



Attachment 2

# บริษัท มั่นคงเคหะการ จำกัด (มหาชน)

## M.K REAL ESTATE DEVELOPMENT PUBLIC COMPANY LIMITED

July 7, 2015

Subject : Information Memorandum on Acquisition of Assets

To : Shareholders of M.K. Real Estate Development Public Company Limited

M.K. Real Estate Development Public Company Limited (“the Company” or “MK”) would like to notify that the meeting of the Board of Directors’ Meeting No. 6/2015 held on 19 June 2015, approved the investment in Prospect Development Co., Ltd. (“Prospect”) by acquiring all 120,000,000 ordinary shares with par value of Baht 10 per share or approximately 100 percent of Prospect from Prospect previous shareholders which are not a related parties. The acquisition price is Baht 10 per share, totaling Baht 1,200,000,000. The details are as follow:

### Acquisition of Assets

#### 1.1 Day Month Year Transaction

MK will make investment in Prospect by acquiring all ordinary shares from Prospect previous shareholders after approval by the Shareholders’ Meeting No. 1/2015 which will be held on 26 August 2015.

#### 1.2 Concerned Parties and Relation with the Listed Company

- Buyer : M.K. Real Estate Development Public Co., Ltd.
- Seller :
- (1) Finansa Public Company Limited
  - (2) Mr. Chernchai Niyamanusorn
  - (3) Ms.Prapassara Sirichotikunakol
  - (4) BCH Property Co.,Ltd.
  - (5) Mr. Thongtat Kasemsuwan
  - (6) Mrs. Napasorn Pranich
  - (7) Ms. Pornsarin Maethivacharanondh

| Seller                           | MK Shares Received<br>Bht 6.15/share | % of MK | Share Value | Cash received | Total         |
|----------------------------------|--------------------------------------|---------|-------------|---------------|---------------|
| Finansa Public Company Limited   | 70,975,608                           | 7.15%   | 436,499,989 | -             | 436,499,990   |
| Mr. Chernchai Niyamanusorn       | -                                    | 0.00%   | -           | 252,739,990   | 252,739,990   |
| Ms.Prapassara Sirichotikunakol   | 16,585,367                           | 1.67%   | 102,000,007 | 137,759,987   | 239,760,000   |
| BCH Property Co., Ltd.           | 24,390,246                           | 2.46%   | 150,000,013 | -             | 150,000,010   |
| Mr. Thongtat Kasemsuwan          | 12,357,724                           | 1.25%   | 76,000,003  | -             | 76,000,000    |
| Mrs. Napasorn Pranich            | 5,691,059                            | 0.57%   | 35,000,013  | -             | 35,000,010    |
| Ms. Pornsarin Maethivacharanondh | 1,626,016                            | 0.16%   | 9,999,998   | -             | 10,000,000    |
|                                  | 131,626,020                          | 13.27%  | 809,500,023 | 390,499,977   | 1,200,000,000 |

Relation with the Company : Sellers are not related persons with the Company and Mr. Suthep Wongvorazathe in accordance with Notification of the Capital Market.

Information of Finansa Public Company Limited (“Finansa”)

Finansa Plc. and its subsidiaries provide a wide range of financial services to institutional, corporate and retail clients. The activities of the Finansa Group can be divided into the following areas: (1) Corporate and financial advisory services (2) Direct Investment (3) Securities Brokerage and (4) Warehouse Development and leasing.

At the closing registration book dated on 18 March 2015 for the 2015 Annual General Meeting of Shareholders, the list of major shareholders was as follows:

| Name                                      | Number of shares | % Paid up capital |
|---|------------------|-------------------|
| 1. Morgan Stanley & Co.International Plc. | 30,189,555       | 12.221            |
| 2. UBS AG Singapore Branch                | 23,217,390       | 9.398             |
| 3. Mr. Vorasit Pokachaiyapat              | 20,980,000       | 8.493             |
| 4. Mr. Kobkun Tienpreecha                 | 13,100,000       | 5.303             |
| 5. M.L. Sudhiman Pokachaiyapat            | 10,500,000       | 4.250             |
| 6. Mrs. Nonthaya Apinothai                | 8,892,100        | 3.599             |
| 7. Mr. Pongthavat Cheeronvanich           | 7,222,200        | 2.923             |
| 8. Mrs. Monravee Davis                    | 6,100,000        | 2.469             |
| 9. Mrs. Prakaikam Baikaew                 | 5,437,000        | 2.201             |
| 10. Mr. Somchai Padpai                    | 4,550,000        | 1.842             |
| 11. Others                                | 116,851,355      | 47.301            |
| Total                                     | 247,039,600      | 100.000           |

As of 19 June 2015, the Company’s Board of Directors consisted of the following members:

| List of Directors         | Position   |
|---------------------------|--|
| Dr. Virabongsa Ramangkura | Chairman   |
| Mr. Vorasit Pokachaiyapat | Managing Director  |
| Mr. Eugene S. Davis       | Director   |
| Mr. Varah Sucharitakul    | Director   |
| Mr. Kenneth Lee White     | Director   |
| Mr. Vitthya Vejajiva      | Director, Chairman of the Audit Committee and Independent Director |
| Mr. Akarat Na Ranong      | Director, Member of the Audit Committee and Independent Director   |
| Mr. Nuttawut Phowborom    | Director, Member of the Audit Committee and Independent Director   |

### Information of BCH Property Co., Ltd.

BCH Property Co., Ltd. ("BCH") was established on 30 January 2012 to invest in real estate business. Currently, BCH has registered capital of Baht 5,000,000, divided into 500,000 shares with par value of Baht 10 per share. Total paid-up capital is Baht 5,000,000.

List of shareholders (Copy of Bor. Or. Jor. 5 dated on 27 April 2015 for the 2015 Annual General Meeting of Shareholders)

| Name of shareholders              | No. of shares | Percentage of paid up capital (Percent) |
|-----------------------------------|---------------|---|
| 1. Benchachinda Holding Co., Ltd. | 499,997       | 100.00                                  |
| 2. Mr. Somchai Bencharongkul      | 1             | 0.00                                    |
| 3. Mr. Vichai Bencharongkul       | 1             | 0.00                                    |
| 4. Mrs. Juthamas Bencharongkul    | 1             | 0.00                                    |
| Total                             | 500,000       | 100.00                                  |

### List of Directors as of June 19, 2015

| Name of Directors              | Position |
|--------------------------------|----------|
| 1. Mr. Somchai Bencharongkul   | Director |
| 2. Mr. Vichai Bencharongkul    | Director |
| 3. Mrs. Juthamas Bencharongkul | Director |

### 1.3 The General Characteristic of the Transaction

#### 1.3.1 The General Characteristic of the Transaction

The Company will make investment in Prospect by acquiring all 120,000,000 ordinary shares with par value of Baht 10 per share or approximately 100 percent of Prospect from all Prospect previous shareholders which are not related parties. The acquisition price is Baht 10 per share, totaling Baht 1,200,000,000. The considerations will be paid by (a) newly issued shares of the Company not more than 131,626,020 shares, 13.27% of the enlarged registered and paid-up capital. The issued price is determined at Baht 6.15 per share, totaling not more than Baht 809,500,023 and (b) cash of not more than Baht 390,499,977. Therefore, total payments from shares and cash are not more than Baht 1,200,000,000. After making investment, MK will hold 100% of Prospect shares. There will be two more shareholders, holding 1 Prospect share each, to make Prospect having a total of three shareholders as stated by law. For administrative policy, MK will retain Finansa to manage Prospect's back office tasks, including lease office space (for Prospect Head Office) until all agreements come to an end. After that, MK will consider to renew or terminate the agreements.

### 1.3.2 Total Value of the Consideration

The above transaction is in accordance with the Notification of the Capital Market at TJ. 20/2551, Re: Rules for Significant Transaction Deemed as Acquisition or Disposition of Assets, and the Notification of the Stock Exchange of Thailand relating the disclosure of Information and acts of Listed Companies Concerning the Acquisition and Disposition of Assets BE 2547, reaching maximum size of 17.09 percent on the basis of net tangible assets. The calculation figures based on the Company's consolidated financial statement as of 31 March 2015. The transaction size of 15percent or higher, but lower than 50 percent, which is classified as a type 2 transaction. According to the related notification, the Company is required to prepare a report and disclose to the Stock exchange of Thailand and send to shareholders within 21 days from the date of disclosure of the transaction to the Stock Exchange of Thailand. The Notification to the shareholders should at least include information in Schedule (2) 1, 2, 3, 5(3), 7 and 8.

However, the Company has to hold a shareholders' meeting to approve the capital increase and the allocation of the newly issued shares to Prospect previous shareholders, the Board of Director agrees to propose to shareholders' meeting to approve the investment in Prospect.

Details of the calculation can be summarized as follows:

- Financial Information

| (Unit : Million Baht)              | The Company<br>As at 31 March 2015 | Prospect<br>As at 31 December 2014 |
|------------------------------------|------------------------------------|------------------------------------|
| Total assets                       | 7,561.00                           | 2,336.06                           |
| Intangible assets                  | 0.16                               | 0                                  |
| Total liabilities                  | 2,060.11                           | 1,397.28                           |
| Minority interests                 | 6.23                               | 0                                  |
| Net tangible assets (NTA)          | 5,494.50                           | 938.78                             |
| Net profit (the latest 4 quarters) | 433.06                             | -26.96                             |

- The Calculation of the Size of the Transaction

|   | Calculation   | Value (Percent)                                     |
|---|---|---|
| 1. Net tangible asset                                   | NTA of Prospect xPercent<br>Acquired/ NTA of MK   | 17.09   |
| 2. Net profit from operations<br>(the latest 4quarters) | Net profit of the latest 4<br>quarters of Prospect/<br>Net profit of the latest 4<br>quarters of MK | Cannot be calculated due<br>to the loss of Prospect |
| 3. Value of the consideration                           | Total value of newly issued<br>MK consideration paidand<br>cash/<br>Total assets                    | 15.87   |
| 4. Value of issued securities as the<br>compensation    | No. of newly issued MK<br>shares / Total MK<br>outstanding shares                                   | 15.30   |

Shareholding structure before and after capital increase as expected

| Shareholders                        | Before capital increase |                           | After capital increase |                           |
|-------------------------------------|-------------------------|---------------------------|------------------------|---------------------------|
|                                     | No. of shares           | Shareholding<br>(Percent) | No. of shares          | Shareholding<br>(Percent) |
| 1. Castle Peak Developments Limited | 104,550,000             | 12.15                     | 104,550,000            | 10.54                     |
| 2. CPD Holdings Co., Ltd.           | 73,000,000              | 8.49                      | 73,000,000             | 7.36                      |
| 3. Finansia PLC                     | --                      | --                        | 70,975,608             | 7.15                      |
| 4. Ms. Prapassara Sirichotikunakorn | --                      | --                        | 16,585,367             | 1.67                      |
| 5. BCH PropertyCo., Ltd.            | --                      | --                        | 24,390,246             | 2.46                      |
| 6. Mr. Thongtat Kasemsuwan          | --                      | --                        | 12,357,724             | 1.25                      |
| 7. Mrs. Napasorn Pranich            | --                      | --                        | 5,691,059              | 0.57                      |
| 8. Ms. Pornsarin Maethivacharanondh | --                      | --                        | 1,626,016              | 0.16                      |
| 9. Others                           | 682,834,157             | 79.36                     | 682,834,157            | 68.83                     |
| Total                               | 860,384,157             | 100.00                    | 992,010,177            | 100.00                    |

Therefore, Ms. Prapassara Sirichotikunakorn will receive consideration in terms of new shares and cash.

#### 1.4 Details of Acquired Assets

|                       |   |  |
|-----------------------|---|--|
| Company Name          | : | Prospect Development Co., Ltd.   |
| Date of Establishment | : | 23 September 2005  |
| Address               | : | 48/29, 16 <sup>th</sup> Floor Tisco Tower, North Sathorn Road, Kwaeng Silom, Khet Bangrak, Bangkok |
| Registered Capital    | : | Baht 1,200,000,000   |
| Paid-up Capital       | : | Baht 1,200,000,000   |

#### ■ Type of Business

Prospect Development Co., Ltd. ("Prospect") provides various products consisting of ready built and built to suit warehouses and factories for rent as well as land for long term lease in Bangkok Free Trade Zone ("BFTZ") to accommodate investors who operate both commercial and light industry.

BFTZ is strategically located in purple industrial zone along Bangna - Trad Road. BFTZ can be accessed from Km. 19 and Km. 23. BFTZ offers both free trade zone and general zone. BFTZ is not the owner but has leasehold on the land site of 420.07 rais with leasehold term of 24.5 years that it will be expired by year 2039. BFTZ has already developed more than 130,000 sq.m of warehouse/factory space. Currently, there are more an 80 tenants whose nationalities are Japanese, Thai and European. These tenants operate the businesses which are automobile, logistics and electronics industry.

BFTZ offers various privileges and facilities such as security system, flood prevention system, waste water treatment etc.

BFTZ situated on one of the area that has the highest growth in Thailand and only 17 kms from Suvarnabhumi Airport

■ List of Directors as of 19 June 2015 (Before investment by the Company)

1. Mr. Vorasit Pokachaiyapat
2. Ms. Rachanee Mahatdetkul
3. Ms. Pornsarin Maethivacharanondh
4. Mr. Thongtat Kasemsuwan
5. Mr. Trirath Trirathanakul
6. Mr. Chernchai Niyamanusorn
7. Mrs. Nantaporn Suriyakul na Ayudhaya

■ List of Shareholders as of 19 June 2015 (Before change)

| Name of Shareholders                | No. of shares | Shareholding (Percent) |
|-------------------------------------|---------------|------------------------|
| 1. Finansa PLC.                     | 43,649,999    | 36.38                  |
| 2. Mr. Chernchai Niyamanusorn       | 25,273,999    | 21.06                  |
| 3. Ms.Prapassara Sirichotikunakorn  | 23,976,000    | 19.98                  |
| 4. BCH PropertyCo., Ltd             | 15,000,001    | 12.50                  |
| 5. Mr. Thongtat Kasemsuwan          | 7,600,000     | 6.33                   |
| 6. Mrs. Napasorn Pranich            | 3,500,001     | 2.92                   |
| 7. Ms. Pornsarin Maethivacharanondh | 1,000,000     | 0.83                   |
| Total                               | 120,000,000   | 100.00                 |

■ List of Shareholders (After change)

| Name of Shareholders                 | No. of shares | Shareholding (Percent) |
|--------------------------------------|---------------|------------------------|
| 1. M.K. Real Estate Development Pcl. | 119,999,998   | 100.00                 |
| 2. Others                            | 2             | 0.00                   |
| Total                                | 120,000,000   | 100.00                 |

Summary of Financial Information (Unit : Baht Thousand)

| Items                        | 2012      | 2013      | 2014      |
|------------------------------|-----------|-----------|-----------|
| Total assets                 | 2,788,669 | 3,101,418 | 2,336,057 |
| Total liabilities            | 1,950,243 | 2,135,673 | 1,397,276 |
| Total shareholders' equities | 838,425   | 965,745   | 938,781   |
| Paid-up capital              | 1,200,000 | 1,200,000 | 1,200,000 |
| Total revenues               | 79,755    | 433,608   | 293,057   |
| Total expenses               | 135,940   | 156,290   | 171,763   |
| Net profit/(loss)            | (175,716) | 127,320   | (26,964)  |
| Net profit/(loss)per share   | (1.46)    | 1.06      | (0.22)    |
| Book value per share (Baht)  | 6.99      | 8.05      | 7.82      |

#### 1.5 Total Value of Consideration

The Company will acquire all 120,000,000 ordinary shares with par value of Baht 10 per share or approximately 100 percent of Prospect from the previous shareholders. Total value of consideration is Baht 1,200,000,000. The consideration will be paid by (1) issuing not more than 131,626,020 new shares, with par value of Baht 1 per share, at the price of Baht 6.15 per share, totaling not more than Baht 809,500,023 and (2) cash of not higher than Baht 390,499,977. When combining shares and cash payments, it will not be more than Baht 1,200,000,000. (MK 1.626 : PD 1 share)

#### 1.6 Value of the Acquired Asset

A total of 120,000,000 shares of Prospect with par value of Baht 10 per share. Total value is Baht 1,200,000,000.

#### 1.7 Criteria to Determine the Value of Compensation

Value of the compensation is agreed by both parties, with reference from valuing Prospect shares by using (a) Discounted Cash Flow Approach, which the share value is in the range of Baht 9.16 – 10.65 per share and (b) Adjusted Book as of 31 December 2014, which the share value is Baht 11.00 per share. The company appraised and negotiated with Prospect's Shareholders. MK's book value is Baht 6.15 per share after dividend payment.

#### 1.8 Benefits to the Company from the Transaction

1.8.1 The Company will generate higher revenue after making investment in Prospect. The Company will consolidate Prospect Financial Statement with the Company's financial statement.

1.8.2 This is an opportunity to make investment that has business potential. The Company expects to receive good return on investment.

1.8.3 This would increase an opportunity for the Company to be more diverse.

#### 1.9 Source of Funds for Acquiring Assets

The Company will issue not more than 131,626,020 ordinary shares with par value of Baht 1 per share, at an issue price of Baht 6.15 per share as compensation for Prospect shares and for the cash payment, source of funds will come from its working capital.

#### 1.10 Condition of the Transaction

This is classified as a type 2 transaction according to the related notification. The Company is required to prepare a report and disclose to the Stock exchange of Thailand and send to shareholders within 21 days from the date of disclosure of the transaction to the Stock Exchange of Thailand. However, the Company has to hold a shareholders' meeting to approve the capital increase and the allocation of the newly issued shares as partially compensation to Prospect previous shareholders, the Board of Director agrees to propose to shareholders' meeting to approve the investment in Prospect. The investment in Prospect must be approved by the shareholders' meeting by a vote of not less than 3 out of 4 of the votes of the shareholders present at the meeting and entitled to vote.

1.11 Opinion of the Board of Directors on the Transaction

The Board of Directors has an opinion that the investment in Prospectis reasonable and beneficial to the Company. Since this gives an opportunity for the Company to make investment that has business potential. The Company expects to receive a good return on investment.

1.12 Opinion of the Company's Audit Committee and/or Directors which are different from the opinion of the Board of Directors.

The Audit Committee agrees with the Board of Directors and no other directors have any different opinion or abstain.

2. The liability of directors to the Information.

The Board of Director certifies that all the information is true and correct.

3. The Opinion of the Independent Expert

-none-

4. Financial Information and Financial Projection of the current year

Financial Information

| <b>(Unit :Million)</b>                                      | <b>Financial statements for the three-month period ended March 31, 2015</b> |
|---|---|
| Total Revenues  | 436.69  |
| Profit before Interest /Tax / Depreciation and amortization | 47.00   |
| Net Profit (Loss)   | 31.02   |
| Current Assets  | 6,694.83  |
| Total Assets  | 7,560.99  |
| Current Liabilities   | 709.74  |
| Total Liabilities   | 2,060.11  |
| Equity  | 5,500.88  |
| Paid up share (Share)                                       | 860,384,157   |
| Book Value (Baht/Share)                                     | 6.39  |



Financial projection for the current year

-None-

5. Pending material lawsuits and claims

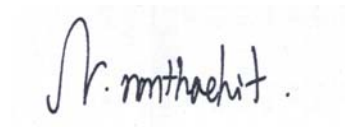
- None -

6. Related Party Transactions incurring in the three-month period ended March 31, 2015 as shown in financial statements review by Independent auditor.

- None -

Please be informed accordingly.

Sincerely yours,

A handwritten signature in black ink, appearing to read "Mr. Nutplusthron Nonthachit". The signature is written in a cursive style with a large initial "N".

(Mr. Nutplusthron Nonthachit)  
Director and Company Secretary