

TCC 9/2017

April 17, 2017

Report on the resolutions of the Board of Directors' Meeting No. 3/2017

To: Director and Manager  
The Stock Exchange of Thailand

Enclosure: Information Memorandum on the Acquisition of Assets and Connected Transaction

THAI CAPITAL CORPORATION PUBLIC COMPANY LIMITED (hereinafter referred to as "the Company" or "TCC") hereby reports the resolutions of the Board of Directors' Meeting No. 3/2017 ("BOD") held on April 17, 2017 at 11.00 am at 87/2 CRC Tower, 45th Floor, All Seasons Place, Wireless Road, Lumpini, Pathumwan, Bangkok 10330 to the Stock Exchange of Thailand ("SET") as follows:

1. BOD has resolved to establish a subsidiary company named Chai Market Company Limited ("CMC"). The Company shall hold 100.00% of total issued and paid up share capital by April 30, 2017 with the initial registered capital of Baht 400,000,000.00, divided into 40,000,000 ordinary shares at the par value of Baht 10.00 per share. At the date of incorporation of CMC, the Company will pay the registered capital of CMC in the amount of Baht 252,000,000.00, divided into 40,000,000 ordinary shares at the par value of Baht 6.30 per share in order to:

- 1) sign the Sale and Purchase Agreement in respect of land and constructions thereon ("the Agreement") at the amount of Baht 600,000,000.00, divided into land value of Baht 450 million and constructions value of Baht 150 million, between CMC and Far East Knitting & Spinning Company Limited ("FAR EAST") for an acquisition of land of approximately 106 rai 1 ngan 32 square wah (or 106-1-32 rai) with 11 units of constructions. CMC shall place a deposit in the amount of Baht 250,000,000.00 within 7 days from the date of the Agreement signing (CMC will sign the Agreement by May 7, 2017). The deposit is divided into a deposit for the land of Baht 190 million and a deposit for the constructions of Baht 60 million. The aforementioned land and constructions are located near Nakhon Chai Si Intersection (highway intersection No. 3323), in approximately 5 kilometers distance, and the Nakhon Chai Si Junction (Highway 91 or Nakhon Pathom - Cha-am intersection), in approximately 10 kilometers distance; and
- 2) have CMC invest in a modern agricultural wholesale market under the project name of Nakhon Chai Si Market in the amount of Baht 190,000,000.00 (the development cost of Nakhon Chai Si Market,

according to the Feasibility Study Report prepared by Modern Property Consultants Company Limited, which was presented to KPP Development Company Limited as a main consultant to the Nakhon Chai Si Market project, is approximately Baht 189.82 million), and the project development duration, including decoration and construction, for the Nakhon Chai Si Market to be ready for operation is approximately 1 year.

However, the signing of the Agreement to acquire land and constructions thereon in the amount of Baht 600,000,000.00 and the development cost of Nakhon Chai Si Market project of not greater than Baht 190,000,000.00, totaling Baht 790,000,000 by CMC is considered the acquisition of assets of a subsidiary of a listed company with the highest transaction size of 86.22% of its total assets (the total assets of the Company according to the consolidated financial statements for the year ended 31 December 2016 which have been audited by a certified public accountant equals Baht 916,213,958.18) in accordance with the Total Value of Consideration criteria. To enter into the transaction, it is required approval by the shareholders' meeting with a vote of not less than three-fourths of the total number of votes of the shareholders attending and eligible to vote on the basis that the subsidiary (CMC) of the listed company acquires an asset with the size of transaction of 50.00% or higher but less than 100.00%, which is considered as a Class 1 transaction according to the Notification of the Capital Market Supervisory Board No. Tor Jor. 20/2551 Re: Rules on Significant Transactions Related to the Acquisition or Disposition of Assets dated August, 31 2008 (and amended version) and the Notification of the Stock Exchange of Thailand Re: Disclosure of Information And the practice of Listed Companies in the Acquisition or Disposition of Assets 2004, dated October, 29 2004 (and amended version) (collectively referred to as "Notices on Acquisition or Disposal).

In addition, the signing of the Agreement to acquire land and constructions thereon in the amount of Baht 600,000,000.00 with FAR EAST is considered a connected transaction According to the Notification of the Capital Market Supervisory Board No. Tor Jor. 21/2551 Re: Connected Transaction Rules (and amended version) and the Notification of the Stock Exchange of Thailand on Disclosure of Information and Other Acts of Listed Companies Concerning the Connected Transactions BE 2546 (and amended version) (collectively referred to as "Notices on Connected Transaction") with the transaction size of 82.54% of the net tangible assets (calculated from the value of land and constructions thereon of Baht 682,900,000.00 divided by the net tangible assets of the Company which, according to the consolidated financial statements for the year ended 31 December 2016 which have been audited by a certified public accountant, equals Baht 827,357,101.10 whereby the value used in the calculation of the transaction size is market value based on the appraisal value of Premier Appraisal and Law Company Limited, which is the highest value from the comparison between 1) value of the consideration paid in

the amount of Baht 600,000,000.00 2) the market value from the appraisal by Premier Appraisal and Law Company Limited in the amount of Baht 682,900,000.00 and 3) the market value from the appraisal by PYN Building Inspector and Appraisal Company Limited in the amount of Baht 681,100,000.00. In addition, the value of the transaction does not include project development costs given that the Company does not pay such costs to the connected persons). Due to the fact that the size of the transaction is greater than Baht 20.00 million or 3.00% of the Company's net tangible assets under the Notices on Connected Transaction, the Company is required to submit the information memorandum regarding the Transaction and disclose the information to SET and the shareholders as prescribed in the Notices on Connected Transaction, as well as a vote of not less than three-fourths of the total number of votes of the shareholders or the proxies (if any) attending and eligible to vote at the meeting, excluding the votes of the shareholders having an interest in such agenda.

To comply with the Principles of Good Corporate Governance, the company has set the conditions precedent and other conditions deemed flexible for CMC as follows:

- 1) The transaction must be approved by the Extraordinary General Meeting of Shareholders No. 1/2017, which will be held on June 29, 2017, with the votes of not less than three-fourths of the total number of votes of the shareholders or proxies (If any) attending the meeting and eligible to vote, excluding the votes of the shareholders having an interest in such agenda.
- 2) In the event that the Annual General Meeting of Shareholders No. 1/2017, held on June 29, 2017, does not approve the acquisition of the land and constructions thereon in the amount of Baht 600,000,000.00 between the Company and FAR EAST, a connected person, and the investment in Nakhon Chai Si Market Project development costs of not greater than Baht 190,000,000.00, totaling not greater than Baht 790,000,000, FAR EAST must refund all deposit in the amount of Baht 250,000,000.00 together with an interest at the rate of 7% per annum to CMC without any conditions within 7 days from the date the shareholders or proxies (if any) resolved not to approve the aforementioned agenda.
- 3) In the event that the conditions precedent have been fulfilled but the Company or CMC decides not to enter into the transaction, the Company or CMC will not have to pay any fine or penalty to FAR EAST in all cases and FAR EAST must refund all deposit in the amount of Baht 250,000,000.00 to CMC without any conditions within 7 days from the date that CMC notifies FAR EAST on the Agreement termination in writing.
- 4) The Company will enter into such transaction after the approval of the Extraordinary General Meeting of Shareholders No. 1/2017, which will be held on June 29, 2017, when the condition precedent specified in the Agreement becomes effective. In the event that FAR EAST cannot fulfill the conditions precedent within the duration specified in the Agreement, CMC can terminate the

Agreement and FAR EAST must refund all deposit in the amount of Baht 250,000,000.00 together with an interest at the rate of 7% per annum to CMC without any conditions within 7 days from the date that CMC notifies FAR EAST on the Agreement termination in writing.

In the event that the Extraordinary General Meeting of Shareholders No. 1/2017, which will be held on June 29, 2017, resolved not to approve the aforementioned agenda, the Company will continue to operate its former business being energy (Coal and steel), food and beverage (ice cream), and asset management. However, CMC will continue to invest in the related business of the modern agricultural wholesale market in accordance with the company's objectives registered with the Ministry of Commerce.

2. BOD has resolved to approve the appointment of AEC Securities Public Company Limited as an Independent Financial Advisor ("IFA") to provide opinion on the acquisition of land of 106-1-32 rai with 11 units of constructions as well as investment in Nakhon Chai Si Market Project development costs, and the connected transaction with FAR EAST.
3. BOD has resolved to approve the amendment to the Company's Articles of Association as follows:
  - 1) by correction of Section 7: Additional Provision, to be Section 7: Supervision and Management of Subsidiaries and Associated companies with 3 Articles: 49, 50, and 51
  - 2) add Section 8: Additional Provision and bring Article numbers 49 and 50 per former Articles of Association to be Article numbers 52 and 53, respectively,in order to comply with the criteria of the Office of the Securities and Exchange Commission on the Articles of Association of the Holding Company.
4. BOD has resolved to hold the Extraordinary General Meeting of Shareholders No. 1/2017 on June 29, 2017 at 10.00 am at Infinity Room, 7th Floor, AETAS Lumpini, 1030/4 Road Rama IV, Thung Maha Mek, Sathorn, Bangkok to consider and approve the following agenda:
  - Agenda 1: Matters for acknowledgement by the Chairman
  - Agenda 2: To consider and certify the Minutes of Annual General Meeting of Shareholders for 2017
  - Agenda 3: To consider and approve the amendment of the Company's Articles of Association on Supervision and Management of Subsidiaries and Associated Companies
  - Agenda 4: To consider and approve the acquisition of assets and connected transaction
  - Agenda 5: Other matters (if any)

5. It was resolved to set Record Date (for the benefit of determining the names of shareholders who can attend the Extraordinary General Meeting of Shareholders No. 1/2060) on May 15, 2017. To compile the list of shareholders under Section 255 of the Securities and Exchange Act BE 2535 by closing the share register on May 16, 2017.

Yours Sincerely,

(Kamphol Patana-anukul)

Chief Financial Officer

**Information Memorandum regarding the Acquisition of Assets and the Connected Transaction**

The Board of Directors Meeting No. 3/2017 of Thai Capital Corporation Public Company Limited (hereinafter referred to as the "Company" or "TCC") held on April 17, 2017, considered and resolved to establish a subsidiary named Chai Market Company Limited ("CMC"), in which the Company shall hold 100.00% of total issued and paid up share capital, by April 30, 2017 with the initial registered capital of Baht 400,000,000.00 divided into 40,000,000 ordinary shares at a par value of Baht 10.00 per share. At the date of incorporation of CMC, the Company will pay the registered capital of CMC in the amount of Baht 260,000,000.00, divided into 40,000,000 ordinary shares at the par value of Baht 6.50 per share. The objective is to engage in the business of wholesale market for agricultural products under the project name of "Nakhon Chai Si Market" to operate modern agricultural wholesale market. CMC Head Office shall be located at 87/2 CRC Tower, Floor 45, All Seasons Place, Wireless Road, Lumpini, Pathumwan, Bangkok 10330 and its operating office shall be located at 79 Moo 2, Petchkasem Road, Tha Tumnak Sub-district, Nakhon Chai Si District, Nakhonpathom. The Company would like to present the Information Memorandum (1st Schedule) in connection with the Acquisition of Assets and Connected Transaction and other related information with the details as follows:

**1. Information Memorandum (1st Schedule)**

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**1.1 Date of Transaction**

CMC will enter into the transaction after the Company has been granted approval by the Extraordinary General Meeting of Shareholders No. 1/2017, scheduled to be held on June 29, 2017, and when the conditions precedent, as stated in the Sale and Purchase Agreement in respect of land and constructions thereon between CMC and Far East Knitting & Spinning Company Limited ("FAR EAST"), are met. The transaction is expected to be executed by **May 7, 2017** (please refer to the details in Clause 1.7, the conditions required by the Stock Exchange of Thailand ("SET") and / or the conditions to be approved by the shareholders' meeting, whatever the case may be).

**1.2 Concerned Parties, relationship with the Company and scope of interest of the connected person**

**1.2.1 Concerned Parties**

Buyer : Chai Market Company Limited

(a subsidiary of the Company to be established by April 30, 2017)

Seller : Far East Knitting & Spinning Company Limited (Connected Person)

### 1.2.2 Relationship with the Company and scope of interest of the connected person

Far East Knitting & Spinning Company Limited ("FAR EAST") or Seller, is a connected person of the Company in accordance with the Notification of the Capital Market Supervisory Board No. Tor Jor. 21/2551 Re: Rules on Connected Transactions (and amended version) and the Notification of the Stock Exchange of Thailand Disclosure of Information and Other Acts of Listed Companies Concerning the Connected Transactions BE 2546 (and amended version) (collectively referred to as "the Notices on Connected Transaction") since members of Chaivikrai Group who are directors, executives and major shareholders of the Company are directors, executives and major shareholders of FAR EAST. Details of the parties' relationship with the nature and scope of the interest of the connected persons are detailed below:

Characteristic of Relationship of Connected Persons among TCC, CMC <sup>1/</sup> , and FAR EAST						
Chaivikrai Group as a Major Shareholder <sup>2/</sup> , Directors, and Executives of TCC	TCC		CMC		FAR EAST	
	Characteristic of Relationship <sup>3/4/</sup>	Shareholding Ratio (%)	Characteristic of Relationship	Shareholding Ratio (%)	Characteristic of Relationship	Shareholding Ratio (%)
1. Ms. Yupin Chaivikrai	- Authorized Director - Vice Chairman - Investment Committee - Major Shareholder	12.63	-	-	- Major Shareholder	10.00
2. Ms. Pompin Chaivikrai	- Shareholder	7.27	-	-	- Major Shareholder	10.00
3. Ms. Sopin Chaivikrai	- Shareholder	5.58	-	-	- Major Shareholder	10.00
4. Mr. Thannagon Hariwongsanupab <sup>5/</sup>	- Shareholder	4.89	-	-	-	-
5. Mr. Boon-anant Srikhao <sup>6/</sup>	- Authorized Director - Executive Committee - Managing Director - Nomination and Remuneration Committee	0.03	-	-	-	-

Characteristic of Relationship of Connected Persons among TCC, CMC <sup>1/</sup> , and FAR EAST						
Chaivikrai Group as a Major Shareholder <sup>2/</sup> , Directors, and Executives of TCC	TCC		CMC		FAR EAST	
	Characteristic of Relationship <sup>3/4/</sup>	Shareholding Ratio (%)	Characteristic of Relationship	Shareholding Ratio (%)	Characteristic of Relationship	Shareholding Ratio (%)
6. Mr. Kittisak Chaivikrai	- Risk Management Committee					
	- Investment Committee					
	- Shareholder					
	- Director	-	- Director	0.000000025	- Director	10.00
			- Shareholder		- Major Shareholder	
7. Mr. Munsin Chaivikrai	- Chairman	-	- Director	0.000000025	- Director	9.99
			- Shareholder		- Shareholder	
8. Mr. Charoenchai Chaivikrai	- Authorized Director	-	- Director	0.000000025	- Director	8.33
	- Director		- Shareholder		- Shareholder	
	- Chairman of Executive Committee					
	- Chairman of Risk Management Committee					
	- Chairman of Investment Committee					
	- Nomination and Remuneration Committee					
	- Chief Executive Officer					
	<b>Total</b>	<b>30.40</b>		<b>0.000000075</b>		<b>58.32</b>



Source of Information:

- 1) *List of shareholders of the Company as of February 6, 2017 received from Thailand Securities Depository Company Limited ("TSD") as the Company's Registrar. The Company had issued and paid-up capital of Baht 639,708,032.50 divided into 1,279,416,065 issued and paid-up shares at the par value of Baht 0.50 per share, totaling issued and paid-up shares of Baht 639,708,032.50.*
- 2) *Shareholding structure of CMC as of the date of incorporation by 30 April 2017.*
- 3) *FAR EAST shareholders list at the Annual General Meeting of Shareholders for 2016 on November 9, 2015 (in FY2015 FAR EAST had a 12-month period accounting cycle ending July 11). FAR EAST had issued and paid-up capital of Baht 1,500,000,000.00 divided into 15,000,000 issued and paid-up shares, at the par value of Baht 100.00 per share, totaling issued and paid up share capital of Baht 1,500,000,000.00.*

Remark: <sup>1/</sup> *A subsidiary of the Company which is to be established by 30 April 2017.*

<sup>2/</sup> *List of shareholders of the Company as of February 6, 2017 received from Thailand Securities Depository Company Limited ("TSD") as the Company's Registrar.*

<sup>3/</sup> *The reference of the Company's relationship was obtained from the Company's Annual Disclosure Statement for 2016 under the topic of Management Structure and Attachments on Details of Directors and Company Secretary*

<sup>4/</sup> *The Company does not consider the definition of a connected person other than directors, executives, and major shareholders since the aforementioned connected transactions are direct transactions between the Company's directors, executives, and major shareholders and the directors, executives, and major shareholders of FAR EAST*

<sup>5/</sup> *The Company categorized Mr. Thannagon Hariwongsanupab to be the same group as Chaivikrai Group since Mr. Thannagon Hariwongsanupab has a spousal relationship with Ms. Pornpin Chaivikrai.*

<sup>6/</sup> *The Company categorized Mr. Boon-anant Srikhao to be the same group as Chaivikrai Group since Mr. Boon-anant Srikhao has a spousal relationship with Ms. Sopin Chaivikrai.*

In addition, in 2015 and 2016, the Company and TCC Energy Company Limited ("TCCE"), a subsidiary operating purchasing and trading of coal, entered into connected transactions with FAR EAST, with the details disclosed in the notes to the financial statements of the Company and its subsidiaries for the year ended December 31, 2016. The details of the transactions are as follows:

The details of the connected transactions were disclosed in the note to the financial statements number 4 for the year ended December 31, 2016 including the additional disclosure on connected transactions for the year ended December 31, 2015 for comparison.

Individual/ Corporation	Relationship	Nature of Transactions	Amount		Rationale
			2015	2015	
Far East Knitting & Spinning Company Limited ("FAR EAST") Type of Business: Production and Distribution of Knitting & Spinning Products	FAR EAST is the business of Chaivikrai Family, in which the directors and major shareholders of the Company hold shares with the details as follows: <b>1. Mr. Munsin Chaivikrai</b> - Hold director in the Company - Hold director and share in FAR EAST for 9.99% <b>2. Ms. Yupin Chaivikrai</b> - Hold director and share in the Company 12.63% - Hold director and share in FAR EAST 10.00% <b>3. Mr. Charoenchai Chaivikrai</b> - Hold director in the Company - Hold director and share in FAR EAST 8.33% <b>4. Mr. Kittisak Chaivikrai</b> - Hold director in the Company - Hold director and share in FAR EAST 10.00% <b>5. Ms. Pornpin Chaivikrai</b> - Hold share in the Company for 7.35% - Hold share in FAR EAST for 10.00% <b>6. Ms. Sopin Chaivikrai</b> - Hold share in the Company for 5.58% - Hold share in FAR EAST for 10.00%	1. Revenue from Sales 2. Trade receivables	31.35 47.49	36.25 27.51	- Selling the product by the Company and TCCE, a subsidiary that operates imports and distribution of coal - The Company and TCCE sold coal to FAR EAST to use in a normal business operation, has compared the selling price with other suppliers. The selling prices were quoted using Cost plus margin and was in line with market prices

### 1.3 Characteristic of the Transaction

#### 1.3.1 Detail of the acquired assets and description of the project

CMC will sign the Sale and Purchase Agreement in respect of land and constructions thereon ("the Agreement") at the amount of Baht 600,000,000.00, divided into land value of Baht 450 million and constructions value of Baht 150 million, between CMC and FAR EAST for an acquisition of land of approximately 106 rai 1 ngan 32 square wah (or 106-1-32 rai) with 11 units of constructions (please refer to the details in Clause 1.7, the conditions required by the Stock Exchange of Thailand ("SET") and / or the conditions to be approved by the shareholders' meeting, whatever the case may be). CMC shall place a deposit in the amount of Baht 250,000,000.00 within 7 days from the date of the Agreement signing (CMC will sign the Agreement by May 7, 2017). The deposit is divided into a deposit for the land of Baht 190 million and a deposit for the constructions of Baht 60 million. The aforementioned land and constructions are located near Nakhon Chai Si Intersection (highway intersection No. 3323), in approximately 5 kilometers distance, and the Nakhon Chai Si Junction (Highway 91 or Nakhon Pathom - Cha-am intersection), in approximately 10 kilometers distance; and CMC will invest in a modern agricultural wholesale market under the project name of Nakhon Chai Si Market in the amount of Baht 190,000,000.00 (the development cost of Nakhon Chai Si Market, according to the Feasibility Study Report prepared by Modern Property Consultants Company Limited, which was presented to KPP Development Company Limited as a main consultant to the Nakhon Chai Si Market project, is approximately Baht 189.82 million), and the project development duration, including decoration and construction, for the Nakhon Chai Si Market to be ready for operation is approximately 1 year.

The land and construction thereon have significant details as reported by the independent appraiser, PYN Building Inspector and Appraisal Company Limited, and Premier Appraisal and Legal Law Company Limited as follows:

Item	Description
Type of Assets	Land and 11 units of construction
	Total area 106-1-32.0 Rai (or 42,532.0 Square Wah)
Location	79 Moo 2, Petchkasem Road, Tha Tumnak Sub-district, Nakhon Chai Si District, Nakhonpathom
Land Ownership Document	20 title deeds
Constructions	11 units of construction
Infrastructure	Accessible infrastructure consisting electricity, water, and telephone

Item	Description
Land Owner	Far East Knitting & Spinning Company Limited
Constructions Owner <sup>1/</sup>	Far East Knitting & Spinning Company Limited
Obligation	Currently mortgaged to Kasikorn Bank Public Company Limited <sup>2/</sup>
Appraisal Method	Cost approach and sales comparison

Remark: <sup>1/</sup> An independent appraisal company, Premier Appraisal and Law Company Limited, is unable to verify ownership of the construction due to the fact that the appraiser did not receive the relevant supporting data/document on the date of appraisal. However, the Company has reviewed the document to ensure that FAR EAST has ownership in the constructions and such document has been submitted to the appraiser.

<sup>2/</sup> FAR EAST has guaranteed that they will free any burden / obligation prior to the transfer of ownership in the land and constructions thereon to CMC, which is one of the conditions precedent specified in the Agreement.

- Valuation Criteria of an Independent Appraiser

The independent appraiser has applied the asset appraisal criteria according to the professional standards of The Valuers Association of Thailand and Thai Valuers Association. By valuing this property, the valuation criteria was used to determine its market value to estimate the value of a property in its present condition. The market value is the monetary value, which is estimated as the price of the property that can be used in the sale and purchase between willing sellers and willing buyers at the valuation date under normal trading conditions where buyers and sellers have no mutual benefit. The property has been offered for a reasonable period of time and both parties have carefully dealt with knowledge and without pressure. It is also assumed that the complete transfer of legal right to the property can be achieved.

In selecting the asset appraisal method, PYN Building Inspector and Appraisal Company Limited and Premier Appraisal and Law Company Limited, an independent appraisers hired by the Company, examined and considered various factors related to the assets by choosing a appraisal method deemed appropriate to the nature of the assets which was Cost Approach. Such method is the appraisal by mainly considering the cost of development of the assets because the assets have unique characteristics and forms that are different from the other general buildings, by separating the value of land and constructions at its present condition (cost of construction anew less depreciation).

- Details on Land

- Land Title Deed

No.	Land Title Deed No.	Parcel No.	Area	
			Rai-Ngan-Square Wah	Square Wah
1.	13596	56	4-3-99.0	1,999.0

No.	Land Title Deed No.	Parcel No.	Area	
			Rai-Ngan-Square Wah	Square Wah
2.	3891	55	8-3-43.0	3,543.0
3.	1153	20	8-0-56.0	3,256.0
4.	18326	54	5-1-00.0	2,100.0
5.	18327	53	5-1-00.0	2,100.0
6.	1146	291	0-0-45.0	47.0
7.	1152	20	5-1-20.0	2,120.0
8.	15280	21	4-2-40.0	1,840.0
9.	15281	19	6-0-00.0	2,400.0
10.	3899	17	17-0-90.0	6,890.0
11.	1157	205	13-1-68.0	5,368.0
12.	1158	33	4-1-53.0	1,753.0
13.	1159	37	4-1-21.0	1,721.0
14.	1147	22	2-3-35.0	1,135.0
15.	1149	23	4-1-45.0	1,745.0
16.	1151	43	0-0-65.0	65.0
17.	12102	45	4-1-60.0	1,760.0
18.	12203	24	3-2-70.0	1,470.0
19.	43952	42	2-0-12.0	812.0
20.	43953	44	1-0-0.0	400.0

Sources:

1) Appraisal report of PYN Building Inspector and Appraisal Company Limited, dated March 24, 2017

2) Appraisal report of Premier Appraisal and Law Company Limited, dated March 30, 2017

- Characteristics of Land

The land is rectangular in shape with width. On the west side of Petchkasem Road (Toll 4), it is about 120 meters wide. The deepest part from the south to the north, about 320 meters long. The land after filling is at the same level as the road. Currently, the land is used as a factory site under the name Far East Knitting & Spinning Industry Company Limited, with the following land contact areas:

Direction	Approximate Length	Contact
North	213.00 meters or 215.00 meters	Other person's land
South	417.00 meters or 420.00 meters	Other person's land
East	430.00 meters	Other person's land
West	120.00 meters	Petchkasem Road (TL.4)

Sources:

1) Appraisal report of PYN Building Inspector and Appraisal Company Limited, dated March 24, 2017

2) Appraisal report of Premier Appraisal and Law Company Limited, dated March 30, 2017

- Land Appraisal by Independent Appraiser

PYN Building Inspector and Appraisal Company Limited						
Item	Market Data 1	Market Data 2	Market Data 3	Market Data 7	Market Data 8	Appraised Assets
รายละเอียดที่ดิน	Empty land Petchkasem Rd.	Empty land Petchkasem Rd.	Empty land Petchkasem Rd.	Empty land Nakhon Chai Si- Salaya Rd.	Empty land Thammasop Rd.	Land with construction Petchkasem Rd.
Space (Rai)	106-0-0.0	6-2-0.0	18-2-0.0	90-0-0.0	63-0-0.0	106-1-32.0
Price (Baht/Rai)	8,000,000	7,000,000	9,000,000	2,400,000	2,500,000	-
Weighted Average Value (Baht/Rai)	1,440,000	1,359,538	1,288,636	445,252	343,636	4,887,062
Approximate Value of the Appraised Assets						4,900,000 Baht/Rai

Source: Appraisal report of PYN Building Inspector and Appraisal Company Limited, dated March 24, 2017

Premier Appraisal and Law Company Limited					
Item	Market Data 1	Market Data 3	Market Data 4	Market Data 10	Market Data 8
รายละเอียดที่ดิน	Empty land	Empty land	Empty land	Empty land	Land with construction



	Petchkasem Rd.	Petchkasem Rd.	Petchkasem Rd.	Thammasop Rd.	Petchkasem Rd.
Space (Rai)	106-2-0.0	18-2-0.0	15-2-0.0	63-0-0.0	104-3-86.5
Price (Baht/Square Wah)	20,000	22,500	30,000	12,500	-
Weighted Average Value (Baht/Square Wah)	3,098	3,101	3,130	3,123	12,452
Approximate Value of the Appraised Assets					12,000 Baht/Square Wah

Sources: Appraisal report of Premier Appraisal and Law Company Limited, dated March 30, 2017

- Details on Buildings and Constructions

- Comparative Details on Constructions and Appraisal Value

Appraiser	PYN Building Inspector and Appraisal Company Limited				Premier Appraisal and Law Company Limited				Safecon Inspection Company Limited			
Land Title Deed Number	Building <sup>1/</sup>	Building Name	Appraisal Value		Building <sup>1/</sup>	Building Name	Appraisal Value		Building <sup>1/</sup>	Building Name	Appraisal Value	
			Cost Approach <sup>2/</sup>				Cost Approach <sup>2/</sup>				Cost Approach <sup>2/</sup>	
			Value before Depreciation	Value after Depreciation			Value before Depreciation	Value after Depreciation			Construction Value per Original Purpose	Construction Value per New Purpose
3891 and 3899	1 <sup>4/</sup>	Fabric Warehouse and Inspection	25,728,000	14,150,400	4	Warehouse (Knitting)	25,984,000	13,511,680	9 <sup>5/</sup>	Knitting Factory	153,015,000	183,618,000

Appraiser	PYN Building Inspector and Appraisal Company Limited				Premier Appraisal and Law Company Limited				Safecon Inspection Company Limited			
Land Title Deed Number	Building 1/	Building Name	Appraisal Value		Building 1/	Building Name	Appraisal Value		Building <sup>1</sup> /	Building Name	Appraisal Value	
			Cost Approach <sup>2/</sup>				Cost Approach <sup>2/</sup>				Cost Approach <sup>2/</sup>	
			Value before Depreciation	Value after Depreciation			Value before Depreciation	Value after Depreciation			Value before Depreciation	Value after Depreciation
13596	2 <sup>4/</sup>	Warehouse (Knitting)	24,870,400	13,678,720	3	Fabric Warehouse and Inspection	26,880,000	13,977,600	8 <sup>5/</sup>	Knitting Factory		
3899 15280 1152 and 1147 1145 and 26242-44	3 <sup>4/</sup>	Spinning Factory and Office	117,450,000	68,121,000	2	Spinning Factory and 2-Flr. Office	123,760,000	68,068,000	4 <sup>5/</sup>	Knitting Factory		
	4 <sup>4/</sup>	Knitting Factory	103,175,000	41,270,000	1	Knitting Factory	133,500,000	53,400,000	3 <sup>5/</sup>	OE Factory	107,250,000	128,700,000
		<b>รวม</b>	<b>271,223,400</b>	<b>137,220,120</b>		<b>รวม</b>	<b>310,124,000</b>	<b>148,957,280</b>		<b>รวม</b>	<b>260,265,000</b>	<b>312,318,000</b>
1153 and 18326	5	Canteen	10,000,000	4,000,000	7	Canteen	9,362,500	3,745,000				
18326 and 18327	6	4-Flr Employee Dormitory (No. 1)	23,660,000	9,464,000	8	4-Flr Employee Dormitory (No. 1)	24,960,000	9,984,000				
18326 and 18327	7	4-Flr Employee Dormitory (No. 2)	23,660,000	9,464,000	9	4-Flr Employee Dormitory (No. 2)	24,960,000	9,984,000				

Appraiser	PYN Building Inspector and Appraisal Company Limited				Premier Appraisal and Law Company Limited				Safecon Inspection Company Limited			
Land Title Deed Number	Building <sup>1/</sup>	Building Name	Appraisal Value		Building <sup>1/</sup>	Building Name	Appraisal Value		Building <sup>1/</sup>	Building Name	Appraisal Value	
			Cost Approach <sup>2/</sup>				Cost Approach <sup>2/</sup>				Cost Approach <sup>2/</sup>	
			Value before Depreciation	Value after Depreciation			Value before Depreciation	Value after Depreciation			Construction Value per Original Purpose	Construction Value per New Purpose
18327	8	2-Flr Employee Dormitory	13,594,500	5,437,800	10	2-Flr Employee Dormitory	14,310,000	5,724,000				
1158	9	Electricity System Control	208,000	83,200	11	Electricity System Control	224,000	89,600				
13596	10	Sub-station	1,020,000	408,000	5	Sub-station	1,080,000	432,000				
13596	11	Security Office	252,000	100,800	6	Security Office	342,000	136,800				
-	12	Other Construction e.g. Street, Concrete Patio, etc.	7,760,000	3,104,000								
		<b>Total</b>	<b>351,377,900</b>	<b>169,281,920</b>		<b>Total</b>	<b>385,362,500</b>	<b>179,052,680</b>				

Sources:

1) Appraisal report of PYN Building Inspector and Appraisal Company Limited, dated March 24, 2017

2) Appraisal report of Premier Appraisal and Law Company Limited, dated March 30, 2017

3) Building Inspection and Appraisal Report of Safecon Inspection Company Limited, dated March 31, 2017

Remark: <sup>1/</sup> The Independent appraisers and the engineering inspector use different building sequence numbers and reference building names. Considering the floor plans of the three companies, it was found that they are similar in buildings and areas

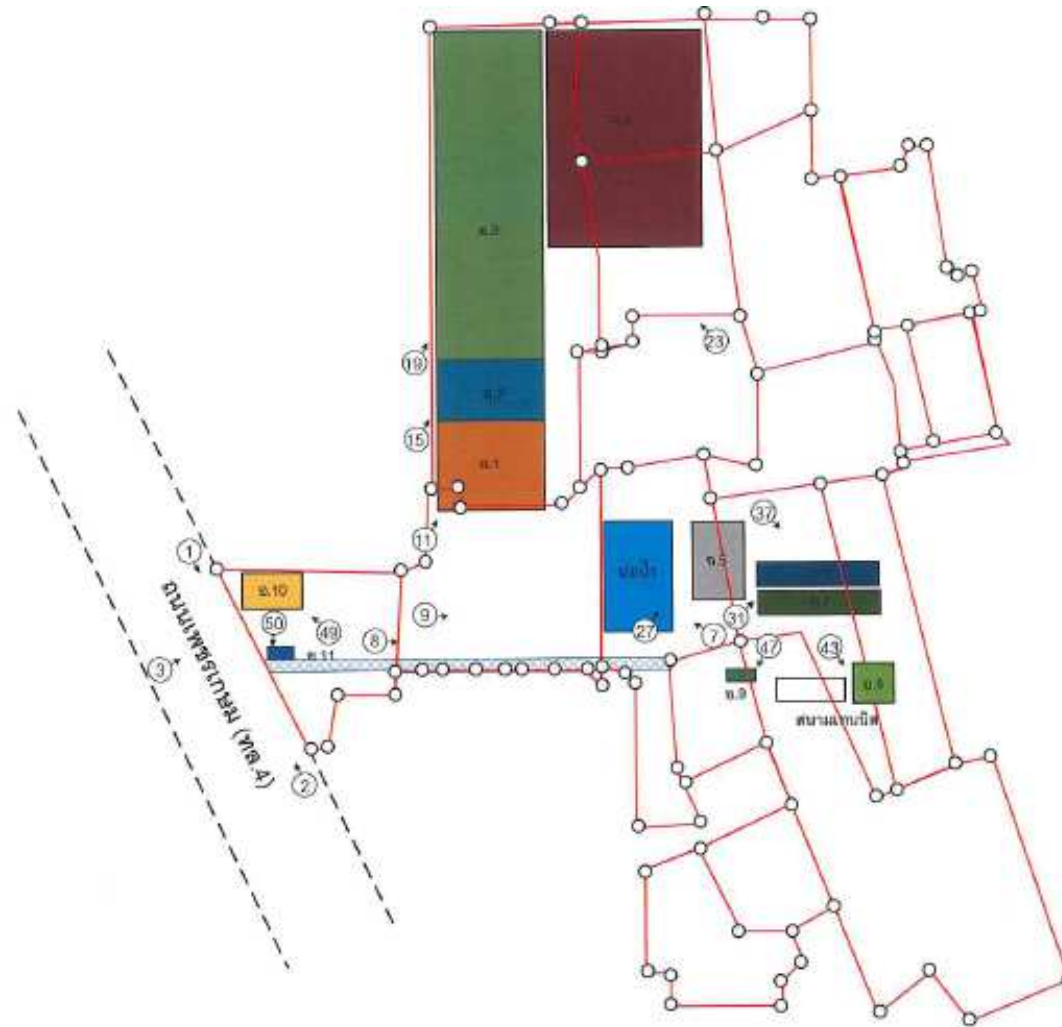
<sup>2/</sup> Independent Appraiser, PYN Building Inspector and Appraisal Company Limited and Premier Appraisal and Law Company Limited used reference appraisal price from The Valuers Association of Thailand (VAT) 2016 with depreciation of 3.00% per annum

<sup>3/</sup> The engineering inspector, Safecon Inspection Company Limited used reference appraisal price determined by the Appraisal Foundation of Thailand. (Public Utility) with the construction of the original purpose (knitting and spinning factory) and construction of the new purpose (agricultural wholesale market). Both of the construction costs are the cost approach appraised with no depreciation according to the depreciated replacement cost determined by the standard and profession of asset appraisal in Thailand Sponsored by the Securities and Exchange Commission effective from year 2005 onward

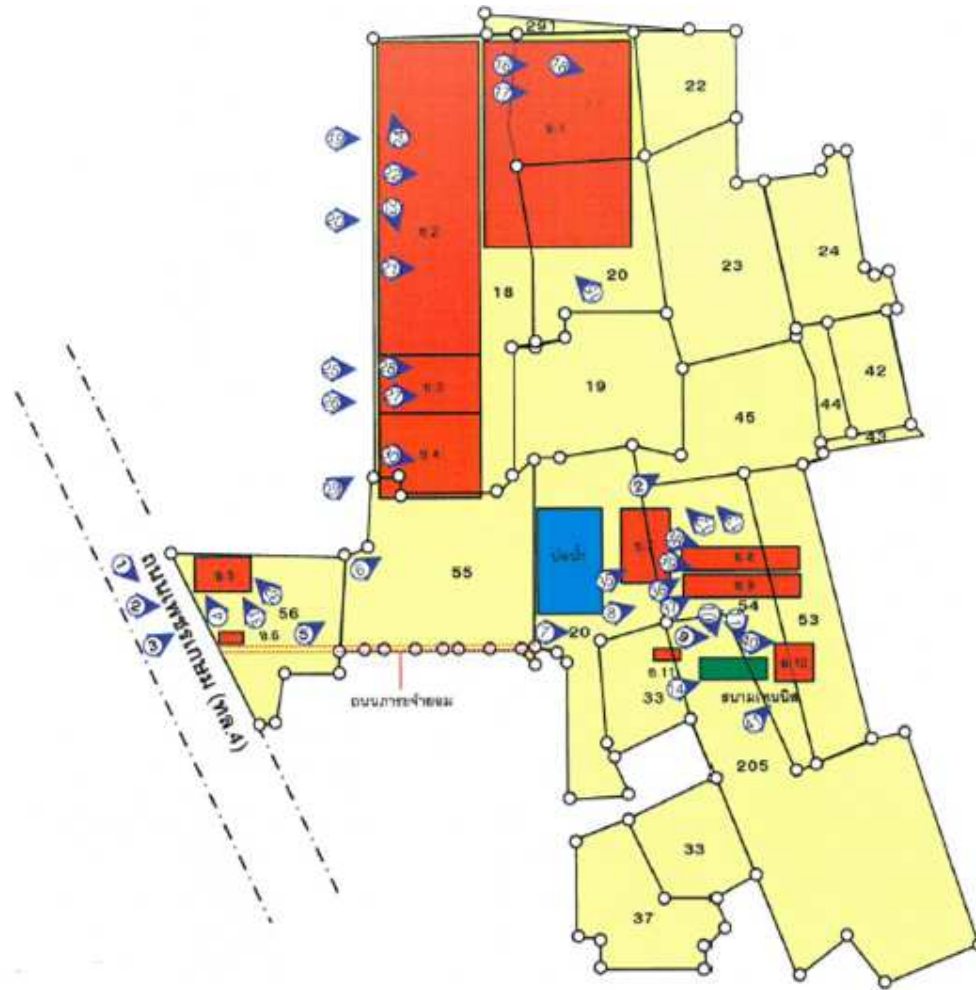
<sup>4/</sup> The buildings that will be developed as Nakhon Chai Si Market, according to the Feasibility Study Report prepared by Modern Property Consultants Company Limited, which was presented to KPP Development Company Limited as a main consultant to the Nakhon Chai Si Market project, consist of Building 1, Building 2, Building 3 and Building 4 (refer to the building plan of PYN Building Inspector and Appraisal Company Limited

<sup>5/</sup> Report on the results of the buildings inspection and appraisal of Safecon Inspection Co., Ltd., dated March 31, 2017, was prepared to inspect and appraise the condition of 4 factory buildings of FAR EAST with aims to (1) explore the remaining life of the buildings according to its original purpose (knitting and spinning factory) and the new purposes (Agricultural Wholesale Market); and (2) appraise replacement cost of the buildings according to its original purpose (knitting and spinning factory) and the new purposes (Agricultural wholesale market).

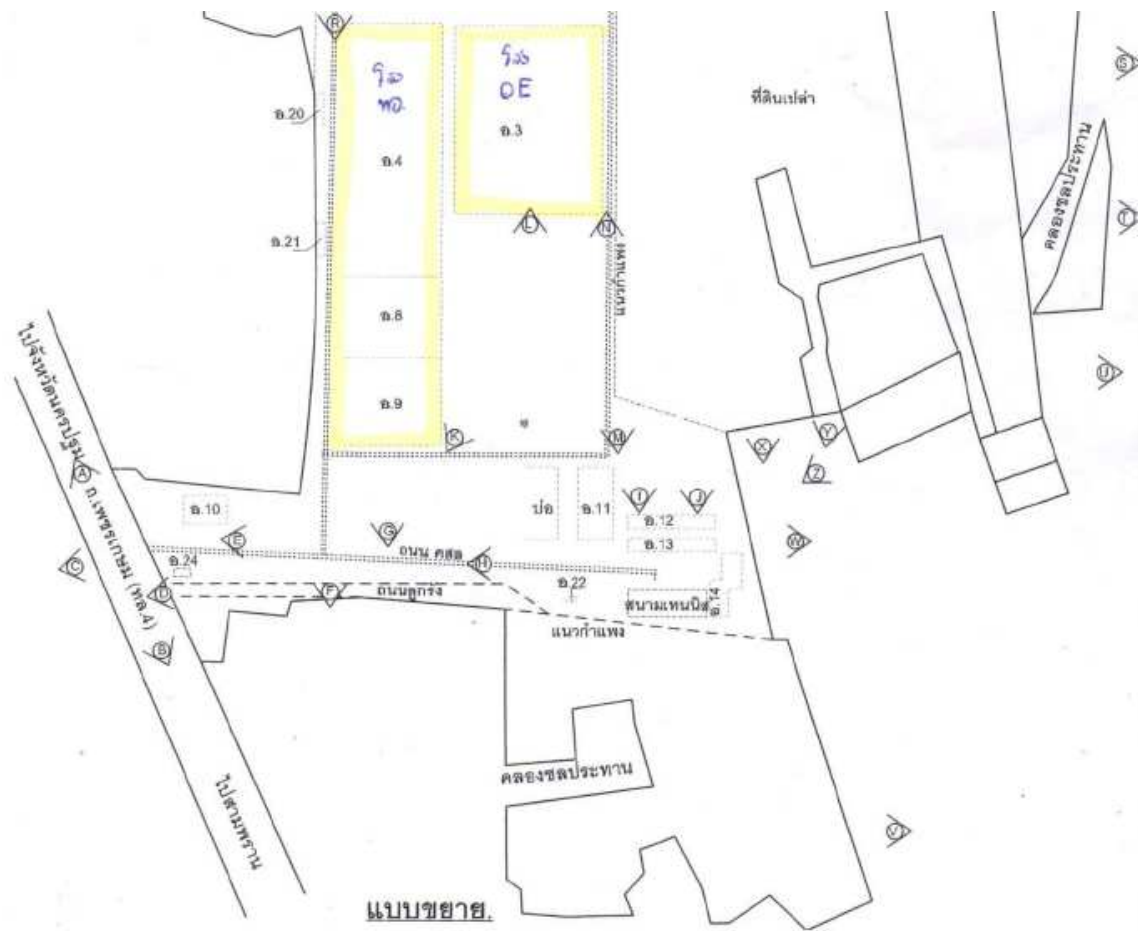
Constructions Plan from PYN Building Inspector & Appraisal Company Limited



Constructions Plan from Premier Appraisal & Law Company Limited



Constructions Plan from Safecon Inspection Company Limited



- Appraisal Value from Independent Appraisers

Appraised Assets (In: Baht)	PYN Building Inspector and Appraisal Company Limited	Premier Appraisal and Law Company Limited
Appraisal Method	Cost Approach	Cost Approach
Land	511,829,500	503,838,000
Constructions	169,281,920	179,052,680
Total	681,111,420	682,890,680
<b>Total (Round-up)</b>	<b>681,100,000</b>	<b>682,900,000</b>

Sources:

- 1) Appraisal report of PYN Building Inspector and Appraisal Company Limited, dated March 24, 2017
- 2) Appraisal report of Premier Appraisal and Law Company Limited, dated March 30, 2017

- Opinion of Premier Appraisal and Law Company Limited,

The assets appraised consist of land and 11 units of construction with land area of 106-1-32.0 Rai (or 42,352.0 sq.wah) located at 79 Moo 2, Petchakasem Road, Tambon Tha Kham, Amphoe Nakhon Chai Si, Nakhonpathom. The surrounding area is a community district. The transportation is convenient. There are complete basic utilities. Development potential and growth trend is moderate.

Based on a survey of the market data and buying and selling of land in Nakhon Chai Si area. (On Petchakasem Road) and nearby area, it is found that the price level is between Baht 6,000.00 - 40,000.00 per square wah, depending on factors such as location, land condition, environment, and pricing offering. Therefore, in appraising the value of assets, the appraiser used the information that is similar the asset and adjusted by Weighted Quality Score (WQS) to determine the value of the property.

- Opinion of PYN Building Inspector and Appraisal Company Limited
- None -
- Opinion of Engineering Inspector, Safecon Inspection Company Limited

As Safecon Inspection Company Limited was assigned to inspect and appraise the buildings condition and appraise 4 factory buildings with a total usable area of 34,702 square meters (Building 1, Building 2, Building 3 and Building 4 as compared to the report of the independent appraiser, PYN Building Inspector and Appraisal Company Limited) of FAR EAST, it can be summarized as follows:



Useful Lives of the Buildings

Buildings 1, buildings 2 and buildings 3 are all connected. The first building (Building 1) was built in 1992 and the last building (Building 3) was built in 2000. Therefore the buildings are 25 years old and remaining useful lives are 25 years. Building 4 was built in 2001. Therefore the building is 16 years old and remaining useful life is 34 years.

Appraisal Value of the Buildings  
*Appraised replacement cost of the buildings according to its original purpose (general factory building) is Baht 260,265,000. Appraised replacement cost of the buildings according to its new purpose (Agricultural wholesale market.) is Baht 312,318,000*

- Project Development Costs

Construction costs, improvement costs, and operating costs incurred during construction were based on design documentation and construction cost estimates from the Bill of Quantity (BOQ) according to the Feasibility Study Report prepared by Modern Property Consultant Company Limited presented to KPP Development Company Limited as a main Consultant to Nakhon Chai Si Market project to estimate the construction costs of the project. The estimated costs are as follows:

No.	Item	Estimated Costs
1.	Infrastructure and infrastructure development	
	Land filling	13,407,000
	Main road	28,175,000
	Drainage fee	2,400,000
	Secondary road and asphalt parking	11,660,400
	Water pipe	2,400,000
	Landscape development and entrance	2,400,000
	Electrical wiring	3,000,000
	<b>Total</b>	<b>63,442,400</b>
2.	Building Construction / Renovation	
	The original wall demolition fee	2,125,000

No.	Item	Estimated Costs
	Building 1 + 2 (Fruit Market)	25,650,000
	Building 3 (vegetable market)	17,550,000
	Apartment	2,730,000
	Commercial space	6,187,500
	Bathroom building	3,740,000
	Club building	1,687,500
	Estimated allowance	6,155,620
	<b>Total</b>	<b>65,825,620</b>
3.	Machine, equipment, and others	
	Forklift	3,000,000
	Furniture	1,170,000
	Containers (cold storage)	16,000,000
	<b>Total</b>	<b>20,170,000</b>
4.	Administration fee during construction	
	Design/construction permit/government fee/etc.	8,000,000
	Other administration fee	3,693,372
	Consultant and construction supervision fee	3,693,372
	<b>Total</b>	<b>15,386,744</b>
5.	Interest paid during the construction	25,000,000
	<b>Total</b>	<b>25,000,000</b>
<b>Total Project Development Costs</b>		<b>189,824,764</b>

### 1.3.2 Calculation of transaction size and the criteria adopted in determining total value of consideration

On April 17, 2017, the signing of the Agreement to acquire land and constructions thereon in the amount of Baht 600,000,000.00 for an acquisition of land of approximately 106 rai 1 ngan 32 square wah (or 106-1-32 rai) with 11 units of constructions, and the development cost of Nakhon Chai Si Market Project of not greater than Baht 190,000,000.00, totaling Baht 790,000,000 by CMC is considered the acquisition of assets of a subsidiary of a listed company with the highest transaction size of 86.22% of its total assets (the total assets of the Company according to the consolidated financial statements for the year ended 31 December 2016 which have been audited by a certified public accountant equals Baht 916,213,958.18) in accordance with the Total Value of Consideration criteria. To enter into the transaction, it is required approval by the

shareholders' meeting with a vote of not less than three-fourths of the total number of votes of the shareholders attending and eligible to vote on the basis that the subsidiary (CMC) of the listed company acquires an asset with the size of transaction of 50.00% or higher but less than 100.00%, which is considered as a Class 1 transaction according to the Notification of the Capital Market Supervisory Board No. Tor Jor. 20/2551 Re: Rules on Significant Transactions Related to the Acquisition or Disposition of Assets dated August, 31 2008 (and amended version) and the Notification of the Stock Exchange of Thailand Re: Disclosure of Information And the practice of Listed Companies in the Acquisition or Disposition of Assets 2004, dated October, 29 2004 (and amended version) (collectively referred to as "Notices on Acquisition or Disposal). The Company has to appoint an Independent Financial Advisor ("IFA") to provide opinion on reasonableness and benefit of the transaction, the fairness of the price, and the conditions concerned with the transaction to the shareholders to consider and approve such transaction. The size of transaction can be calculated as follows:

In: Baht million

Calculation Criteria	Formula and Method of Calculation	Transaction Size (%)
Net Tangible Asset Value (NTA) <sup>1/</sup>	Cannot be calculated due to the fact that the aforementioned acquisition of an asset is not an investment in a company	-
	(NTA of investee / Total NTA of the Company) x Investment proportion	
Net Profit <sup>2/</sup>	Cannot be calculated due to the fact that the aforementioned acquisition of an asset is not an investment in a company	-
	(Net profit of investee / Net profit of the Company) x Investment proportion	
Total Value of Consideration <sup>3/</sup>	790,000,000.00 <sup>3/</sup> / 916,213,958.18	86.22
	Total consideration paid / Total assets of the Company	
Equity Share Value	Cannot be calculated due to no equity share is issued in acquisition of an asset	-
	Shares issued for the payment / Total issued and paid-up shares of the Company	
NTA = Total assets – total liabilities – intangible assets – non-controlling interest		
Net Profit = Net profit from normal operation after deducting corporate income tax		

Source: <sup>1/</sup> Audited financial statements and report of certified public accountant for 2016 of Thai Capital Corporation Public Company Limited and its subsidiaries

Remark: <sup>1/</sup> NTA = Total assets – total liabilities – intangible assets – non-controlling interest (if any)  
Intangible Assets pertains to goodwill, deferred expense excluding intangible assets that generate key revenue e.g. Concession

<sup>2/</sup> Net Profit = Net profit from normal operation after deducting corporate income tax

<sup>3/</sup> Total Value of Consideration is the value of an acquisition including development costs and other costs to make the assets ready for operation. The details of the consideration are as follows:

<i>Total Value of Consideration</i>	<i>In: Baht</i>
<i>Land</i>	450,000,000.00
<i>Existing constructions</i>	150,000,000.00
<b><i>Total land and existing constructions</i></b>	<b>600,000,000.00</b>
<i>Infrastructure and infrastructure development</i>	63,442,400.00
<i>Construction building / renovation</i>	65,825,620.00
<i>Machine, equipment, and others</i>	20,170,000.00
<i>Administration fee during construction</i>	15,386,744.00
<i>Interest paid during the construction</i>	25,000,000.00
<b><i>Total Project Development Costs</i></b>	<b>189,824,764.00</b>
<b><i>Round-up (for approval request)</i></b>	<b>190,000,000.00</b>
<b><i>Total</i></b>	<b>790,000,000.00</b>

In addition, the signing of the Agreement to acquire land and constructions thereon in the amount of Baht 600,000,000.00 with FAR EAST is considered a connected transaction According to the Notification of the Capital Market Supervisory Board No. Tor Jor. 21/2551 Re: Connected Transaction Rules (and amended version) and the Notification of the Stock Exchange of Thailand on Disclosure of Information and Other Acts of Listed Companies Concerning the Connected Transactions BE 2546 (and amended version) (collectively referred to as "Notices on Connected Transaction") with the transaction size of

82.54% of the net tangible assets (calculated from the value of land and constructions thereon of Baht 682,900,000.00 divided by the net tangible assets of the Company which, according to the consolidated financial statements for the year ended 31 December 2016 which have been audited by a certified public accountant, equals Baht 827,357,101.10 whereby the value used in the calculation of the transaction size is market value based on the appraisal value of Premier Appraisal and Law Company Limited, which is the highest value from the comparison between 1) value of the consideration paid in the amount of Baht 600,000,000.00 2) the market value from the appraisal by Premier Appraisal and Law Company Limited in the amount of Baht 682,900,000.00 and 3) the market value from the appraisal by PYN Building Inspector and Appraisal Company Limited in the amount of Baht 681,100,000.00. In addition, the value of the transaction does not include project development costs given that the Company does not pay such costs to the connected persons). Due to the fact that the size of the transaction is greater than Baht 20.00 million or 3.00% of the Company's net tangible assets under the Notices on Connected Transaction, the Company is required to submit the information memorandum regarding the Transaction and disclose the information to SET and the shareholders as prescribed in the Notices on Connected Transaction, as well as a vote of not less than three-fourths of the total number of votes of the shareholders or the proxies (if any) attending and eligible to vote at the meeting, excluding the votes of the shareholders having an interest in such agenda.

In: Baht Million

Formula and Method of Calculation	Transaction Size (%)
682,900,000.00 <sup>1/</sup> / 827,357,101.10 <sup>2/</sup>	82.54
Total consideration paid / NTA of the Company	

*Source:* <sup>1/</sup> Audited financial statements and report of certified public accountant for 2016 of Thai Capital Corporation Public Company Limited and its subsidiaries

*Remark:* <sup>1/</sup> The value used in the calculation of the transaction size is market value based on the appraisal value of Premier Appraisal and Law Company Limited, which is the highest value from the comparison between value of the consideration paid in the amount of Baht 600,000,000.00, the market value from the appraisal by Premier Appraisal and Law Company Limited in the amount of Baht 682,900,000.00, and the market value from the appraisal by PYN Building Inspector and Appraisal Company Limited in the amount of Baht 681,100,000.00. In addition, the value of the transaction does not include project development costs given that the Company does not pay such costs to the connected persons.

*The appraisal values are detailed belows:*

Appraised Assets (In: Baht)	PYN Building Inspector and Appraisal Company Limited	Premier Appraisal and Law Company Limited
Appraisal Method	<i>Cost Approach</i>	<i>Cost Approach</i>
Land	511,829,500.00	503,838,000.00
Constructions	169,281,920.00	179,052,680.00
Total	681,111,420.00	682,890,680.00
<b>Total (Round-up)</b>	<b>681,100,000.00</b>	<b>682,900,000.00</b>

<sup>2/</sup> *NTA = Total assets – total liabilities – intangible assets – non-controlling interest (if any)*  
*Intangible Assets pertains to goodwill, deferred expense excluding intangible assets that generate key revenue e.g. Concession*

*Calculation of NTA of TCC is detailed belows:*

<b>NTA</b>	<b>In: Baht</b>
<i>Total Assets</i>	916,213,958.18
<i>Intangible Assets</i>	
- <i>Goodwill</i>	(17,622,070.88)
- <i>Intangible assets</i>	(9,417,884.50)
- <i>Deferred tax assets</i>	(5,703,245.95)
<i>Total Liabilities</i>	(56,113,695.75)
<i>Non-controlling Interests</i>	-
<b>Total</b>	<b>827,357,101.10</b>

### 1.3.3 Total Value of Consideration and explanation on payment and other related conditions

Total value of consideration consists of payment of land and constructions thereon in the amount of Baht 600,000,000.00 where the payment term and other conditions on deposit payment and remaining payment are referred to from the sale and purchase agreement ("the Agreement") between CMC and FAR EAST which will be signed within May 7, 2017. The related details are as follows:

Item	Amount	In
Payment on land deposit within 7 days from the Agreement signing date	190,000,000.00	Baht
Payment on constructions deposit within 7 days from the Agreement signing date	60,000,000.00	Baht
<b>Sub-total</b>	<b>250,000,000.00</b>	<b>Baht</b>
Payment on the remaining land value within 60 days from the date a financial institution grants loan facility for an operation of Nakhon Chai Si Market, the date that the shareholders approve the transaction, and that the conditions precedent have been met	260,000,000.00	Baht
Payment on the remaining constructions value within 60 days from the date a financial institution grants loan facility for an operation of Nakhon Chai Si Market, the date that the shareholders approve the transaction, and that the conditions precedent have been met	90,000,000.00	Baht
<b>Sub-total</b>	<b>350,000,000.00</b>	<b>Baht</b>
<b>Total</b>	<b>600,000,000.00</b>	<b>Baht</b>

#### 1.3.4 Value of the acquired assets

The Company has appraised the developments costs and additional constructions costs (collectively called " Project development costs") to acquire the land of approximately 106 rai 1 ngan 32 square wah (or 106-1-32 rai) with 11 units of constructions and make the ready for operation as an agricultural wholesale market. The Company hired KPP Development Company Limited according to the service agreement dated December 6, 2016 where KPP Development Company Limited hired Modern Property Consultant Company Limited to collect information on project development costs such as facility development, land filling, building improvement, etc. with the details as follows:

In: Baht

No.	Item	Costs
1.	Land of approximately 106 rai 1 ngan 32 square wah (or 106-1-32 rai) <sup>1/</sup>	450,000,000
2.	11 units of construction <sup>2/</sup>	150,000,000
3.	Development costs of utilities and facilities <sup>1/</sup>	63,442,400

In: Baht

No.	Item	Costs
4.	Building construction and renovation <sup>1/</sup>	65,825,620
5.	Machine, equipment, and others <sup>1/</sup>	20,170,000
6.	Administration fee during construction <sup>1/</sup>	15,386,744
7.	Interest paid during the construction <sup>1/</sup>	25,000,000
<b>Total Costs</b>		<b>789,824,764</b>

Remark: <sup>1/</sup> Total value of the land of approximately 106 rai 1 ngan 32 square wah (or 106-1-32 rai) with 11 units of constructions are referred to from the sale and purchase agreement ("the Agreement") between CMC and FAR EAST which will be signed within May 7, 2017.

<sup>2/</sup> Construction costs, improvement costs, and operating costs incurred during construction were based on design documentation and construction cost estimates in the Feasibility Study Report prepared by Modern Property Consultant Company Limited

#### 1.4 Net profit after tax and special item that is part of the asset purchased 2 years before the transaction.

- None - due to the fact that the acquisition is not the acquisition of investment in a company. There is no net profit after tax or special item that is part of the asset purchased 2 years before the transaction.

#### 1.5 Expected Benefits for a Listed Company

The acquisition of land and buildings from FAR EAST will result in the Company being able to develop such assets into an agricultural wholesale market. This is in line with the Company's strategy, that is, the Company will diversify its investments into various businesses to seek opportunities and make profits to achieve its goals. The Company has a large amount of cash and cash equivalents for investing in new businesses, while the Company still has sufficient working capital for its current operations. The Company has average cash cycle of 60-70 days which is considered not long (compared to the other 5 listed companies operating similar businesses which have the cash cycle of between 47-270 days). The Company's financial assets is substantially higher than its financial liabilities (financial assets and financial liabilities per consolidated financial statements which have been audited by the Certified Public Account for the year ended December 31, 2016 were Baht 678.60 million and Baht 49.76 million, respectively. The items presented in the statement of financial position as at December 31, 2016 that can be used as short-term source of fund to enter into the acquisition right away comprised cash and cash equivalents, current investments, and restricted investments totaling Baht 326.87 million). And as at December 31, 2016, the Company had the debt to equity ratio of 0.07 times which is considered low (after the acquisition of land and constructions thereon from FAR EAST, the debt to equity ratio of the Company will change to 0.53 times).



According to the feasibility study report on the development of a project by Modern Property Consultant Company Limited, presented to KPP Development Company Limited as a consultant to the Nakhon Chai Si Market Project, the project has high potential due to the following factors: The location of the project is convenient in transportation. In addition, the demand for agricultural products in the world market is likely to increase due to the increasing population, resulting in the current inadequate demand of agricultural wholesalers. In addition, the existing 4 buildings, with a total area of 35,102 square meters, are still available and can be developed at a relatively low cost.

#### 1.6 Source of fund and conditions that may affect the rights of shareholders

Source of fund of CMC to be used in the Project is as follows:

Source of fund for use in project development	Amount (Baht)	Conditions that may affect the rights of shareholders
Loan from financial institution <sup>1/2/</sup>	400,000,000	None
Working capital of the Company <sup>3/</sup>	389,824,764	None
<b>Total</b>	<b>789,824,764</b>	

Remark: <sup>1/</sup> CMC will apply for loans with financial institutions as soon as the Extraordinary General Meeting of Shareholders No. 1/2017 approves the transaction. While the Company is studying the feasibility study report of the Nakhon Chai Si Market Project prepared by Modern Property Consultant Company Limited, to be presented to KPP Development Company Limited, as the consultant of the project, the Company has prepared for loan application by CMC. Therefore, the Company believes that there will be no loan conditions that affect the rights of shareholders. In case that CMC submits the complete loan application, the time taken by financial institutions to consider and approve the loan shall not be longer than 3 months.

<sup>2/</sup> CMC will mortgage all assets acquired in the transaction comprising land and 11 units of construction thereon for the loan from financial institutions that will be used to invest in Nakhon Chai Si Market Project. The loan period is estimated to be about 6 years (starting in 2017 and ending in 2022) and has financial cost which is capitalized at the rate of 6.25% per annum under the assumption of debt and capital structure specified in the feasibility study report of the project prepared by Modern Property Consultant Company Limited, to be presented to KPP Development Company Limited, as the consultant of the project,

<sup>3/</sup> Cash payment for share in the amount of Baht 252,000,000.00 million by TCC as of the incorporation date of CMC, which is within April 30, 2017 and the cash payment of the remaining amount of ordinary share of Baht 148,000,000.00 million according to the debt and

*capital structure used for loan petition determined by the financial institution that grants the loan*

**1.7 The conditions required by the Stock Exchange of Thailand ("SET") and / or the conditions to be approved by the shareholders' meeting, whatever the case may be)**

The conditions required by the Stock Exchange of Thailand ("SET") and / or the conditions to be approved by the shareholders' meeting, whatever the case may be) are as follows:

- Conditions Precedent
- 1) The transaction must be approved by the Extraordinary General Meeting of Shareholders No. 1/2017, which will be held on June 29, 2017, with the votes of not less than three-fourths of the total number of votes of the shareholders or proxies (if any) attending the meeting and eligible to vote, excluding the votes of the shareholders having an interest in such agenda.
  - 2) In the event that the Annual General Meeting of Shareholders No. 1/2017, held on June 29, 2017, does not approve the acquisition of the land and constructions thereon in the amount of Baht 600,000,000.00 between the Company and FAR EAST, a connected person, and the investment in Nakhon Chai Si Market Project development costs of not greater than Baht 190,000,000.00, totaling not greater than Baht 790,000,000, FAR EAST must refund all deposit in the amount of Baht 250,000,000.00 together with an interest at the rate of 7% per annum to CMC without any conditions within 7 days from the date the shareholders or proxies (if any) resolved not to approve the aforementioned agenda.
  - 3) The Company will enter into such transaction after the approval of the Extraordinary General Meeting of Shareholders No. 1/2017, which will be held on June 29, 2017, when the condition precedent specified in the Agreement becomes effective. In the event that FAR EAST cannot fulfill the conditions precedent within the duration specified in the Agreement, CMC can terminate the Agreement and FAR EAST must refund all deposit in the amount of Baht 250,000,000.00 together with an interest at the rate of 7% per annum to CMC without any conditions within 7 days from the date that CMC notifies FAR EAST on the Agreement termination in writing.

Other Conditions                      In the event that the conditions precedent have been fulfilled but the Company or CMC decides not to enter into the transaction, the Company or CMC will not have to pay any fine or penalty to FAR EAST in all cases and FAR EAST must refund all deposit in the amount of Baht 250,000,000.00 to CMC without any conditions within 7 days from the

date that CMC notifies FAR EAST on the Agreement termination in writing.

**1.8 Explanation on why the Company shall not be a sole shareholder in the connected person, and to specify measures to prevent conflicts of interest that may arise in the future**

The Acquisition of land and constructions thereon from FAR EAST is not required for an explanation why the Company shall not be a sole shareholder in the connected person since the transaction pertains to the acquisition of land and construction, not investment in ordinary shares.

This acquisition of land and constructions from the connected person is in line with the Company's business strategy to diversify investment risks from its sole core company to the other core companies and/or businesses and is aimed to operate agricultural wholesale market which is non-relevant to, not crossing with, or not competing with core business of FAR EAST. Therefore, it is considered that no potential conflicts of interest may arise from such transaction.

**1.9 Opinion of the Board of Directors regarding the Transaction**

The Board of Directors has considered and was of the opinion that the shareholders shall approve the investment in Nakhon Chai Si Market Project since the transaction is considered appropriate and is in line with the Company's business strategy to diversify its investment risk in a sole core company (TCCE) to other core companies and/or other businesses. The aforementioned land and constructions thereon can be developed into the wholesale market of agricultural products right away, in which CMC does not have to start the construction anew. In addition, the land and constructions are located in the location that is convenient to travel and has business potential. The aforementioned transaction with the connected person is considered more flexible than the transaction with outsiders for instance, full refund of deposit without conditions in the event that shareholders do not approve the transaction, and the company or CMC can decide not to enter into the transaction even if the shareholders have approved the transaction. Nevertheless, the investment in the aforementioned project may not be in line with the Feasibility Study Report due to certain uncontrollable external risk factors such as the delay or deviation from the plan of the development of transportation routes by government agencies, and / or discrepancies in demand and supply data in the feasibility study phase of the project due to the macroeconomic perspectives that may not be consistent with specific consumer behaviors. However, the Company has considered mitigating such risks by studying the customer demand survey to assess the level of interest in Nakhon Chai Si Market from the prospective entrepreneurs which are wholesalers in various wholesale markets throughout the country.

**1.10 List of directors with interests and not entitled to vote at the Board of Directors' meeting**

List of directors that have interests on the agenda and are not entitled to vote at the Board of Directors' meeting is detailed belows:

Connected Person Name	TCC		FAR EAST	
	Position	Shareholding	Position	Shareholding
Mr. Munsin Chaivikrai <sup>1/</sup>	Chairman	-	Director	9.99

Connected Person Name	TCC		FAR EAST	
	Position	Shareholding	Position	Shareholding
Ms. Yupin Chaivikrai <sup>1/</sup>	Vice Chairman	12.63	Director	10.00
Mr. Charoenchai Chaivikrai <sup>1/</sup>	Director	-	Director	8.33
Mr. Boon-anant Srikhao <sup>1/</sup>	Director	0.03	-	-
Mr. Kittisak Chaivikrai <sup>1/</sup>	Director	-	Director	10.00

*Remark:*

<sup>1/</sup> The Directors that have interests or are considered connected persons did not attend the Board of Directors' Meeting in the agenda that considered the acquisition of land and constructions thereon from FAR EAST and will not attend the EGM 1/2017 which will be held on June 29, 2017, in agenda 4 - Consider and approve acquisition of assets and connected transaction

#### 1.11 The opinion of audit committee and/or directors that is different from the opinion of the Board of Directors

- None -

#### 1.12 Overview of managing the business and anticipated return from the Project

In respect of the Company's structure, industry and business sector after the acquisition of land and constructions thereon from FAR EAST, considering shareholding % in the subsidiaries, all subsidiary meets criteria in being considered a core company. However, if revenue is considered, according to the feasibility study report prepared by Modern Property Consultant Company Limited, presented to KPP Development Company Limited, the Company will still consider TCCE as the core company and will remain under the industry of Resources and Sector of Energy & Utilities. However, in the event of changes given that other subsidiaries have better operating results than TCCE, the Company will inform SET accordingly.

In terms of management structure and management of CMC, majority of CMC's Directors hold Director position in the Board of Directors of TCC. And the Company will recruit professional executive from the labor market which are not related to the connected persons. Operation of CMC will be governed by the business policy, corporate governance policy including internal controls, risk management, and anti-corruption actions, and follow-up measures which are in line with TCC's (a listed company's) policies.

The anticipated return from Nakhon Chai Si Market Project according to the feasibility study report prepared by Modern Property Consultant Company Limited, presented to KPP Development Company Limited, as a main consultant to the Project are as follows.

- Net Present Value (NPV) - positive result of Baht 428.99 million
- Internal Rate of Return (IRR) - 15.26 %
- Payback period - 8.59 years

## 2. Other Information

### 2.1 Information of Far East Knitting & Spinning Company Limited

#### 1) Historical Information and Significant Developments

Historical information and significant developments of FAR EAST are detailed as follows:

Far East Knitting & Spinning Company Limited	
Yea	Historical Information and Significant Developments
1973	- Domiciled as a limited company under the laws of Thailand with the name of Far East Spinning Company Limited with the registered capital of Baht 500.00 million on July 12, 1973 under Business Division 13122 Weaving of synthetic fibers. The purpose is to produce, distribute and export textiles. Its headquarters is located at 600/95 Sathupradit Road, Bangpongpan Sub-District, Yannawa District, Bangkok 10120.
1994	- Registered for capital increase for the 1st time with Department of Business Development, The Ministry of Commerce at the amount of Baht 500.00 million, causing total registered capital to be Baht 1,000.00 million on February 16, 1994.
1996	- Registered for capital increase for the 2nd time with Department of Business Development, The Ministry of Commerce at the amount of Baht 500.00 million, causing total registered capital to be Baht 1,500.00 million on December 25, 1994.
2004	- Registered for a change of juristic person's name for the 1st time with the Department of Business Development, Ministry of Commerce under the company name of Far East Knitting & Spinning Company Limited on April 12, 2004.

#### 2) Shareholders

Information of shareholders of FAR EAST as at April 30, 2015 is detailed as follows:

Far East Knitting & Spinning Company Limited					
No.	Name	Shareholding Ratio (%)	No. of Registered Shares (share)	Issued and Paid-up Capital (Baht) <sup>1/</sup>	Nationality
1.	Mr. Kittisak Chaivikrai	10.00	1,500,000	150,000,000.00	Thai
2.	Ms. Pornpin Chaivikrai	10.00	1,500,000	150,000,000.00	Thai
3.	Ms. Yupin Chaivikrai	10.00	1,500,000	150,000,000.00	Thai

Far East Knitting & Spinning Company Limited					
No.	Name	Shareholding Ratio (%)	No. of Registered Shares (share)	Issued and Paid-up Capital (Baht) <sup>1/</sup>	Nationality
4.	Ms. Sopin Chaivikrai	10.00	1,500,000	150,000,000.00	Thai
5.	Mr. Munsin Chaivikrai	9.99	1,499,000	149,900,000.00	Thai
6.	Ms. Krittaporn Chaivikrai	8.33	1,250,000	125,000,000.00	Thai
7.	Mr. Kridsana Chaivikrai	8.33	1,250,000	125,000,000.00	Thai
8.	Mr. Charoenchai Chaivikrai	8.33	1,250,000	125,000,000.00	Thai
9.	Ms. Nuttaporn Chaivikrai	8.33	1,250,000	125,000,000.00	Thai
10.	Ms. Punchaya Chaivikrai	8.33	1,250,000	125,000,000.00	Thai
11.	Ms. Paninee Chaivikrai	8.33	1,250,000	125,000,000.00	Thai
12.	Mrs. Thanakarn Chaivikrai	0.03	1,000	100,000.00	Thai
<b>Total</b>		<b>100.00</b>	<b>15,000,000</b>	<b>1,500,000,000.00</b>	

Remark: <sup>1/</sup> As at the 2016 Annual General Meeting of Shareholders on November 9, 2015 (in 2016, the 12-month period accounting cycle of FAR EAST ended on July 11) whereby FAR EAST had issued and paid-up capital of Baht 1500,000,000.00 divided into 15,000,000 issued and paid-up ordinary shares at the par value of Baht 100 per share.

### 3) Board of Directors

Information of the Board of Directors according to the Certificate of FAR EAST as at March 31, 2017 is detailed as follows:

Far East Knitting & Spinning Company Limited		
No.	Name	Position
1.	Mr. Munsin Chaivikrai	Director
2.	Mr. Charoenchai Chaivikrai	Director

Far East Knitting & Spinning Company Limited		
No.	Name	Position
3.	Mr. Kittisak Chaivikrai	Director

Remark: One director's signing with company affix shall bind the company

#### 4) Significant Financial Information

Statements of financial position and income statement of FAR EAST are detailed as follows:

In: Baht

Far East Knitting & Spinning Company Limited			
Statement of Financial Position As at July 11	Company Financial Statement (Audited)		
	2557	2558	2559
<b>Assets</b>			
<b>Current Assets</b>			
Cash and cash equivalent	15,622,152.67	10,644,951.95	12,696,304.37
Trade and other receivables	138,386,442.74	179,241,996.95	112,490,785.92
Inventory - net	2,404,396,433.12	1,688,509,141.94	965,199,808.43
<b>Total Current assets</b>	<b>2,558,405,028.53</b>	<b>1,878,396,090.84</b>	<b>1,090,386,898.72</b>
<b>Non-current Assets</b>			
Other investment	1,000,000.00	1,000,000.00	1,000,000.00
Property, plant and equipment - net	2,481,442,118.79	2,168,555,337.57	1,831,247,784.07
Restricted investments	65,000,000.00	-	-
<b>Total Non-current Assets</b>	<b>2,547,442,118.79</b>	<b>2,169,555,337.57</b>	<b>1,832,247,784.07</b>
<b>Total Assets</b>	<b>5,105,847,147.32</b>	<b>4,047,951,428.41</b>	<b>2,922,634,682.79</b>
<b>Liabilities and Shareholders' Equity</b>			
<b>Current Liabilities</b>			
Bank overdrafts and short-term borrowings from financial institutions	296,150,990.81	299,386,438.76	297,705,575.87
Trade and other payables	338,343,928.89	302,675,511.53	191,479,457.08
Short-term borrowings	2,634,040,000.00	2,334,930,000.00	2,198,454,249.48
Accrued income tax	134,312.66	-	-
Current portion of restructured debt	144,000,000.00	144,000,000.00	60,000,000.00
<b>Total Current Liabilities</b>	<b>3,412,669,232.36</b>	<b>3,080,991,950.29</b>	<b>2,747,639,282.43</b>

In: Baht

Far East Knitting & Spinning Company Limited			
Statement of Financial Position As at July 11	Company Financial Statement (Audited)		
	2557	2558	2559
<b>Non-current Liabilities</b>			
Hire purchase payables	-	689,821.60	463,600.12
Restructured debts	492,000,000.00	348,000,000.00	316,000,000.00
<b>Total Non-current Liabilities</b>	<b>492,000,000.00</b>	<b>348,689,821.60</b>	<b>316,463,600.12</b>
<b>Total Liabilities</b>	<b>3,904,669,232.36</b>	<b>3,429,681,771.89</b>	<b>3,064,102,882.55</b>
<b>Shareholders' Equity</b>			
Registered share capital			
15,000,000 Ordinary shares, Baht 100 par value	1,500,000,000.00	1,500,000,000.00	1,500,000,000.00
Issued and paid-up share capital			
15,000,000 Ordinary shares, Baht 100 par value	1,500,000,000.00	1,500,000,000.00	1,500,000,000.00
Retained earnings (deficit)	(298,822,085.04)	(881,730,343.48)	(1,641,468,199.76)
<b>Total Shareholders' Equity</b>	<b>1,201,177,914.96</b>	<b>618,269,656.52</b>	<b>(141,468,199.76)</b>
<b>Total Liabilities and Shareholders' Equity</b>	<b>5,105,847,147.32</b>	<b>4,047,951,428.41</b>	<b>2,922,634,682.79</b>

Source of Information: Audited Financial Statements and Statutory Auditors' Reports for 2014 – 2016 of Far East Knitting & Spinning Company Limited

In: Baht

Far East Knitting & Spinning Company Limited			
Income Statement for the twelve-month period ended July 11	Company Financial Statement (Audited)		
	2014	2015	2016
<b>Revenue from Sale and Services</b>			
Revenue from sale	1,213,954,668.48	987,879,631.17	704,874,462.29
Revenue from services	42,729,296.64	58,531,301.98	89,620,209.66
Revenue from sale of raw material and supplies	1,025,160,915.43	1,006,092,028.00	617,078,580.00
Costs of sale and services	2,364,467,796.44	2,514,603,176.41	2,097,671,317.13
<b>Gross Profit (Loss)</b>	<b>(82,622,915.89)</b>	<b>(462,100,215.26)</b>	<b>(686,098,065.18)</b>



Far East Knitting & Spinning Company Limited			
Income Statement for the twelve-month period ended July 11	Company Financial Statement (Audited)		
	2014	2015	2016
Selling expenses	(4,074,701.44)	(2,557,551.30)	(941,780.28)
Administrative expenses	(138,006,294.48)	(112,761,593.44)	(80,630,375.49)
<b>Profit (Loss) from Operations</b>	<b>(224,703,911.81)</b>	<b>(577,419,360.00)</b>	<b>(767,670,220.95)</b>
Other revenue	67,308,471.17	12,799,636.98	12,592,136.09
<b>Profit (Loss) before Financial Costs and Income Tax Expenses</b>	<b>(157,395,440.64)</b>	<b>(564,619,723.02)</b>	<b>(755,078,084.86)</b>
Financial Costs	(18,267,211.83)	(18,288,535.42)	(4,659,771.42)
Income tax expenses	(1,414,514.65)	-	-
<b>Net Profit (Loss)</b>	<b>(177,077,167.12)</b>	<b>(582,908,258.44)</b>	<b>(759,737,856.28)</b>

Source of Information: Audited Financial Statements and Statutory Auditors' Reports for 2014 – 2016 of Far East Knitting & Spinning Company Limited