



(TRANSLATION)

SAFARI WORLD PUBLIC COMPANY LIMITED  
PCL 0107537000351

Ref. No. 062/2560

7<sup>th</sup> July 2017

Subject: Notification of the Resolution of the Board of Director's Meeting No. 8/2017 ([Updated](#))  
To: Managing Director  
The Stock Exchange of Thailand  
Reference: Report of Information Memorandum on the Acquisition of Assets, Ratification for investment in Carnival Magic Project by Subsidiary

In reference to the Board of Directors' meeting of Safari World Public Company Limited No. 8/2017 on 30<sup>th</sup> June 2017, the Board of Directors had resolutions to approve various details to be reported to the Stock Exchange of Thailand as follows;

1. The Board of Directors agreed to an increase in investment value for the construction of the Company's new theme park in Phuket (The "Carnival Magic Project"). The initial investment of THB 1,450 million was revised to approximately [THB 3,570 million](#) in total. The Board of Directors' opinion will be presented to the shareholders' meeting for ratification of the aforementioned transaction. The transaction size of Carnival Magic Project, calculated according to the notification of the Capital Market Supervisory Board No. Torjor. 20/2551 Re: Acquisition or Disposition of Assets and the Notification of the Stock Exchange of Thailand regarding Disclosure of Information and Actions of a Listed Company on Acquisition or Disposition of Assets B.E.2547 the amendment thereto, is equivalent to 103.34% of the Company and its subsidiary's total assets. As of 31<sup>st</sup> March 2015, the Company and its subsidiary's total assets was THB 3,455.35 million<sup>1</sup>. [This is classified as asset acquisition, Class 4 or Backdoor Listing where the value of such acquisition is equal to or higher than 100%. Therefore, the Company is obliged to disclose the information memorandum in relation to the transaction to the Stock Exchange of Thailand \(SET\) and to hold the shareholders' meeting for the ratification of the aforementioned transaction. Moreover, the Company is required to appoint an independent financial advisor to give an opinion on the transaction. Details on the acquisition of assets can be found in the attached document.](#)

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<sup>1</sup> Total assets of the Company and its subsidiary as of 31<sup>st</sup> March 2015 was THB 3,972.15 million deducting THB 516.80 million of fund from the first capital increase in Phuket Fantasea PCL which [comprised of acquisition of 12 rai land and staff house with a total value of THB 110 million and THB 406 million as investment in Carnival Magic Project.](#) At present, the mentioned capital increase amount has been included in the investment value of Carnival Magic Project



However, the Board of Directors have reviewed and concluded that such transaction is not required for submission of an application to list securities of the Company on the SET again (Relisting) because the acquisition of the Project meets all of the conditions as prescribed under Clause 24 of the Acquisition and Disposal of Assets Notifications:

1) The acquired business is similar to and complements the business of the Company

Carnival Magic Project is a theme park, which is in the tourism and leisure business sector and the same business of the existing group companies. Therefore, this transaction shall enhance and strengthen the Company's core business.

2) The Company does not have a policy to materially change its core business

The Company and its subsidiary, Phuket Fantasea PCL, do not have a policy to change its business operation. The group companies intend to operate in the tourism and leisure sector along with the launch of Carnival Magic Project.

3) The group companies, as a result of the acquisition of the project, remains qualified for listing on the SET

The entry into such transaction is considered similar to the business of the Company as well as complements it in creating future revenue and profits, which is beneficial to the Company.

4) There will be no significant change to the Board of Directors of the Company and the control or the major shareholders having the control over the Company

Following the acquisition, the Company and its subsidiary will not change its Board of Directors. The group companies continue to be operated by current Board of Directors and Management.

2. The Board of Directors approved the appointment of Silom Advisory Company Limited, an approved financial advisor by The Securities and Exchange Commission, as independent financial advisor (IFA) to provide opinions to shareholders on the asset acquisition transaction of the company in accordance with the Notification of the Acquisition or Disposition of Asset.

3. The Board of Directors deemed appropriate to propose the Extraordinary General Meeting of Shareholders No. 1/2017 for the ratification of directors and executives' remuneration for the year 2016 in the form of bonuses.

4. The Board of Directors deemed appropriate to propose the Extraordinary General Meeting of Shareholders No. 1/2017 for approval of criteria for directors and executives' remuneration for the year 2017 in the form of bonuses. The details are as follows;

1) Annual Remuneration for Directors

According to the Company's regulation section 4, the Board of Directors had determined "...The Company's directors are entitled to remuneration including meeting allowance, daily allowance, transportation and pension etc. In addition, the directors are eligible for yearly bonuses in the amount not exceeding 3% of the net profit."

For the past years, the remuneration for directors had been in the form of meeting allowances, payable monthly as approved by the annual shareholders' meeting. On the other hand, the remuneration, given in the form of bonuses, according to the Company's regulations approved by the General Meeting of Shareholders for the year 2010, held on 26<sup>th</sup> April 2010, stated that only in the year which the Company has sufficient profit, the Board of Directors will consider to approve the aforementioned annual bonuses to the directors. The total amount will not exceed the specified limit as stated in the Company's regulations.

For the year 2017, the Board of Directors see as appropriate to seek consideration from the Extraordinary General Meeting of Shareholders No.1/2017 for determination of the criteria of directors' remuneration for the year 2017. Whereby, the directors' remuneration shall not exceed 3% of net profit for the year 2017. However, if the Company has satisfactory profit and decides to reward the mention remuneration to the directors, the Board of Directors will propose to the General Meeting of Shareholders for the year 2018 for further approval.

## 2) Remuneration for Executive Directors

The criteria of remuneration for executive directors had been specified in the employment contract. The remuneration's criteria were previously stated in the Company's regulations, which were later changed to clearly distinguish between remuneration for directors and executive directors. As a result, only directors' remuneration is mentioned in the Company's regulations. The Board of Directors' Meeting No. 9/2010, held on 29<sup>th</sup> September 2010, consequently approved the criteria of remuneration for executive directors as follows "If the Company generates profit, the executive directors are entitled to yearly remuneration in an amount not more than 15% of the Company's profit before tax." The audit committee will consider the remuneration for executive directors based on the performance and contribution to the company before propose to the Board of Directors for approval and delegation based the responsibility of each executive director. For the year in which the Company incurs a net loss or insufficient profit, the Board of Directors will refrain from consideration of the mentioned remuneration.

For the year 2017, the Board of Directors see as appropriate to seek consideration from the Extraordinary General Meeting of Shareholders No.1/2017 for determination of the criteria of Executive Directors' remuneration for the year 2017. Whereby, the remuneration amount shall not exceed 15% of profit before tax. The Board of Directors will present the actual amount to the General Meeting of Shareholders for the year 2018 for further approval.

5. The Board of Directors approved to set the date for the Extraordinary General Meeting of Shareholders No. 1/2017 to be held on Friday 8<sup>th</sup> September 2017 at 9.00 am at the River Safari Restaurant, located at 99 Panya Indra Road, Samwatawantok, Klongsamwa, Bangkok. The agenda of the meeting will be the following:

- Agenda 1 To verify the Minutes of the Annual General Meeting of the year 2017 held on 24<sup>th</sup> April 2017
- Agenda 2 To consider and ratify the investment value of Carnival Magic Project by subsidiary
- Agenda 3 To consider and ratify the Directors and Executives' Bonuses for the year 2016
- Agenda 4 To consider and approve the criteria for Directors and Executives' Bonuses for the year 2017
- Agenda 5 Other issues, if any

6. The Board of Directors set the record date, pursuant to [Section 225 of the Securities and Exchange Act B.E. 2535](#), to determine the list of shareholders who are entitled to attend the Extraordinary General Meeting of Shareholders No. 1/2017 on Monday 31<sup>st</sup> July 2017 and the book closing date on Tuesday 1<sup>st</sup> August 2017.

Please be informed accordingly.

Respectfully Yours,

- Apar Kewkacha -

(Mrs. Apar Kewkacha)

President

**Report of Information Memorandum on the Acquisition of Assets**  
**Ratification for investment value in Carnival Magic Project by Subsidiary**

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In reference to the Board of Directors' meeting of Safari World Public Company Limited (the "Company") No. 7/2014 on 30<sup>th</sup> July 2014, the Board of Directors had a resolution to approve Phuket Fantasea Public Company Limited ("Phuket Fantasea"), the Company's subsidiary with 99.92% shareholding of its registered capital held by the Company, in an establishment of Carnival Magic Company Limited ("Carnival Magic"). The purpose of the establishment is to construct and operate a new theme park in Phuket ("Carnival Magic Project"). Carnival Magic was established on 9<sup>th</sup> October 2014 with an initial registered capital of THB 1 million. Later, the Extraordinary General Meeting of Shareholders No. 1/2015 on 16<sup>th</sup> February 2015 had a resolution to approve an increase in the Company's registered capital of THB 666.65 million where THB 516 million was for investment in Phuket Fantasea. Consequently, Phuket Fantasea injected THB 406 million capital for expansion of Carnival Magic Project and THB 110 million in an acquisition of 12 rai of land including staff house for Phuket Fantasea's employees. On 23<sup>rd</sup> March 2015, Carnival Magic had increased its registered capital from the initial THB 1 million to a new registered capital of THB 500 million, consisting of 50 million ordinary shares at par value of THB 10 per share. Currently, 99.0% of Carnival Magic's registered capital is held by Phuket Fantasea hence Carnival Magic is considered the Company's indirect subsidiary with shareholding through Phuket Fantasea.

Accordingly, the Company's Board of Directors' Meeting No. 5/2015 on the 27<sup>th</sup> May 2015 had a resolution to acknowledge the construction progress of Carnival Magic Project with an investment value of THB 1,450 million (excluding land value). The transaction size is equivalent to 36.50% of the Company and its subsidiary's total assets as appeared on the Company's consolidated financial statement ended 31<sup>st</sup> March 2015. This is classified as Type 2 of asset acquisition with the size of more than 15% but less than 50%. The Company had disclosed a report of Information Memorandum of an acquisition of asset in accordance with the Notification of the Capital Market Supervisory Board and the Notification of the Stock Exchange of Thailand ("SET") and submitted the Information Memorandum regarding the transaction to the shareholder within 21 days from the date reported to the SET.

Later, on the 20<sup>th</sup> October 2015, the Extraordinary General Meeting of Shareholders No. 2/2015 had resolved to approve an increase in the Company's registered capital of THB 555.28 million in which THB 471.20 million was an investment in Phuket Fantasea. Phuket Fantasea then allocated THB 205 million for acquisition of approximately 33 rai of land for Carnival Magic Project, THB 170 million for building new staff house to accommodate Carnival Magic's employees and THB 96.10 million for improvement of activities in Phuket Fantasea in order to provide services which will complement the opening of Carnival Magic Project. The subsidiary had already used the fund from capital increase for purposes as stated above.

Furthermore, Phuket Fantasea's acquisition of approximately 33 rai of land for Carnival Magic Project enabled maximization of land development potential since it became the land owner instead of the lessee from third party land owner. The management of Phuket Fantasea therefore revised the development plan and concluded an increase of investment value from THB 1,450 million (excluding land cost) to an investment value of approximately THB 3,570 million including the land acquired by Phuket Fantasea on March 2015 for Carnival Magic Project. [The acquired land consists of firstly, a piece of land with an area of 33-3-92.4 rai and a value of THB 205 million. The second piece is the 12 rai land including Phuket Fantasea's staff house with value of THB 110 million and construction cost for the staff house on the mentioned land of approximately THB 170 million.](#)

Consequently, in Carnival Magic's Board of Directors' Meeting no. 6/2017 held on 30<sup>th</sup> June 2017, the Board of Directors had considered the appropriateness of the aforementioned transaction. The consideration was based on market study, sizes of investment projects by both direct and indirect competitors in Phuket, competitiveness in the tourism industry at the present and in the future as well as the Company and its subsidiaries' financial status. The Board of Directors agreed that an increase in investment value of Carnival Magic Project from THB 1,450 million to **THB 3,570 million** is appropriate and beneficial to the Company and its subsidiaries in the long term. In addition, it will enhance the group companies' competitive edge in becoming the leader in tourism industry as well as maximize potential revenue in the future.

The company's Board of Directors' Meeting No. 8/2017 held on the 30<sup>th</sup> June 2017 had resolved to approve Phuket Fantasea's increase in investment value of Carnival Magic Project as previously mentioned. The opinions of the Board of Directors are to be presented to shareholders' meeting for ratification of the transaction. The transaction size is **103.34% of the Company and its subsidiary's total assets of THB 3,455.35 million, as of 31<sup>st</sup> March 2015. This is classified as Class 4 of asset acquisition with the size of equal to or higher than 100% as per the Notification of the Capital Market and SET.** As a result, the Company is obliged to disclose the information memorandum in relation to the transaction to SET and hold the shareholders' meeting for ratification of the transaction. The Company must receive a vote of not less than 3 out of 4 of the total votes from all shareholders attending the meeting with voting rights, without counting the votes cast by the stakeholders. Furthermore, the Company has appointed Silom Advisory Company Limited as an independent financial advisor (IFA) to give opinion on the transaction. The details of the transaction are as follows;

**1. Date of Transaction:**

After obtaining shareholders' approval of the ratification at the Extraordinary General Meeting of Shareholders to be held on 8<sup>th</sup> September 2017

**2. Relevant Parties and Relationship with Listed Company**

**2.1 List of asset and land acquisition by Phuket Fantasea**

List 1 Land and staff house with total area of 12-0-0 rai

Buyer : Phuket Fantasea Public Company Limited, the Company's subsidiary with 99.92% shareholding of its registered capital

Seller : Kamala Beach Resort and Hotel Management Public Company Limited

A non-related party to the Company and its subsidiaries, as defined by the Securities and Exchange Commission and SET

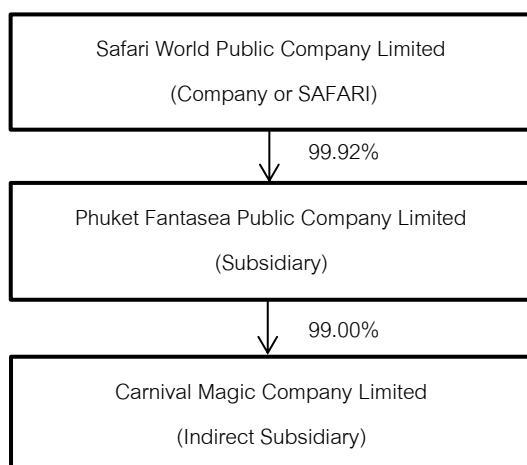
List 2 Vacant land with total area of 33-3-92.4 rai for Carnival Magic Project

Buyer : Phuket Fantasea Public Company Limited, the Company's subsidiary with 99.92% shareholding of its registered capital

Seller : Mr. Aun Akevanich, a non-related person to the Company and its subsidiaries, as defined by the Securities and Exchange Commission and SET

## 2.2 Assets acquisition for Carnival Magic Project

Carnival Magic Project is managed by Carnival Magic Company Limited, a subsidiary of Phuket Fantasea Public Company Limited (99.92% of its registered capital held by Phuket Fantasea Public Company Limited, the Company's subsidiary with 99.00% shareholding of its registered capital by the Company)



## 3. Nature of Transaction

The Carnival Magic Project is built on approximately 83 rai of land in Kamala, Katu District, Phuket, where the land is owned by Phuket FantaSea. The total investment value, including land and construction cost of the project is approximately THB 3,570 million, where initial investment value of THB 1,450 million (excluding land cost) was approved by the Board of Directors' Meeting No. 5/2015 on 27<sup>th</sup> May 2015. The Company had already disclosed the information to SET and shareholders.

The investment value of THB 1,450 million is used for project construction on land of approximately 63 rai. This consists of 30 rai of land owned by Phuket Fantasea and approximately 33 rai of land lease from an unrelated third party. Later on March 2015, Phuket Fantasea was able to acquire 33 rai of land which allows Carnival Magic to maximize land development potential as per the consolidated of land ownership. The management of Carnival Magic hence developed and revised the design of Carnival Magic Project for a better and more appropriate use of land and to better compete in the tourism business in Phuket and nearby provinces. These include an increase in project area from originally 63 rai to approximately 82 rai, an expansion of theatre and restaurant, which are the project's main buildings, to accommodate more tourists, increase in activities corresponding to larger area as well as improvements in various systems and public utility to be more modernized and secure. Moreover, there is also an enhancement in design, techniques, and lighting for both inside the buildings and the project's surrounding area to create a unique and magnificent view of theme park as well as to be the leader of international tourism and Thailand's No. 1 and world's renowned theme park.

The increased investment value of THB 3,570 million, calculated based on the acquisition of assets by listed company, is equivalent to 103.34% of the Company and its subsidiaries' total assets as of 31<sup>st</sup> March 2015. This is classified as Class 4, equal to or higher than 100%, according to the notification of the Capital Market Supervisory Board No. Torjor. 20/2551 Re: Acquisition or Disposition of Assets and the Notification of the Stock Exchange of Thailand regarding Disclosure of Information and Actions of a Listed Company on Acquisition or Disposition of Assets B.E.2547 and the amendment thereto.

#### 4. Details of Acquired Assets

##### 4.1 Details of assets acquisition by Carnival Magic Project

- Land Details and Project Location:

Carnival Magic Project is developed on approximately 82 rai, adjacent to Phuket Fantasea Project located at Kamala, Katu District, Phuket. The land, owned by Phuket Fantasea, consists of 49 rai of lands originally owned by Phuket Fantasea and an addition of approximately 33 rai of land acquired by Phuket Fantasea in March 2015. The total value of the acquired land is THB 205 million or equivalent to THB 6.63 million per rai, which is 6.49% lower than market value (based on appraisal report by The Valuation and Consultants Company Limited on 24<sup>th</sup> April 2015). The Board of Directors of Phuket Fantasea approved that such investment is appropriate and also allowed for maximize use of land potential.

- Project Details:

Carnival Magic Project is a nighttime tourist attraction, a theme park with adaptation of Thai culture, showcasing hi-tech awe-inspiring LED lights and grand theatrical show, never before seen elsewhere in the world. It also provides guests with dinner, choices of souvenirs and various activities to enjoy in the ambience of decorated lights of intricate designs throughout the whole park. The project is designed and managed by executive management team of group companies, who have over 20-year experience in the tourism industry. It is the management team's vision to create world-class tourist attraction on a large scale that will become the new tourist attraction of Phuket and nearby provinces. The opportunity to serve increasing number of tourists from the ASEAN countries of 10 member countries with over 600 million in population, moreover, the tourists from China and other countries travelling to Thailand. Not only that, it is a platform to create a new client base, generate higher income and profits to the group companies in the long term.

- Construction Period:

Carnival Magic Project has begun construction since late 2015 and is expected to be open for business in mid 2018. (Delay from original expected opening in late 2017 due to increased investment value). Currently, the project's construction progress is approximately 35% of the total construction, which is in accordance with the planned project's timeline.



Type of Work	2015	2016				2017				2018				2109	
	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q
Business Design															
Building Construction including M&E															
Park Decorations															
Technical Systems in Production															
Equipment Used in Production															
Lights & Electronics Installation															
Producton Test-run															
Open for Business															

#### 4.2 Details of acquired assets (land and staff house) by Phuket Fantasea

On 25<sup>th</sup> March 2015, Phuket Fantasea acquired 12 rai land including staff house from Kamala Beach Resort and Hotel Management Public Company Limited for a total of THB 110 million or equal to average THB 9.16 million per rai. The appraisal value excluding staff house was THB 9 million per rai, appraised by The Valuation and Consultants Company Limited as of 24<sup>th</sup> April 2015.

The existing staff house, situated on 12 rai land are a total of five 3-storey buildings with 192 accommodation rooms or 48 rooms per building, where approximately 650 employees of Phuket Fantasea resided. However, one of these buildings had to be demolished as its location was beyond the purchased land's boundary, overlapping on to the seller's remaining land. This resulted in shortage of rooms. Moreover, the four other buildings were 19 years old, which had never been renovated. The utility systems were outdated and run-down. It was then necessary to renovate these old buildings as well as build two new 4-storey buildings with total 268 accommodation rooms that can support around 900 employees; total construction budget of THB 170 million.

#### 5. Investment Value

Carnival Magic Project investment value is approximately THB 3,570 million, comprised of:

(Unit: THB '000)

Investment Cost	Past Budget	Revised Budget	Increase (Decrease)
1) Building construction	650.00	1,800.00	1,150.00
2) Lights, electronics & computer equipment	350.00	300.00	(50.00)
3) Electrical substation & generator	80.00	80.00	-
4) Park decorations	140.00	300.00	160.00
5) Equipment used in performances	60.00	120.00	60.00
6) Labor and experts costs	70.00	130.00	60.00
7) Advertising expenses	20.00	30.00	10.00
8) Financial costs	50.00	180.00	130.00

Investment Cost	Past Budget	Revised Budget	Increase (Decrease)
9) Working capital and others	30.00	71.50	41.50
10) Business design compensation	-	73.50	73.50
11) Land (45-3-92.4 rai)	-	315.00	315.00
12) Construction of staff house	-	170.00	170.00
Total	1,450.00	3,570.00	2,120.00

## 6. Investment Value, Calculation Criteria and Terms of Payment

### Land Value:

Phuket Fantasea had purchased 3 plots of land total area of 45-3-92.4 rai to be used for Carnival Magic Project from non-related third party around mid 2015 for total of THB 315 million. [Whereby Phuket Fantasea had already paid the entire amount to the third party and had acquired the legal rights to the mentioned land since 25<sup>th</sup> March 2015.](#)

### Project Value:

The value of construction and other expenses as of 31<sup>st</sup> March 2017 is [THB 1,497.45 million or roughly 41.9 progress of total investment value with details as follows:](#)

Carnival Magic Project Investment Cost	Investment Value (THB million)	Amount Paid (THB million)	%
1) Building construction	1,800.00	877.45	48.7%
2) Lights, electronics & computer equipment	300.00	19.56	6.5%
3) Electrical substation & generator	80.00	-	-
4) Park decorations	300.00	-	-
5) Equipment used in performances	120.00	-	-
6) Labor and experts costs	130.00	31.73	24.4%
7) Advertising expenses	30.00	-	-
8) Financial costs	180.00	19.20	10.7%
9) Working capital and others	71.50	-	-
10) Business design compensation	73.50	73.50	100.0%
11) Land (45-3-92.4 rai)	315.00	315.00	100.0%
12) Construction of staff house	170.00	161.01	94.7%
<b>Total</b>	<b>3,570.00</b>	<b>1,497.45</b>	<b>41.9%</b>

As such, the payment terms shall be as specified in the contracts upon work progress and shall be fully payable at completion.

## 7. Calculation Criteria

Method	Calculation	Transaction Size (%)
1) Net Total Assets (NTA)	$\frac{\% \text{Shareholding} \times \text{NTA of Acquiring Entity} \times 100}{\text{NTA of the Company}}$	Cannot calculate due to newly registered entity
2) Net Profit	$\frac{\% \text{Shareholding} \times \text{Net Profit of Acquiring Entity} \times 100}{\text{Net Profit of the Company}}$	Cannot calculate due to newly registered entity
3) Total Return	$\frac{\text{Amount Paid} \times 100}{\text{Total Assets of the Company}}$	$(3,570.00 / 3,455.35) \times 100 = 103.34$
4) Equity Value	$\frac{\text{No. of New Shares Issued in Return on Asset Acquisition}}{\text{No. Of Issued and Paid-up Shares of the Company}}$	No share issuance

Regarding the results of the calculation above, the largest transaction value is equal to 103.34% and is considered as class 4 of an acquisition of assets in accordance with the Notification on Acquisition or Disposal, which the transaction size is calculated as per Company's consolidated financial statements ended 31<sup>st</sup> March 2015. This is classified as Class 4 of asset acquisition with the size of equal to or more than 100% as per the Notification of the Capital Market and the SET. As a result, the Company is obliged to disclose the information memorandum in relation to the transaction to the SET and to hold the shareholders' meeting for ratification of the transaction as well as appoint an independent financial advisor (IFA) to give opinion on the transaction.

## 8. Potential Benefits to Safari World PCL from the Investment in Carnival Magic Project:

- 1) It is a business expansion in the tourism industry that is supported by the Board of Investment Thailand (BOI) with reduction of import and exemption of corporate income tax according to the time period and conditions of such project
- 2) The Company is confident that Carnival Magic Project will yield attractive returns for the Company
- 3) The Company expects that once the Project is open for business, it will enhance the Company's earnings and sustainable business growth opportunity, generating profits and cash flows to the Company in the near future. Moreover, it will deliver sufficient returns for the Company's shareholders in the long term.

## 9. Funding Source in Acquiring Assets

Carnival Magic Project's total investment value is approximately THB 3,570 million. The funding source shall comprise of:

- 1) Registered and paid-up capital of Carnival Magic Company Limited a total of THB 500 million
- 2) Loan from financial institution, approved for Carnival Magic Company Limited total THB 660 million, loan approved for Phuket Fantasea Public Company Limited total of THB 220 million to finance the purchase of land to be used in Carnival Magic Project and loan approved for machinery and equipment purchase of THB 40 million, grand total of THB 920 million

- 3) Issuance of debt instruments by group companies and/or other persons including current outstanding debt and those to be issued in the future total of around THB 2,000 million
- 4) Cash flow from group companies' operation and possible capital increase in the future

Regarding the funding sources for the group companies in the development of Carnival Magic Project, both Phuket Fantasea and Carnival Magic prioritize on the suitability of each company's financial structure, which the group companies have a financial obligation to maintain the debt to equity ratio.

Despite an increase in debt obligations for Carnival Magic Project, the group companies are certain that Carnival Magic Project will generate stable income and profit for the group companies as well as a potential dividend return for the Company's shareholders in the future.

#### 10. Conditions of the Transaction

An investment in Carnival Magic Project is regarded as asset acquisition transaction under the Notification of Acquisition or Disposal of asset. The transaction size is equal to 103.34% of the Company's total assets and is deemed as Class 4 or Backdoor listing with transaction size equal to or higher than 100%. As a result, the Company is obliged to disclose the information memorandum in relation to the transaction to the SET and to hold the shareholders' meeting for ratification of the transaction as well as appoint an independent financial advisor (IFA) to give opinion on the transaction. The Company's Board of Directors has set the date for Extraordinary General Meeting of the Company's Shareholders on 8<sup>th</sup> September 2017 to obtain approval for ratification of the transaction.

However, the Company has reviewed and concluded that such transaction is not required for submission of an application to list securities of the Company on the SET again (Relisting) because the acquisition of the Project meets all of the conditions as prescribed under Clause 24 of the Acquisition and Disposal of Assets Notifications:

- 1) The acquired business is similar to and complements the business of the Company
- 2) The Company does not have a policy to materially change its core business
- 3) The group company, as a result of the acquisition of the project, remains qualified for listing on the SET
- 4) There will be no significant change to the Board of Directors of the Company and the control or the major shareholders having the control over the group companies

#### 11. Opinion of the Company's Board of Directors

The Board of Directors has an opinion that the increased investment value in Carnival Magic Project is under reasonable condition and will benefit the Company and its shareholders as specified in Item No. 8

12. Opinion of Audit Committee That Differs from the Opinion of the Board of Directors

- None -

The Company hereby confirms that the information in this disclosure is truthful and based on a factual basis.

-Apar Kewkacha-  
(Mrs. Apar Kewkacha)  
President