$ $= \text{Not applicable as the Company had net loss in 2023}$
3. Total value of consideration	$= \frac{\text{Total value of consideration}}{\text{Total Assets of the Company}}$ $= \frac{\text{THB } 5,942 \text{ million}}{\text{THB } 17,883.52 \text{ million}}$ $= 33.23\%$
4. Value of Securities Issued by the Company as Consideration for the Asset	= Not applicable as the Company does not issue securities as consideration for assets

When considering the size of the disposition pursuant to each calculation method prescribed under Notification of the Acquisition or Disposition, the transaction size is of the highest value when calculated in accordance with the net tangible asset (NTA) value basis, which equals 77.16% of the total net tangible assets of the Company.

In addition, during the past 6 months prior to the date of the Company's Board of Directors' Meeting has resolved the Transaction, the Company has proceeded with the disposition of 7,500,000 shares (representing 25% of the total issued shares) of Principal Healthcare – Mukdahan Co., Ltd. to Ratch Group Public Company Limited where The Company's Board of Directors' Meeting approved the aforementioned transaction on December 22, 2023. Therefore, the calculation of transaction size for the asset disposition in this instance can be summarized as follows:

Summary of the aggregate transaction size of the asset disposition and other dispositions made during the past 6 months

Detail	Transaction size		
	Disposition of VB share	The past 6 months	Total
1. Net Tangible Asset (NTA)	77.16%	-	77.16%
2. Net Profit from Operation	Not applicable	-	-
3. Total value of consideration	33.23%	0.42%	33.65%
4. Value of Securities Issued by the Company as Consideration for the Asset	-	-	-
The highest value			77.16%

Based on the calculation of the transaction size according to the basis specified above, the Transaction has a transaction size of 77.16% in accordance with the net tangible asset (NTA) value basis, which is the highest value among all bases. When consolidating it with the size of the disposition transaction entered into by the Company during the past six months prior to the date of the Company's Board of Directors' Meeting has resolved the Transaction, the aggregate transaction size equals 77.16% in accordance with the net tangible asset (NTA) value basis. The transaction is therefore classified as Class 1 Transaction pursuant to the Notification of the Acquisition or Disposition, having a transaction size of 50.00% or more

but less than 100.00%. Based on the foregoing, the Company is obliged to prepare an information memorandum concerning the disposition of assets and disclose it to the SET, arrange for an independent financial advisor to provide opinion on the disposition of assets to the shareholders, and convene a general meeting of shareholders to approve the entry into such transaction.

Calculation of transaction size for the connected transaction

The Transaction is considered a connected transaction pursuant to the Notification of the Capital Market Supervisory Board No. TorJor. 21/2008 entitled Rules on Related Party Transactions and the Notification of the Board of Governors of the SET entitled Disclosure of Information and Act of Listed Company Concerning the Connected Transactions, 2003 (as amended) (the “Notifications on Connected Transactions”) as Miss Satita Viddayakorn (“Khun Satita”), who is the major shareholder of VMS, the purchaser of VB Shares, is also the Company’s major shareholder. Further, Khun Satita is also a director of VB and a daughter of Dr. Satit Viddayakorn, who is a major shareholder and a director of the Company. The connected transaction size calculated based on the audited consolidated financial statements of the Company for the year ended December 31, 2023, with the details as follows:

Calculation of transaction size for the connected transaction

Basis of transaction size calculation	Calculation
Net Tangible Asset (NTA)	= $\frac{\text{Value of Received Consideration from the connected person}}{\text{NTA of the Company}}$
	= $\frac{\text{THB 5,942 million}}{\text{THB 6,614.19 million}}$
	= 89.84%

Based on the calculation above under the Notifications on Connected Transactions, the transaction size equals 89.84% of the total net tangible assets, which exceeds 3.00% of the total net tangible assets of the Company based on the audited consolidated financial statements of the Company. In this connection, the Company has not entered into any previous related party transaction during the six-month period prior to the transaction. Based on the foregoing, the Company is therefore obliged to prepare an information memorandum concerning the connected transaction and disclose it to the SET, appoint an independent financial advisor to provide an opinion regarding the connected transaction to the shareholders as well as convene a general meeting of shareholders to approve the entry into such transaction.

The interested shareholders comprise the following persons:

Names of Shareholders	No. of Shares (shares)	Shareholding Proportion (%)
1. Miss Satita Viddayakorn	1,725,491,745	45.31
2. Mr. Satit Viddayakorn	654,999,700	17.20
3. Peak Development Holdings Ltd.	157,737,029	4.14
4. Miss Pallapa Viddayakorn	48,986,700	1.29
5. Miss Tanatorn Viddayakorn	22,985,100	0.60

Remark: Information as of 14 March 2023

1.1.3 Relevant Parties and Relationship between parties

Purchaser	V Management Services Co., Ltd.
Seller	Principal Capital Public Company Limited
Relationship	VMS and the Company are regarded as related parties, as Ms. Satita, who holds 99.99% shares in VMS, is also a major shareholder in the Company, holding 45.31% of the Company shares. Further, Khun Satita is also a director of VB and a

	daughter of Dr. Satit Viddayakorn, who is a major shareholder and a director of the Company.
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1.1.4 Key Terms and Conditions of the Agreement

The summary of SPA key terms and conditions

Purchaser	V Management Services Co., Ltd. or VMS
Seller	Principal Capital Public Company Limited or the Company
Sale Shares	A total of VB Shares 633,089,998 shares comprising, <ul style="list-style-type: none"> • 583,599,998 ordinary shares with a par value of THB 10 per share and • 49,490,000 preference shares with a par value of THB 10 per share
Completion Date	Approximately within July 2024
Purchase Price and Payment Terms	VMS agrees to pay the purchase price of approximately THB 9.39 per share, totaling not less than THB 5,942 million in the following manners: <ol style="list-style-type: none"> 1. in cash in the amount of approximately THB 3,921 million, whereby VMS will provide the Company with a deposit in amount of THB 1,000 million within 90 days from the date on which the Disposition of VB Shares is approved by the shareholders' meeting of the Company and will pay the remaining purchase price in a form of cash of approximately THB 2,921 million to the Company on the completion date of the sale of VB Shares; and 2. by assumption of obligations and liabilities owed by the Company to VB under the loan agreement and promissory notes in the total amount of THB 2,021 million on the completion date of the sale of VB Shares.
Conditions Precedent	The Disposition of VB Shares shall occur upon fulfillment of certain conditions specified in the SPA which include but not limited to the following: <ol style="list-style-type: none"> 1. The Company has obtained the approval from the shareholders' meeting to execute and perform its obligations under the SPA. 2. VB has duly held the board of directors' meeting and shareholders' meeting to approve the change of director (name and authority), the change of the bank signatories as requested by the Purchaser, with effect upon Closing. 3. The Company has no outstanding loans owed to the VB Group, except for those under the loan agreement and promissory notes that the Company owes to VB in the total amount of THB 2,021 million, which will be the transferee to VMS on the completion date of the sale of VB Shares. 4. The Company has arranged for VB to notify its lender(s) and/or counterparty(ies) of the entering into the Disposition of VB Shares as may be required under the relevant agreements. 5. Following receipt of the Deposit from VMS, the Company has obtained the release of, or binding agreements to release, all encumbrances^{/1} on the real properties of the VB Group, such that, at Closing, VB Group own their real properties free and clear of all encumbrances, unless otherwise agreed between the Parties. 6. The Company has submitted a written letter on waiving its right to buy back the assets of the VRES under the Debt Restructuring Agreement (Asset Warehousing) between the Bank of Ayudhya Public Company Limited, the Company, and VRES dated 10 February 2024 (the "Debt Restructuring Agreement") to VRES and a written notice to the Bank of Ayudhya Public Company Limited on such matter. 7. The Seller has submitted a letter to extend the buy-back period under the Debt Restructuring Agreement for an additional one year, in accordance with the Attachment 3 of the agreement^{/2}.

	<p><i>Remark: /1 BBC Building is currently mortgaged as collateral for the Company's loan with Bangkok Bank Public Company Limited which VB group must completely proceed before the transfer date of sales and purchase share.</i></p> <p><i>/2 According to the Company's Board of Directors Meeting No. 9/2021, held on November 12, 2021, it was resolved to approve participation in the Asset Warehousing Project of the Bank of Thailand (the "Project") as referred to measures to recover business operators affected by the Covid-19 outbreak. VRES has transferred ownership of land and buildings of the Somerset Ekamai Bangkok project to Bank of Ayudhya for settlement of the debts under the Project. Bank of Ayudhya has granted the Company and/or VRES the right to lease and/or repurchase the said assets within a period of 3 years (with allowing for extend the Project period for 2 times, 1 year per times). During the project period, VRES has rented the assets of the Somerset Ekamai Bangkok Project from Bank of Ayudhya to operate the hotel business as usual. In addition, the Company will proceed to notify its intention to extend the Project period for one more time and also to waive the right to repurchase the assets of VRES before the transfer date of sales and purchase share, in order to comply with the conditions of entering into the Transaction under the share purchase agreement.</i></p>
<p>Other terms and conditions</p>	<ol style="list-style-type: none"> 1. VB Group to operate in the ordinary course of business until the Closing Date, including no dividend distribution unless prior consent of VMS is obtained in writing, however, VMS agrees that the Company may declare its dividends in respect of its 2023 performance (ending 31 December 2023) prior to Closing Date. 2. VB would make dividend distribution to its current shareholders, in an amount approximately THB 58.75 million based on its audited separated financial statement for the year ended 31 December 2023.

1.1.5 Total Value of the Consideration and Payment Method

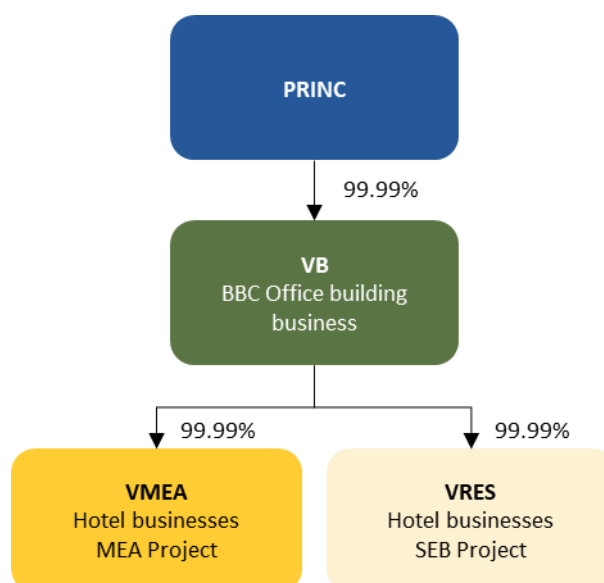
The total consideration of the proposed disposition of 633,089,998 VB shares equals not less than THB 5,942 million, which shall be paid by VMS to the Company in the following manners:

- (1) in cash in the amount of approximately THB 3,921 million, whereby VMS will provide the Company with a deposit in amount of THB 1,000 million within 90 days from the date on which the Disposition of VB Shares is approved by the shareholders' meeting of the Company and will pay the remaining purchase price in a form of cash of approximately THB 2,921 million to the Company on the completion date of the sale of VB Shares; and
- (2) by assumption of obligations and liabilities owed by the Company to VB under the loan agreement and promissory notes in the total amount of THB 2,021 million (The value of the debts is based on the audited separate financial statement of the Company for the year ended 31 December 2023). As specified in the SPA, the Company shall be responsible for the interests incurred in respect of such loan agreement and promissory notes for the period from December 31, 2023 until the date immediately preceding the completion date of the sale of VB Shares.

1.1.6 Assets information

VB engages in leasing out an office building, the "BBC Building and directly holds approximately 99.99% of shares in its two subsidiaries, (1) VMEA which operates hotel and services apartment businesses, Marriott Executive Apartment Sathorn-Vista, and (2) VRES which operates hotel and services apartment businesses, Somerset Ekamai Bangkok. (VB, VMEA, and VRES collectively referred to as the "VB Group"). The current shareholding structure of VB Group is as follows:

The current shareholding structure of VB Group



In this regard, the details of VB group companies are as follows:

1) Information of V Brilliant Group Holding Co., Ltd. (VB)

a) General information of VB

VB was established on January 14, 2013, to engage in real estate investment and development business. In 2016, the Company purchased ordinary shares and preference shares, totaling 99.99% of the total issued and paid-up shares of VB. Additionally, in 2021, VB acquired and accepted the transfer of leasing out office building business, BBC Building, from V Intelligence Co., Ltd. (“VI”), a subsidiary of VB. The general information about VB is detailed as follows:

Company Name	:	V Brilliant Group Holding Co., Ltd.
Registration Number	:	0105556006937
Registration date	:	14 January 2013
Address	:	No. 29 Bangkok Business Center Building, 23rd Floor, Sukhumvit 63 Road, Khlong Tan Nuea Sub-district, Watthana District, Bangkok 10110
Nature of business	:	Investing in other companies and leasing out office building
Issued and paid-up share capital	:	THB 6,330,900,000
No. of share	:	633,090,000 shares with a par value of THB 10.00 per share.

b) List of VB shareholders

As of 28 February 2024, VB has number of issued and paid-up share equals to 633,090,000 shares with the details as follows:

List of VB shareholders

No.	Name	No. of Shares (shares)	Proportion (%)
1	Principal Capital Public Company Limited	633,089,998	99.99
2	Miss Satita Viddayakorn	1	0.00
3	Miss Monticha Autchapun	1	0.00
Total		633,090,000	100

Source: The Company

c) Directors of VB

As of 28 February 2024, VB directors are detailed as follows:

Directors of VB

No.	Name	Position
1	Dr. Satit Viddayakorn	Director
2	Miss Preeyaporn Apiwatwittaya	Director
3	Miss Satita Viddayakorn	Director

Source: The Company

d) Information of Key assets used in operations of VB

Key assets used in operations of VB is Bangkok Business Center building which operated as office and commercial area rental business. The details are as follows:



Location	<p>: No. 29 Sukhumvit 63 Road (Ekamai Road), Khlong Toei Nuea Sub-district, Watthana District, Bangkok</p> <p style="text-align: center;">Location of Bangkok Business Center building</p>																																
Land	<p>: The land, which serves as the property's location, consists of two title deeds with a total area of 1-3-9.0 rai (709.0 sq.wah). The details are as follows:</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th>No.</th> <th>Title Deeds No.</th> <th>Lot. No.</th> <th>Survey No.</th> <th colspan="3">rai-ngan-sq.wah</th> <th>Registered Area (sq. wah)</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>8330</td> <td>450</td> <td>1675</td> <td>1</td> <td>2</td> <td>26.0</td> <td>626.0</td> </tr> <tr> <td>2</td> <td>188885</td> <td>1354</td> <td>24745</td> <td>-</td> <td>-</td> <td>83.0</td> <td>83.0</td> </tr> <tr> <td colspan="4" style="text-align: center;">Total</td> <td>1</td> <td>3</td> <td>9.0</td> <td>709.0</td> </tr> </tbody> </table>	No.	Title Deeds No.	Lot. No.	Survey No.	rai-ngan-sq.wah			Registered Area (sq. wah)	1	8330	450	1675	1	2	26.0	626.0	2	188885	1354	24745	-	-	83.0	83.0	Total				1	3	9.0	709.0
No.	Title Deeds No.	Lot. No.	Survey No.	rai-ngan-sq.wah			Registered Area (sq. wah)																										
1	8330	450	1675	1	2	26.0	626.0																										
2	188885	1354	24745	-	-	83.0	83.0																										
Total				1	3	9.0	709.0																										

Building	:	The details of buildings can be summarized as follows: <table border="1"> <thead> <tr> <th>No.</th> <th>Details</th> <th>Usable area (Square meter)</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>A 30-storey building with a basement floor and a rooftop floor</td> <td>37,717.35</td> </tr> <tr> <td>2</td> <td>Concrete yard</td> <td>1,062.88</td> </tr> <tr> <td colspan="2">Total</td> <td>38,780.23</td> </tr> </tbody> </table> <p>Building Permit No. 768/1990 and Modification or Relocation Permit No. 15/2021</p>	No.	Details	Usable area (Square meter)	1	A 30-storey building with a basement floor and a rooftop floor	37,717.35	2	Concrete yard	1,062.88	Total		38,780.23												
No.	Details	Usable area (Square meter)																								
1	A 30-storey building with a basement floor and a rooftop floor	37,717.35																								
2	Concrete yard	1,062.88																								
Total		38,780.23																								
Owner	:	VB is the owner of land and building.																								
Leasable area	:	Leasable area of BBC building is detailed as follows: <table border="1"> <thead> <tr> <th>No.</th> <th>Details</th> <th>Leasable area (Square meter)</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>Office</td> <td>16,277.00</td> </tr> <tr> <td>2</td> <td>Commercial</td> <td>1,208.50</td> </tr> <tr> <td>3</td> <td>Studio</td> <td>531.70</td> </tr> <tr> <td colspan="2">Total</td> <td>18,017.20</td> </tr> </tbody> </table>	No.	Details	Leasable area (Square meter)	1	Office	16,277.00	2	Commercial	1,208.50	3	Studio	531.70	Total		18,017.20									
No.	Details	Leasable area (Square meter)																								
1	Office	16,277.00																								
2	Commercial	1,208.50																								
3	Studio	531.70																								
Total		18,017.20																								
Proximity to key locations	:	Approximately 500 meters from Ekamai BTS Station																								
Relevant laws	:	Located in the brown zoning area, which is designated as the highly populated area to be used for residential purpose.																								
Encumbrance	:	None																								
Operating performance	:	<table border="1"> <thead> <tr> <th>Item</th> <th>2019</th> <th>2020</th> <th>2021</th> <th>2022</th> <th>2023</th> </tr> </thead> <tbody> <tr> <td>Average rental rate (THB/sq.m.)</td> <td>581</td> <td>601</td> <td>597</td> <td>610</td> <td>604</td> </tr> <tr> <td>Occupancy rate for office area (%)</td> <td>86.04</td> <td>84.24</td> <td>80.01</td> <td>71.88</td> <td>74.17</td> </tr> <tr> <td>Occupancy rate for commercial area (%)</td> <td>68.46</td> <td>62.92</td> <td>64.33</td> <td>76.69</td> <td>82.38</td> </tr> </tbody> </table> <p><i>Remark: Performance of BBC building in 2019, 2020, and January 1, 2021 – April 30, 2021, refers to financial information of VI which was completely transferred entire business on April 30, 2021.</i></p>	Item	2019	2020	2021	2022	2023	Average rental rate (THB/sq.m.)	581	601	597	610	604	Occupancy rate for office area (%)	86.04	84.24	80.01	71.88	74.17	Occupancy rate for commercial area (%)	68.46	62.92	64.33	76.69	82.38
Item	2019	2020	2021	2022	2023																					
Average rental rate (THB/sq.m.)	581	601	597	610	604																					
Occupancy rate for office area (%)	86.04	84.24	80.01	71.88	74.17																					
Occupancy rate for commercial area (%)	68.46	62.92	64.33	76.69	82.38																					

e) Summary of VB's Financial Position and Operating Results

Financial information according to the financial statements of VB for the year ending December 31, 2021 - 2023, which has been audited by PricewaterhouseCoopers ABAS Ltd., has details summarized as follows:

V Brilliant Group Holding Co., Ltd.	31 Dec		
Statement of Financial Position (THB million)	2021	2022	2023
Current Assets			
Cash and cash equivalents	33.35	33.27	20.60
Trade and other receivables	1.57	2.78	2.12
Short-term loans to related parties	1,837.13	521.01	537.91
Other current assets	2.91	1.72	0.39
Non-current assets held for sale	1,196.25	-	-
Total current assets	3,071.21	558.78	561.02

Opinion of the Independent Financial Advisor on Disposal of Assets and Connected Transaction
(For the purpose of translation only)

V Brilliant Group Holding Co., Ltd.	31 Dec		
Statement of Financial Position (THB million)	2021	2022	2023
Non-current assets			
Investments in subsidiaries	3,451.00	3,451.00	3,451.00
Long-term loans to related parties	-	1,500.00	1,500.00
Investment property	-	1,177.93	1,135.36
Property, plant and equipment	1.01	2.86	2.83
Intangible assets	0.00	0.00	0.00
Other non-current assets	4.27	10.76	14.24
Total non-current assets	3,456.28	6,142.55	6,103.44
Total assets	6,527.50	6,701.34	6,664.46
Current liabilities			
Trade and other payables	5.70	5.89	5.12
Short-term loans from related parties	27.00	15.04	103.05
Current portion of long-term borrowings from financial institutions	-	44.24	109.14
Other current liabilities	31.89	11.01	9.40
Total current liabilities	64.59	76.18	226.71
Non-current liabilities			
Long-term loans from related parties	-	56.00	12.00
Employee benefit obligations	0.39	0.46	0.27
Deposit received from customers	-	22.97	25.14
Total non-current liabilities	0.39	79.43	37.41
Total liabilities	64.98	155.61	264.12
Shareholders' equity			
Authorized share capital	6,330.90	6,330.90	6,330.90
Issue and paid-up share capital	6,330.90	6,330.90	6,330.90
Retained earnings	131.61	214.83	69.44
Total shareholders' equity	6,462.51	6,545.73	6,400.34
Total liabilities and shareholders' equity	6,527.50	6,701.34	6,664.46

V Brilliant Group Holding Co., Ltd.	Jan - Dec		
Income Statement (THB million)	2021	2022	2023
Revenues from sales and services	78.48	115.77	120.15
Costs of sales and services	(37.48)	(76.83)	(105.51)
Gross profit	41.00	38.95	14.64
Dividend income	720.00	-	-
Interest income	42.52	53.73	54.56
Other income	0.95	0.44	0.53
Other gain (loss)	(91.83)	0.41	-
Profit (loss) before expenses	712.65	93.53	69.73
Service expenses	(0.20)	(0.01)	(0.81)
Administrative expenses	(10.58)	(7.39)	(6.26)
Earnings before interest and tax	701.87	86.13	62.67
Finance Cost	(2.91)	(2.91)	(4.03)
Profit (loss) for the year	698.96	83.22	58.64

V Brilliant Group Holding Co., Ltd.	Unit	2021	2022	2023
Key Financial Ratios				
Liquidity Ratio				
Current ratio	times	47.55	7.34	2.47

V Brilliant Group Holding Co., Ltd.	Unit	2021	2022	2023
Key Financial Ratios				
Quick ratio	times	0.54	0.47	0.10
Account receivable turnover ratio	times	97.16	53.21	49.04
Accounts payable turnover ratio	times	12.19	13.25	19.16
Average collection period	days	29.95	27.54	19.05
Average accounts payable days	days	3.76	6.86	7.44
Profitability Ratios				
Gross profit margin	%	52.25	33.64	12.19
Operating margin	%	894.30	74.39	52.16
Net profit margin	%	890.60	71.88	48.81
Return on equity	%	11.43	1.28	0.91
Efficiency Ratios				
Return on total assets	%	11.34	1.26	0.88
Total asset turnover	%	0.01	0.02	0.02
Financial Policy Ratios				
Debt to equity	times	0.01	0.02	0.04
Interest-bearing debt to equity	times	0.00	0.02	0.04

Management Discussion and Analysis of VB's Operating Results and Financial Position

Operating Results

Revenues from sales and services

For the year 2021 – 2023, VB had revenues from sales and services of THB 78.48 million, THB 115.77 million, and THB 120.15 million, respectively. Due to VB's acceptance of the transfer of leasing out office building business, BBC Building, from VI, which was completed on April 30, 2021, the revenue from sales and services in 2021 represents the performance of operating the BBC Building during May to December. Meanwhile, in 2022, it represents the performance from January to December. This resulted in VB experiencing an increase in revenues from sales and services in 2022 by THB 37.29 million, or a growth rate of 47.52% compared to the previous year. In 2023, VB's revenues from sales and services increased by THB 4.37 million, or a growth rate of 3.78% from 2022. This increase was due to the occupancy rate of the BBC Building increasing from 72.20% in 2022 to 74.72% in 2023, as a result of improvements made to the building's systems, such as upgrading the parking system to accommodate tenants' needs, leading to an increase in the number of tenants.

Costs of sales and services

For the year 2021 – 2023, VB had costs of sales and services of THB 37.48 million, THB 76.83 million, and THB 105.50 million, respectively. In 2022, VB's costs of sales and services increased from the previous year by THB 39.35 million, representing a growth rate of 105.00%. For 2023, compared to the same period the previous year, VB's costs of sales and services increased by THB 28.67 million, or a growth rate of 37.32%. The increase in costs of sales and services is mainly due to increased depreciation expenses on the building and increased expenditure on building maintenance.

Gross profit

For the year 2021 – 2023, VB had gross profit of THB 41.00 million, THB 38.95 million, and THB 14.64 million, respectively. This translates to gross profit margins of 52.25%, 33.64%, and 12.18% for each period respectively.

Other income

VB's other income consists of (1) Dividend income (2) Interest income (3) Other income and (4) Other gain (loss) for the year 2021 – 2023, VB had total other income of THB 671.65 million, THB 54.58 million, and

THB 55.09 million. VB's significant other income in 2021 is due to dividend income amounting to THB 720.00 million, received from its subsidiary company, VI.

Service expenses

For the years 2021 – 2023, VB had service expenses amounting to THB 0.20 million, THB 0.01 million, and THB 0.81 million, respectively. In 2022, VB's service expenses decreased by THB 0.19 million, representing a decrease rate of 95.09%. For 2023, compared to the same period in the previous year, VB's service expenses increased by THB 0.80 million, or an increase rate of 8,063.66%. The fluctuations in service expenses each year depend on the commissions incurred in the activity of securing office building tenants.

Administrative expenses

For the years 2021 - 2023, VB had administrative expenses amounting to THB 10.58 million, THB 7.39 million, and THB 6.26 million respectively. In 2022, VB's administrative expenses decreased by THB 3.19 million, or a decrease rate of 30.15%. This decrease was primarily due to the expenses incurred in the transfer of property rights to VB. In 2023, VB's administrative expenses decreased by THB 1.14 million, or a decrease rate of 15.36%. This decrease was mainly due to a reduction in management expenses.

Profit (loss) for the year

For the years 2021 - 2023, VB had profit for the year amounting to THB 698.96 million, THB 83.22 million, and THB 58.64 million respectively. In 2022, VB's profit for the year decreased by THB 615.74 million, or a decrease rate of 88.09%. This was due to the occurrence of a one-time event in 2021 where the company had dividend income of THB 720.00 million. For 2023, VB's profit for the year decreased by THB 24.58 million, or a decrease rate of 29.53%. This decrease was mainly due to increased costs of sales and services.

Financial Position

Assets

As of December 31, 2021 - 2023, VB had total assets of THB 6,527.50 million, THB 6,701.34 million, and THB 6,664.46 million respectively. The main asset is investments in subsidiaries, including investments in VMEA, VRES, and BBD, amounting to THB 3,451.00 million, representing 52.87%, 51.50%, and 51.78% of total assets for each respective year. In 2022, VB's total assets increased due to the long-term loans to related parties. Meanwhile, in 2023, the total assets decreased due to the depreciation of investment property.

Liabilities

As of December 31, 2021 - 2023, VB had total liabilities of THB 64.98 million, THB 155.61 million, and THB 264.12 million respectively. The main liabilities were loans from related parties, which included loans from VMEA and VRES, amounting to THB 27.00 million, THB 71.04 million, and THB 115.05 million for each respective year. These loans represented 41.55%, 45.65%, and 43.56% of total liabilities for each year. In 2022 and 2023, VB's total liabilities increased due to such loans from related parties.

Shareholders' equity

As of December 31, 2021 - 2023, VB had shareholders' equity of THB 6,462.51 million, THB 6,545.73 million, and THB 6,400.34 million respectively. This comprises (1) Issued and paid-up share capital of THB 6,330.90 million, which remained constant from December 31, 2021 - December 31, 2023, and (2) Retained earnings of THB 131.61 million, THB 214.83 million, and THB 69.44 million respectively, representing 2.04%, 3.28%, and 1.08% of total shareholders' equity for each respective year. In 2022, VB's retained earnings increased in line with the profit for the year. In 2023, VB paid dividends amounting to THB 204.03 million, resulting in a decrease in retained earnings compared to the previous year by THB 83.22 million.

f) Summary of VB Group's Financial Position and Operating Results

Financial information according to the Pro forma financial statement of VB for the year ending December 31, 2023, prepared by the Company has details summarized as follows:

Summary of VB Group's Financial Position and Operating Results for the Year 2023	
VB Group	31 Dec
Statement of Financial Position (THB million)	2023
Current Assets	
Cash and cash equivalents	339.76
Short-term investments	2.03
Trade and other receivables	16.94
Short-term loans to related parties	531.85
Other current assets	2.97
Total current assets	893.54
Non-current assets	
Long-term loans to related parties	1,504.96
Investment property	425.45
Property, plant and equipment	3,862.22
Intangible assets	0.12
Other non-current assets	16.04
Total non-current assets	5,808.80
Total assets	6,702.34
Current liabilities	
Trade and other payables	70.12
Advances received from customers	9.46
Current portion of long-term borrowings from financial institutions	36.32
Deposit received from customers	23.34
Other current liabilities	17.25
Total current liabilities	156.50
Non-current liabilities	
Long-term loans from related parties	1,393.01
Deposit received from customers	25.14
Employee benefit obligations	3.52
Other non-current liabilities	20.24
Total non-current liabilities	1,441.91
Total liabilities	1,598.41
Shareholders' equity	
Authorized share capital	6,330.90
Issue and paid-up share capital	6,330.90
Retained earnings	(1,226.96)
Total shareholders' equity	5,103.94
Total liabilities and shareholders' equity	6,702.34

VB Group	1 Jan - 31 Dec
Income Statement (THB million)	2023
Revenues from sales and services	577.38
Costs of sales and services	(280.58)
Gross profit	296.80
Interest income	55.48
Other income	3.50
Profit (loss) before expenses	355.79

VB Group	1 Jan - 31 Dec
Income Statement (THB million)	2023
Selling and administrative expenses	(177.00)
Other gain (loss)	18.79
Earnings before interest and tax	197.59
Finance Cost	(34.75)
Earnings before tax	162.84
Income tax (expense) income	(2.27)
Profit (loss) for the year	160.56

However, the pro forma financial information provided above may be different from information presented in the audited VB financial statements when it is made available.

2) Information of VMEA Company Limited (“VMEA”)

a) General information of VMEA

VMEA was established on 20 August 2020 to accept the Partial Business Transfer (PBT) from the Company which is the hotel and services apartment businesses of the MEA Project. VMEA holds the status of an indirect subsidiary of the Company, with shares owned through VB at a proportion of 99.99%. The general details of VMEA are outlined below:

Company Name	:	VMEA Company Limited
Registration Number	:	0105563122467
Registration date	:	20 August 2020
Address	:	No. 1 Soi Sathorn 3 (Soi Suan Phlu), Thung Maha Mek Sub-district, Sathon District, Bangkok 10120
Nature of business	:	Operating hotel and services apartment business
Issued and paid-up share capital	:	THB 2,000,000,000
No. of share	:	200,000,000 shares with a par value of THB 10 per share.

b) List of VMEA shareholders

As of 28 February 2024, VB has number of issued and paid-up share equals to 200,000,000 shares with the details as follows:

List of VMEA shareholders

No.	Name	No. of Shares (shares)	Proportion (%)
1	V Brilliant Group Holding Co., Ltd.	199,999,997	99.99
2	Dr. Satit Viddayakorn	1	0.00
3	Mr. Tharin lampetchapong	1	0.00
4	Dr. Satit Viddayakorn	1	0.00
Total		200,000,000	100

Source: The Company

c) Directors of VMEA

As of 28 February 2024, VMEA directors are detailed as follows:

Directors of VMEA

No.	Name	Position
1	Dr. Satit Viddayakorn	Director
2	Miss Preeyaporn Apiwatwittaya	Director
3	Miss Satita Viddayakorn	Director

Source: The Company

d) Information of Key assets used in operations of VMEA

Key assets used in operations of VMEA is Marriott Executive Apartment Sathorn-Vista which operated as hotel and services apartment. The details are as follows:



Location	: No. 1 Soi Suan Phlu, Thung Maha Mek Sub-district, Sathon District, Bangkok Location of Marriott Executive Apartment Sathorn-Vista 																																
Land	: The land, which serves as the property's location, consists of two title deeds with a total area of 2-0-34.4 rai (834.3 sq.wah). The details are as follows: <table border="1" style="margin-top: 10px;"> <thead> <tr> <th>No.</th> <th>Title Deeds No.</th> <th>Lot. No.</th> <th>Survey No.</th> <th colspan="3">rai-ngan-sq.wah</th> <th>Registered Area (sq. wah)</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>953</td> <td>325</td> <td>5754</td> <td>-</td> <td>-</td> <td>81.4</td> <td>81.4</td> </tr> <tr> <td>2</td> <td>2615</td> <td>5</td> <td>369</td> <td>1</td> <td>3</td> <td>52.9</td> <td>752.9</td> </tr> <tr> <td colspan="4" style="text-align: center;">Total</td> <td>2</td> <td>0</td> <td>34.3</td> <td>834.3</td> </tr> </tbody> </table>	No.	Title Deeds No.	Lot. No.	Survey No.	rai-ngan-sq.wah			Registered Area (sq. wah)	1	953	325	5754	-	-	81.4	81.4	2	2615	5	369	1	3	52.9	752.9	Total				2	0	34.3	834.3
No.	Title Deeds No.	Lot. No.	Survey No.	rai-ngan-sq.wah			Registered Area (sq. wah)																										
1	953	325	5754	-	-	81.4	81.4																										
2	2615	5	369	1	3	52.9	752.9																										
Total				2	0	34.3	834.3																										
Building	: The details of buildings can be summarized as follows:																																

No.	Details	Usable area (Sqaure meter)
1	A 31-storey hotel building	3,1687.26
2	Roads and concrete yards	1,416.95
Total		33,104.21

Building Permit No. 40/2009 and Hotel License No. 40/2020

Owner	VMEA is the owner of land and building.																		
Leaseable area	: 187 rooms ^{/1} with 3 room types as follows: <ul style="list-style-type: none"> - Bed Deluxe 97 rooms - Bed Premier 27 rooms - Bed Executive 63 rooms <i>Remark: /1 Include spare rooms</i>																		
Proximity to key locations	: BNH hospital approximately 0.50 kilometers Embassy of the Republic of Singapore approximately 0.50 kilometers Embassy of Germany approximately 0.75 kilometers Lumpini MRT Station approximately 1.00 kilometers Chong Nonsi BTS Station approximately 1.10 kilometers																		
Relevant laws	: Located in the red zone, which is designated for commercial land use.																		
Encumbrance	: None																		
Operating performance	: <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th>Item</th> <th>2019</th> <th>2020</th> <th>2021</th> <th>2022</th> <th>2023</th> </tr> </thead> <tbody> <tr> <td>Average daily room rate (THB/night)</td> <td>4,308</td> <td>3,461</td> <td>2,774</td> <td>3,703</td> <td>4,368</td> </tr> <tr> <td>Occupancy rate (%)</td> <td>82.26</td> <td>48.27</td> <td>41.37</td> <td>74.37</td> <td>84.27</td> </tr> </tbody> </table>	Item	2019	2020	2021	2022	2023	Average daily room rate (THB/night)	4,308	3,461	2,774	3,703	4,368	Occupancy rate (%)	82.26	48.27	41.37	74.37	84.27
Item	2019	2020	2021	2022	2023														
Average daily room rate (THB/night)	4,308	3,461	2,774	3,703	4,368														
Occupancy rate (%)	82.26	48.27	41.37	74.37	84.27														

e) Summary of VMEA's Financial Position and Operating Results

Financial information according to the financial statements of VMEA for the year ending December 31, 2021 - 2023, which has been audited by PricewaterhouseCoopers ABAS Ltd., has details summarized as follows:

Summary of VMEA's Financial Position and Operating Results for the Year 2021 - 2023

VMEA Company Limited	31 Dec		
Statement of Financial Position (THB million)	2021	2022	2023
Current Assets			
Cash and cash equivalents	22.06	72.48	60.83
Short-term investments	-	2.01	2.03
Trade and other receivables	5.66	9.34	7.36
Short-term loans to related parties	27.00	15.04	103.05
Inventories	0.16	0.27	0.29
Other current assets	0.12	1.26	0.27
Total current assets	55.00	100.40	173.84
Non-current assets			
Property, plant and equipment	1,922.67	1,882.29	1,850.59
Intangible assets	0.34	0.16	0.12
Other non-current assets	1.91	1.41	1.44
Total non-current assets	1,924.92	1,883.86	1,852.16
Total assets	1,979.92	1,984.25	2,026.00
Current liabilities			
Trade and other payables	21.01	24.19	23.75

Opinion of the Independent Financial Advisor on Disposal of Assets and Connected Transaction
(For the purpose of translation only)

VMEA Company Limited	31 Dec		
Statement of Financial Position (THB million)	2021	2022	2023
Advances received from customers	3.41	2.66	3.21
Current portion of finance lease liabilities	0.37	0.36	-
Deposit received from customers	7.22	6.29	8.28
Other current liabilities	1.38	1.06	0.73
Total current liabilities	33.39	34.56	35.98
Non-current liabilities			
Finance lease liabilities	0.36	-	-
Employee benefit obligations	3.75	3.94	2.42
Total non-current liabilities	4.10	3.94	2.42
Total liabilities	37.49	38.51	38.40
Shareholders' equity			
Authorized share capital	2,000.00	2,000.00	2,000.00
Issue and paid-up share capital	2,000.00	2,000.00	2,000.00
Retained earnings	(57.58)	(54.25)	(12.40)
Total shareholders' equity	1,942.42	1,945.75	1,987.60
Total liabilities and shareholders' equity	1,979.92	1,984.25	2,026.00

VMEA Company Limited	Jan - Dec		
Income Statement (THB million)	2021	2022	2023
Revenues from sales and services	76.29	181.38	238.94
Costs of sales and services	(75.08)	(91.27)	(100.24)
Gross profit	1.21	90.10	138.70
Interest income	0.75	0.61	1.77
Other income	1.50	2.75	2.92
Service expenses	(5.80)	(9.66)	(17.16)
Administrative expenses	(54.87)	(80.47)	(84.37)
Earnings before interest and tax	(57.21)	3.34	41.86
Finance Cost	(0.04)	(0.02)	(0.01)
Profit (loss) for the year	(57.25)	3.32	41.86

VMEA Company Limited	Unit	2021	2022	2023
Key Financial Ratios				
Liquidity Ratio				
Current ratio	times	1.65	2.90	4.83
Quick ratio	times	0.83	2.37	1.90
Account receivable turnover ratio	times	13.18	24.17	28.60
Accounts payable turnover ratio	times	5.25	4.04	4.18
Average collection period	days	69.52	90.39	87.29
Average accounts payable days	days	27.69	15.10	12.76
Profitability Ratios				
Gross profit margin	%	1.58	49.68	58.05
Operating margin	%	(74.99)	1.84	17.52
Net profit margin	%	(75.04)	1.83	17.52
Return on equity	%	(2.90)	0.17	2.13
Efficiency Ratios				
Return on total assets	%	(2.86)	0.17	2.09
Total asset turnover	%	0.04	0.09	0.12
Financial Policy Ratios				

VMEA Company Limited	Unit	2021	2022	2023
Key Financial Ratios				
Debt to equity	times	0.02	0.02	0.02
Interest-bearing debt to equity	times	0.02	0.02	0.02

Management Discussion and Analysis of VMEA's Operating Results and Financial Position

Operating Results

Revenues from sales and services

For the years 2021 - 2023, VMEA had revenues from sales and services of THB 76.29 million, THB 181.38 million, and THB 238.94 million, respectively. In 2022, VMEA experienced an increase in revenues from sales and services compared to the previous year, amounting to THB 105.09 million or a growth rate of 137.76%. Additionally, for the year 2023, compared to the corresponding period of the previous year, VMEA had revenues from sales and services increase by THB 57.56 million, or a growth rate of 31.74%. The main reason for the revenue increase is attributed to the relaxation of the Covid-19 situation, leading to an increase in both international and Thai tourists in the year 2022 - 2023. Furthermore, the reduction in various economic stimulus measures and policies by the government sector has enabled the company to fully resume business operations and provide services.

Costs of sales and services

For the years 2021 - 2023, VMEA had costs of sales and services of THB 75.08 million, THB 91.27 million, and THB 100.24 million, respectively. In 2022, VMEA experienced an increase in costs of sales and services compared to the previous year, amounting to THB 16.19 million or a growth rate of 21.56%. Additionally, for the year 2023, compared to the corresponding period of the previous year, VMEA had cost of sales and services increase by THB 8.97 million, or a growth rate of 9.83%. The main reason for the increase in costs of sales and services is attributed to the resumption of operations of hotel and services apartment during the 2022 and 2023 periods.

Gross profit

For the year 2021 – 2023, VMEA had gross profit of THB 1.21 million, THB 90.10 million, and THB 138.70 million, respectively. This translates to gross profit margins of 1.58%, 49.68%, and 58.05% for each period respectively.

Service expenses

For the years 2021 – 2023, VMEA had service expenses amounting to THB 5.80 million, THB 9.66 million, and THB 17.16 million, respectively. In 2022, VMEA's service expenses increased by THB 3.86 million, representing an increase rate of 66.56%. For 2023, compared to the same period in the previous year, VMEA's service expenses increased by THB 7.51 million, or an increase rate of 77.73%. The main reason for the increase was the adjustment and increase in expenses related to advertising and public relations efforts to attract customers, both international and Thai tourists.

Administrative expenses

For the years 2021 - 2023, VMEA had administrative expenses amounting to THB 54.87 million, THB 80.47 million, and THB 84.37 million respectively. In 2022, VMEA's administrative expenses increased by THB 25.60 million, or an increase rate of 46.65%. In 2023, VMEA's administrative expenses increased by THB 3.90 million, or an increase rate of 4.85%. This decrease was mainly due to a reduction in management expenses. The main reason for the increase in administrative expenses in 2022 and 2023 came from the growth in salaries and employee benefits, as well as the increase in public utility expenses.

Profit (loss) for the year

For the years 2021 - 2023, VMEA had profit (loss) for the year amounting to THB (57.25) million, THB 3.32 million, and THB 41.86 million respectively. In 2022, VMEA's profit for the year increased by THB 60.57

million, or an increase rate of 105.80%. For 2023, VMEA's profit for the year increased by THB 38,54 million, or an increase rate of 1,160.63%.

Financial Position

Assets

As of December 31, 2021 - 2023, VMEA had total assets of THB 1,979.92 million, THB 1,984.25 million, and THB 2,026.00 million respectively. The main assets are property, plant and equipment used in hotel and services apartment business amounting to THB 1,922.67 million, THB 1,882.29 million, and THB 1,850.59 million, respectively. This represents 97.11%, 94.86%, and 91.34% of the total assets for each respective year. There were no significant changes in total assets during each year.

Liabilities

As of December 31, 2021 - 2023, VMEA had total liabilities of THB 37.49 million, THB 38.51 million, and THB 38.40 million respectively. The main liabilities were Trade and other payables, which consisting of trade payables from related parties and other businesses, and accrued expenses amounting to THB 21.01 million, THB 24.19 million, and THB 23.75 million for each respective year, represented 56.04%, 62.83%, and 61.85% of total liabilities for each year. There were no significant changes in total liabilities during each year.

Shareholders' equity

As of December 31, 2021 - 2023, VMEA had shareholders' equity of THB 1,942.42 million, THB 1,945.75 million, and THB 1,987.60 million respectively. This comprises (1) Issued and paid-up share capital of THB 2,000.00 million, which remained constant from December 31, 2021 - December 31, 2023, and (2) Retained earnings (loss) of THB (57.58) million, THB (54.25) million, and THB (12.40) million respectively, representing (2.96%), (2.79%), and (0.62%) of total shareholders' equity for each respective year.

3) Information of V Residence Company Limited (“VRES”)

a) General information of VRES

VRES was established on January 25, 2013, and began operating hotel and services apartment businesses under the SEB project in 2016. VRES is a subsidiary of the Company, with the Company holding a 99.99% share through VB. General information about VRES is as follows:

Company Name	:	V Residence Company Limited
Registration Number	:	0105556015847
Registration date	:	January 25, 2013
Address	:	No. 29 Bangkok Business Center Building, 23rd Floor, Sukhumvit 63 Road, Khlong Tan Nuea Sub-district, Watthana District, Bangkok
Nature of business	:	Hotel and services apartment
Issued and paid-up share capital	:	THB 1,000,000,000
No. of share	:	100,000,000 shares with a par value of THB 10 per share

b) List of VRES shareholders

As of 28 February 2024, VB has number of issued and paid-up share equals to 100,000,000 shares with the details as follows:

List of VRES shareholders

No.	Name	No. of Shares (shares)	Proportion (%)
1	V Brilliant Group Holding Co., Ltd.	99,999,980	100.00

Opinion of the Independent Financial Advisor on Disposal of Assets and Connected Transaction
(For the purpose of translation only)

No.	Name	No. of Shares (shares)	Proportion (%)
2	Miss Monticha Autchapun	1	0.00
3	Miss Satita Viddayakorn	1	0.00
รวม		100,000,000	100.00

Source: The Company

c) Directors of VRES

As of 28 February 2024, VMEA directors are detailed as follows:

Directors of VRES

No.	Name	Position
1	Dr. Satit Viddayakorn	Director
2	Miss Preeyaporn Apiwatwittaya	Director
3	Miss Satita Viddayakorn	Director

Source: The Company

d) Information of Key assets used in operations of VRES

Key assets used in operations of VMEA is Somerset Ekamai Bangkok which operated as hotel and services apartment. The details are as follows:



Location	:	22/1 Ekamai Soi 2, Sukhumvit 63 Road, Phra Khanong Nua, Wattana, Bangkok
<p>Location of Somerset Ekamai Bangkok</p>		

Land	<p>: The land, which serves as the property's location, consists of five title deeds with a total area of 5-1-94 rai (2,194 sq.wah). The details are as follows:</p> <table border="1" data-bbox="563 286 1401 618"> <thead> <tr> <th>No.</th> <th>Title Deeds No.</th> <th>Lot. No.</th> <th>Survey No.</th> <th colspan="3">rai-ngan-sq.wah</th> <th>Registered Area (sq. wah)</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>3089</td> <td>1962</td> <td>1024</td> <td>0</td> <td>2</td> <td>59</td> <td>259</td> </tr> <tr> <td>2</td> <td>3090</td> <td>1469</td> <td>1025</td> <td>0</td> <td>2</td> <td>61</td> <td>261</td> </tr> <tr> <td>3</td> <td>3091</td> <td>1471</td> <td>1022</td> <td>1</td> <td>3</td> <td>61</td> <td>761</td> </tr> <tr> <td>4</td> <td>8353</td> <td>1496</td> <td>1698</td> <td>1</td> <td>2</td> <td>95</td> <td>695</td> </tr> <tr> <td>5</td> <td>33814</td> <td>1468</td> <td>8216</td> <td>0</td> <td>2</td> <td>18</td> <td>218</td> </tr> <tr> <td colspan="4">Total</td> <td>5</td> <td>1</td> <td>94</td> <td>2,194</td> </tr> </tbody> </table>	No.	Title Deeds No.	Lot. No.	Survey No.	rai-ngan-sq.wah			Registered Area (sq. wah)	1	3089	1962	1024	0	2	59	259	2	3090	1469	1025	0	2	61	261	3	3091	1471	1022	1	3	61	761	4	8353	1496	1698	1	2	95	695	5	33814	1468	8216	0	2	18	218	Total				5	1	94	2,194
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Owner	<p>: Bank of Ayudhya Public Company Limited is the owner of land and building.</p>																																																								
Leaseable area	<p>: 262 rooms devided into 3 towers as follows:</p> <ul style="list-style-type: none"> - Tower A 130 rooms - Tower B 81 rooms - Tower C 51 rooms 																																																								
Proximity to key locations	<p>: Ekamai BTS Station approximately 0.60 kilometers Big C Supercenter Ekamai approximately 0.65 kilometers Gateway Ekamai Shopping Center approximately 0.75 kilometers Science Center for Education (Bangkok Planetarium) approximately 0.80 kilometers Sukhumvit Hospital approximately 0.90 kilometers</p>																																																								
Relevant laws	<p>: Located in the brown zoning area, which is designated as the highly populated area to be used for residential purpose.</p>																																																								
Encumbrance	<p>: There are two encumbrances on the property, detailed as follows:</p> <ol style="list-style-type: none"> 1. Debt Restructuring Agreement (Asset Warehousing) between the Bank of Ayudhya Public Company Limited (creditor) with the Company and VRES (debtor or transferee) dated February 10, 2024. the Company and VRES as a debtor have agreed to transfer assets to the creditor for debt repayment, subject to conditions for repurchasing the transferred assets within the specified period, not exceeding 5 years. 2. Property Lease Agreement (dated February 28, 2022) between Bank of Ayudhya Public Company Limited (lessor) and VRES (lessee), with a lease term of 3 years from February 28, 2022, to February 28, 2025. The lessee has the right to request two lease extensions, each not exceeding 1 year, totaling a maximum lease term of 5 years. 																																																								

Operating performance	:	Item	2019	2020	2021	2022	2023
		Average daily room rate (THB/night)	2,510	2,479	2,338	2,281	2,509
		Occupancy rate (%)	78.00	45.99	50.02	77.51	81.96

e) Summary of VRES's Financial Position and Operating Results

Financial information according to the financial statements of VRES for the year ending December 31, 2021 - 2023, which has been audited by PricewaterhouseCoopers ABAS Ltd., has details summarized as follows:

Summary of VRES's Financial Position and Operating Results for the Year 2021 - 2023

V Residence Company Limited	31 Dec		
Statement of Financial Position (THB million)	2021	2021	2021
Current Assets			
Cash and cash equivalents	55.13	115.77	136.08
Trade and other receivables	3.99	4.63	7.27
Short-term loans to related parties	-	-	65.00
Current portion of long-term loans to related parties	-	44.24	44.14
Other current assets	3.18	1.80	1.70
Total current assets	62.30	166.45	254.20
Non-current assets			
Long-term loans to related parties	-	56.00	12.00
Property, plant and equipment	2,078.18	2,040.40	2,008.79
Other non-current assets	0.34	0.44	0.29
Total non-current assets	2,078.52	2,096.83	2,021.08
Total assets	2,140.82	2,263.28	2,275.28
Current liabilities			
Trade and other payables	37.95	35.41	43.32
Short-term loans from related parties	1,363.09	-	-
Current portion of long-term borrowings from financial institutions	-	28.27	39.57
Retentions	14.21	14.21	14.21
Other current liabilities	11.81	11.43	11.51
Total current liabilities	1,427.06	89.31	108.60
Non-current liabilities			
Long-term loans from financial institution	-	1,450.22	1,410.00
Employee benefit obligations	0.88	1.25	0.83
Total non-current liabilities	0.88	1,451.47	1,410.83
Total liabilities	1,427.94	1,540.78	1,519.43
Shareholders' equity			
Authorized share capital	1,000.00	1,000.00	1,000.00
Issue and paid-up share capital	1,000.00	1,000.00	1,000.00
Retained earnings	(287.12)	(277.51)	(244.15)
Total shareholders' equity	712.88	722.49	755.85
Total liabilities and shareholders' equity	2,140.82	2,263.28	2,275.28

V Residence Company Limited Income Statement (THB million)	Jan - Dec		
	2021	2021	2021
Revenues from sales and services	121.40	187.34	212.28
Costs of sales and services	(100.66)	(95.46)	(98.91)
Gross profit	20.74	91.87	113.38
Interest income	0.06	2.53	3.21
Other income	0.63	-	-
Profit (loss) before expenses	21.43	94.41	116.59
Service expenses	(14.36)	(24.24)	(23.50)
Administrative expenses	(26.51)	(41.48)	(43.66)
Earnings before interest and tax	(19.44)	28.68	49.43
Finance Cost	(34.51)	(19.07)	(16.08)
Profit (loss) for the year	(53.95)	9.61	33.35

V Residence Company Limited Key Financial Ratios	Unit	2021	2022	2023
Liquidity Ratio				
Current ratio	times	0.04	1.86	2.34
Quick ratio	times	0.04	1.35	1.32
Account receivable turnover ratio	times	35.00	43.45	35.66
Accounts payable turnover ratio	times	3.35	2.60	2.46
Average collection period	days	109.08	140.24	148.56
Average accounts payable days	days	10.43	8.40	10.24
Profitability Ratios				
Gross profit margin	%	17.08	49.04	53.41
Operating margin	%	(16.59)	13.96	21.77
Net profit margin	%	(44.18)	5.06	15.48
Return on equity	%	(7.29)	1.34	4.51
Efficiency Ratios				
Return on total assets	%	(2.50)	0.44	1.47
Total asset turnover	%	17.76	11.75	10.69
Financial Policy Ratios				
Debt to equity	times	2.00	2.13	2.01
Interest-bearing debt to equity	times	1.91	2.05	1.92

Management Discussion and Analysis of VRES's Operating Results and Financial Position

Operating Results

Revenues from sales and services

VRES had revenues from sales and services of THB 121.40 million, THB 187.34 million, and THB 212.28 million, respectively. In 2022, VRES experienced an increase in revenues from sales and services compared to the previous year, amounting to THB 65.94 million or a growth rate of 54.31%. Additionally, for the year 2023, compared to the previous year, VRES had revenues from sales and services increase by THB 24.95 million, or a growth rate of 13.32%. The service income includes revenue from room services in both hotel and services apartment, revenue from food and beverages, revenue from space rental, and revenue from public utilities.

Costs of sales and services

For the years 2021 - 2023, VRES had costs of sales and services of THB 100.66 million, THB 95.46 million, and THB 98.91 million, respectively. In 2022, VRES experienced a decrease in costs of sales and services compared to the previous year, amounting to THB 5.20 million or a decrease rate of 5.17%. Additionally,

for the year 2023, compared to the previous year, VRES had cost of sales and services increase by THB 3.44 million, or a growth rate of 3.61%. The main costs of sales and services are room and service costs, food and beverage costs, and material costs.

Gross profit

For the year 2021 – 2023, VRES had gross profit of THB 20.74 million, THB 91.87 million, and THB 113.38 million, respectively. This translates to gross profit margins of 17.08%, 49.04%, and 53.41% for each period respectively.

Service expenses

For the years 2021 – 2023, VRES had service expenses amounting to THB 14.36 million, THB 24.24 million, and THB 23.50 million, respectively. In 2022, VRES's service expenses increased by THB 9.88 million, representing an increase rate of 68.80%. For 2023, compared to the same period in the previous year, VRES's service expenses decreased by THB 0.75 million, or a decrease rate of 3.09%.

Administrative expenses

For the years 2021 - 2023, VRES had administrative expenses amounting to THB 26.51 million, THB 41.48 million, and THB 43.66 million respectively. In 2022, VRES's administrative expenses increased by THB 14.96 million, or an increase rate of 56.44 %. In 2023, VRES's administrative expenses increased by THB 2.18 million, or an increase rate of 5.26%. The main reason for the increased administrative expenses is due to variable costs, primarily room maintenance and repair costs and the fees.

Profit (loss) for the year

For the years 2021 - 2023, VRES had profit (loss) for the year amounting to THB (53.59) million, THB 9.61 million, and THB 33.35 million respectively. In 2022, VRES's profit for the year increased by THB 63.56 million. For 2023, VRES's profit for the year increased by THB 23.74 million, or an increase rate of 247.00%. This was due to the continuous growth in revenues from sales and services, alongside the company's ability to maintain control over service costs.

Financial Position

Assets

As of December 31, 2021 - 2023, VRES had total assets of THB 2,140.92 million, THB 2,263.28 million, and THB 2,275.28 million respectively. The main assets are property, plant and equipment used in hotel and services apartment business of the SEB project amounting to THB 2,078.18 million, THB 2,040.40 million, and THB 2,008.79 million, respectively. This represents 97.07%, 90.15%, and 88.29% of the total assets for each respective year. There were no significant changes in total assets during each year.

Liabilities

As of December 31, 2021 - 2023, VRES had total liabilities of THB 1,427.94 million, THB 1,540.78 million, and THB 1,519.43 million respectively. The main liabilities were loans from financial institutions amounting to THB 1,450.22 million, THB 1,449.57 million, and THB 23.75 million for each respective year, representing 56.04%, 62.83%, and 61.85% of total liabilities for each year. There were no significant changes in total liabilities during each year.

Shareholders' equity

As of December 31, 2021 - 2023, VRES had shareholders' equity of THB 712.88 million, THB 722.49 million, and THB 755.85 million respectively. This comprises (1) Issued and paid-up share capital of THB 1,000.00 million, which remained constant from December 31, 2021 - December 31, 2023, and (2) Retained earnings (loss) of THB (278.12) million, THB (277.51) million, and THB (244.15) million respectively, representing (13.41%), (12.26%), and (10.73%) of total shareholders' equity for each respective year.

1.1.7 Effect to the Company's Consolidated Financial Statement from the Transaction

After the disposal transaction of all VB shares held by the Company, VB group shall not be a subsidiary both directly and indirectly. Therefore, the Company could not recognize the performance of VB group in the Company's consolidated financial statement. To illustrate the changes of company's consolidated financial statement, the Company prepared pro forma consolidated financial statement for the year ended December 31, 2023, under the assumption that the Company disposes all VB shares held by the Company as of January 1, 2023. This is to exclude the performance of VB group from the Company's consolidated financial statement and recognize gain from disposal of all investment in VB. In addition, the Company assumed to use cash received from the Transaction to repay loans from financial institution of THB 2,340.99 million. However, the information mentioned above is for reference for considering the approval of this Transaction. Therefore, the IFA shall not confirm the completeness and correctness of financial information as presented in the table. The details are as follows:

Pro Forma Financial Statement of the Company Ended December 31, 2023

Items (THB Million)	Ended December 31, 2023	
	Consolidated financial statement of the Company before the VB Disposal Transaction	Pro Forma Financial Statement of the Company after the VB Disposal Transaction
Statement of Financial Position		
Total Asset	17,883.52	14,763.79
Interest-Bearing Debt	6,431.63	2,661.31
Total Liabilities	8,315.94	4,402.84
Total Shareholders' Equity	9,567.59	10,360.95
Income Statement		
Revenues from sales and services	5,639.64	5,133.21
Costs of sales and services	(4,503.70)	(4,256.89)
Gross profit	1,135.94	876.32
Other income	99.92	95.40
Gain from Disposal of All Investment in VB	-	758.83
Total Expenses	(1,421.16)	(1,408.79)
Other Expenses	(266.80)	(133.12)
Earnings before Interest and Tax	(452.10)	188.64
Share of profit (loss) from an associate and joint ventures	0.48	0.48
Finance costs and Income Tax Expenses	(278.69)	(246.70)
Profit (loss) for the year	(730.31)	(57.58)
Key Financial Ratios		
Gross Profit Margin (per cent)	20.14	17.07
Earnings before Interest and Tax Margin (per cent)	(7.88)	3.15
Net Profit Margin (per cent)	(12.72)	(0.96)
Debt to Equity Ratio (times)	0.87	0.42
Interest-Bearing Debt to Equity Ratio (times)	0.67	0.26

From the table above, entering the Transaction shall decrease assets of the Company Group from THB 17,883.52 million to THB 14,763.79 million. While total liabilities shall decrease from THB 8,315.94 million to THB 4,402.84 million, since the Company shall not recognize liability obligation under debt restructuring agreement according to asset warehousing project, and the Company assumed to use cash received from

the Transaction to repay loan from financial institution to restructure financial structure. Sales and service revenue decreases from THB 5,639.64 million to THB 5,133.21 million, while net profit of the Company increases from THB (730.31) million to THB (57.58) million, since the Company recognizes gain from disposal of all investment in VB. If considering the key financial ratio, gross profit margin of the Company decreases from 20.14% to 17.07%. When considering the Company's financial structure, debt to equity ratio decreases from 0.87 times to 0.42 times, while interest-bearing debt to equity ratio decreases from 0.67 times to 0.26 times. The stronger financial position and capital structure shall increase the Company's ability to accept the investment opportunity and future growth in hospital business and healthcare business of the Company as referred to the Company's mission.

Part 2 Reasonableness of the Transaction

2.1 Objective of the Transaction

According to the Board of Directors' meeting No. 2/2024 on February 28, 2024, which approved to propose to shareholder's annual general meeting for the year 2024 on April 25, 2024, to approve the disposal of all VB shares held by the Company to VMS, a connected person of the Company. The number of shares to be disposed is 633,089,998 shares. The purchase price is approximately THB 9.39 per share, equivalent to not less than THB 5,942 million in total. The objective of such Transaction is to perform according to policy approved by the Board of Directors' meeting No. 6/2018 on October 17, 2018, which aims to expand hospital and related medical services business, which is main business of the Company, while ceases to expand property development business which is unrelated to main business. If there is a good and appropriate opportunity, the Company prepares to dispose property development business to interested investors. In addition, the Company plans to use received cash from the Transaction for working capital of the Company, repayment of loan, and expansion of hospital and medical service business which are the main business that the Company has profession.

2.2 Comparison between Advantages and Disadvantages of Entering into the Transaction

The IFA compared advantages and disadvantages of the Transaction by considering benefits to be received by shareholders from the Transaction as follows:

Advantages of entering the transaction

1. The Company shall recognize gain from disposal of total investment in VB

The disposal of shares in VB of 633.09 million shares, equivalent to 99.99% of total issued and paid-up shares of VB, to VMS, at sales and purchase price of approximately THB 9.39 per share, equivalent to not less than THB 5,942 million in total, shall affect the Company to recognize gain from disposal of total investment in VB before tax and other expenses in the Company's separated and consolidated financial statement of approximately THB 66 million and THB 830.25 million, respectively.

2. Restructuring of the Company Group to be consistent and appropriate with business operation policy

Such Transaction has an objective to dispose shares of VB and subsidiaries, which are owner of assets such as BBC Building, MEA Project, and SEB Project, to be consistent with business operation policy, and support the Company Group's restructuring to be appropriate according to policy which mainly aims to expand hospital and related medical service business, while ceases to expand unrelated property development business. The Company shall focus on the operation of the hospital business and related full medical service which are the main business that the Company has profession. During the past few years, the Company has performed according to such policy as mentioned in section 1.1.

3. The Company shall use the proceed derived from the disposition of VB shares for repayment of loan from financial institution, working capital, and investment in main business expansion

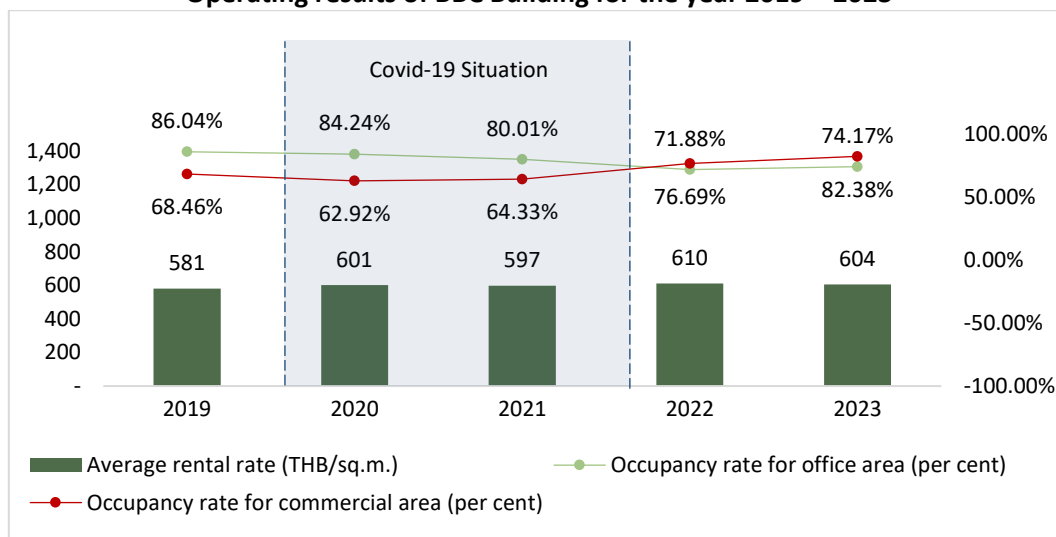
The Company is expected to receive cash from disposal of VB shares of approximately THB 3,921 million in total. The Company plans to use such cash to repay a loan from a financial institution which shall decrease the liabilities of the Company and affect the Company Group to have stronger financial position and capital structure. As of December 31, 2023, the Company Group had short-term and long-term loan from financial institution of THB 6,431.63 million as referred to audited financial statement for the fiscal year ended December 31. If the Company Group has a stronger financial position and capital structure, the Company shall have increased ability to receive

investment opportunity and growth in hospital business and healthcare business in the future. In addition, the Company could use such cash to be working capital for the operation of the Company Group, and investment in expansion of hospital and medical service business according to the Company's mission.

4. Decrease risk related to negative impact from property development business operation

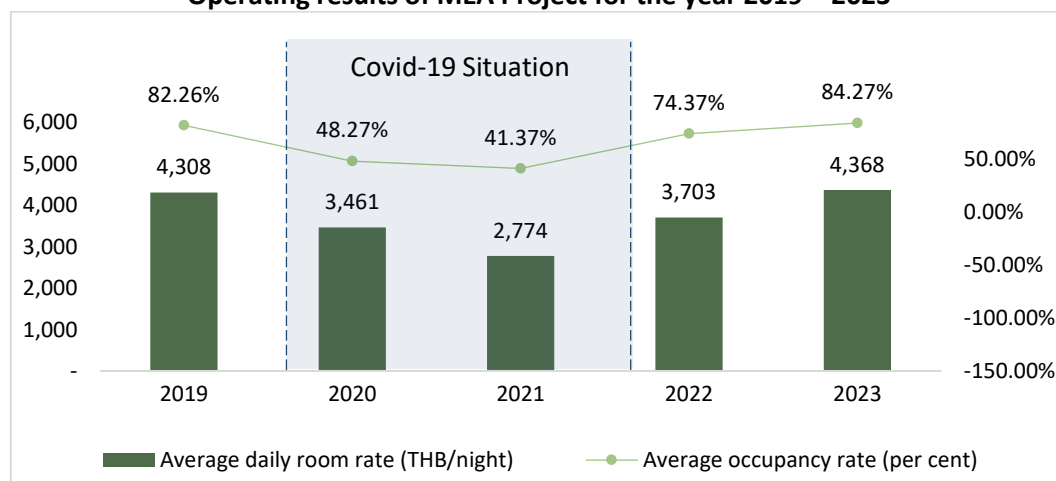
The COVID-19 outbreak during 2019 – 2022 affected the worldwide economic situation. VB which operated rental business of office building, BBC Building, was affected from impact of changes in working behavior to more hybrid workplace from various organizations, which is one of reason that impacts a slightly increase of demand in office rental which is less than the growth of supply. In addition, VB is a major shareholder of VMEA and VRES, hotel and service apartment operator for MEA Project and SEB Project, respectively. The performance of hotel and service apartment business depend on numbers of tourist, season, and foreigners working in Thailand. The performance is also highly fluctuated upon economy and is exposed to relatively high competitiveness of hotel business, affecting the tourists to have various alternatives to select the accommodation. Therefore, such factors might significantly affect the performance of VB and its subsidiaries in the future. The performance of core assets under VB and subsidiaries for the year 2019 – 2023 is summarized as follows:

Operating results of BBC Building for the year 2019 – 2023

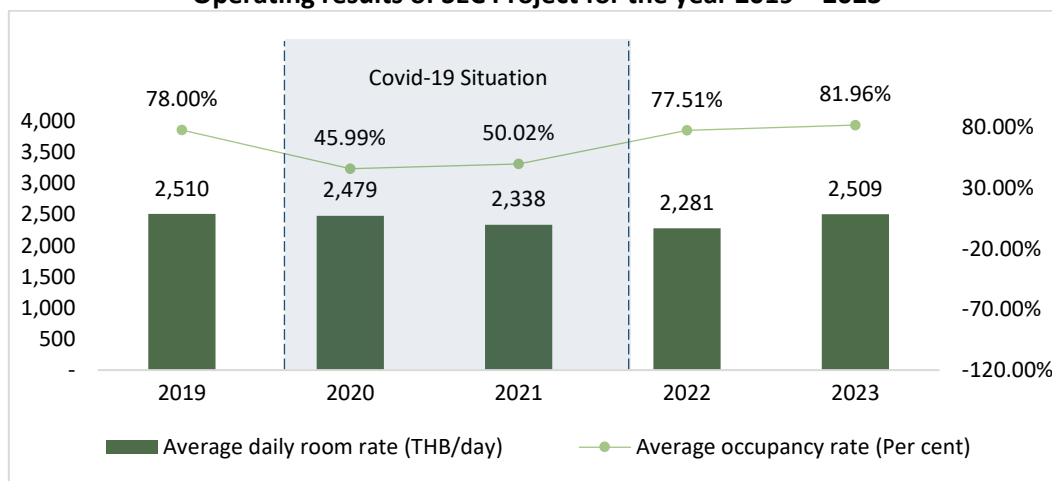


Remark: Performance of BBC building in 2019, 2020, and January 1, 2021 – April 30, 2021 refers to financial information of VI which was completely transferred entire business on April 30, 2021.

Operating results of MEA Project for the year 2019 – 2023



Operating results of SEC Project for the year 2019 – 2023



5. Decrease obligations in building management, as well as expenses and investment in building maintenance in the future

VB and subsidiaries have office buildings and hotel buildings, core assets to operate business, which shall continuously repair and maintain, to maintain the competitive advantages to compete with newly launched assets in nearby market. Therefore, the Transaction shall affect the Company to decrease obligations and expenses in management and maintenance of buildings and equipment in each year, as well as decrease investment in building maintenance in the future.

Disadvantages and risks of entering the Transaction

1. The Company shall not recognize performance of VB and its subsidiaries in consolidated financial statement of the Company

Part of the revenue of the Company Group is from the property development business. The disposal of all VB shares held by the Company is the disposal of property development business of the Company Group. After the Transaction, VB and subsidiaries shall cease to be direct and indirect subsidiaries of the Company. Therefore, the Company shall not recognize the performance of VB and subsidiaries in the consolidated financial statement of the Company and shall not have revenue from property development business. In 2021 – 2023, the property development business had revenue proportion of 6.2%, 7.1%, and 10.0% of total revenue of the Company Group, respectively. In addition, to illustrate the changes of the Company's consolidated financial statement, the Company prepared pro forma consolidated financial statement for the year ended December 31, 2023, as mentioned in section 1.1.7.

2. The Company might lose an opportunity to receive benefits if performance of VB and subsidiaries increases in the future

The core assets of VB and subsidiaries for business operation are BBC Building and SEB Project on Ekamai road with approximately 500 meters far from Ekamai BTS skytrain, and MEA Project in Soi Sathorn 3 with approximately 1.00 kilometers far from Chong Nonsi BTS skytrain. The mentioned projects are available for providing commercial services and could continuously generate benefits to the Company. Therefore, after the Transaction, the Company shall not be able to recognize benefits from the operation of VB and subsidiaries and shall lose an opportunity in case performance of VB and subsidiaries increases in the future.

After the Transaction, the Company shall not receive dividends from VB and subsidiaries. In 2023, VB paid dividend to the Company of THB 0.28 per share, equivalent to THB 204.03 million. However, if entering into the Transaction, the Company shall receive cash from the disposal of share of VB and subsidiaries at the value equivalent to the opportunity lost from such dividend.

3. The future investment might need long period for consideration and might be exposed to risk of unexpected benefits

The Company plans to use partial cash received from the Transaction to mainly invest in the hospital business and medical service business. However, the Company might use resources to procure and consider the investment opportunity to be in accordance with the business goal and strategy of the Company. However, future investment is uncertain. The Company shall be exposed to the risk of not receiving benefits from the investment proposal as expected.

4. The Company might have tax expenses from disposal of VB shares

If the Company receives an approval from the Board of Directors' meeting and shareholder's meeting of the Company on April 25, 2024, the disposal of VB shares is expected to be completed within July 2024. This shall affect the Company to receive gain from disposal of total investment in VB before tax and other expenses of not less than THB 66 million, which the Company might pay corporate income tax from such gain. However, as referred to preliminary projection from the Company as of December 31, 2023, the Company had tax loss carry-forwards during accounting period for the year 2019 – 2023 of approximately THB 294.99 million. This could be deemed as expenses and decrease the tax impact which might occur from gain to be received from disposal of VB shares.

Advantages of not entering the transaction

1. The Company shall have net profit and net assets from VB and subsidiaries' business

If not entering into the Transaction, VB group shall remain the subsidiary of the Company. Therefore, the Company shall recognize the performance of VB group by preparing a consolidated financial statement. In addition, the Company shall receive a dividend from VB as a benefit, if performance of VB and subsidiaries increase in the future.

2. The Company shall not have risk related to investment and uncertainty of benefits from investment

If not entering into the Transaction, the Company shall operate existing business and shall not lose resources to procure investment opportunity in place of this Transaction. Since future investment is uncertain, the Company shall not expose to risk of not receiving investment opportunity or not receiving benefits from investment proposal as expected.

Disadvantages and risks of not entering the Transaction

1. The Company might lose an opportunity to recognize gain from disposal of VB shares

The Company might lose an opportunity to recognize the gain from the disposal of investment in VB shares before tax and other expenses in the Company's separate financial statement of approximately THB 66 million.

2. The Company might lose an opportunity to dispose total investment in VB at once and at appropriate price

The disposal of all shares in VB held by the Company is in accordance with the Company's policy which mainly aims to expand the hospital business and ceases to expand the property development business. The Company is available for receiving an opportunity to dispose investment in existing projects to be source of fund for medical business development in the future. The Transaction is an opportunity to the Company to dispose all VB shares at appropriate price and recognize gain from such disposal, as well as use cash received from disposal of VB shares to repay loan from financial institution, use as working capital, and use as an investment for expansion of hospital and medical service business.

In addition, the disposal of VB shares to other investors might be relatively difficult and the disposal price is uncertain. The Company might be exposed to the risk of not being able to dispose VB shares at better price or conditions due to uncertainty of performance of VB group operating property development business.

3. The Company might lose an opportunity to restructure financial structure

If the Transaction receives an approval from shareholder's meeting of the Company on April 25, 2024, VMS shall pay deposit of THB 1,000 million to the Company within 90 days after the date which VB share disposal transaction is approved by shareholder's meeting of the Company, and VMS shall pay cash of approximately THB 2,919 million and transfer liabilities of the Company to VB under loan agreement and promissory note of THB 2,021 million on the closing date of share sales and purchase. This shall affect the Company to be able to use cash for repayment of loans from financial institutions and working capital, and not have obligations to procure source of funds for repayment of the Company's liabilities to VB in the future.

2.3 Comparison of advantages and disadvantages of entering the transaction with connected person

Advantages of entering the transaction with connected person

1. Decrease the process of negotiation of price and conditions of the transaction which fastens the operation and benefits both parties

Entering the Transaction with connected person enhances the flexibility in coordination of necessary information for decision making for the investment in VB. In addition, operation including negotiation of price and conditions could quickly perform and has high chance of success which benefit the Company and shareholders of the Company to objectively use cash received faster than entering the transaction with third parties.

2. Disposal price of VB shares and conditions of the transaction are appropriate

From the evaluation of fair value of VB by the IFA using sum of the parts approach, the fair value of VB share is THB 8.66 – 9.72 per share, comparing to VB share's sales and purchase price of approximately THB 9.39 per share, hence the IFA considered and had opinion that this price is appropriate. In addition, the Company could negotiate the conditions of the Transaction to be normal practice as agreed with third parties. The Company shall receive a deposit of THB 1,000 million before the share sales and purchase date. In addition, the purchaser shall transfer liabilities of the Company to VB under loan agreement and promissory note of THB 2,021 million on the date of share sales and purchase as mutually agreed by both contract parties. These are conditions which do not make the Company lose benefits as compared to entering into the transaction with third parties.

Disadvantages and risks of entering the transaction with connected person

1. The Company shall have obligation to perform according to regulations and have additional expenses from entering the transaction with connected person

The Transaction is connected transaction according to Notifications on Connected Transactions and calculation of transaction size as referred to audited consolidated financial statement of the Company for the year ended December 31, 2023. The Company has obligation to perform as follows: (1) arrange the Board of Directors' meeting and disclose information memorandum regarding acquisition or disposal of assets and related party transaction of the Company to SET (2) arrange the IFA to provide an opinion of the appropriateness of the transaction (3) arrange the shareholder's meeting to consider the approval of the transaction. These shall cause the Company to have additional expenses related to the Transaction such as the IFA fees, legal advisor fees, asset

appraiser fees, document expenses, and shareholder's meeting arrangement expenses. However, such expenses are one-time expenses occurred when entering the Transaction.

2. Might be doubtful for conflict of interest since this is the transaction with connected person

Since Miss Satita Viddayakorn is a major shareholder of the Company and a major shareholder of VMS, the purchaser, this might incur doubts for conflict of interest. However, for this Transaction, the Company had opened for other interested investor to propose price and conditions to purchase assets, and compared with the proposal received from VMS, to make the procedure of assets disposal transparent and do not limit rights of the Company to consider other opportunity for maximum benefits of the shareholders. However, the proposal received from VMS has the highest price as compared to proposal from other auctioneers. In addition, the voting for the approval of the Transaction in shareholder's meeting is not less than 3 out of 4 of total votes of shareholders attending the meeting and having the right to vote, excluding shareholders who have conflict of interest. Moreover, the Company appointed a legal advisor and the IFA to consider the appropriateness, fairness, and other conditions of this Transaction. Such an operation is one of the procedures to protect the benefits of the Company and every shareholder from the transaction with connected person.

Advantages of entering the transaction with third parties

Not entering the Transaction with a connected person shall not incur doubts for independence and transparency of management in negotiation of conditions of the Transaction with assets purchasers who are third parties.

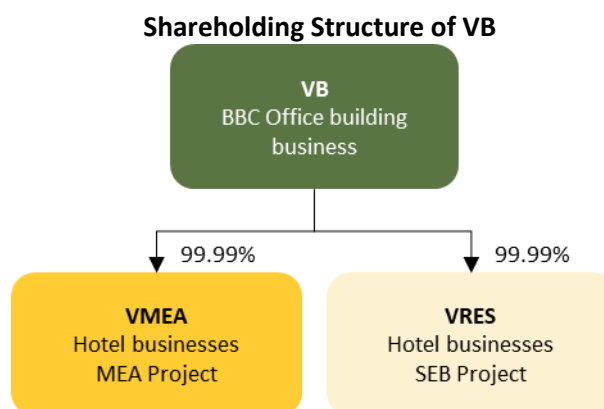
Disadvantages and risks of entering the transaction with third parties

Entering the Transaction with third parties might take additional times for operations such as due diligence of assets by the purchaser, detailed due diligence of information of contract parties, which might decrease the flexibility in negotiation of price and conditions of the Transaction. The benefits to be received by shareholders from the Transaction might be more delay as compared to the Transaction with the connected person.

Part 3 Fairness of the Transaction Price and Terms and Conditions

3.1 Fairness of the Transaction Price

VB operates office rental business, which is BBC building, and invests in 2 subsidiaries at 99.99% which are (1) VMEA operates hotel and service apartment called MEA project and (2) VRES operates hotel and service apartment called SEB project. The shareholding of VB is summarized as follows:



Therefore, for the consideration of appropriateness of price for this Transaction, the IFA evaluated Transaction value from fair value of VB using 4 financial approaches as follows:

1. Book Value Approach
2. Adjusted Book Value Approach
3. Market Comparable Approach
4. Sum Of The Parts Approach

The details of the evaluation of the fair value of VB and the transaction of each approach are as follows:

3.1.1 Book Value Approach

The evaluation of fair value of VB under book value approach shall present the fair value as referred to book value as per the financial statement at a point of time. For the evaluation under this approach, the IFA referred to VB's pro forma consolidated financial statement for the year ended December 31, 2023. The evaluation under this approach has details as follows:

The evaluation of the VB's fair value under the book value approach as of December 31, 2023.

Item	Value (THB million)
Issued and paid-up capital	6,330.90
<u>Add</u> Retained earnings (loss)	(896.96)
<u>Add</u> Other components of equity	(330.00)
Total shareholders' equity of VB	5,103.94
No. of issued and paid-up shares (million shares)	633.09
Book value per share (THB per share)	8.06

Source: Pro forma financial information of VB for the year ending December 31, 2023.

From table above, **the fair value of VB under the book value approach is THB 5,103.94 million or THB 8.06 per share.**

3.1.2 Adjusted Book Value Approach

For the evaluation of fair value of VB under adjusted book value approach, the IFA considered value of shareholder's equity of VB according to book value as referred to VB's pro forma consolidated financial statement for the year ended December 31, 2023, which is the latest financial statement as of the date of this report, then adjusted by the addition of VB group's assets value which is appraised to reflect current value. The IFA considered value of investment in property by referring appraisal value from asset appraisal report conducted by 2 independent asset appraisers approved by the SEC which are Ultima Appraisal Company Limited ("UTM") and C.I.T. Appraisal Company Limited ("Colliers"). The details are as follows:

- Land and building appraisal report for BBC Building conducted by UTM dated January 22, 2024
- Land and building appraisal report for MEA Project conducted by Colliers dated February 21, 2024
- Land and building appraisal report for SEB Project conducted by Colliers dated February 27, 2024

These 3 asset appraisal reports were conducted for public purposes and with the ang of less than 6 months before the date of this report conducted by the IFA. The 2 independent asset appraisers are independent and do not have any benefits related to the assets being sold of the Company and/or the Company and/or the IFA. Therefore, the IFA had an opinion that such information is appropriate to use for considering the fair value of VB under adjusted book value approach.

VB group's asset appraisal report

For the selection of asset appraisal approach, the independent asset appraiser reviewed and considered factors related to assets such as legal rights, characteristics of the property, suitability for usage, and general market conditions, to select asset appraisal approach for evaluation of market value. The approaches used by the independent asset appraisers are as follows:

- **Income Approach**
Asset appraisal under this approach is the forecast of changes of revenue during specific period in the future. The sum value of assets equals to sum of present value of net cash flow which is discounted by discount rate as of the evaluation date, then adding terminal value.
- **Cost Approach**
Asset appraisal under this approach refers to transaction occurred in the market which need to have sufficient amount for comparison to evaluate market value. The comparable assets shall be considered the characteristics and similarity with appraised assets such as location, city plan, land plot size, building usable area, and building quality, then evaluated asset value by using various techniques deemed appropriate by independent asset appraiser.

The independent asset appraisers conducted asset appraisal by **using income approach to be main approach for asset appraisal and using cost approach to review asset value since the independent asset appraiser had an opinion that such assets are office building and hotels which have ability to generate continuous cash flow in the future.** The assumptions of three asset appraisals have details as follows:

Summary of Bangkok Business Center Building's valuation assumption by UTM

Assumption	Details
General assumption	
Valuation date	October 17, 2023
Projection period	10 years
Discount rate	11.00%
Capitalization rate	8.00%
Revenue assumption	

Assumption	Details
Leaseable Area	Office leaseable area 16,277.00 sq.m. Shop leaseable area 1,208.50 sq.m. Studio leaseable area 531.70 sq.m. Total of 18,017.20 sq.m.
Average occupancy rate	Year 1: 65.00% Year 2: 70.00% Year 3: 75.00% Year 4: 80.00% Year 5 - 10: Consistent at 85.00%
Average rental rate	Year 1: Office leaseable area 600 THB/sq.m. Shop leaseable are 690 THB/sq.m. Studio leaseable are 600 THB/sq.m. Year 2 - 10: Increase by 3.00% per year
Other income	30.00% of rental revenue
Expense assumption	
Salary and wages expenses	5.00% of total revenue in year 1 and increase by 3.00% per year
Advertising and selling expenses	3.00% of total revenue
Maintenance expenses	3.00% of total revenue
Utilities expense	10.00% of total revenue
Other expenses	3.00% of total revenue
Property management expenses	2.00% of total revenue
Land and building tax	Estimated based on the applicable rate.
Insurance expenses	0.10% of Sum insured
CAPEX Reserve	3.00% of total revenue

Summary of Marriott Executive Apartment Sathorn-Vista's valuation assumption by Colliers

Assumption	Details
General assumption	
Valuation date	November 3, 2023
Projection period	10 years
Discount rate	9.00%
Capitalization rate	6.00%
Operating assumption	
Room revenue assumption	
Number of rooms	187 rooms
Occupancy rate	86.00% consistently for the projection period.
Average room rate	Year 1: Short Stay 5,000 THB/night and Long Stay 83,000 THB/month Year 2 - 3: Increase by 5.00% per year Year 4 - 10: Increase by 4.00% per year
Other revenue assumption	
F&B revenue	7.00% of room revenue
Other revenue	2.00% of room revenue
Cost assumption	
Cost of room	20.00% of room revenue
Cost of F&B	40.00% of F&B revenue
Cost of other revenue	7.00% of other revenue
Expense assumption	

Assumption	Details
Salary, wages, and benefits expenses	Year 1: 11.50% of total revenue Year 2 – 10: Increase by 3.00% per year
Telecommunication expenses	2.00% of total revenue
Marketing and public relation expenses	6.00% of room revenue
Repairs & Maintenance expenses	5.00% of total revenue
Property Operation, Maintenance, Energy, and Cleaning expenses	6.00% of total revenue
Property Tax	0.45% of appraisal price by the government
Insurance premium	0.10% of replacement cost
Management Fee	3.25% of total revenue
Incentive Management Fee	8.00% of Gross Operating Profit (GOP)
FF&E Reserve	5.00% of total revenue

Summary of Somerset Ekamai Bangkok's valuation assumption by Colliers

Assumption	Details
General assumption	
Valuation date	February 5, 2024
Projection period	10 years
Discount rate	9.00%
Capitalization rate	6.00%
Operating assumption	
Room revenue assumption	
Number of rooms	264 rooms
Occupancy rate	Year 1: 82.00% Year 2 - 10: 83.00%
Average room rate	Year 1: Short Stay 2,400 THB/night and Long Stay 86,000 THB/month Year 2 - 3: Increase by 5.00% per year Year 4 - 10: Increase by 4.00% per year
Other revenue assumption	
F&B revenue	5.00% of room revenue
Public utility revenue	3.00% of room revenue
Rental revenue	2.60% of room revenue
Other revenue	2.00% of room revenue
Cost assumption	
Cost of room	8.00% of room revenue
Cost of F&B	40.00% of F&B revenue
Expense assumption	
Salary, wages, and benefits expenses	Year 1: THB 32.00 million Year 2 – 10: Increase by 3.00% per year
Telecommunication expenses	1.00% of total revenue
Marketing and public relation expenses	8.00% of room revenue
Repairs & Maintenance expenses	2.00% of total revenue
Property Operation, Maintenance, Energy, and Cleaning expenses	7.00% of total revenue
Other expenses	4.00% of total revenue
Property Tax	0.44% of appraisal price by the government
Insurance premium	Year 1: 0.10% of replacement cost Year 2 – 10: Increase by 1.50% per year
Management Fee	3.50% of total revenue

Assumption	Details
Royalty Fee	700 THB/room
Incentive Management Fee	7.00% of Gross Operating Profit (GOP)
FF&E Reserve	3.00% of total revenue

The result of asset appraisal under income approach of 3 assets could be summarized as follows:

Summary of asset appraisal value by the independent appraisers

Assets	Book value as of 31 Dec 23	Market value as of the appraisal date.
BBC Building	428.28	1,225.80
MEA Project	1,850.59	1,821.00
SEB Project	2,008.35	1,934.00

From the asset appraisal mentioned above, since market value of MEA Project and SEB Project are lower than book value, the IFA shall adjust only the market value of BBC Building by using such value to adjust shareholder's equity of VB according to book value as referred to pro forma consolidated financial statement for the year ended December 2023, 31 conducted by the Company. The details are as follows:

Items	Amount (THB million)
Total equity of the parent company as of 31 Dec 23	5,103.94
<u>Deduct</u> Book value of the appraised asset as of 31 Dec 23	(428.28)
<u>Add</u> Appraised value of asset by the independent appraiser	1,225.80
<u>Deduct</u> Estimated dividend payment before the Transaction	(58.75)
Total equity of the parent company after adjustment	5,842.70
No. of issued and paid-up shares (million shares)	633.09
Fair value per share under adjusted book value approach (THB per share)	9.23

Remark: The adjustment of the accounting value of the BBC building does not incur income tax expenses due to VB having net tax loss carry-forwards.

From table above, **the fair value of VB under the adjusted book value approach is THB 5,842.70 million or THB 9.23 per share.**

3.1.3 Market Comparable Approach

The evaluation of fair value under market comparable approach considers market ratio of listed companies in SET with the assumption that the listed companies in SET which have similar business operation and operate under similar environment should have similar market ratio. However, the comparable companies might be different from the Company such as company size, growth rate, ability to make profit, financial structure, and accounting policy, etc., which might be the limitation of this approach for the evaluation of fair value.

For the evaluation of fair value under market comparable approach, the IFA considered 3 approaches to evaluate the fair value which are price to book value ratio approach (P/BV Ratio Approach), price to net profit ratio approach (P/E Ratio Approach), and enterprise value to earnings from operation before deduction of interest, tax, depreciation, and amortization ratio approach (EV/EBITDA Ratio Approach).

The main revenue of VB group is from hotel and service apartment operated by VMEA and VRES, hence the IFA selected 3 listed companies in SET which have business operation and main target customer as similar as the Company. The details are as follows:

Details of VB and the comparable companies

Company	Business description	(THB million)			
		Asset	Revenue/ ¹	EBITDA/ ¹	Net profit/ ¹
V Brilliant Group Holding Co., Ltd. ("VB")	Operate office rental business under BBC Building and invest in 2 subsidiaries, VMEA and VRES, operating hotel and services apartment under the name of MEA Project and SEB Project	6,702.34	630.31	275.73	160.56
Details of comparable companies					
Bound and Beyond Public Company Limited ("BEYOND")	Operate 2 hotel business which are Four Seasons Hotel Bangkok at Chao Phraya River and Capella Hotel Bangkok	13,615.41	2,996.65	890.73	158.17
OHTL Public Company Limited ("OHTL")	Operate hotel and restaurant business under the name of Mandarin Oriental Hotel Bangkok	5,948.57	2,520.31	820.07	277.44
Shangri-La Hotel Public Company Limited ("SHANG")	Operate hotel and services business under the name of Shangri-La Hotel Bangkok and Shangri-La Hotel Chiang Mai	7,848.68	2,275.73	485.48	137.99

Source: For the information of VB, refer to Pro forma financial information of VB for the year ending December 31, 2023. For the information of comparable companies, refer to www.set.or.th

Remark: /1 Operating result for the last-twelve months from January 1, 2023, to December 31, 2023.

From the table above, the IFA has determined that the appropriate listed companies to be comparable to VB are BEYOND OHTL and SHANG. This is because all three companies have primary businesses and main income from the hotel industry, of which approximately 80% of the VB group's revenue comes from the hotel business, operated by VMEA and VRES. The selection criteria are as follows:

1. Select comparable companies in hotel business which have core assets located in Bangkok since VB group's main revenue is from hotel and service apartment business located in Bangkok which is operated by VMEA and VRES
2. Select comparable companies which have asset size in the range of THB 1,000 – 15,000 million, and have net profit during the latest 12 months

3.1.3.1 P/BV Ratio Approach

For the evaluation of fair value of VB by using P/BV ratio approach, the average P/BV of comparable companies for the past 15 – 360 business days has details as follows:

Average Historical P/BV of comparable companies as of February 27, 2024

Comparable Companies (times)	Business days						
	15 Days	30 Days	60 Days	90 Days	180 Days	270 Days	360 Days
BEYOND	0.61x	0.60x	0.58x	0.56x	0.59x	0.63x	0.61x
OHTL	3.45x	3.42x	3.40x	3.46x	3.68x	3.96x	4.22x
SHANG	0.86x	0.85x	0.84x	0.85x	0.87x	0.92x	0.94x
Average	0.74x	0.72x	0.71x	0.70x	0.73x	0.77x	0.78x

Source: Capital IQ as of February 27, 2024

Remark: P/BV of OHTL are much different from other comparable companies (Outlier), therefore the IFA disregards OHTL in this comparison to prevent unbiased result

From the table above, the IFA evaluated fair value of VB by using average P/BV of comparable companies for the past 15 – 360 business days until February 27, 2024, the last working day before the date which the Board of Directors’ meeting of the Company approved the Transaction, multiplied by book value of VB as referred to book value from VB’s pro forma consolidated financial statement for the year ended December 31, 2023, conducted by the Company, of THB 5,103.94 million. The details of evaluation of fair value of VB under P/BV ratio approach are as follows:

Valuation of VB’s fair Value using P/BV Ratio Approach as of February 27, 2024

Historical Period (Business Days)	Average P/BV (Times) (1)	Book Value (THB million) (2)	Fair Value (THB million) (3) = (1) x (2)
15 days	0.74x	5,103.94	3,752.06
30 days	0.72x		3,695.20
60 days	0.71x		3,619.22
90 days	0.70x		3,595.92
180 days	0.73x		3,732.95
270 days	0.77x		3,941.68
360 days	0.78x		3,958.62
Range of VB’s fair value (THB million)			3,595.92 - 3,958.62
No. of issued and paid-up shares (million shares)			633.09
Range of VB’s fair value using P/BV ratio approach (THB per share)			5.68 - 6.25

From table above, the fair value of VB under P/BV ratio approach is in the range of THB 3,595.92 - 3,958.62 million or THB 5.68 - 6.25 per share.

3.1.3.2 P/E Ratio Approach

For the evaluation of fair value of VB by using P/E Ratio Approach, the average P/E of comparable companies for the past 15 – 360 business days has details as follows:

Average Historical P/E of comparable companies as of February 27, 2024

Comparable Companies (times)	Working days						
	15 Days	30 Days	60 Days	90 Days	180 Days	270 Days	360 Days
BEYOND	15.39x	15.11x	14.60x	15.36x	N/A	N/A	N/A
OHTL	17.25x	16.12x	15.54x	15.83x	17.83x	N/A	N/A
SHANG	32.70x	27.97x	25.49x	24.89x	31.86x	N/A	N/A
Average	21.78x	19.73x	18.54x	18.70x	24.85x	N/A	N/A

Source: Capital IQ as of February 27, 2024

From the table above, the IFA evaluated fair value of VB by using average P/BV of comparable companies for the past 15 – 360 business days until February 27, 2024, the last working day before the date which the Board of Directors’ meeting of the Company approved the Transaction, multiplied by net profit of VB during 12 months from January 1, 2023 to December 31, 2023, as referred to VB’s pro forma consolidated financial statement for the year ended December 31, 2023 conducted by the Company, of THB 160.56 million. The details of evaluation of fair value of VB under P/E ratio approach are as follows:

Valuation of VB's fair Value using P/E Ratio Approach as of February 27, 2024

Historical Period (Business Days)	Average P/E (Times) (1)	Net profit (THB million) (2)	Fair Value (THB million) (3) = (1) x (2)
15 days	21.78x	160.56	3,496.95
30 days	19.73x		3,168.32
60 days	18.54x		2,977.36
90 days	18.70x		3,001.93
180 days	24.85x		3,989.51
270 days	N/A		N/A
360 days	N/A		N/A
Range of VB's fair value (THB million)			2,977.36 - 3,989.51
No. of issued and paid-up shares (million shares)			633.09
Range of VB's fair value using P/E ratio approach (THB per share)			4.70 - 6.30

From table above, **the fair value of VB under P/E ratio approach is in the range of THB 32,977.36 - 3,989.51 million or THB 4.70 - 6.30 per share.**

3.1.3.3 EV/EBITDA Ratio Approach

For the evaluation of fair value of VB by using enterprise value to earnings from operation before deduction of interest, tax, depreciation, and amortization (EV/EBITDA) ratio approach, the average EV/EBITDA of comparable companies for the past 15 – 360 business days has details are as follows:

Average Historical EV/EBITDA of comparable companies as of February 27, 2024

Comparable Companies (times)	Working days						
	15 Days	30 Days	60 Days	90 Days	180 Days	270 Days	360 Days
BEYOND	19.42x	19.26x	18.99x	19.33x	21.79x	N/A	N/A
OHTL	10.55x	10.29x	10.15x	10.32x	11.00x	16.18x	N/A
SHANG	6.49x	6.26x	6.08x	6.22x	7.54x	N/A	N/A
Average	12.15x	11.94x	11.74x	11.96x	13.44x	16.18x	N/A

Source: Capital IQ as of February 27, 2024

From the table above, the IFA evaluated fair value of VB by using average EV/EBITDA of comparable companies for the past 15 – 360 working days until February 27, 2024, the last working day before the date which the Board of Directors' meeting of the Company approved the Transaction, multiplied by EBITDA of VB during 12 months from January 1, 2023 to December 31, 2023 then added cash and cash equivalents and deducted interest-bearing debt as referred to the book value in VB's pro forma consolidated financial statement for the year ended December 31, 2023, conducted by the Company, then deducted estimated dividend payment before the Transaction. The details of evaluation of fair value of VB are as follows:

Valuation of VB's fair Value using EV/EBITDA Ratio Approach as of February 27, 2024

Items (THB million)	Working days						
	15 Days	30 Days	60 Days	90 Days	180 Days	270 Days	360 Days
Average EV/EBITDA (times) (1)	12.15x	11.94x	11.74x	11.96x	13.44x	16.18x	N/A
EBITDA (2)	275.73						
Enterprise Value (3) = (1) x (2)	3,350.78	3,291.24	3,236.71	3,297.07	3,706.60	4,462.19	N/A
Add Cash and cash equivalents (4)	339.76						
Add Loans to related parties (5)	2,036.81						
Deduct Interest-bearing debt (6)	(1,449.57)						
Deduct Estimated dividend payment before the Transaction (7)	(58.75)						
Range of VB's fair value (THB million) (8) = (3) + (4) + (5) - (6) - (7)	4,218.89	4,159.35	4,104.82	4,165.18	4,574.71	5,330.30	N/A
No. of issued and paid-up shares (million shares)	633.09						
Range of VB's fair value using EV/EBITDA ratio approach (THB per share)	6.66	6.57	6.48	6.58	7.23	8.42	N/A

From table above, **the fair value of VB under the EV/EBITDA ratio approach is THB 4,104.82 - 5,330.30 million or THB 6.48 - 8.42 per share.**

3.1.4 Sum Of The Parts Approach

The evaluation of fair value of VB under this approach considers the sum value of fair value of VB and subsidiaries according to VB's holding proportion in each subsidiary (as of Transaction date). The IFA selected a specific approach to evaluate fair value to be consistent with different operations for each company. The details of evaluation of fair value of each company could be summarized as follows:

The Fair Value of VB and Subsidiaries according to VB's Holding Proportion in Each Subsidiary

No.	Company	Valuation Approach	Fair Value of VB (THB Million)	VB's Holding Proportion (Per cent)	Fair Value of VB according to VB's Holding Proportion (THB Million)
1	VB	Discounted Cash Flow	3,125.52 - 3,352.19	-	3,125.52 - 3,352.19
2	VMEA		1,757.92 - 1,991.37	99.99	1,757.92 - 1,991.37
3	VRES		600.12 - 812.31	99.99	600.12 - 812.31

The evaluation of fair value by such approaches is the consideration of the sum of fair value of VB group which are VB, VMEA, and VRES, evaluated by the IFA. The IFA selected discounted cash flow approach to evaluate value of each company, since such approach considers ability to generate cash flow in the future by discounting free cash flow to firm expected to receive from financial projection with appropriate discount rate. The projection period is 11 years from January 1, 2024, to December 31, 2034. The evaluation considers terminal value as of December 31, 2033, as referred to free cash flow in 2034 under

the assumption that business of each company shall continuously and consistently operate after the end of projection period (Going Concern Basis) without any significant changes occurred under economic situation and current situation. Such procedure is for evaluation of fair value of each company as of July 2024, 31, which is an expected date of the Transaction.

The IFA conducted financial projection under various financial assumptions which are significant to the evaluation by referring to information and news publicly disclosed, as well as information received from the company and interview of management of VB, VMEA, and VRES.

The evaluation of fair value of VB group which are VB, VMEA, and VRES could be summarized as follows:

3.1.4.1 Valuation of Fair Value of VB

(1) Overall Assumption

Summary Overall Assumption

Assumption	Details	Reference
Date of valuation	July 31, 2024	The Expected Transaction Date
Estimation period	11 years (January 1, 2024 - December 31, 2034)	The IFA
Thailand's inflation rate	1.21% per year as per the 10-Year averaged inflation rate of Thailand	Bank of Thailand
Corporate income tax rate	20.00%	The Revenue Department

(2) Performance Assumption

The IFA specified the assumption of performance by referring to various sources such as

- Performance for the year 2022 – 2023 which considering VB's audited financial statement by PricewaterhouseCoopers ABAS Ltd. for the fiscal year ended December 31, 2022 – 2023. In this regard, the IFA will consider VB's financial statement for the fiscal year 2022 – 2023, as VB received a transfer of the BBC office building business from VI on April 30, 2021, which VB's financial statement for the year 2021 was not recognized VB's business performance for the full year
- Information from management interview
- Public information

Summary of Performance Assumption

Assumption	Details
Rental and service revenue assumption	
Average Rental area	For the year 2024 – 2034, estimate to be 18,017.20 square meters as referred to rental area as of December 31, 2023, since it is current information.
Average Occupancy rate	For the year 2024 – 2034, estimate to be 74.72% as referred to average occupancy rate in 2023, since it reflects rental situation and is consistent with current asset's condition.
Rental rate	In 2024, estimate to be THB 622.43 per square meters as referred to average rental rate in 2023 of THB 604.30 per square meters with growth rate of 3.00% per year according to VB's policy to increase average rental rate. For the year 2025 – 2034, estimate growth rate to be 3.00% per year from the previous year.

Assumption	Details
Other service revenue	Such as revenue from parking rental and common restaurant area. For the year 2024 – 2034, estimate to be 6.47% of rental revenue as referred to average proportion of other revenue to rental revenue in 2022 – 2023, since such duration reflects the performance of BBC Building for the whole year and does not have significant changes in revenue structure.
Other revenue assumption	
Utility revenue	Such as revenue from water and electricity received from lessee. For the year 2024 – 2034, estimate to be 14.79% of rental and service revenue as referred to average proportion of utility revenue to rental and service revenue in 2022 – 2023, since such duration reflects the performance of BBC Building for the whole year and does not have significant changes in revenue structure.
Other revenue	Such as revenue from stamp duty. For the year 2024 – 2034, estimate to be 0.28% of rental and service revenue as referred to average proportion of other revenue to rental and service revenue in 2022 – 2023, since such duration reflects the performance of BBC Building for the whole year and does not have significant changes in revenue structure.
Cost assumption	
Project management cost	Such as the cost of rental space management and operation. In 2024, estimate to be THB 6.00 million per year as referred to a management interview. For the year 2025 – 2034, estimate growth rate to be 3.00% per year from the previous year.
Utility cost	Such as the cost of water, electricity, telephone, and internet. For the year 2024 – 2034, estimate to be 13.70% of rental, service, and utility revenue as referred to average proportion of utility cost to rental, service, and utility revenue in 2022 – 2023, since such duration reflects the performance of BBC Building for the whole year and does not have significant changes in cost structure.
Service cost	Such as the cost of cleaning and security. For the year 2024 – 2034, estimate to be 8.48% of rental and service revenue as referred to average proportion of service cost to rental and service revenue in 2022 – 2023, since such duration reflects the performance of BBC Building for the whole year and does not have significant changes in cost structure.
Selling and administrative expenses assumption	
Employee expenses	Such as salary, bonus, employee benefits, and welfares. In 2024, estimate to be THB 1.09 million as referred to personal expenses in 2023 of THB 1.06 million with growth rate of 3.00% per year according to salary increase policy. For the year 2025 – 2034, estimate growth rate to be 3.00% per year from the previous year.
Selling expenses	Such as agency fee and selling employee's expense. For the year 2024 – 2034, estimate to be 0.67% of total revenue as referred to average proportion of selling expenses to total revenue in 2023, since VB began to hire agency to procure lessee in 2023, therefore information of 2023 reflects current situation of selling expenses.
Other selling and administrative expenses	Such as vehicle maintenance and repair expenses, traveling expenses, consumables expenses. For the year 2024 – 2034, estimate to be 0.63% of total revenue as referred to average proportion of selling and administrative expenses to total revenue in 2022 – 2023, since such duration reflects the performance of BBC Building for the whole year and does not have significant changes in expense structure.
Other expenses assumption	
Expenses related to tax	Such as land and building tax and stamp duty fees. In 2024, estimate to be THB 1.72 million as referred to estimated tax expenses received from VB. For the year 2025 – 2034, estimate growth rate to be 1.21% per year from the previous year according to inflation rate.

Assumption	Details												
Other expenses	Such as audited fees, advisory fees, and other fees. In 2024, estimate to be THB 1.11 million as referred to other expenses in 2023 of THB 1.10 million with growth rate of 1.21% per year according to inflation rate. For the year 2025 – 2034, estimate growth rate to be 1.21% per year from the previous year.												
Depreciation and amortization expenses assumption													
Depreciation and amortization expenses	Estimate by straight-line method along with asset’s useful life, the details are as follows.												
	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="background-color: #4F7942; color: white;">Asset type</th> <th style="background-color: #4F7942; color: white;">Useful life</th> </tr> </thead> <tbody> <tr> <td>Building and improvements</td> <td>5 – 20 years</td> </tr> <tr> <td>Building improvements</td> <td>5 years</td> </tr> <tr> <td>Furniture, office equipment, and equipment</td> <td>5 years</td> </tr> <tr> <td>Computer</td> <td>3 years</td> </tr> <tr> <td>Vehicle</td> <td>5 years</td> </tr> </tbody> </table>	Asset type	Useful life	Building and improvements	5 – 20 years	Building improvements	5 years	Furniture, office equipment, and equipment	5 years	Computer	3 years	Vehicle	5 years
Asset type	Useful life												
Building and improvements	5 – 20 years												
Building improvements	5 years												
Furniture, office equipment, and equipment	5 years												
Computer	3 years												
Vehicle	5 years												

(3) Capital Expenditure Assumption (CAPEX)

Summary of Capital Expenditure Assumption (CAPEX)

Assumption	Details
CAPEX	This is CAPEX related to improvement and/or maintenance of assets to prolong the useful life, in 2024 – 2034, the IFA estimates to be 3.00% of total revenue according to CAPEX reserve plan and estimate elevator maintenance expenses of THB 40.00 million in 2025 according to maintenance plan.

(4) Working Capital Assumptions

Summary of Working Capital Assumptions

Assumption	Details
Average collection period	For the year 2024 – 2034, estimate to be 8 days as referred to average receivable days in 2022 – 2023, since such duration reflects the performance of BBC Building for the whole year and does not have significant changes in business operation structure.
Average payment period	For the year 2024 – 2034, estimate to be 23 days as referred to average payable days in 2022 – 2023, since such duration reflects the performance of BBC Building for the whole year and does not have significant changes in business operation structure.

(5) Terminal Value

Summary of Terminal Value

Assumption	Details
Terminal Value	Estimate terminal value as of December 2033, 31 as referred to free cash flow of the year 2034, and estimate terminal growth rate after the projection period to be 1.00% according to conservative basis.

(6) Discount Rate

The IFA has used the Weighted Average Cost of Capital (WACC) as the discount rate to calculate the present value of the business's free cash flow of VB, which can be calculated according to the following equation:

$$WACC = K_e \times [E/(D+E)] + K_d \times (1 - t) \times [D/(D+E)]$$

However, in calculating the WACC, it is necessary to calculate the K_e value, which is calculated from the Capital Asset Pricing Model (CAPM) equation, with details according to the equation as follows:

$$K_e = R_f + \beta_L (R_m - R_f)$$

Where

- R_f = The risk-free rate, as referenced by the IFA, is based on the yield of a 25-year government bond as of February 27, 2024. The IFA views that the 25-year timeframe is reflective of the economic cycle, thus the risk-free rate used is equal to 3.21% per year (source: www.thaibma.or.th).
- R_m = The market rate of return is based on the average change in the SET index over the past 25 years, ending on December 28, 2023, which is equal to 10.17% (source: www.set.or.th and the IFA calculation).
- β_L = The unlevered beta of comparable companies' performance over the past 5 years, ending on February 27, 2024, is referenced by the IFA using the unlevered beta of mutual funds, trusts, and listed companies on the stock exchange, which primarily invest in office buildings within Bangkok Area which is closely match with the business nature of VB, along with asset values and market values ranging from THB 1,000 to 15,000 million, and with a trading period on the stock exchange exceeding 5 years. From the aforementioned selection criteria, only mutual fund and trust format comparable companies will remain.

Subsequently, the IFA adjusted the debt impact by removing the capital structure of comparable companies using the formula (Unlevered Beta = Levered Beta / (1+(1-tax) x (D/E)_{comparable companies})), resulting in the Unlevered Beta of comparable companies. Then, the IFA inserted VB's target capital structure into the equation using the formula (Levered Beta = Unlevered Beta x (1+(1-tax) x (D/E)_{VB})), which yielded a beta equal to 0.60.

Company	Unlevered beta
Bhiraj Office Leasehold Real Estate Investment Trust ("BOFFICE")	0.55
CP Tower Growth Leasehold Property Fund ("CPTGF")	0.55
Golden Ventures Leasehold Real Estate Investment Trust ("GVREIT")	0.42
Millionaire Property Fund ("MIPF")	0.60
Prime Office Leasehold Property Fund ("POPF")	0.72
Quality Houses Leasehold Property Fund ("QHPP")	0.63
S PRIME Growth Leasehold Real Estate Investment Trust ("SPRIME")	0.71

Source: Capital IQ

The details of calculating Ke are shown in the table below:

Factors	Assumptions
Risk-free rate (1)	3.21%
Risk Premium (Rm - Rf) (2)	6.95%
β_L (3) (times)	0.60
Cost of Equity or Ke (4) = (1) + [(3) x (2)]	7.36%

With the Ke as shown above, the IFA has calculated WACC with the following details:

- Ke = The cost of equity, calculated by using the Capital Asset Pricing Model (CAPM) theory, is equal to 7.36%
- Kd = VB has no interest-bearing debt in accordance with the target capital structure of VB
- t = The corporate income tax rate equal to 20.00%.
- D/(D+E) = VB's capital structure is based on the target capital structure, consisting of 100.00% equity shareholders' portion. Due to the debt obligations with financial institutions under the Asset Warehousing program, which will be ended in the year 2025, VB has the right to extend the contract twice, each time not exceeding 1 year. However, the IFA estimates that after the end of the aforementioned program, the source of funds will come from loans from related parties, which is a kind of the shareholders' equity to support VB's operation.

Factors	Assumptions
Cost of Equity or Ke (1)	7.36%
Cost of Debt or Kd (2)	-
D/(D+E) (3)	-
Corporate Income Taxes or t (4)	20.00%
WACC or Discount Rate (5) = {(1) x [1-(3)]} + {(2) x [1-(4)] x (3)}	7.36%

With the table as shown above, the IFA has calculated WACC of VB which equals to 7.36%.

(7) Calculation of the Net Present Value of the Free Cash Flow

From the above assumption, where the IFA have prepared an estimate of free cash flow between January 1, 2024, and December 31, 2034, and discounted it by the weighted average cost of capital (WACC) of 7.36% to calculate the net present value of VB's free cash flow as of July 31, 2024 (the expected transaction date), as follows:

Items (THB million)	2024F	2025F	2026F	2027F	2028F	2029F
Service Revenue	123.19	126.88	130.69	134.61	138.65	142.81
Service Costs	(76.41)	(77.40)	(78.42)	(79.47)	(80.55)	(81.67)
Gross Profit	46.78	49.48	52.27	55.14	58.10	61.14
Selling and administrative expenses	(7.07)	(15.93)	(16.78)	(17.36)	(18.12)	(18.37)
Earnings before interest and taxes	39.71	33.55	35.49	37.78	39.97	42.77
Tax expense	-	(6.71)	(7.10)	(7.56)	(7.99)	(8.55)
Earnings before taxes	39.71	26.84	28.39	30.23	31.98	34.22
<u>Add</u> Depreciation and amortization	44.82	53.56	54.30	54.75	55.39	55.51

Items (THB million)	2024F	2025F	2026F	2027F	2028F	2029F
Add (deduct) Changes in working capital	(0.79)	(0.01)	(0.02)	(0.02)	(0.02)	(0.01)
Deduct Capital expenditure	(3.70)	(43.81)	(3.92)	(4.04)	(4.16)	(4.28)
Free cash flow	80.04	36.59	78.75	80.92	83.18	85.43
Add Terminal value						
Total free cash flow	80.04	36.59	78.75	80.92	83.18	85.43
Enterprise Value	1,337.41					
Add Cash and cash equivalents	21.70					
Add Loan to related parties	2,036.81					
Add Cash from divestment of BBD	121.00					
Deduct Interest-bearing debt	(224.19)					
Deduct Dividend payment	(58.75)					
Fair Value of VB	3,233.98					

Items (THB million)	2030F	2031F	2032F	2033F	2034F
Service Revenue	147.09	151.50	156.05	160.73	165.55
Service Costs	(82.81)	(84.00)	(85.22)	(86.47)	(87.76)
Gross Profit	64.28	67.51	70.83	74.26	77.79
Selling and administrative expenses	(10.62)	(10.88)	(11.15)	(11.42)	(11.71)
Earnings before interest and taxes	53.65	56.62	59.68	62.84	66.08
Tax expense	(10.73)	(11.32)	(11.94)	(12.57)	(13.22)
Earnings before taxes	42.92	45.30	47.75	50.27	52.87
Add Depreciation and amortization	47.63	47.75	47.88	48.01	48.15
Add (deduct) Changes in working capital	(0.02)	(0.02)	(0.02)	(0.01)	(0.02)
Deduct Capital expenditure	(4.41)	(4.55)	(4.68)	(4.82)	(4.97)
Free cash flow	86.12	88.49	90.92	93.45	96.03
Add Terminal value				1,509.90	
Total free cash flow	86.12	88.49	90.92	1,603.34	

With the table as shown above, the IFA has calculated the fair value of VB using the Discounted Cash Flow approach which equals to THB 3,233.98 million.

(8) Sensitivity Analysis

The IFA performed a sensitivity analysis for the valuation of VB's fair value by considering the key factors that are expected to impact VB's operating performance such as Average Rental Growth Rate and Occupancy Rate. The details are divided as follows:

Sensitivity Analysis based on Average Rental Growth Rate

Sensitivity analysis		Fair value (THB million)	Fair value per shares (THB per share)
Average Rental Growth Rate (+/-) 1.00% ^{/1}	(1.00%)	3,125.52	4.94
	Base Case	3,233.98	5.11
	1.00%	3,352.19	5.29
Value range		3,125.52 - 3,352.19	4.94 - 5.29

Remark: /1 Referring to the asset's conditions and competitiveness of the assets.

Sensitivity Analysis based on Occupancy Rate

Sensitivity analysis		Fair value (THB million)	Fair value per shares (THB per share)
Occupancy Rate (+/-) 3.00% ^{/1}	(3.00%)	3,178.16	5.02
	Base Case	3,233.98	5.11
	3.00%	3,289.80	5.20
Value range		3,178.16 - 3,289.80	5.02 - 5.20

Remark: /1 Referring to the asset's conditions and competitiveness of the assets, along with the volatility of VB's historical performance.

Based on the sensitivity analysis as shown above, **the fair value range of VB using the Discounted Cash Flow Approach is in the range of THB 3,125.52 - 3,352.19 million or THB 4.94 - 5.29 per share.**

3.1.4.2 Valuation of Fair Value of VMEA

(1) Overall Assumption

Summary Overall Assumption

Assumption	Details	Source
Date of valuation	July 31, 2024	The Expected Transaction Date
Estimation period	11 years (January 1, 2024 - December 31, 2034)	The IFA
Thailand's inflation rate	1.21% per year as per the 10-Year averaged inflation rate of Thailand	Bank of Thailand
Corporate income tax rate	20.00%	The Revenue Department

(2) Performance Assumption

The IFA specified the assumption of performance by referring to various sources such as

- Performance for the year 2022 – 2023 which considering VMEA's audited financial statement by PricewaterhouseCoopers ABAS Ltd. for the fiscal year ended December 31, 2022 – 2023. In this regard, the IFA will consider VMEA's financial statement for the fiscal year 2022 – 2023, as during the year 2021, VMEA was affected by the COVID-19 pandemic, and in the year 2022, it was only partially impacted. However, the revenue structure, costs, and expenses for the fiscal year 2022 – 2023 have not significantly changed. Therefore, the main revenue assumptions will be based on the year 2023, while other revenues, costs, and expenses will be based on the average of the year 2022 – 2023.
- Information from management interview
- Public information

Summary of Performance Assumption

Assumption	Details
Room revenue assumption	
Number of rooms	For the year 2024 – 2034, estimate to be 186 rooms as referred to number of rooms as of December 31, 2023, since it is current information.
Average occupancy rate	For the year 2024 – 2034, estimate to be 84.27% as referred to average occupancy rate in 2023, since it does not affect by Covid-19 outbreak.

Assumption	Details
Average daily room rate	In 2024, estimate to be THB 4,582.47 per night as referred to average room rate in 2023 of THB 4,367.64 per night with growth rate of 5.00% per year according to VMEA's policy to increase average room rate in accordance with growth trend of average room rate per night of hotel in Bangkok. For the year 2025 – 2034, estimate growth rate to be 5.00% per year from the previous year.
Other revenue assumption	
Food and beverage revenue	For the year 2024 – 2034, it is estimated to be 5.63% of room revenue as referred to average proportion of food and beverage revenue to room revenue in 2022 – 2023, since VMEA does not have significant changes in revenue structure.
Other service revenue	Such as revenue from telephone and laundry. For the year 2024 – 2034, estimate to be 0.43% of room revenue as referred to average proportion of other service revenue to room revenue in 2022 – 2023, since VMEA does not have significant changes in revenue structure.
Cost assumption	
Room staff cost	Such as salary, bonus, employee benefits, and welfares. In 2024, estimate to be THB 22.23 million as referred to cost of room employee in 2023 of THB 21.58 million with growth rate of 3.00% per year according to salary increase policy. For the year 2025 – 2034, estimate growth rate to be 3.00% per year from the previous year.
Room service cost	Such as cost of laundry, room miscellaneous products, room service equipment, cleaning equipment, and consumables. For the year 2024 – 2034, estimate to be 12.23% of room revenue as referred to average proportion of room service cost to room revenue in 2022 – 2023, since VMEA does not have significant changes in cost structure.
Food and beverage cost	Such as cost of restaurant employees, supplies, consumables, and cleaning equipment. For the year 2024 – 2034, estimate to be 133.53% of food and beverage revenue as referred to average proportion of food and beverage cost to food and beverage revenue in 2022 – 2023, since VMEA does not have significant changes in cost structure.
Other cost	Such as cost of music royalties, internal seminar, and memberships. For the year 2024 – 2034, estimate to be 1.00% of room revenue as referred to average proportion of other cost to room revenue in 2022 – 2023, since VMEA does not have significant changes in cost structure.
Selling and administrative expenses assumption	
Personal expenses	Such as salary, bonus, and employee benefits. In 2024, estimate to be THB 31.61 million as referred to personal expenses in 2023 of THB 30.69 million with growth rate of 3.00% per year according to salary increase policy. For the year 2025 – 2034, estimate growth rate to be 3.00% per year from the previous year.
Information system and other expenses	Such as IT employee wages, internet expenses, equipment and software expenses, and other expenses. In 2024, estimate to be THB 7.37 million as referred to information system and other expenses in 2023 of THB 7.28 million with growth rate of 1.21% per year according to inflation rate. For the year 2025 – 2034, the estimate growth rate to be 1.21% per year from the previous year.
Selling expenses	Such as credit card fees, employee commission, online travel agency (OTA) commission and expenses related to the selling and marketing department. For the year 2024 – 2034, estimate to be 8.95% of total revenue as referred to average proportion of selling expenses to total revenue in 2022 – 2023, since VMEA does not have significant changes in expense structure.
Other expenses assumption	
Expenses related to tax	Such as land and building tax. In 2024, estimate to be THB 2.31 million as referred to estimated tax expenses received from VMEA. For the year 2025 – 2034,

Assumption	Details								
	estimate growth rate to be 1.21% per year from the previous year according to inflation rate.								
Project management expenses	Such as management and operation expenses. In 2024, estimate to be THB 9.76 million as referred to project management expenses in 2023 of THB 9.64 million with growth rate of 1.21% per year according to inflation rate. For the year 2025 – 2034, estimate growth rate to be 1.21% per year from the previous year.								
Utility and maintenance expenses	Such as water expenses, electricity expenses, fuel expenses, maintenance of hotel’s assets, equipment, and system expenses. For the year 2024 – 2034, estimate to be 10.12% of total revenue as referred to average proportion of utility and maintenance expenses to total revenue in 2022 – 2023, since VMEA does not have significant changes in expense structure.								
Asset management expenses assumption									
Management expenses and fees payable to asset management	Such as hotel group’s brand expenses, asset management expenses, and central marketing support expenses. For the year 2024 – 2034, estimate to be 3.29% of total revenue as referred to average proportion of management expenses and asset management fees to total revenue in 2022 – 2023 which is in accordance with details in asset management agreement.								
Incentive payable to asset management	For the year 2024 – 2034, it is estimated to be 7.45% of operating income as referred to average proportion of asset management incentive to operating income in 2022 – 2023 which is in accordance with details in asset management agreement.								
Depreciation and amortization expenses assumption									
Depreciation and amortization expenses	Estimate by straight-line method along with asset’s useful life, the details are as follows: <table border="1" style="margin-left: 20px; width: 100%;"> <thead> <tr> <th style="background-color: #4f7942; color: white;">Asset type</th> <th style="background-color: #4f7942; color: white;">Useful life</th> </tr> </thead> <tbody> <tr> <td>Building and improvements</td> <td>5 – 40 years</td> </tr> <tr> <td>Office equipment and computer</td> <td>3 – 5 years</td> </tr> <tr> <td>Furniture, fixture, and equipment</td> <td>5 years</td> </tr> </tbody> </table>	Asset type	Useful life	Building and improvements	5 – 40 years	Office equipment and computer	3 – 5 years	Furniture, fixture, and equipment	5 years
Asset type	Useful life								
Building and improvements	5 – 40 years								
Office equipment and computer	3 – 5 years								
Furniture, fixture, and equipment	5 years								

(3) Capital Expenditure Assumption (CAPEX)

Summary of Capital Expenditure Assumption (CAPEX)

Assumption	Details
CAPEX	This is expenses related to investment in renovation and/or maintenance of assets to have more useful life. For the year 2024 – 2034, it is estimated to be 5.00% of total revenue as referred to CAPEX reserve plan. In addition, in 2025, estimate renovation expenses of THB 93.00 million according to room renovation plan.

(4) Working Capital Assumptions

Summary of Working Capital Assumptions

Assumption	Details
Average collection period	For the year 2024 – 2034, estimate to be 15 days as referred to average receivable days in 2022 – 2023, since VMEA does not have significant changes in business operation structure.
Average payment period	For the year 2024 – 2034, estimate to be 91 days as referred to average payable days in 2022 – 2023, since VMEA does not have significant changes in business operation structure.

(5) Terminal Value

Summary of Terminal Value

Assumption	Details
Terminal Value	Estimate terminal value as of December 2033, 31 as referred to free cash flow of the year 2034 and estimate terminal growth rate after the projection period to be 1.00% according to conservative basis.

(6) Discount rate

The IFA has used the Weighted Average Cost of Capital (WACC) as the discount rate to calculate the present value of the business's free cash flow of VMEA, which can be calculated according to the following equation:

$$WACC = K_e \times [E/(D+E)] + K_d \times (1 - t) \times [D/(D+E)]$$

However, in calculating the WACC, it is necessary to calculate the K_e value, which is calculated from the Capital Asset Pricing Model (CAPM) equation, with details according to the equation as follows:

$$K_e = R_f + \beta_L (R_m - R_f)$$

Where

- R_f = The risk-free rate, as referenced by the IFA, is based on the yield of a 25-year government bond as of February 27, 2024. The IFA views that the 25-year timeframe is reflective of the economic cycle, thus the risk-free rate used is equal to 3.21% per year (source: www.thaibma.or.th).
- R_m = The market rate of return is based on the average change in the SET index over the past 25 years, ending on December 28, 2023 which is equal to 10.17% (source: www.set.or.th and the IFA calculation).
- β_L = The unlevered beta of comparable companies' performance over the past 5 years, ending on February 27, 2024, is referenced by the IFA using the unlevered beta of listed companies on the stock exchange, which primarily invest in hotel within Bangkok Area which is closely match with the business nature of VMEA, along with asset values and market values ranging from THB 1,000 to 15,000 million, and with a trading period on the stock exchange exceeding 5 years.

Subsequently, the IFA adjusted the debt impact by removing the capital structure of comparable companies using the formula (Unlevered Beta = Levered Beta / (1+(1-tax) x (D/E)_{comparable companies}), resulting in the Unlevered Beta of comparable companies. Then, the IFA inserted VMEA's target capital structure into the equation using the formula (Levered Beta = Unlevered Beta x (1+(1-tax) x (D/E)_{VMEA})), which yielded a beta equal to 0.50.

Company	Unlevered beta
Bound and Beyond Public Company Limited ("BEYOND")	0.63
OHTL Public Company Limited ("OHTL")	0.32
Shangri-La Hotel Public Company Limited ("SHANG")	0.55

Source: Capital IQ

The details of calculating Ke are shown in the table below:

Factors	Assumptions
Risk-free rate (1)	3.21%
Risk Premium (Rm - Rf) (2)	6.95%
β_L (3) (times)	0.50
Cost of Equity or Ke (4) = (1) + [(3) x (2)]	6.69%

With the Ke as shown above, the IFA has calculated WACC with the following details:

- Ke = The cost of equity, calculated by using the Capital Asset Pricing Model (CAPM) theory, is equal to 6.69
- Kd = VMEA has no interest-bearing debt in accordance with the target capital structure of VMEA
- t = The corporate income tax rate equal to 20.00%.
- D/(D+E) = VMEA's capital structure is based on the target capital structure, consisting of 100.00% equity shareholders' portion since VMEA.

Factors	Assumptions
Cost of Equity or Ke (1)	6.69%
Cost of Debt or Kd (2)	-
D/(D+E) (3)	-
Corporate Income Taxes or t (4)	20.00%
WACC or Discount Rate (5) = {(1) x [1-(3)]} + {(2) x [1-(4)] x (3)}	6.69%

With the table as shown above, the IFA has calculated WACC of VMEA which equals to 6.69%.

(7) Calculation of the Net Present Value of the Free Cash Flow

From the above assumption, where the IFA have prepared an estimate of free cash flow between January 1, 2024, and December 31, 2034, and discounted it by the weighted average cost of capital (WACC) of 6.69% to calculate the net present value of VMEA's free cash flow as of July 31, 2024 (the expected transaction date), as follows:

Items (THB million)	2024F	2025F	2026F	2027F	2028F	2029F
Service Revenue	253.43	265.37	278.64	292.57	308.04	322.56
Service Costs	(105.88)	(118.92)	(121.23)	(121.57)	(125.57)	(130.22)
Gross Profit	147.55	146.45	157.41	171.00	182.47	192.34
Selling and administrative expenses	(106.28)	(110.15)	(114.37)	(118.77)	(123.56)	(128.15)
Earnings before interest and taxes	41.27	36.30	43.04	52.23	58.91	64.19
Tax expense	(8.25)	(7.26)	(8.61)	(10.45)	(11.78)	(12.84)
Earnings before taxes	33.02	29.04	34.43	41.79	47.13	51.35
Add Depreciation and amortization	43.81	54.31	53.85	51.29	52.13	53.74
Add (deduct) Changes in working capital	(0.29)	2.83	0.03	(0.49)	0.32	0.62
Deduct Capital expenditure	(12.67)	(106.27)	(13.93)	(14.63)	(15.40)	(16.13)
Free cash flow	63.87	(20.09)	74.38	77.96	84.17	89.58
Add Terminal value						
Total free cash flow	63.87	(20.09)	74.38	77.96	84.17	89.58

Items (THB million)	2024F	2025F	2026F	2027F	2028F	2029F
Enterprise Value	1,706.22					
<u>Add</u> Cash and cash equivalents	62.86					
<u>Add</u> Loan to related parties	103.05					
<u>Deduct</u> Interest-bearing debt	-					
Fair Value of VMEA	1,872.13					

Items (THB million)	2030F	2031F	2032F	2033F	2034F
Service Revenue	301.69	316.78	333.07	349.25	366.71
Service Costs	(127.98)	(132.77)	(137.88)	(143.03)	(147.86)
Gross Profit	173.71	184.01	195.19	206.21	218.85
Selling and administrative expenses	(91.73)	(95.42)	(99.37)	(103.31)	(107.53)
Earnings before interest and taxes	81.99	88.59	95.82	102.90	111.32
Tax expense	(16.40)	(17.72)	(19.16)	(20.58)	(22.26)
Earnings before taxes	65.59	70.87	76.66	82.32	89.05
<u>Add</u> Depreciation and amortization	42.10	43.05	44.05	45.09	45.52
<u>Add (deduct)</u> Changes in working capital	1.45	1.52	1.48	1.76	1.46
<u>Deduct</u> Capital expenditure	(9.05)	(9.50)	(9.99)	(10.48)	(11.00)
Free cash flow	100.08	105.93	112.20	118.70	125.03
<u>Add</u> Terminal value				2,197.33	
Total free cash flow	100.08	105.93	112.20	2,316.02	

With the table as shown above, the IFA has calculated the fair value of VMEA using the Discounted Cash Flow approach which equals to THB 1,872.13 million.

(8) Sensitivity Analysis

The IFA performed a sensitivity analysis for the valuation of VMEA's fair value by considering the key factors that are expected to impact VMEA's operating performance such as Average Room Rate Growth Rate and Occupancy Rate. The details are divided as follows:

Sensitivity Analysis based on Average Room Rate Growth Rate

Sensitivity analysis		Fair value (THB million)	Fair value per shares (THB per share)
Average Room Rate	(0.50%)	1,757.92	8.79
Growth Rate (+/-)	Base Case	1,872.13	9.36
0.50% ^{/1}	0.50%	1,991.37	9.96
Value range		1,757.92 - 1,991.37	8.79 - 9.96

Remark: /1 Referring to the asset's conditions and competitiveness of the assets.

Sensitivity Analysis based on Occupancy Rate

Sensitivity analysis		Fair value (THB million)	Fair value per shares (THB per share)
Occupancy Rate	(3.00%)	1,780.66	8.90
(+/-) 3.00% ^{/1}	Base Case	1,872.13	9.36
	3.00%	1,963.59	9.82
Value range		1,780.66 - 1,963.59	8.90 - 9.82

Remark: /1 Referring to the asset's conditions and competitiveness of the assets, along with the volatility of VMEA's historical performance.

Based on the sensitivity analysis as shown above, **the fair value range of VMEA using the Discounted Cash Flow Approach is in the range of THB 1,757.92 - 1,991.37 million or THB 8.79 - 9.96 per share.**

3.1.4.3 Valuation of Fair Value of VRES

(1) Overall Assumption

Summary Overall Assumption

Assumption	Details	Reference
Date of valuation	July 31, 2024	The Expected Transaction Date
Estimation period	11 years (January 1, 2024 - December 31, 2034)	The IFA
Thailand's inflation rate	1.21% per year as per the 10-Year averaged inflation rate of Thailand	Bank of Thailand
Corporate income tax rate	20.00%	The Revenue Department

(2) Performance Assumption

The IFA specified the assumption of performance by referring to various sources such as

- Performance for the year 2022 – 2023 which considering VRES's audited financial statement by PricewaterhouseCoopers ABAS Ltd. for the fiscal year ended December 31, 2022 – 2023. In this regard, the IFA will consider VRES's financial statement for the fiscal year 2022 – 2023, as during the year 2021, VRES was affected by the COVID-19 pandemic, and in the year 2022, it was only partially impacted. However, the revenue structure, costs, and expenses for the fiscal year 2022 – 2023 have not significantly changed. Therefore, the main revenue assumptions will be based on the year 2023, while other revenues, costs, and expenses will be based on the average of the year 2022 – 2023
- Information from management interview
- Public information

Summary of Performance Assumption

Assumption	Details
Room revenue assumption	
Number of rooms	For the year 2024 – 2034, estimate to be 262 rooms as referred to number of rooms as of December 31, 2023, since it is current information.
Average occupancy rate	For the year 2024 – 2034, estimate to be 81.96% as referred to average occupancy rate in 2023, since it does not affect by Covid-19 outbreak.
Average daily room rate	In 2024, estimate to be THB 2,630.74 per night as referred to average room rate in 2023 of THB 2,508.83 per night with growth rate of 5.00% per year according to VRES's policy to increase average room rate in accordance with growth trend of average room rate per night of hotel in Bangkok. For the year 2025 – 2034, estimate growth rate to be 5.00% per year from the previous year.
Other revenue assumption	
Rental revenue	For the year 2024 – 2034, it is estimated to be 3.83% of room revenue as referred to average proportion of rental revenue to room revenue in 2022 – 2023, since VRES does not have significant changes in revenue structure.
Utility revenue	Such as revenue from water, electricity, and internet received from lessee. For the year 2024 – 2034, it is estimated to be 2.76% of room revenue as referred to average proportion of utility revenue to room revenue in 2022 – 2023, since VRES does not have significant changes in revenue structure.

Assumption	Details
Other service revenue	Such as revenue from laundry, and other services. For the year 2024 – 2034, estimate to be 2.35% of room revenue as referred to average proportion of other service income to room revenue in 2022 – 2023, since VRES does not have significant changes in revenue structure.
Cost assumption	
Cost of room employee	Such as salary, bonus, employee benefits, and welfares. In 2024, estimate to be THB 19.08 million as referred to cost of room employee in 2023 of THB 18.53 million with growth rate of 3.00% per year according to salary increase policy. For the year 2025 – 2034, estimate growth rate to be 3.00% per year from the previous year.
Utility cost	Such as the cost of water, electricity, and internet. For the year 2024 – 2034, estimate to be 7.15% of room revenue and utility revenue as referred to average proportion of utility cost to room revenue and utility revenue in 2022 – 2023, since VRES does not have significant changes in cost structure.
Service and maintenance cost	Such as cost of cleaning, security, and maintenance of hotel's assets, equipment, and system. For the year 2024 – 2034, estimate to be 12.96% of room revenue as referred to average proportion of service and maintenance cost to room revenue in 2022 – 2023, since VRES does not have significant changes in cost structure.
Food cost	For the year 2024 – 2034, estimate to be 2.49% of room revenue as referred to average proportion of food cost to room revenue in 2022 – 2023, since VRES does not have significant changes in cost structure.
Selling and administrative expenses assumption	
Personal expenses	Such as salary, and employee benefits. In 2024, estimate to be THB 14.11 million as referred to personal expenses in 2023 of THB 13.70 million with growth rate of 3.00% per year according to salary increase policy. For the year 2025 – 2034, estimate growth rate to be 3.00% per year from the previous year.
Information system and other expenses	Such as internet expenses, and telephone expenses. In 2024, estimate to be THB 1.04 million as referred to information system and other expenses in 2023 of THB 1.02 million with growth rate of 1.21% per year according to inflation rate. For the year 2025 – 2034, estimate growth rate to be 1.21% per year from the previous year.
Tax expenses	Such as land and building tax, and sign tax. In 2024, It is estimated to be THB 3.00 million as referred to estimated tax expenses received from VRES. For the year 2025 – 2034, estimate growth rate to be 1.21% per year from the previous year according to inflation rate.
Project management expenses	Such as management and operation expenses. In 2024, estimate to be THB 11.70 million as referred to project management expenses in 2023 of THB 11.56 million with growth rate of 1.21% per year according to inflation rate. For the year 2025 – 2034, estimate growth rate to be 1.21% per year from the previous year.
Selling expenses	Such as employee commission, online travel agency (OTA) commission and expenses related to the selling and marketing department. For the year 2024 – 2034, estimate to be 7.87% of total revenue as referred to average proportion of selling expenses to total revenue in 2022 – 2023, since VRES does not have significant changes in expense structure.
Other expenses	Such as credit card fees, traveling expenses, consumables expenses, and office equipment expenses. For the year 2024 – 2034, estimate to be 3.00% of total revenue as referred to average proportion of other expenses to total revenue in 2022 – 2023, since VRES does not have significant changes in expense structure.
Asset management expenses assumption	
Management expenses and fees	Such as hotel group's brand expenses, asset management expenses, and central marketing support expenses. For the year 2024 – 2034, estimate to be 3.67% of

Assumption	Details										
payable to asset management	total revenue as referred to average proportion of management expenses and asset management fees to total revenue in 2022 – 2023 which is in accordance with details in asset management agreement.										
Royalty fee and Incentive payable to asset management	For the year 2024 – 2034, it is estimated to be 7.00% - 8.00% of operating income as referred to asset management agreement.										
Depreciation and amortization expenses assumption											
Depreciation and amortization expenses	Estimate by straight-line method along with asset's useful life, the details are as follows: <table border="1" data-bbox="453 573 1426 770"> <thead> <tr> <th>Asset type</th> <th>Useful life</th> </tr> </thead> <tbody> <tr> <td>Building and improvements</td> <td>20 years and 40 years</td> </tr> <tr> <td>Office equipment and computer</td> <td>3 - 5 years</td> </tr> <tr> <td>Furniture, fixture, and equipment</td> <td>5 years</td> </tr> <tr> <td>Vehicles</td> <td>5 years</td> </tr> </tbody> </table>	Asset type	Useful life	Building and improvements	20 years and 40 years	Office equipment and computer	3 - 5 years	Furniture, fixture, and equipment	5 years	Vehicles	5 years
Asset type	Useful life										
Building and improvements	20 years and 40 years										
Office equipment and computer	3 - 5 years										
Furniture, fixture, and equipment	5 years										
Vehicles	5 years										

(3) Capital Expenditure Assumption (CAPEX)

Summary of Capital Expenditure Assumption (CAPEX)

Assumption	Details
CAPEX	This is expenses related to investment in renovation and/or maintenance of assets to have more useful life. For the year 2024 – 2034, it is estimated to be 3.00% of total revenue as referred to CAPEX reserve plan.

(4) Working Capital Assumptions

Summary of Working Capital Assumptions

Assumption	Details
Average collection period	For the year 2024 – 2034, estimate to be 11 days as referred to average receivable days in 2022 – 2023, since VRES does not have significant changes in business operation structure.
Average payment period	For the year 2024 – 2034, estimate to be 146 days as referred to average payable days in 2022 – 2023, since VRES does not have significant changes in business operation structure.

(5) Terminal Value

Summary of Terminal Value

Assumption	Details
Terminal Value	Estimate terminal value as of December 2033, 31 as referred to free cash flow of the year 2034 and estimate terminal growth rate after the projection period to be 1.00% according to conservative basis.

(6) Discount rate

The IFA has used the Weighted Average Cost of Capital (WACC) as the discount rate to calculate the present value of the business's free cash flow of VRES, which can be calculated according to the following equation:

$$WACC = K_e \times [E/(D+E)] + K_d \times (1 - t) \times [D/(D+E)]$$

However, in calculating the WACC, it is necessary to calculate the K_e value, which is calculated from the Capital Asset Pricing Model (CAPM) equation, with details according to the equation as follows:

$$K_e = R_f + \beta_L (R_m - R_f)$$

Where

- R_f = The risk-free rate, as referenced by the IFA, is based on the yield of a 25-year government bond as of February 27, 2024. The IFA views that the 25-year timeframe is reflective of the economic cycle, thus the risk-free rate used is equal to 3.21% per year (source: www.thaibma.or.th).
- R_m = The market rate of return is based on the average change in the SET index over the past 25 years, ending on December 28, 2023 which is equal to 10.17% (source: www.set.or.th and the IFA calculation).
- β_L = The unlevered beta of comparable companies' performance over the past 5 years, ending on February 27, 2024, is referenced by the IFA using the unlevered beta of listed companies on the stock exchange, which primarily invest in hotel within Bangkok Area which is closely match with the business nature of VRES, along with asset values and market values ranging from THB 1,000 to 15,000 million, and with a trading period on the stock exchange exceeding 5 years.

Subsequently, the IFA adjusted the debt impact by removing the capital structure of comparable companies using the formula (Unlevered Beta = Levered Beta / (1+(1-tax) x (D/E) comparable companies), resulting in the Unlevered Beta of comparable companies. Then, the IFA inserted VRES's target capital structure into the equation using the formula (Levered Beta = Unlevered Beta x (1+(1-tax) x (D/E)_{VRES})), which yielded a beta equal to 0.50.

Company	Unlevered beta
Bound and Beyond Public Company Limited ("BEYOND")	0.63
OHTL Public Company Limited ("OHTL")	0.32
Shangri-La Hotel Public Company Limited ("SHANG")	0.55

Source: Capital IQ

The details of calculating K_e are shown in the table below:

Calculation of the Cost of Equity (K_e) of VRES

Factors	Assumptions
Risk-free rate (1)	3.21%
Risk Premium ($R_m - R_f$) (2)	6.95%
β_L (3) (times)	0.50
Cost of Equity or K_e (4) = (1) + [(3) x (2)]	6.69%

With the K_e as shown above, the IFA has calculated WACC with the following details:

- K_e = The cost of equity, calculated by using the Capital Asset Pricing Model (CAPM) theory, is equal to 6.69
- K_d = VRES has no interest-bearing debt in accordance with the target capital structure of VRES

- t = The corporate income tax rate equal to 20.00%.
D/(D+E) = VRES's capital structure is based on the target capital structure, consisting of 100.00% equity shareholders' portion since VRES.

Calculation of Weighted Average Cost of Capital (WACC) of VRES

Factors	Assumptions
Cost of Equity or Ke (1)	6.69%
Cost of Debt or Kd (2)	-
D/(D+E) (3)	-
Corporate Income Taxes or t (4)	20.00%
WACC or Discount Rate (5) = {(1) x [1-(3)]} + {(2) x [1-(4)] x (3)}	6.69%

With the table as shown above, the IFA has calculated WACC of VRES which equals to 6.69%.

(7) Calculation of the Net Present Value of the Free Cash Flow

From the above assumption, where the IFA have prepared an estimate of free cash flow between January 1, 2024, and December 31, 2034, and discounted it by the weighted average cost of capital (WACC) of 6.69% to calculate the net present value of VRES's free cash flow as of July 31, 2024 (the expected transaction date), as follows:

The Estimate of VRES's Free Cash Flow

Items (THB million)	2024F	2025F	2026F	2027F	2028F	2029F
Service Revenue	225.44	236.38	248.20	260.61	274.02	287.33
Service Costs	(105.03)	(108.40)	(112.13)	(115.72)	(119.12)	(123.41)
Gross Profit	120.41	127.98	136.07	144.89	154.90	163.92
Selling and administrative expenses	(71.60)	(74.30)	(77.18)	(80.19)	(83.41)	(86.63)
Earnings before interest and taxes	48.81	53.68	58.89	64.70	71.49	77.29
Tax expense	-	-	-	(12.94)	(14.30)	(15.46)
Earnings before taxes	48.81	53.68	58.89	51.76	57.19	61.83
Add Depreciation and amortization	38.79	39.31	39.98	40.37	40.33	41.19
Add (deduct) Changes in working capital	0.21	1.16	1.18	1.10	0.88	1.47
Deduct Capital expenditure	(6.76)	(7.09)	(7.45)	(7.82)	(8.22)	(8.62)
Free cash flow	81.05	87.06	92.60	85.41	90.18	95.88
Add Terminal value						
Total free cash flow	81.05	87.06	92.60	85.41	90.18	95.88
Enterprise Value	1,895.86					
Add Cash and cash equivalents	136.08					
Add Loan to related parties	121.14					
Deduct Interest-bearing debt	(1,449.57)					
Fair Value of VRES	703.51					

Items (THB million)	2030F	2031F	2032F	2033F	2034F
Service Revenue	301.69	316.78	333.07	349.25	366.71
Service Costs	(127.98)	(132.77)	(137.88)	(143.03)	(147.86)
Gross Profit	173.71	184.01	195.19	206.21	218.85
Selling and administrative expenses	(91.73)	(95.42)	(99.37)	(103.31)	(107.53)
Earnings before interest and taxes	81.99	88.59	95.82	102.90	111.32
Tax expense	(16.40)	(17.72)	(19.16)	(20.58)	(22.26)
Earnings before taxes	65.59	70.87	76.66	82.32	89.05

Items (THB million)	2030F	2031F	2032F	2033F	2034F
Add Depreciation and amortization	42.10	43.05	44.05	45.09	45.52
Add (deduct) Changes in working capital	1.45	1.52	1.48	1.76	1.46
Deduct Capital expenditure	(9.05)	(9.50)	(9.99)	(10.48)	(11.00)
Free cash flow	100.08	105.93	112.20	118.70	125.03
Add Terminal value				2,197.33	
Total free cash flow	100.08	105.93	112.20	2,316.02	

With the table as shown above, the IFA has calculated the fair value of VRES using the Discounted Cash Flow approach which equals to THB 703.51 million.

(8) Sensitivity Analysis

The IFA performed a sensitivity analysis for the valuation of VRES's fair value by considering the key factors that are expected to impact VRES's operating performance such as Average Room Rate Growth Rate and Occupancy Rate. The details are divided as follows:

Sensitivity Analysis based on Occupancy Rate

Sensitivity analysis		Fair value (THB million)	Fair value per shares (THB per share)
Average Room Rate Growth Rate (+/-) 0.50% ^{/1}	(0.50%)	600.12	6.00
	Base Case	703.51	7.04
	0.50%	812.31	8.12
Value range		600.12 - 812.31	6.00 - 8.12

Remark: /1 Referring to the asset's conditions and competitiveness of the assets.

Sensitivity Analysis based on Occupancy Rate

Sensitivity analysis		Fair value (THB million)	Fair value per shares (THB per share)
Occupancy Rate (+/-) 3.00% ^{/1}	(3.00%)	620.46	6.20
	Base Case	703.51	7.04
	3.00%	796.78	7.97
Value range		620.46 - 796.78	6.20 - 7.97

Remark: /1 Referring to the asset's conditions and competitiveness of the assets, along with the volatility of VRES' historical performance.

Based on the sensitivity analysis as shown above, **the fair value range of VRES using the Discounted Cash Flow Approach is in the range of THB 600.12 - 812.31 million or THB 6.00 - 8.12 per share.**

3.1.4.4 Summary Valuation of Fair Value of VB using Sum of the Parts (SOTP)

Equity Value of VB using Sum of the Parts (SOTP)

No.	Company	Valuation Approach	Fair Value of VB (THB Million)	VB's Holding Proportion	Fair Value of VB according to VB's Holding Proportion (THB Million)
1	VB	Discounted Cash Flow	3,125.52 - 3,352.19	-	3,125.52 - 3,352.19
2	VMEA		1,757.92 - 1,991.37	99.99%	1,757.92 - 1,991.37
3	VRES		600.12 - 812.31	99.99%	600.12 - 812.31
Fair Value of VB					5,483.56 - 6,155.87
Number of Issued and Paid-up Shares (Million Shares)					633.09
Fair Value of VB per share (THB per Share)					8.66 - 9.72

With the table as shown above, **the equity value of VB using Sum of the Parts (SOTP) which equals to THB 5,483.56 - 6,155.87 million or THB 8.66 - 9.72 per Share**

3.1.5 Summary Valuation of Fair Value of VB

The valuation results of the VB's fair value using 4 financial approaches and the appropriateness of each valuation approaches are as follows:

The appropriateness of each valuation approaches

Valuation Approach	Appropriateness	Details
1. Book Value Approach	Inappropriate	This approach considers book value presented in financial statement at a point of time without considering actual market value of assets, performance, ability to make profit, and future cash flow of VB.
2. Adjusted Book Value Approach	Inappropriate	Even though this approach reflects market value of VB's assets by independent asset appraiser and impact of situation after financial statement reporting period, this approach only considers value related to assets, but does not consider administrative expenses in VB's point of view, and net cash flow shall be received by shareholders.
3. Market Comparable Approach	Inappropriate	Even though this approach considers financial ratio of comparable companies which have as similar operation as VB, such comparable companies might be different from VB in many aspects such as performance, financial structure, trading liquidity, competitive advantages, etc. In addition, this approach does not consider ability to grow, ability to make profit, as well as ability to generate cash flow of VB in the future.
4. Sum Of The Parts Approach	Appropriate	This approach consider performance, ability to make profit and future cash flow of each company in VB group.

The valuation result of the VB's fair value can be summarized as follows:

The summary valuation of the VB's fair value compared to the purchase price of VB's share

Valuation Approach	VB's fair value (THB/share)	Purchase price of VB (THB/share)	Appropriateness	Fair value higher or (lower) than the purchase price (%)
1. Book Value Approach	8.06	9.39	Inappropriate	(14.11)
2. Adjusted Book Value Approach	9.23		Inappropriate	(1.68)
3. Market Comparable Approach				
- P/BV Ratio Approach	5.68 - 6.25		Inappropriate	(39.49) - (33.38)
- P/E Ratio Approach	4.70 - 6.30		Inappropriate	(49.90) - (32.86)
- EV/EBITDA Ratio Approach	6.48 - 8.42		Inappropriate	(30.92) - (10.30)
4. Sum of the Parts Approach	8.66 - 9.72 (Base price at 9.18 THB/share)		Appropriate	(7.72) - 3.59

From table above, **the IFA has the opinion that the valuation of fair value of VB share by Sum of the Parts Approach, performing discounted cash flow approach of each entity, is the most appropriate approach, in which the purchase price of approximately THB 9.39 per share falls within the range of VB's fair value evaluated by the IFA which is between THB 8.66 – 9.72 per share, considered greater (lesser) by THB (0.72) – 0.34 per share, or (7.72) - 3.59% from the purchase price.**

3.2 Fairness of the Transaction Terms and Conditions

To consider the fairness of the Transaction terms and conditions, the IFA has considered the terms and conditions outlined in the draft Share Purchase Agreement between the Company and VMS. The key conditions can be summarized as follows:

- The payment terms of the VB's purchase price specified that VMS shall make a deposit of THB 1,000 million to the Company within 90 days of the date on which the Transaction is approved by the shareholders' meeting of the Company. The remaining amount shall be paid in the form of cash of approximately THB 2,921 million, together with the assumption of the obligations and liabilities owed by the Company to VB in the total amount of THB 2,021 million on the Closing date. The Company shall be responsible for settling any interest expense accrued from the aforementioned loan until the date of transferring ownership rights of the purchased shares.
- The conditions precedent specified that the Company shall obtained the approval from the shareholders' meeting to execute, and perform its obligations under the Share Purchase Agreement.
- The conditions precedent specified that the Company shall arrange for VB to notify its lender(s) and/or counterparty(ies) of the entering into the Disposition of VB Shares as may be required under the relevant agreements.
- The conditions precedent specified that following receipt of the Deposit from the VMS, the Company shall obtain the release of, or binding agreements to release, all encumbrances on the real properties of the VB Group, such that, at Closing date, VB Group own their properties free and clear of all encumbrances, unless otherwise agreed between the Parties.
- The conditions precedent specified that the Company shall submit a written letter on waiving its right to buy back the assets of the VRES under the Debt Restructuring Agreement (Asset Warehousing) between the Bank of Ayudhya Public Company Limited, the Company, and VRES dated 10 February

2024 (the “Debt Restructuring Agreement”) to VRES and a written notice to the Bank of Ayudhya Public Company Limited on such matter.

- VB will announce a dividend payment to its current shareholders in the amount of approximately THB 58.75 million, according to the audited financial statements of VB for the year ending December 31, 2023.

Upon consideration of the aforementioned conditions, **the IFA has the opinion that the terms and conditions of the transaction are appropriate as per the terms and conditions, as outlined in the draft Share Purchase Agreement between the Company and VMS, serve to protect the interested of both the Company and its shareholders. In addition, such mutually agreed terms and conditions are customary and conventional, which does not have a negative impact on the Company and its shareholders.**

However, the IFA opinion is based on the assumption that the conditions as stipulated in such documents have not been significantly changed after the date of the IFA report.

Part 4 Summary of the Independent Financial Advisor Opinion

According to the analysis of the IFA on the reasonableness of the Transaction, and the fairness of the transaction price and terms and conditions. The IFA has the opinion that entering into the Transaction is **appropriate** based on the following reasons:

1. Transaction values of no less than THB 5,942 million are deemed appropriate, falling within the fair value range of VB estimated by the IFA at approximately THB 5,483.56 - 6,155.87 million using Sum of the Parts Approach.
2. The terms and conditions of the transaction are appropriate as they are customary and conventional, mutually agreed upon by both parties, and do not disadvantage the company and its shareholders.
3. The company will realize a profit of approximately THB 66 million and THB 830.25 million from the disposition of VB shares before taxes and other expenses, which will be reflected in the separated and consolidated financial statements of the Company as of December 31, 2024.
4. The disposition of property development business of the Company's group is in line with the Company's strategy and policy to focus on operating hospitals and provision of related medical services businesses which are the main businesses in which the Company has expertise
5. The company shall use the proceeds derived from the disposition of VB shares to repay loans from financial institutions, aiming to strengthen its financial position and capital structure. This will enhance the company's ability to seize investment opportunities and expand its hospitals and provision of related medical services businesses in the future. Additionally, the proceeds can be utilized as working capital for the Company group's business operations and for the expansion of its hospital and medical services businesses, aligning with the company's mission.
6. Mitigating risks associated with the negative impacts of the hotel and serviced apartment business, which are highly susceptible to economic fluctuations and face significant competition in the hotel industry.
7. Reducing the burden of managing buildings, including capital expenditures in the building for future renovations, as VB and its subsidiaries primarily utilize office buildings and hotel properties as key assets for their business operations which continuous maintenance is necessary to maintain the competitiveness of the properties.

Nevertheless, entering into the Transaction has **disadvantages and risks** for which the shareholders shall further consider when voting for the Transaction as follows:

1. The company will not be able to recognize the performance of VB and its subsidiaries through the consolidated financial statements of the Company. This is because after the transaction, VB and its subsidiaries will cease to be direct and indirect subsidiaries of the Company, resulting in the Group not having revenue from property development business in the future.
2. The company may miss out on the opportunity to receive returns from investment the VB group if the performance of VB and its subsidiaries grows in the future.
3. The uncertainty regarding future investments using the proceeds from the sale of VB shares poses a risk for the company, potentially limiting its investment opportunities or resulting in lower-than-expected returns.
4. The Company may incur tax expense from the sale of VB shares; however, the company has accumulated tax losses carried forward for the accounting period 2021-2026, totaling approximately THB 294.99 million. These carried-forward tax losses can be utilized as deductible expenses in the accounting period of the Transactions, thereby mitigating the potential tax implications arising from the expected profits from the disposition of VB shares.
5. Transactions with connected persons impose compliance burdens and various associated expenses, including potential questions regarding benefit transfers between the Company and the connected person. Nevertheless, the IFA views that a transaction value of no less than 5,942 THB million is

appropriate, and the transaction terms are customary for share sale transactions, which do not disadvantage the Company and its shareholders.

In this regard, considering the advantages that the Company and its shareholders are expected to gain from the Transaction, as well as the disadvantages and risks that may arise, along with the fairness of the transaction price, terms and conditions as mentioned above, the IFA has an opinion that the Transaction is **appropriate**. Therefore, the shareholders should **approve** this Transaction.

Nevertheless, the decision to vote to approve this Transaction is at the discretion of the shareholders of the Company. In this regard, shareholders shall carefully study the information and consider the advantages, disadvantages, risks and limitations, as well as the opinion on each aspect of the Transaction as per the appended documents to the Invitation to the Shareholders' Meeting with prudence and care before voting to approve such Transaction appropriately.

Jay Capital Advisory Limited, as the IFA of the Company, has performed the study and analysis with care in accordance with the professional standard and has provided the opinion based on the fair analysis of information by taking into consideration the benefits of all shareholders.

The opinion of the IFA is based on the information which has been received from the Company as well as interviews with the management, publicly available information and other relevant documents. The IFA assumes that all information received is truthful and correct. Therefore, if the said information is incorrect and/or is not truthful and/or has been significantly changed in the future, it will affect the opinion of the IFA. Therefore, the IFA is unable to certify or warrant the future impact that may arise to the Company and the shareholders. Moreover, this opinion of the IFA is for the sole purpose of providing opinion to the unitholders in connection with the entering into the Transaction as detailed above, and providing the opinion does not warrant the accomplishment of the Transaction and any potential impact flowing from the Transaction to the Company.

This English report of the IFA's opinion has been prepared solely for the convenience of foreign shareholders of the Company and should not be relied upon as the definitive and official document. The Thai language version of the IFA's opinion is the definitive and official document and shall prevail in all aspects in the event of any inconsistency with this English Translation

Yours Sincerely,

-Mr. Chalit Udompornwattana-

(Mr. Chalit Udompornwattana)
Supervisor
Jay Capital Advisory Limited
Independent Financial Advisor

Appendix 1: General Information of Principal Capital Public Company Limited

1. General Information of PRINC

Company name	: Principal Capital Public Company Limited
Date of registration	: 22 September 2004
Nature of business	: The Company's core businesses are private hospitals and private hospital management.
Location	: 23rd Floor, Bangkok Business Center, 29 Sukhumvit 63, Klongton Nua, Wattana Bangkok 10110
Registered capital	: THB 3,808,570,502, divided to 3,808,570,502 shares at par value of THB 1.00 per share
Telephone	: 0-2714-2171-3
Fax	: 0-2714-2185
Website	: http://www.principalcapital.co.th

PRINC's change and major development are as follows:

2016	:	The Company entered into a transaction, buying 99.99% of common shares and preferred shares of V Brilliant Group Holding Co., Ltd, which was engaged in property development business and investing in four subsidiaries operating property development business: namely, 1) V Intelligence Co., Ltd. 2) V Residence Co., Ltd.3) Bangkok Management Co., Ltd. and 4) V 33 Co., Ltd.
2017	:	<ul style="list-style-type: none"> The Company amended its objectives and Memorandum of Association to accommodate the hospital business operation. The Company acquired the business of Alliance Medical Asia Co., Ltd ("AMA") Group of Companies which effectively resulted in the Company acquiring six subsidiaries, of which shares had been held, directly or indirectly, by AMA. The subsidiaries were 1) Phitsanuloke Medical Co., Ltd. 2) Paknampo Hospital Co., Ltd. 3) Union Pichit Doctors Co., Ltd. 4) Pitsanuvej Uttaradit Co., Ltd. 5) Pitsanuvej Pattana Co., Ltd. and 6) P.N.P. Hospital Co., Ltd.
2018	:	<ul style="list-style-type: none"> On January 25, 2018, Alliance Medical Asia Co., Ltd. was renamed to Principal Healthcare Co., Ltd. On February 27, 2018, the Company renamed "Piyamin Hospital" which the Company acquired and accepted the business transfer of the Health Management Organization Co., Ltd. ("THMO"), a company operating a private hospital business under the name "Piyamin Hospital") to "Princ Hospital Suvarnabhumi, located in Samut Prakan Province, and three medical clinics in Bangkok by paying THB 900 million to THMO. The acquisition of THMO's hospital business was result in expansion of the Group's hospital network, particularly in Bangkok and vicinity, given the hospitals previously operated by the Group were located only in the provinces. It would create a hub-and spoke system for the Group's hospital business, which would enhance growth and competitiveness. Acceptance of the transfer has been completed. In May 2018, Principal Healthcare Co., Ltd., a subsidiary of the Company, set up Principal Healthcare - Uthai Co., Ltd. (PUH) to operate a private hospital business with a registered capital of THB 50 million. Principal Healthcare - Uthai Co., Ltd. (PUH) acquired a suspended hospital, a non-performing asset from a financial institution, obtaining land and building. The buildings were renovated into a 59-bed hospital. Total investment cost was THB 160 million. In October 2018, Principal Healthcare Co., Ltd., a subsidiary of the Company, set up Principal Healthcare - Lamphun Co., Ltd. (PLPN) with a registered capital of THB 200 million to operate a private hospital business to accept Entire Business Transfer (EBT)

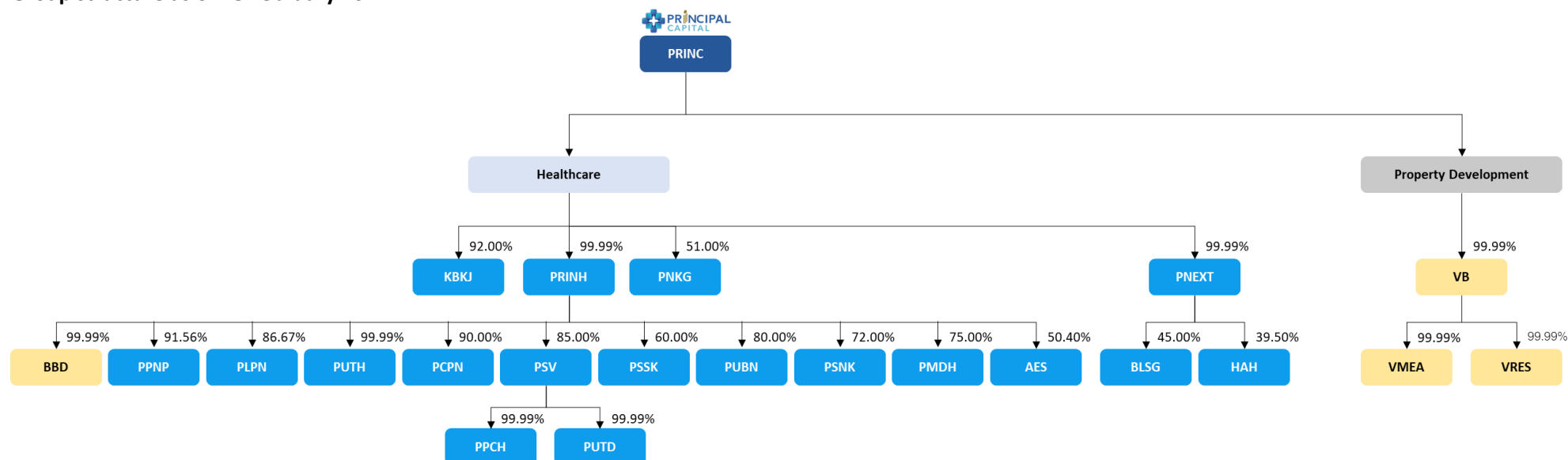
		of Sirivej Lamphun Hospital in Lamphun Province with total investment of THB 120 million.
2019	:	<ul style="list-style-type: none"> • In February 2019, the Stock Exchange of Thailand approved the reclassification of the Company's Industry Group from "Property Development and Construction" under the "Property Development" Sector to "Service" under the "Health" Sector. • On March 1, 2019, Principal Healthcare - Lamphun Co., Ltd. ("PLPN") completed the acceptance of the Entire Business Transfer (EBT) of Sirivej Lamphun Hospital. • On March 29, 2019, Pitsanuvej Uttaradit Hospital ("PUTD") was officially opened. • In September 2019, the Extraordinary Meeting of Shareholders, Session 1/2019, approved the disposition of 9,985,998 ordinary shares of Bangkok Management Co., Ltd. ("BG"), representing 99.99% of its issued and outstanding shares, with a par value of THB 100 to VMS Development Co., Ltd. ("VMSD"), a connected person of the Company. • On November 15, 2019, Princ Hospital Uthai Thani ("PUTH") was officially opened. • In November 2019, the Company issued and allocated new ordinary shares in a maximum amount of THB 222,249,300, with a par value of THB 1 per share, at an offer price of THB 4.09 per share in a private placement to the International Finance Corporation ("IFC") an institutional investor in the World Bank Group. The registered capital has been increased from THB 3,240,087,520 to THB 3,462,336,820, with a par value of THB 1 per share since November 28, 2019. • On December 2, 2019, Princ Hospital Suvarnabhumi ("PSUV") was officially opened. • In December 2019, the Company signed an agreement with Bumrungrad Health Network Co., Ltd., which is under the management of Bumrungrad Hospital Public Company Limited, to launch a new business model - "Bumrungrad Health Network - Growing Together", whereby medical excellence centers are to be set up to offer access to standard quality medical treatment. As part of the first phase, a Spine and Joint Center is to be opened at Princ Hospital Suvarnabhumi, to offer spine and joint medical treatment as a prototype of the model. • In December 2019, PRINH, a Company's subsidiary set up a new subsidiary Principal Healthcare - Chumphon Company Limited with a registered and paid-up capital of THB 270 million. The Company owned 90% of the total shares. The objective of the new company was to engage in a private hospital business in Chumphon Province, through acquisition and acceptance of the Entire Business Transfer (EBT) of Virajsilp Hospital Company Limited with the payment of THB 570 million to the existing shareholders for the business and long-term lease of land. • On December 18, 2019, the Company entered into a joint venture agreement with the Nihon Keiei Group ("NKG") to engage in the elderly care business. A new subsidiary Principal NKG Company Limited ("PNKG") in the Year 2020 was set up with a registered capital of THB 10 million with the shareholding portion of 51% by PRINC and 49% by NKG.
2020		<ul style="list-style-type: none"> • The Company restructured business to mainly focus on expanding Healthcare Business and gradually divest property business by partial business transfer (PBT) of hotel and serviced apartment business namely the Marriott Executive Apartment Sathorn-Vista ("Marriott Hotel"), as well as all assets and used for such business, agreements, licenses, and all relevant personnel relating to such business to VMEA Co., Ltd., ("VMEA") a newly established subsidiary company of which its 100% of shares shall be held by V Brilliant Group Holding Co., Ltd. • The Company and Bamrungrad Hospital established the Holistic Cancer Center under Bumrungrad Healthcare Network in the northeast and lower north region at Princ Hospital Ubonratchathani and Pitsanuvej Hospital in Phitsanulok Province. It was opened for

	<p>service in Q1/2021. Both Centers will be Cancer Center Hub for other hospitals in PRINC Hospital network.</p> <ul style="list-style-type: none"> • In December 2020, Princ Investment Co., Ltd. was renamed to Klai Baan Klai Jai Co., Ltd. to operate medical clinics and provide medical services to the patients under the Universal Health Coverage system. (Gold Cardholders) • PRINH, a Company's subsidiary set up a new company, which 99.99% shares held by PRINH, namely Principal Healthcare Ubonratchathani Co., Ltd. ("PUBN") with registered and paid-up capital of THB 300 million to operate a private hospital business in Ubonratchathani province by transferring the Entire Business (EBT) of Ruamphaetsapphasit Co., Ltd., which operates Sunpasitinter Hospital with the payment of a total amount not exceeding THB 500 million. • On March 2, 2020, the Entire Business of Vilrajsilp Hospital was completely transferred to Principal Healthcare - Chumphon Co., Ltd. ("PCPN")
<p>2021</p>	<ul style="list-style-type: none"> • In December 2021, the Board of Directors' Meeting had a resolution for the investment and set up a new subsidiary of PRINH under the name Principal Healthcare - Sakon Nakhon Co., Ltd. with the total registered capital of THB 300,000,000 to build a new 59-bed private hospital. The total investment cost is THB 463 million. This company is a joint venture with RATCH Group PCL. in the proportion of 75:25. • On June 18, 2021, PRINH, a major shareholder of Prinicpal Healthcare - Ubonratchathani Co., Ltd ("PUBN") entered into the Share Purchase Agreement to sell 20% of the total registered capital of PUBN's shares to Ubon S.K. Meditech Co., Ltd. (Local Partner). 1,200,000 shares and 6,000,000 shares were transferred to the local partner on August 4, 2021, and September 10, 2021, respectively. • In May 2021, the Annual General Meeting of shareholders of the Company had the resolution to increase the registered capital and allocated the newly issued ordinary shares under the General Mandate scheme in the amount of 346,233,682 shares at par value of THB 1 per share or 10% of total issued and paid-up capital, at the offering price of THB 4.09 per share to RATCH. Total proceeds were THB 1,416.09 million. • On April 23, 2021, the Annual General Meeting of shareholders of V Brilliant Group Holding Co., Ltd. ("VB") approved the acquisition and accept the transfer of V Intelligence ("VI"), a Company's subsidiary's office building for rent. Such transaction was completed on April 30, 2021. • Princ Hospital Sisaket ("PSSK") was officially opened. • Princ Hospital Lamphun ("PLPN") was officially opened.
<p>2022</p>	<ul style="list-style-type: none"> • On March 14, 2022, Board of Directors' Meeting approved Principal Healthcare Co., Ltd. to acquire 302,500,000 ordinary shares of Pewdee Clinic Esthetics Co., Ltd. With total investment of THB 302.50 million to provide Skin and Aesthetics Surgery service. The source of fund came from working capital and/or loan from financial institutions. • In February 2022, the Company participated in the Asset Warehousing program ("Project"), the Bank of Thailand's measures to support the entrepreneurs affected by Covid-19, between the Company with transferee, to improve the debt structuring of the Company, by transfer V Residence's ownership interests in 4 buildings of Somerset Ekamai Bangkok (SEB) to transferee for debt payment according to the Program, and transferee have an option for the company and owner to buy back the assets in 3 years (and the program can be extended for 2 times, 1 year each time). A project duration, owner also lease SEB from transferee to continue business operations.
<p>2023</p>	<ul style="list-style-type: none"> • On April 1, 2023, a subsidiary acquired and accepted the Entire Business Transfer (EBT) of Ruamphat Phitsanulok Hospital, a private hospital operating in Phitsanulok with the payment of a total amount not exceeding THB 570 million.

	<ul style="list-style-type: none">• At the Board of Directors' Meeting 6/2023 of PRINC held on 6 October 2023, the Board of Directors passed a resolution to approve for Principal Healthcare Co., Ltd. to purchase 41,800 shares of Pewdee Clinic Aesthetic Co., Ltd., a subsidiary of Principal Healthcare Co., Ltd., or 38.00% of the total number of registered ordinary shares with total amount not exceeding THB 106.40 million. And Principal Healthcare Co., Ltd. entered into a share purchase agreement with a group of companies to purchase 1,320,000 ordinary shares or 15.00% of the total registered ordinary shares of Pongsak Clinic Medical Co., Ltd. with total amount not exceeding THB 90.41 million. The total investment cost is not exceeding THB 196.54 million. Following these share acquisitions, Pewdee Clinic Aesthetic Co., Ltd. and Pongsak Clinic Medical Co., Ltd. merged their operations to expand their business in skincare, cosmetic surgery and holistic health care services.• At the Board of Directors' Meeting 7/2023 of PRINC held on 9 November 2023, the Board of Directors passed a resolution to approve for Principal Healthcare - Mukdahan Co., Ltd., Principal Healthcare Co., Ltd. to sell 25.00% or 7,500,000 shares of its total shares in Principal Healthcare - Mukdahan Co., Ltd., to Ratch Group Public Company Limited to operate a new 59-bed private hospital.
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Source: The Company

Group structure as of 28 February 2024



Source: The Company

Remark:

- BBD - Ban Chang Business District Co., Ltd.
- BLSG – Baan Lalisa Service Group Co., Ltd.
- HAH – Health at Home Co., Ltd.
- KBKJ - Klai Baan Klai Jai Co., Ltd.
- PCPN - Principal Healthcare - Chumphon Co., Ltd.
- PLPN - Principal Healthcare - Lamphun Co., Ltd.
- PMDH - Principal Healthcare - Mukdahan Co., Ltd.
- PNEXT - Principal Next Co., Ltd.
- PNKG - Principal NKG Co., Ltd.
- PPCH - Union Pichit Doctors Co., Ltd.
- PPNP - Paknampo Hospital Co., Ltd.

- PRINH - Principal Healthcare Co., Ltd.
- PSNK - Principal Healthcare - Sakonnakhon Co., Ltd.
- PSSK - Principal Healthcare - Sisaket Co., Ltd.
- PSV - Phitsanuloke Medical Co., Ltd.
- PUBN - Principal Healthcare - Ubon Ratchathani Co., Ltd.
- PUTD - Pitsanuvej Uttaradit Hospital Co., Ltd.
- PUTH - Principal Healthcare - Uthai Co., Ltd.
- AES – Aes Class Clinic Co., Ltd.
- VB - V Brilliant Group Holding Co., Ltd.
- VMEA - VMEA Co., Ltd.
- VRES - V Residence Co., Ltd.

Opinion of the Independent Financial Advisor on Disposal of Assets and Connected Transaction
(For the purpose of translation only)

Company's name	Direct and Indirect shareholding (%)	Paid-up capital (THB million)	Nature of business
Private Hospital Business and Private Hospital Management			
Klai Baan Klai Jai Co., Ltd.	92.00	50.00	Elderly care center
Principal Healthcare Co., Ltd.	99.99	4,590	Holding company and shared service to other network hospitals
Principal NKG Co., Ltd.	51.00	10.00	Elderly care center
Principal Next Co., Ltd.	99.99	200.00	Holding company
Ban Chang Business District Co., Ltd.	100.00	121.00	Property development
Paknampo Hospital Co., Ltd.	91.56	354.166	Private hospital
Principal Healthcare - Lamphun Co., Ltd.	86.76	300.00	Private hospital
Principal Healthcare - Uthai Co., Ltd.	99.99	200.00	Private hospital
Principal Healthcare - Chumphon Co., Ltd.	90.00	270.00	Private hospital
Phitsanuloke Medical Co., Ltd.	85.00	500.00	Private Hospital and invest in other companies
Union Pichit Doctors Co., Ltd.	85.00	200.00	Private hospital
Pitsanuvej Uttaradit Hospital Co., Ltd.	85.00	300.00	Private hospital
Principal Healthcare - Sisaket Co., Ltd.	60.00	250.00	Private hospital
Principal Healthcare - Ubon Ratchathani Co., Ltd.	80.00	360.00	Private hospital
Principal Healthcare - Sakonnakhon Co., Ltd.	72.00	300.00	Private hospital
Principal Healthcare - Mukdahan Co., Ltd.	75.00	300.00	Private hospital
Aes Class Clinic Co., Ltd.	50.40	154.00	Skin and cosmetics surgery center
Baan Lalisa Service Group Co., Ltd.	45.00	160.00	Elderly care center
Health at Home Co., Ltd.	39.50	1.94	HealthTech for elderly care
Property development			
V Brilliant Group Holding Co., Ltd.	99.99	6,330.90	Holding company
VMEA Co., Ltd.	99.99	2,000.00	Hotel and serviced apartment
V Residence Co., Ltd.	99.99	1,000.00	Hotel and serviced apartment

Source: The Company and SET

2. Business Overview

The Company and its subsidiaries operate as private hospital, private hospital management, and property businesses which can be categorized into 2 types as follows:

2.1 Private Hospital Business and Private Hospital Management

Currently, there are 14 hospitals in PRINC hospital network, in 11 provinces in Thailand of which 13 hospitals as follows: 1) Sirivej Lamphun Hospital 2) Princ Hospital Lamphun 3) Princ Hospital Paknampo 1 4) Princ Hospital Paknampo 2 5) Princ Hospital Uthai Thani 6) Princ Hospital Uttaradit 7) Pitsanuvej Hospital 8) Pitsanuvej Phichit Hospital 9) Princ Hospital Sakon Nakhon 10) Princ Hospital Ubonratchatani 11) Princ Hospital Sisaket 12) Princ Hospital Suvarnabhumi 13) Virajsilp Hospital and 14) Ruamphat Phitsanulok Hospital.

2.2 Property Development

Hotel and serviced apartment business

Currently, there are 2 hotels and serviced apartments namely “Marriott Executive Apartment Sathorn Vista Bangkok” and “Somerset Ekamai Bangkok” located in Central Business District, providing long-term accommodation to the executives and expatriates who work in Bangkok as well as Thai and foreign tourists.

Office space rental business

At present, the Company has 1 office building for lease which is Bangkok Business Center offering space for lease to medium and large corporate customers. The project is in Ekamai area which is in a business area with full facilities.

Revenue Structure of the Company for the year ended 2021 - 2023

Items (Unit: THB million)	For the year ended 31 December					
	2021		2022		2023	
	Amount	%	Amount	%	Amount	%
Hospital business	4742.7	93.8	6211.4	92.9	5077.7	90.0
Property business	316.1	6.2	473.1	7.1	562.0	1.0
Total revenues	5,058.8	100.0	6,684.5	100.0	5,639.6	100.00

Source: The Company

3. List of Shareholders

As of 14 March 2023, the total number of issued and paid-up ordinary shares is 3,808,570,502 shares with a par value of THB 1.00 per share, totaling issued and paid-up share capital is THB 3,808.57 million.

List of Shareholders

	Name	No. of shares	%
1	Vidayakorn family	2,635,623,474	69.20%
-	Miss Satita Vidayakorn	1,725,491,745	45.31%
-	Dr. Satit Vidayakorn	680,422,900	17.87%
-	Peak Development Holdings Ltd.	157,737,029	4.14%
-	Miss Pallapa Vidayakorn	48,986,700	1.29%
-	Miss Tanatorn Vidayakorn	22,985,100	0.60%

	Name	No. of shares	%
2	RATCH Group Public Company Limited	380,857,051	10.00%
3	International Finance Corporation	222,249,300	5.84%
4	Miss Sirinya Apimonbutra	100,000,000	2.63%
5	Miss Pichaya Krimwongrat	19,090,000	0.50%
6	Mr. Peerapol Prasertchaiyakul	15,757,000	0.41%
7	Mr. Amornwat Thirakritphon	13,460,000	0.35%
8	UBS AG SINGAPORE BRANCH	9,763,000	0.26%
9	Ms. Pantip Areekanlert	7,594,200	0.20%
10	Ms. Payao Chalacheebh	6,863,300	0.18%
Top 10 shareholders		3,411,257,325	89.57%
Other shareholders		397,313,177	10.43%
Total		3,808,570,502	100.00%

Source: The Company

4. List of Directors

As of 28 February 2024, the list of Director members is as follows:

List of Directors

	Name	Position
1	Dr. Satit Viddayakorn	Chairman of the Board
2	Mr. Krittavith Lertutsahakul	Vice Chairman
3	Mr. Sakarin Tangkavachiranon	Director
4	Mr. Nattawuth Prasertsiripong	Director
5	Mr. Tharin Eampetcharapong	Director
6	Mr. Pawat Thanawutsirawat	Director
7	Miss Seerada Tiemprasert	Director
8	Mrs. Unakorn Phruithithada	Independent Director and Chairman of the Audit Committee
9	Assoc. Prof. Dr. Sillapaporn Srijunpetch	Independent Director and Audit Committee
10	Dr. Anuphan Kitnitchiva	Independent Director
11	Dr. Panu Boonsombat	Independent Director and Audit Committee

Source: The Company

5. List of Executive Committee

As of 28 February 2024, the list of Executive Committee is as follows:

List of Executive Committee

	Name	Position
1	Dr. Satit Viddayakorn	Chairman of the Executive Committee
2	Mr. Krittavith Lertutsahakul	Managing Director
3	Mr. Tharin Eampetcharapong	Chief Financial Officer
4	Dr. Achara Ratanaphunsri	Chief of the Internal Audit Office
5	Mr. Pawat Thanawutsirawat	Chief of Management of the Healthcare Business
6	Miss Atiya Awachanakarn	Chief of Sustainability Office
7	Dr. Wareeporn Songsak	Chief of Human Resources

Source: The Company

6. Summary of PRINC's Financial Position and Performance

Financial information according to the audited financial statements of PRINC for the years 2021 - 2023, ending on December 31, is summarized as follows:

Summary of PRINC's Financial Position and Operating Performance for the years 2021 - 2023

PRINC	As of 31 December		
Statement of Financial Position (Unit: THB million)	2021	2022	2023
Cash and cash equivalents	488.65	514.21	520.11
Financial assets measured at fair value through profit or loss	400.47	581.99	0.01
Trade receivables, other receivables and prepayments, net	1,680.69	1,038.42	626.10
Inventories, net	128.87	133.12	143.41
Non-current assets held-for-sale	1,010.75	-	-
Other current assets	14.47	9.39	7.74
Property, plant and equipment, net	11,058.73	11,412.62	11,780.27
Investment property, net	136.47	1,127.53	1,098.29
Intangible assets, net	245.68	265.94	218.63
Right-of-use assets, net	347.08	474.33	514.24
Goodwill, net	1,823.98	2,009.00	2,054.88
Other non-current assets	79.51	210.83	919.84
Total assets	17,415.35	17,777.38	17,883.52
Short-term borrowings from financial institutions	-	1,024.64	1,526.17
Trade and other payables	729.77	794.47	695.12
Advances received from customers	657.50	75.77	52.39
Current portion of long-term borrowings from financial institutions	328.11	327.94	426.68
Other current liabilities	588.38	275.84	230.61
Long-term borrowings from financial institutions	3,490.90	4,112.67	4,478.77
Deferred tax liabilities	371.65	386.40	383.15
Other non-current liabilities	388.59	458.73	523.03
Total liabilities	6,554.90	7,456.45	8,315.94
Issued and paid-up share capital	3,808.57	3,808.57	3,808.57
Premium on paid-up share capital	6,233.38	6,233.38	6,233.38
Appropriated - legal reserve	73.00	73.00	73.00
Retained earnings (deficits) - Unappropriated	(1,076.66)	(829.87)	(1,511.45)
Other components of equity	769.89	220.04	186.51
Non-controlling interests	1,052.28	815.82	777.58
Total shareholders' equity	10,860.46	10,320.94	9,567.59
Total liabilities and shareholders' equity	17,415.35	17,777.38	17,883.52

PRINC	1 January - 31 December		
Income Statement (Unit: THB Million)	2021	2022	2023
Revenues from healthcare services	4,742.68	6,211.43	5,077.68
Revenues from sales and services	316.10	473.13	561.96
Costs of healthcare services	(3,389.28)	(4,398.88)	(4,208.67)
Costs of sales and services	(254.85)	(284.84)	(295.03)
Gross profit (loss)	1,414.64	2,000.84	1,135.94
Other income	61.90	120.24	99.92

PRINC	1 January - 31 December		
Income Statement (Unit: THB Million)	2021	2022	2023
Selling expenses	(61.66)	(86.00)	-
Administrative expenses	(1,044.69)	(1,453.89)	(117.74)
Other expenses	(15.01)	(19.71)	(1,303.42)
Finance costs	(146.64)	(162.46)	(133.68)
Share of profit (loss) from an associate and joint ventures	0.07	(0.13)	(133.12)
Profit (loss) before income tax expense	208.63	398.89	(452.10)
Income tax (expense) income	(115.75)	(92.59)	(44.30)
Profit (loss) for the year	92.88	306.31	(496.40)

PRINC	1 January - 31 December		
Statement of Cash Flows (Unit: THB Million)	2021	2021	2021
Net cash generated from (used in) operating activities	63.08	772.79	620.66
Net cash generated from (used in) investing activities	(1,175.60)	(965.85)	(1,311.38)
Net cash generated from (used in) financing activities	1,424.84	213.77	701.47
Net increase (decrease) in cash and cash equivalents	312.33	20.71	10.75
Cash and cash equivalent as of 1 January	176.32	488.65	509.36
Cash and cash equivalent as of 31 December	488.65	509.36	520.11

PRINC	As of 31 December		
Key Financial Ratio	2021	2021	2021
Liquidity Ratios			
Current Ratio (Time)	1.62	0.91	0.44
Quick Ratio (Time)	0.94	0.62	0.39
Account Receivable Turnover (Time)	5.00	4.92	6.78
Inventory Turnover (Time)	36.30	35.75	32.57
Account Payable Turnover (Time)	4.41	6.15	6.05
Average Collection Period (Day)	73.00	74.24	53.86
Average Sale (Inventory) Period (Day)	10.05	10.21	11.21
Average Payment Period (Day)	82.69	59.39	60.36
Cash Cycle (Day)	0.36	25.05	4.71
Efficiency Ratios			
Return on Assets (%)	0.57	1.74	(4.10)
Total Assets Turnover (Time)	0.31	0.39	0.32
Profitability Ratios			
Gross Profit Margin (%)	27.96	29.93	20.14
EBIT Margin (%)	6.94	8.25	(5.55)
Net Profit (Loss) Margin (%)	1.81	4.50	(12.72)
Return on Equity (%)	0.92	2.89	(7.34)
Financial Policy Ratios			
Debt to Total Assets Ratio (Time)	0.38	0.42	0.47
Debt to Equity Ratio (Time)	0.60	0.72	0.87

Source: Calculate based on audited Consolidated financial statement for the year ended 2021 – 2023

Management discussion and analysis of financial position and performance of the Company Performance

Revenue from medical service

Revenue from medical service of the Company consists of medical revenue, room revenue, and medicine revenue, which is net revenue after discount, and is recognized when provided service or delivered the medicine. In 2021 – 2023, the Company had revenue from medical service of THB 4,742.68 million, THB 6,211.43 million, and THB 5,077.68 million, respectively. In 2022, the Company's revenue from medical service increased for THB 1,468.75 million or 30.97% from the treatment of patients infected with COVID-19. In addition, the number of inpatients and outpatients from general diseases gradually returned to receive treatment from hospital after the COVID-19 situation eased. In 2023, the Company's revenue from medical service decreased for THB 1,133.74 million or 18.25% from the increase of revenue related to COVID-19 of several hospitals in the previous year as compared to current year.

Revenue from sales and services

Revenue from sales and services of the Company is revenue from hotel and rental building business, consisting of revenue from room rental, food and beverage sales, and other additional services. In 2021 – 2023, the Company had revenue from sales and services of THB 316.10 million, THB 473.13 million, and THB 561.96 million, respectively. In 2022, the Company's revenue from sales and services increased for THB 157.04 million or 49.68%. The main reason is the supporting factor from country opening on July 1, 2022, which resulted in an increase of foreign tourists. In 2023, the Company's revenue from sales and services increased for THB 88.83 million or 18.77% from an increase of wholesales and corporate customer group, as well as the changes in policy and improvement of various building system to support the demand of lessee such as changes of car parking system by the management during the year.

Cost of medical service

Cost of medical service of the Company consists of cost of medical service and equipment, room cost, and medicine cost. In 2021 – 2023, the Company had cost of medical service of THB 3,389.28 million, THB 4,398.88 million, and THB 4,208.67 million, respectively. In 2022, the Company's cost of medical service increased for THB 1,009.59 million or 29.79%. In 2023, the Company's cost of medical service decreased for THB 190.21 million or 4.32%. The increase and decrease of cost of medical service are consistent with revenue from healthcare services.

Cost of sales and services

Cost of sales and services of the Company consists of room cost, food and beverage cost, and hotel and service apartment's cost of service. In 2021 – 2023, the Company had cost of sales and services of THB 254.85 million, THB 284.84 million, and THB 295.03 million, respectively. In 2022, the Company's cost of sales and services increased for THB 29.99 million or 11.77%. In 2023, the Company's cost of sales and services increased for THB 10.19 million or 3.58%. The increase in the cost of sales and services is consistent with the increase of revenue from sales and services.

Selling and administrative expenses

The selling and administrative expenses of the Company consist of marketing expenses, employee expenses, utility expenses, and other operation expenses, etc. In 2021 – 2023, the Company had selling and administrative expenses of THB 1,121.35 million, THB 1,559.60 million, and THB 1,421.16 million, respectively. In 2022, the Company's selling and administrative expenses increased for THB 438.24 million or 39.08%. The main reason is the increase of employee expenses, marketing expenses, and other operation expenses. In addition, there was the damage of obsolete COVID-19 vaccine and donation of vaccine to various organization of THB 212.2 million in total, which is one-time transaction. In 2023, the Company's selling and administrative expenses decreased for THB 138.44 million or 8.88% from the year 2022 which company and subsidiary had one-time expenses from transaction related to COVID-19. If excluding those transactions, in 2023, selling and administrative expenses increased by

12.6% from the increase of employee expenses, marketing expenses, utility expenses, and other operation expenses from an increase of 2 business.

Net Profit (Loss)

For the fiscal year 2021 – 2023, the Company had net profit (loss) of THB 92.88 million, THB 306.31 million, and THB (730.31) million, respectively. For the fiscal year 2022, the Company's net profit (loss) increased for THB 213.43 million or 229.79% from the previous fiscal year. The main reason is the increase of revenue from hospital business from both existing hospitals and newly opened hospital, as well as the increase of revenue from hotel and residential buildings business. For the fiscal year 2023, the Company's net profit (loss) decreased for THB 1,036.61 million or 338.42% from the previous fiscal year. The main reason is the decrease in revenue from medical service.

Financial position

Asset

As of December 31, 2021 – 2023, the Company had total assets of THB 17,415.35 million, THB 17,777.38 million, and THB 17,883.52 million, respectively. As of December 31, 2022, the Company's total assets increased for THB 362.03 million or 2.08% from the previous fiscal year. The main reason is (1) the increase of land, buildings, and equipment for THB 353.88 million from the construction of Princ Hospital Sakon Nakhon and purchase of new assets for hospitals (2) the increase of goodwill of THB 185.02 million from the acquisition of Pewdee Clinic Esthetics Company Limited by the Company.

As of December 31, 2023, the Company's total assets increased for THB 106.14 million or 0.60% from the previous fiscal year. The main reason is the increase of non-current assets for THB 709.01 million from (1) the increase of investment in associates and joint ventures for THB 685.4 million from investment in Aes Class Clinic Company Limited for THB 474.3 million and investment in 2 joint ventures by subsidiary (2) the increase of land, buildings, and equipment for THB 367.7 million from the opening of Princ Hospital Sakon Nakhon resulted from the entire business transfer and from the renovation of existing hospital, and (3) the decrease of financial assets evaluated at fair value by profit or loss for THB 582.0 million from the disposal of short-term investment in mutual fund for business operation and expansion.

Liabilities

As of December 31, 2021 – 2023, the Company had total liabilities of THB 6,554.90 million, THB 7,456.45 million, and THB 8,315.94 million, respectively. As of December 31, 2022, the Company's total liabilities increased for THB 901.55 million or 13.75% from the previous fiscal year. The main reason is (1) the increase of short-term loan from financial institutions for THB 1,024.64 million from loan for investment in additional shareholding in Pitsanuloke Medical Company Limited during the third quarter, and (2) the increase of long-term loan from financial institutions for THB 621.60 million from the additional loan drawdown for investment in various projects.

As of December 31, 2023, the Company's total liabilities increased for THB 859.49 million or 11.53% from the previous fiscal year. The main reason is (1) the increase of short-term loan from financial institutions for THB 501.54 million, and (2) the increase of long-term loan from financial institutions for THB 366.01 million from the increase of parent company's loan and subsidiary's additional loan drawdown for investment in various projects.

Shareholder's equity

As of December 31, 2021 – 2023, the Company had shareholder's equity of THB 10,860.46 million, THB 10,320.94 million, and THB 9,567.59 million, respectively. As of December 31, 2022, the Company's shareholder's equity decreased for THB 539.52 million or 4.97% from the previous fiscal year. The main reason is (1) the increase of retained earnings for THB 246.79 million (2) the decrease of other

components of equity for THB 549.85 million, and (3) the decrease of non-controlling interests for THB 236.46 million.

As of December 31, 2023, the Company's shareholder's equity decreased for THB 753.35 million or 7.30% from the previous year. The main reason is the increase of unappropriated retained deficits for THB 681.58 million from loss during the year.

Liquidity

As of December 31, 2021 – 2023, the Company had cash and cash equivalents of THB 488.65 million, THB 514.21 million, and THB 520.11 million, respectively.

For the year 2021 – 2023, the Company had net cash received from (used in) operating activities for THB 63.08 million, THB 772.79 million, and THB 620.66 million, respectively. Such amount during the period is resulted by the increase and decrease of performance and changes in operating assets and liabilities during each fiscal year such as accounts receivable, accounts payable, and inventory, etc.

For the year 2021 – 2023, the Company had net cash received from (used in) investing activities for THB (1,175.60) million, THB (965.85) million, and THB (1,311.38) million, respectively. Such amount during the period is resulted by investment in acquisition of land, buildings, and equipment for both new hospital and existing hospital, and cash paid for investment in subsidiary.

For the year 2021 – 2023, the Company had net cash received from (used in) financing activities for THB 1,424.84 million, THB 213.77 million, and THB 701.47 million, respectively. Such amount during the period is resulted by (1) cash paid for interest in subsidiary (Pitsanuloke Medical Company Limited) (2) cash received from loan from financial institution, and (3) cash received from an increase of ordinary shares of RATCH Group Public Company Limited for THB 1,416.10 million in 2021.

7. Industry overview

Thailand economy during the fourth quarter of 2023 and outlook of 2024

From the report of Office of the National Economic and Social Development Council (NESDC), Thailand economy during the fourth quarter of 2023 increased for 1.7%, which increased from the third quarter of 2023 of 1.4%. For the expenditure, the private consumption and service exports continuously increased at high level. Private investment highly increased, while goods exports resumed increasing. Meanwhile, expenditure related to government consumption and public investment decreased. For the production, accommodation and food service, wholesales retails and repair, and transportation and warehouse gradually increased. Meanwhile, industrial and agricultural goods production and construction decreased. If excluding seasonality effect, Thailand economy during the fourth quarter of 2023 decreased for 0.6% from the third quarter of 2023.

Thai Economy for the Fourth Quarter of 2023 and 2024 Outlook

(Per cent)	2022	2023					2024
	FY	FY	Q1	Q2	Q3	Q4	FY
GDP (CVM)	2.5	1.9	2.6	1.8	1.4	1.7	2.2 - 3.2
Total Investment¹	2.3	1.2	3.1	0.4	1.5	(0.4)	2.5
Private sector	4.7	3.2	2.8	1.4	3.5	5.0	3.5
Government sector	(3.9)	(4.6)	4.2	(2.1)	(3.4)	(20.1)	(1.8)
Private consumption	6.2	7.1	5.9	7.3	7.9	7.4	3.0
Government consumption	0.1	(4.6)	(6.0)	(4.3)	(5.0)	(3.0)	1.5
Product export value²	5.4	(1.7)	(3.8)	(5.0)	(2.0)	4.6	2.9

(Per cent)	2022	2023					2024
	FY	FY	Q1	Q2	Q3	Q4	FY
Quantity ^{/2}	1.2	(2.9)	(5.7)	(5.3)	(3.1)	3.2	2.4
Product import value^{/2}	14.0	(3.1)	0.5	(6.6)	(10.7)	6.1	4.4
Quantity ^{/2}	1.2	(3.6)	(3.5)	(4.8)	(10.4)	5.3	3.2
Current account balance to GDP	(3.2)	1.3	2.7	(0.8)	2.1	1.2	1.4
Inflation	6.1	1.2	3.9	1.1	0.5	(0.5)	0.9 - 1.9

Source: Report of Thailand economy for fourth quarter of 2023, and 2024 outlook by NESDC as of February 19, 2023

Remark: ^{/1} Total investment is base permanent capital accumulation.

^{/2} Payment balance database by Bank of Thailand

In 2023, Thailand economy increased for 1.9%, which is less than 2.5% in 2022. The average inflation rate for the whole year was 1.2%. And the current account balance was in surplus at 1.3% of GDP.

Thailand economy outlook in 2024 is expected to increase in range of 2.2% - 3.2% with the resuming of increase in goods exports, the increase in private consumption and investment at good level, and the continuous recovery of tourism sector as the supporting factors. It is expected that private consumption and investment shall increase for 3.0% and 3.5%, respectively. The value of exports in USD shall increase for 2.9%, while average inflation rate shall be in range of 0.9% - 1.9%, and current account balance shall be in surplus at 1.4% of GDP.

Supporting factors

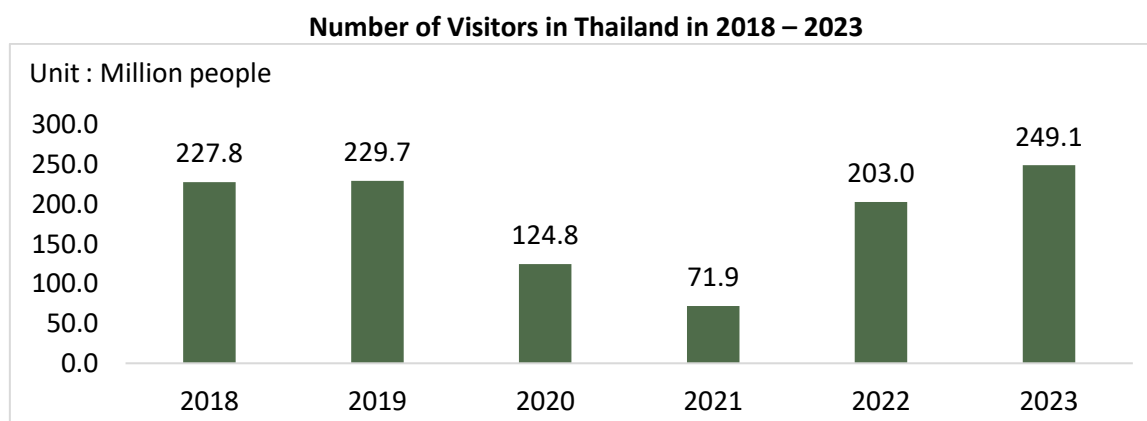
- 1) The return of the increase in export according to world trade recovery** It is resulted from Thailand export value resumed to increase for 4.6% during the fourth quarter of 2023, which is the first increase during 5 quarters. The major export products which had a great increase are rice, rubber, computers, electrical appliance parts, and automotive parts. This is consistent with the export of main economy and majority of Asia region economy which resumed since the fourth quarter of 2023 and tend to continuously increase in 2024. From the latest information in January 2024, value of goods exports from South Korea, Taiwan, and Vietnam increased for 18.0%, 18.1%, and 42.0%, which was the highest increase during 20 months, 21 months, and 33 months, respectively. Likewise, industrial production had gradual signal of recovery. In January 2024, world industrial purchasing manager index increased to 50.0, which was the highest during 17 months, and was consistent with the increase cycle of electronic goods which appeared more clearly and continuously since second half of 2023, as well as the increase of purchase order from main industrial country and accumulation of industrial inventory in the past.
- 2) The increase of private investment at a good level** This is consistent with increasing trend of import in the fourth quarter of 2023 for both import value and quantity which increased for 6.1% and 0.7%, respectively. This is the first increase during 3 quarters which is an increase of import of raw material and intermediate goods and import of capital goods for 3.5% and 11.8%, respectively. In addition, there was the major supporting factors for private investment such as the continuous increase of amount of request of investment promotion. Such amount in 2023 was THB 8.4 hundred billion, which was the highest amount during 5 years, continuously increasing from 2021 and 2022 for THB 5.9 hundred billion and THB 4.7 hundred billion, equivalent to 43.4% and 25.3%, respectively. Most of them were investment in electrical appliances and electronics, automotive vehicles and parts, and agriculture and food processing, which were consistent with continuous government investment promotion measures, especially in major target industry under 5-year investment promotion strategy. Meanwhile, in budget year 2023 (September 2022 – October 2023), the sales or rental area of industrial estate was

6,096 rai, increasing 202.0% from the previous year. This consists of area in eastern economic corridor (EEC) of 5,148 rai and area outside eastern economic corridor of 948 rai, equivalent to an increase of 199.8% and 216.8%, respectively.

- 3) The continuous increase of domestic consumption** The major supporting factors are (1) Trend of inflation rate which is expected to be stable at low level. For the latest information in January 2024, inflation rate was (-1.1)%, which was the fourth month of continuous decrease. However, it is expected that inflation rate will increase and return to in range with target financial policy. This will release the tension of financial policy operation and be consistent with trend of interest rate of major central bank. (2) The recovery of labor market, in the fourth quarter of 2023, unemployment rate was 0.81%, continuously decreasing from 0.99% in the previous quarter, and was the lowest level during 32 quarters. While proportion of insured persons receiving unemployment benefits according to section 33 was 1.74% of total insured persons, decreasing from 1.93% in the previous quarter. and (3) Consumer confidence continuously increased. In January 2024, the consumer confidence index was 62.0, which was the highest during 46 months.
- 4) The continuous recovery of tourism sector** This is in accordance with the increase of number of foreign tourist which is expected to resume the normal level, representing from information regarding number of tourist from most of incoming country which is similar to the duration before COVID-19 outbreak. The main supporting factors are (1) visa exemption measures for tourists from major countries such as China, Russia, India, and Taiwan (2) additional government tourism promotion measures which promotes tourism both from foreign tourist and Thai tourist such as Maha Songkran World Water Festival in April 2024 and 365 Wonder Thailand projection by Tourism Authority of Thailand, etc.

Tourism industry of Thailand

Ministry of Tourism & Sports (“MOTS”) reported the statistic of number of visitors to Thailand in 2022 of 203.1 million, equivalent to an increase of 182.60% from 2021. Tourism overview increased from the opening of the country from the end of 2021 onwards, and the government relaxed the measures after major population received COVID-19 vaccine, as well as the adapting and dealing with COVID-19, which were better than before. This eased the worry of tourists and made them have confidence in travelling. In addition, SCB Economic Intelligence Center (“SCB EIC”) expected that Thai tourists will slightly increase in the future from the needs of domestic tourism which tends to decrease after domestic situation resumes normal state. While Thai tourists who interest in traveling abroad might have a chance to increasingly travel to foreign country.



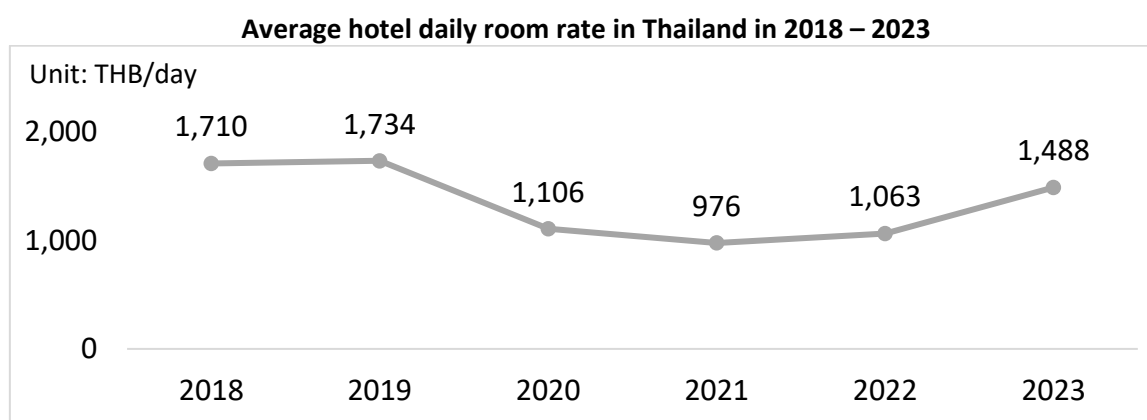
Source: Ministry of Tourism and Sports and SCB Economic Intelligence Center (EIC)

SCB EIC specifies that there was apparently a good recovery trend of the occupancy rate of hotel in Thailand in 2023. The major reason is the longer stay duration of the tourists. Russian tourists tended to have a longer stay to avoid the stress of conflict between Russia and Ukraine. The supply of rooms was also not recovered to the same level before COVID-19 situation, since some of hotel business was not fully opened due to high amount of capital needed to operate the business. And main tourist, which was Chinese tourist group, did not greatly travel to Thailand during the early period.



Source: Ministry of Tourism and Sports and SCB Economic Intelligence Center (EIC)

SCB EIC specifies that average room rate of hotel in Thailand in 2023 increased from the increase of number of tourists, especially Chinese tourists, which were the first group traveling to Thailand and had purchasing power to majorly stay in 4 – 5 star hotel. In addition, hotel business proposed the price promotion to attract tourists of not more than the earlier duration which the country was opened.

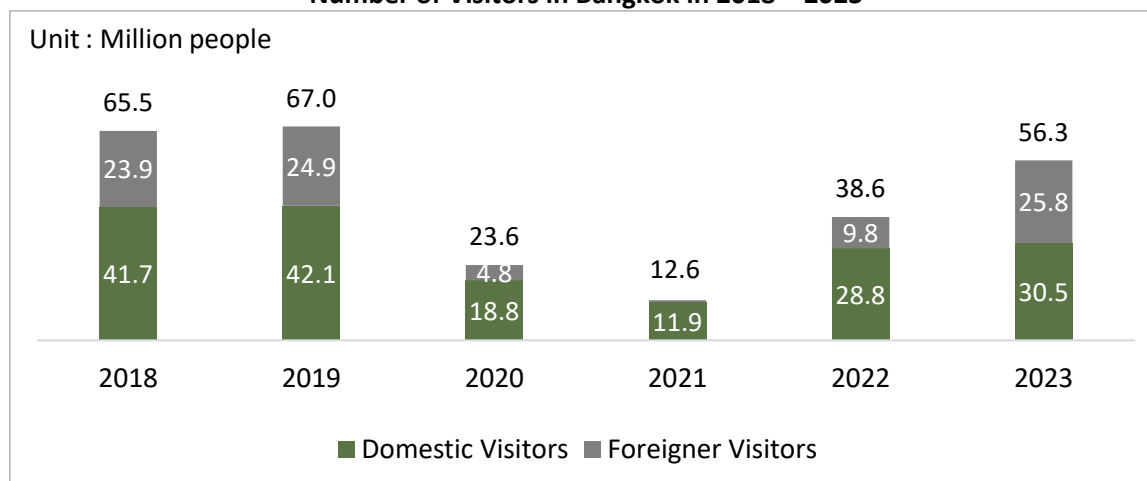


Source: Ministry of Tourism and Sports and SCB Economic Intelligence Center (EIC)

Tourism industry of Bangkok province

The tourism and hotel sector of Bangkok province in 2023 apparently recovered from the increase of foreign tourists from (1) the opening of the country since July 1, 2022 (2) the release of measures to prevent and control the spread of COVID-19 and (3) the increase of confidence of tourists. This resulted in tourists of 9.8 million persons and 25.8 million persons in 2022 and 2023, respectively.

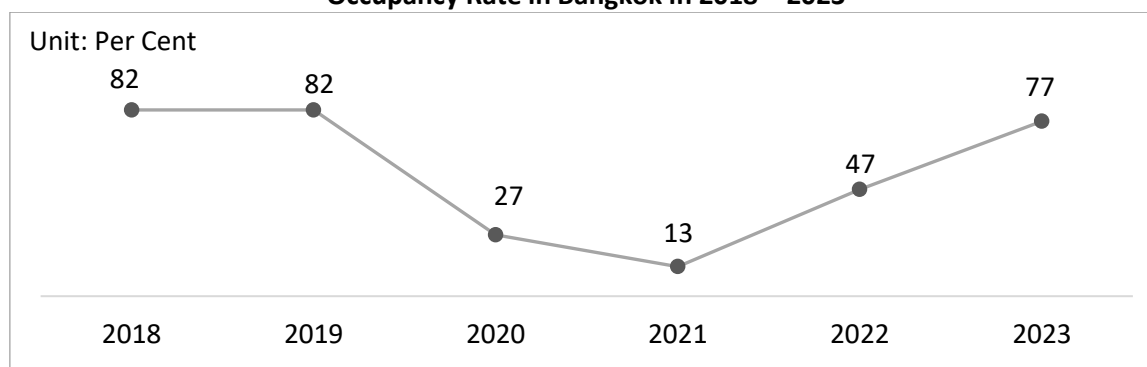
Number of Visitors in Bangkok in 2018 – 2023



Source: Ministry of Tourism and Sports

The overview of occupancy rate of hotels in Bangkok province began to recover from the country's tourism situation. In 2023, the average occupancy rate was 77%, increasing from average occupancy rate in 2022 of 47%, which was consistent with the increase of number of tourists in Bangkok province.

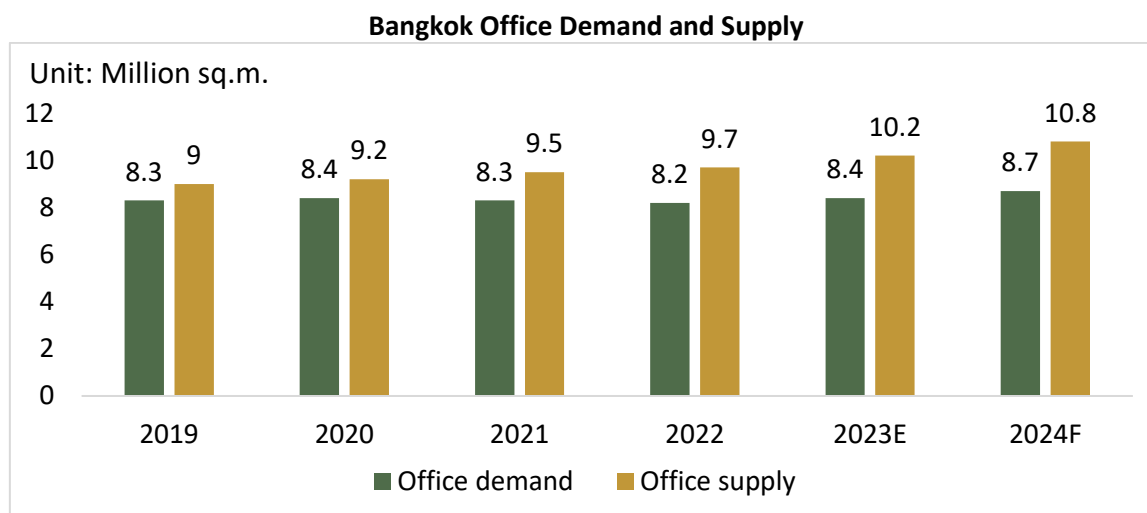
Occupancy Rate in Bangkok in 2018 – 2023



Source: Ministry of Tourism and Sports

Office building rental business

As referred to SCB EIC, the demand of rental office in 2024 tends to slightly increase at estimated growth rate of 3% - 4% and at 8.6 – 8.7 million square meters. The reason is (1) the investment of new company group, especially foreigners and international company which is expected to increasingly resume the investment (2) domestic economic situation which increasingly recovered from the previous year.



Source: SCB Economic Intelligence Center (EIC)

The rental rate in 2024 tends to slightly recover for approximately 1.0% - 2.0% as compared to the previous year after the continuous decrease since 2021. There are only office buildings located in CBD area with grade A which could slightly increase from the higher demand as compared to other groups. While rental rate of B group slightly decrease which is consistent with demand of area which is not highly increase.

Growth (Per cent)	2015 - 2019	2023E	2024F
Office demand	1.9	1.3	3.0 - 4.0
Office supply	1.5	5.0	5.0 - 6.0
Rental rate	5.5	0.5	1.0 - 2.0
Occupancy rate	93	82	81

Source: SCB Economic Intelligence Center (EIC)

The factors which might affect future office rental business could be summarized as follows: (1) The continuous increase of surplus supply. In 2024 – 2027, new rental area is expected to increase for at least 1.25 million square meters which 90% of those is grade A. This might continuously decrease rental occupancy rate and rental rate of office with grade A. (2) Hybrid workplace working habit, the switching of working at home and at office, as well as outsourcing external parties are factors affecting future demand of area and rental rate. (3) Pressure of ESG trend affected entrepreneur to adapt the building construction and operation to not affect the environment as well as manage energy used in building efficiently.

Private hospital business

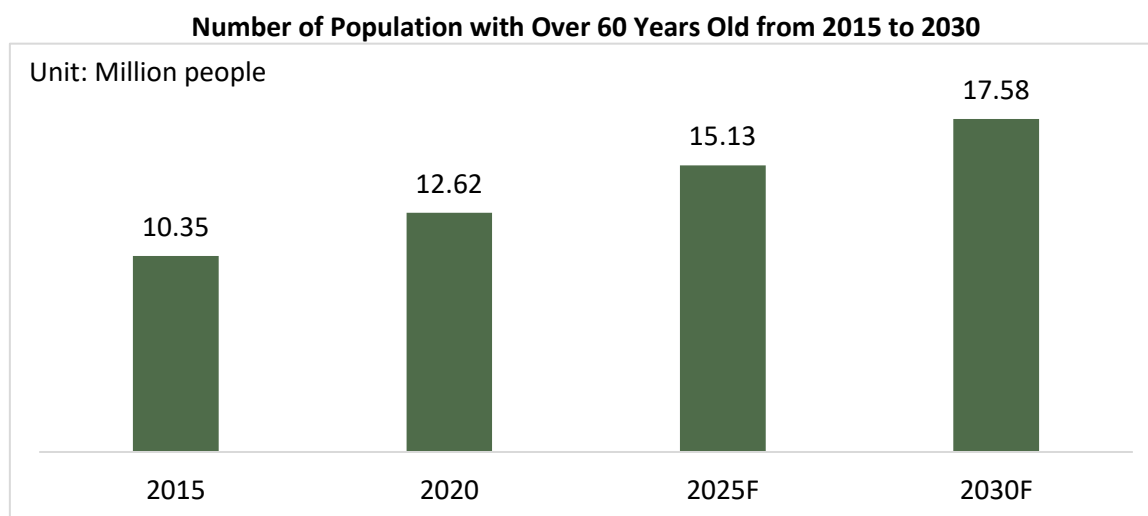
Situation in 2023

As referred to Krungsri Research, revenue of private hospital business during the first 9 months of 2023 continuously increased from these main reason (1) Patients with general diseases, seasonal diseases such as influenza, dengue fever, etc., and COVID-19 which was continuously increased (2) The return of foreign patients, middle eastern regions such as Saudi Arabia, and Libya, etc., the increase of medical tourist patient group and Chinese IVF patient group, etc. (3) The increase of lump sum payment per head of the Social Security Office to THB 1,808 per person per year from the previous THB 1,640 per person per year. In addition, for the rest of 2023, Krungsri Research expected that the

revenue of private hospital for the whole year 2023 tends to increase for approximately 8.00% - 10.00% from 2022 due to the increase of tourism sector.

Trend in 2024 - 2026

Krungsri Research expected that the revenue of private hospitals tends to increase for an average of 9.00% - 10.00% per year. The main reason is (1) The increasing demand for service due to aging society of Thailand (2) The increasing demand for service from the increase of patients who infected non-communicable disease which have casualty rate of approximately 75% of total casualty, the increase of foreign patients, especially Middle East and CLMV group, the increase of medical tourist, etc. (3) Entrepreneur tends to expand branches or increase service area and expand medical service such as telemedicine as well as trend of increasing focus on health and quality of life around the world.



Source: Office of the National Economics and Social Development Council