

- TRANSLATED VERSION -

Opinion Report of the Independent Financial Advisor

Regarding

An Asset Acquisition & Connected Transaction regarding an additional investment in
Laemchabang International Ro-Ro Terminal Company Limited
by purchasing ordinary shares of NYKT International Terminal Company Limited

for

The Shareholders of

Namyong Terminal Public Company Limited



Prepared by



I V Global Securities Public Company Limited

January 23, 2019

The English Translation of the Independent Financial Advisor's Opinion Report has been prepared solely for the convenience of foreign shareholders of Namyong Terminal Public Company Limited and should not be relied upon as the definitive and official document.

The Thai language version of the Independent Financial Advisor's Opinion Report is the definitive and official document and shall prevail in all aspects in the event of any inconsistency with this translation.

Table of Content

	Page
Preface	1
Executive Summary	3
Part 1 Characteristics & Details of the Transaction	19
1.1 Characteristics and Details of the Asset Acquisition and Connected Transaction	19
1.1.1 Objective and Background of the Transaction	20
1.1.2 Date of the Transaction	20
1.1.3 Parties Involved and Relationship with the Company	20
1.1.4 General Characteristics	21
1.1.5 Detailed of Acquired Asset	24
1.1.6 Calculation of Transaction Size	25
1.1.7 Shareholder Agreements	27
1.1.8 Total Value of Consideration	30
1.1.9 Criterion for Purchase Price Determination	30
1.1.10 Sources of Funds for Transaction	31
1.1.11 Additional information regarding a listed company to invest in an associated company which has connected persons of the listed company holding shares of equal or more than 10 percent of the total number of voting rights of such associated company	31
1.1.12 Conditions Related to Transaction	32
1.2 Information of Namyong Terminal Public Company Limited	32
1.3 Information of NYKT International Terminal Company Limited	32
1.4 Information of Laemchabang International Ro-Ro Terminal Company Limited	32
Part 2 Opinion of Independent Financial Advisor on Reasonableness of Connected Transaction	33
2.1 Objective and Necessity to Entering into Transaction	33
2.2 Impact on Financial Position of the Company from Entering into Transaction	34
2.3 Advantages of Entering into Transaction	35
2.4 Disadvantages and Risks that may arise from Entering into Transaction	42
2.5 Comparison of Advantage and Disadvantages of Entering into the Connected Transaction and Entering into the Transactions with External Party, and the Necessity to make Transaction with Connected Persons, and Reasons that the Company did not Entering into the Transaction with External Party	49

Part 3	Opinion of Independent Financial Advisor on Appropriateness of Transaction Price and Terms of Transaction	51
---------------	--	-----------

3.1	Fair Value of the Purchase Price	51
3.1.1	Book Value Approach	51
3.1.2	Adjusted Book Value Approach	52
3.1.3	Market Value Approach	53
3.1.4	Market Comparable Approach	53
3.1.5	Discounted Cash Flow Approach	55
3.1.6	Summary of Opinion of the IFA on the Fair Value of NYKT's Shares	70
3.2	Appropriateness of Terms of Transaction	72

Part 4	Conclusion of Opinion of Independent Financial Advisor	73
---------------	---	-----------

Appendix 1	Company Information and Operating Results of Namyong Public Company Limited (“Company” or “NYT”)
Appendix 2	Company Information and Operating Results of NYKT International Terminal Company Limited (“NYKT”)
Appendix 3	Company Information and Operating Results of Laemchabang International Ro-Ro Terminal Company Limited (“LRT”)
Appendix 4	Scenario Analysis

-Translation-

The English Translation of the Independent Financial Advisor's Opinion Report has been prepared solely for the convenience of foreign shareholders of Namyong Terminal Public Company Limited and should not be relied upon as the definitive and official document.

The Thai language version of the Independent Financial Advisor's Opinion Report is the definitive and official document and shall prevail in all aspects in the event of any inconsistency with this translation.

Addendum

An Asset Acquisition and Connected Transaction
regarding the additional investment in Laemchabang International Ro-Ro Terminal Company Limited
by purchasing ordinary shares of NYKT International Terminal Company Limited
by Namyong Terminal Public Company Limited
Ref: IB 15/2562, Dated January 23, 2019

Part 2, Subheading 2.2 on Page 34

Additional information is underlined in red.

2.1 Impact on Financial Position of the Company from Entering into Transaction

By entering into the Additional Share Purchase Transaction, the Company will acquire NYKT's shares of 1,161,870 shares, representing 29.00 percent of the total issued and paid-up shares of NYKT. Therefore, after entering into the Transaction, the Company's shareholding in NYKT will increase from 20.00 percent to 49.00 percent of the total issued and paid-up of NYKT. In this regard, NYKT will remain as an associate company of the Company. Such investments of the Company in NYKT will be recorded in the financial statements of the Company by means of Equity Method. Subsequently, an increase in the Company's shareholding in NYKT will significantly impact on the financial statements of the Company as follows:

▪ **Statement of Financial Position**

Table 2-2: Accounting impact by using Equity Method on Statement of Financial Position of the Company

Statement of Financial Position		Pre-Transaction (20 % shareholding in NYKT) As of September 30, 2018	Post-Transaction (49 % shareholding in NYKT) After the Transaction
Impact	Investments in associate which are in a category of non-current assets	THB 510.46 million	Increase by THB 922 million ^{1/}

Remark: 1/ A total amount of investment shall not be more than USD 27.82 million or approximately THB 922 million (referring to foreign exchange of Bank of Thailand at the rate at THB 33.1325 : USD 1 as of November 6, 2018 which is the last working date prior to the Board of Director's meeting resolution to approve the entering into this transaction). However, if the foreign exchange rate on the transaction date is not as described above or a total amount of investment is lower than described, investments in associates may be higher or lower than THB 922 million. As of January 15, 2019, such exchange rate is at THB 32.0476 to USD 1.00.

▪ **Statement of Comprehensive Income**

Table 2-3: Accounting impact by using Equity Method on Statement of Comprehensive Income

Statement of Comprehensive Income		Pre-Transaction (20 % shareholding in NYKT) As of September 30, 2018	Post-Transaction (49 % shareholding in NYKT) After the Transaction
Impact	Share of profit from investments in associate or Share of loss from investments in associate	Profit / loss from NYKT by Equity Method will be allocated in proportion to a shareholding which is 20.00 percent after major income and expenses of NYKT	Profit / loss from NYKT by Equity Method will be allocated in proportion to a shareholding which is 49.00 percent after major income and expenses of NYKT

In addition, should the Company finds an indication that there probably is an impairment of investments in NYKT as a result of continued operation losses of NYKT or changes that negatively impact on operating performance of NYKT, the Company must conduct an impairment testing of such investments. And if the Company finds that there is an impairment of investments in NYKT, the Company shall record an allowance for impairment of investments in the statement of financial position, which will result in a decrease in the value of investments in associates. Moreover, the Company shall also record the loss on impairment of investments in associates as expenses in the statement of comprehensive income of the Company immediately, which will result in a decrease in net profit of the Company and its subsidiaries.

The Company will evaluate a purchase price allocation (PPA) by determining fair value of assets and liabilities in order to allocate the purchase price and recognize goodwill from entering into this Transaction, and the Company has to finish this process within 1 year from the date of the transaction. As the business of LRT has limited operation period based on a concession granted (Concession of C0 Terminal of LRT expires on August 31, 2035 or approximately 16 years and 6 months from the date of this Transaction), there will be an amortization of intangible assets. The major intangible assets are concession agreement and goodwill. The concession agreement will be amortized weighted according to concession payments whereas the goodwill will be amortized over the remaining years of the concession. If the net profits for the period attributable to the Company (from LRT's operating results in proportion to the Company's shareholding) are less than amortization of intangible assets and other related amortization, this will result in a share of loss from investments in associates.

The IFA had conducted an initial assessment with the purpose to give an overview of the Transaction to the shareholders, the amortization of intangible assets of the Company (according to the proportion of investment at 20 percent), which mainly consists of amortization of rights under concession of C0 Terminal and goodwill, is at an average of approximately THB 23 million per year. After the Transaction, the Company will have an amortization expense of these intangible assets (based on the proportion of investment at 49 percent) of approximately THB 67 million per year. It can be seen that after entering into the Transaction, the Company has a substantial increase in the amortization expense of intangible assets. In this regard, the management of the Company added that according to the proportion of investment at 20 percent, the Company will start receiving share of profit from investment in associated company (LRT) when LRT has a yearly net profit of approximately THB 100 million or more (a breakeven point). After the Additional Share Purchase Transaction, the Company will have higher investments proportion in associates, which are LRT and NYKT, from 20 percent to 49 percent. Therefore, if the profit for the period attributable to the Company which the Company shall receive in proportion to the increased investment proportion is still less than an increased amortization of intangible assets and other related amortization, the Company will have a share of loss from investments in associates. The management of the Company provides basic information that the breakeven point of the investment in LRT after this transaction will be at the point that LRT has a net profit of approximately THB 100-140 million per year. (For additional information related to Risk of loss sharing in the financial statements of the Company, please refer to Part 2, Section 2.4.1 (1) Page 42 of this report)

GLOSSARY

Abbreviation

Meaning

SEC	The Securities and Exchange Commission
SET	The Stock Exchange of Thailand
Notification on Acquisition or Disposal of Assets	Notification of the Capital Market Supervisory Board No. TorJor 20/2551 Re: Rules on Entering into Material Transactions Deemed as Acquisition or Disposal of Assets, and the Notification of the Stock Exchange of Thailand Re: Disclosure and Guideline for Listed Company on Acquisition or Disposal of Assets B.E. 2547 and its amendments
Notification on the Connected Transaction	The Notice of Capital Market Supervisory Board No. Thor.Jor. 21/2551 Re: Criteria on Connected Transaction, dated August 31, 2008, and amended thereof, and the Notice of the Board of Governors of the Stock Exchange of Thailand Re: Disclosure of Information and Other Acts of Listed Companies Concerning the Connected Transactions, 2003, dated November 19, 2003, and amended thereof.
“NYT” or the “Company”	Namyong Terminal Public Company Limited
NYKT	NYKT International Terminal Company Limited
LRT	Laemchabang International Ro-Terminal Company Limited
ArtLion	Artlion Development Limited
GCT	Global Cargo (Thailand) Limited
SRT	Sapphire RoRo (Thailand) Limited
NYK Group	Nippon Yusen Kabushiki Kaisha
“Independent Financial Advisor” or “IFA”	I V Global Securities Public Company Limited
Certified Public Accountant	Public accountants who are licensed under Federation of Accounting Professions, Thailand
Exchange Rate	The exchange rate that is used throughout this Report is based on the currency conversion at 33.1325 THB to 1 USD with the exchange rate as at November 6, 2018, one day prior to the Board of Directors’ resolution in entering into this Transaction.
DCF	Discounted Cash Flows
EBITDA	Earnings Before Interest and Tax, Depreciation & Amortization
Enterprise Value (EV)	Enterprise Value
Equity Value	Book Value or Shareholders’ Equity Value
FCFF	Free Cash Flow to Firm
P/BV	Price to Book Value Ratio
P/E	Price to Earnings Ratio
RT or Revenue Ton	RT unit is the weight in metric tons or volume in cubic meter whichever higher shall be used to calculate the tariff
WACC	Weighted Average Cost of Capital

TRANSLATION

The English Translation of the Independent Financial Advisor's Opinion Report has been prepared solely for the convenience of foreign shareholders of Namyong Terminal Public Company Limited and should not be relied upon as the definitive and official document.

The Thai language version of the Independent Financial Advisor's Opinion Report is the definitive and official document and shall prevail in all aspects in the event of any inconsistency with this translation.

Ref: IB 15/2562

January 23, 2019

Subject: An Asset Acquisition and Connected Transaction regarding the additional investment in Laemchabang International Ro-Ro Terminal Company Limited by purchasing ordinary shares of NYKT International Terminal Company Limited

To Audit Committee and Shareholders of
Namyong Terminal Public Company Limited

Appendix: 1) Company Information and operating results of Namyong Terminal Public Company Limited
2) Company Information and operating results of NYKT International Terminal Co., Ltd. ("NYKT")
3) Company Information and operating results of Laemchabang International Ro-Ro Terminal Co., Ltd. ("LRT")
4) Scenario Analysis

References: 1) Resolution of the meeting of Namyong Terminal Public Company Limited's Board of Directors No. 5/2018 held on November 7, 2018
2) Information Memorandum on the Asset Acquisition and Connected Transaction of Namyong Terminal Public Company Limited dated November 7, 2018
3) Resolution of the meeting of Namyong Terminal Public Company Limited's Board of Directors No. 2/2018 held on May 11, 2018 and amendment on May 22, 2018
4) Annual Registration Disclosure (Form 56-1) of Namyong Terminal Public Company Limited for the year ended December 31, 2017
5) Audited Financial Statements of Namyong Terminal Public Company Limited for 12-month period ended December 31, 2013 - 2017, and the interim financial statements for the 9-month period ended September 30, 2018
6) Prospectus of Namyong Public Company Limited
7) Pro-forma Consolidated Financial Statement of NYKT for period ended September 30, 2018, prepared by the Company
8) Audited Financial Statements of LRT for 12-month period ended December 31, 2013 - 2017
9) Certificate of company registration, Memorandum of Association, and other documents, as well as interviews with management and relevant personnel of Namyong Terminal Public Company Limited
10) Certificate of company registration, Memorandum of Association, and other documents, as well as interviews with management and relevant personnel of NYKT and LRT

Disclaimers:

The result of the study by I V Global Securities Public Company Limited (“**Independent Financial Advisor**” or “**IFA**”) in this report (or “**IFA Report**”) is based on the information and assumptions provided by management of Namyong Terminal Public Company Limited, NYKT International Terminal Company Limited and Laemchabang International Ro-Ro Terminal Co., Ltd., as well as the information disclosed to the public through the website of the Securities and Exchange Commission of Thailand (www.sec.or.th), the Stock Exchange of Thailand (www.set.or.th), and Business Online Public Company Limited (www.bol.co.th).

The opinion of the IFA in this report is based on the assumptions that all the information and documents received are accurate and complete, and reflects the operating environment and most up-to-date information at the time of issuance of this report. However, there may be any incident having material impact on NYKT’s business operations and plans, as well as decision of the shareholders on the Asset Acquisition and Connected Transaction. The Independent Financial Advisor expresses its opinion under the current circumstance. Should there is a significant change in the circumstance or any information, the result of the study may be affected.

In rendering its opinion in this report, the IFA has considered the reasonableness of conditions of the Transaction as well as other related factors thoroughly and rationally in accordance with the professional judgments.

The appendices to this report are deemed to be a part of the IFA opinion and are the information that the Audit Committee and Shareholders should consider jointly with this report.

Executive Summary

Background of the Transaction

Namyong Terminal Public Company Limited (the “**Company**”) is a fully-integrated Roll-on/Roll-off (“**Ro/Ro**”) and general cargo port terminal operator. In order to increase service capacity of the Company in the long term and to accommodate a volume of car exports of Thailand which is likely to increase significantly in the future, in April 2012, the Company and Nippon Yusen Kabushiki Kaisha Group (“**NYK Group**”) have jointly invested in Laemchabang International Ro-Ro Terminal Co., Ltd. (“**LRT**”), an operator of Ro/Ro terminal services for car importation and exportation, and general cargo at C0 Terminal. LRT has been granted a concession on investment, administration and operation of C0 Terminal from the Port Authority of Thailand (“**PAT**”) for the period of 30 years starting from September 1, 2005 and will be expiring on August 31, 2035. The Company have been investing 20 percent of total shares of LRT through Sapphire RoRo (Thailand) Limited (“**SRT**”). According to the Shareholders’ Agreement between the Company and NYKT Group dated March 30, 2012, the Company has the right to acquire additional shares of 29 percent of the total shares of LRT (both direct and indirect) from NYK Group by exercising its right within May 15, 2017, at the purchase value shall not be more than USD 27.82 million, including the purchase price of NYKT’s shares of not lower than USD 24.65 million and interest expense until the date that the Company exercise its right to purchase shares of not more than USD 3.17 million. The investment in LRT between the Company and NYK Group in 2012 is considered as a transaction with external parties.

As the Shareholders’ Agreement between the Company and NYK Group provides an opportunity for the Company to exercise the right to purchase additional shares until 2017, so as to create confidence prior to an additional investment in LRT, the management of the Company has been monitoring an operation of LRT continuously and wished to exercise the right to acquire additional shares since the beginning of 2017 onwards. NYKT has granted an extension of period for exercising the right to be within March 31, 2018 and the Board of Directors’ Meeting of the Company No. 1/2017 has resolved to propose to the 2017 Annual General Meeting of Shareholders to be acknowledged. Subsequently, the NYK Group has sent a letter to the Company to request a further extension of period for exercising the right to be within March 31, 2019 as the NYK Group would like to complete its business restructuring within the group. The business restructuring has now been completed and the Board of Directors’ Meeting of Namyong Terminal Public Company Limited No. 5/2018 held on November 7, 2018 thus resolved to propose to the Extraordinary General Meeting of Shareholders of the Company to consider and approve the Company’s entry into the Asset Acquisition and Connected Transaction by exercising the right for an additional investment in LRT. As NYK Group, through N.Y.K. (Thailand) Co., Ltd., has purchased shares of the Company from existing shareholders of the Company in an amount of 113,718,600 shares (227,437,200 shares after split par), representing 18.34 percent of total issued and paid-up shares of the Company, NYK Group is a major shareholder of the Company since September 2015. The Additional Share Purchase Transaction in 2018 - 2019 is, therefore, considered as a Connected Transaction because the Company shall enter into the Transaction with a major shareholder of the Company under the Notification of Capital Market Supervisory Board, TorChor. 21/2551 Re: Rules on Connected Transactions and its amendments, as well as the Notification of the Board of Governors of the Stock Exchange of Thailand Re: Disclosures of Information and Other Acts of Listed Companies Concerning Connected Transactions B.E. 2546 (“**Connected Transaction Notifications**”).

Table 1: Key Events Related to the Additional Share Purchase Transaction

No.	Events	Date
1.	The Company signed an Agreement with NYK Group for an investment in LRT.	March 2012
2.	The Company held 20 percent of the total shares of LRT and had the right to purchase additional shares of 29 percent of the total share of LRT from NYK in which the right must be exercised within May 15, 2017.	April 2012
3.	Ordinary shares of the Company were listed on the Stock Exchange of Thailand	November 2013
4.	NYK Group, through N.Y.K. (Thailand) Co., Ltd., became a major shareholder of the Company. <i>(This was a significant event that caused the Additional Share Purchase Transaction after September 2015 deemed as Connected Transaction).</i>	September 2015
5.	NYK Group has notified an extension of period for exercising the right to be within March	February 2017

No.	Events	Date
	31, 2018, and the Board of Directors' Meeting No. 1/2017 has resolved to propose to the 2017 Annual General Meeting of Shareholders to be acknowledged.	
6.	NYK Group has sent a letter to the Company to request a further extension of period for exercising the right to be within March 31, 2019 because NYK Group would like to complete the business restructuring within its group. The Board of Directors' Meeting No. 1/2018 has resolved to propose to the 2018 Annual General Meeting of Shareholders to acknowledge of such extension.	January 2018
7.	The merger between SRT (a subsidiary of the Company) and GCT (a subsidiary of NYK Group) was completed. NYKT is the new company post-merger.	September 2018
8.	The Board of Directors' Meeting No. 5/2018 has resolved to propose to the Extraordinary General Meeting of Shareholders of the Company to consider and approve the Company's entry into the Additional Share Purchase Transaction with ArtLion, a subsidiary under the control of NYK Group. Therefore, entering into this Transaction is considered as an Asset Acquisition and Connected Transaction.	November 2018
9.	Extraordinary General Meeting of Shareholders No. 1/2019 shall be held to consider and approve the Additional Share Purchase Transaction.	February 2019
10.	Deadline for exercising the right to purchase additional shares of 29 percent of the total shares of LRT.	March 2019 (March 31, 2019)

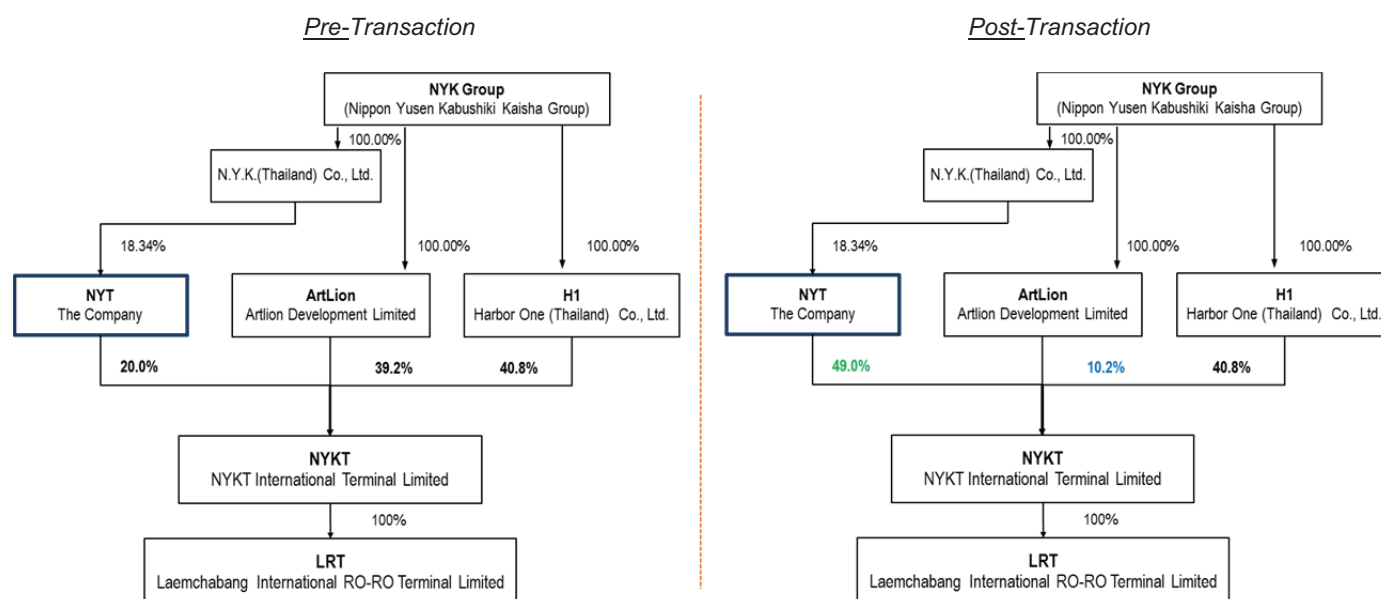
Source: Annual Registration Statement (Form 56-1) of the Company and summarized by the IFA

Details of the Transaction

The Board of Directors' Meeting of Namyong Terminal Public Company Limited ("**the Company**") No. 5/2018 held on November 7, 2018 resolved to propose to the Extraordinary General Meeting of Shareholders of the Company to consider and approve the Company's entry into an asset acquisition and connected transaction in the case of exercising a right to make investment in LRT under the Shareholders' agreement of LRT by purchasing 29.00 percent of shares of NYKT International Terminal Co., Ltd. ("**NYKT**") (which currently holds 100.00 percent of total shares in LRT) from ArtLion Development Limited ("**ArtLion**") which is a subsidiary under the control of NYK Group. A total amount of investment shall not be more than USD 27.82 million or approximately THB 922 million, including the purchase price of NYKT's shares of not lower than USD 24.65 million and interest expense until the date that the Company exercises its right to purchase shares of not more than USD 3.17 million. The calculation of additional interest expense that the Company has to pay will start from the date that the Company investing in 20 percent of LRT and having the right to purchase additional shares of LRT of 29 percent in 2012 until the date that the Company exercises the right to purchase LRT's shares. However, there was a delay in right exercising of more than a year during the NYK Group's business restructuring by its operational team, NYK Group, thus, stopped charging interest to the Company during such period because the delay is not by the Company's fault. (In this regard, a foreign exchange rate of Bank of Thailand at THB 33.1325 to USD 1 as at November 6, 2018 which is one working day prior the date of the Board of Director's meeting resolution to approve the entering into this transaction. In addition, the exchange rate on the date of entering into the transaction may be different from the stated above. As of January 15, 2019, such exchange rate is at THB 32.0476 to USD 1.00). (Hereinafter, the entire transaction is referred to as "**Additional Share Purchase Transaction**")

In this regards, details of the shareholding in NYKT Pre- and Post-Transaction are as follows:

Figure 1: The shareholding in NYKT Pre- and Post-Transaction



In this regard, the acquisition of the NYKT Shares is considered as an asset acquisition transaction under the Notification of the Capital Market Supervisory Board, TorChor. 20/2551 (2008) Re: Rules on Entering into Material Transactions Deemed an Acquisition or Disposition of Assets, as well as under the Notification of the Stock Exchange of Thailand Re: Disclosure of Information and Operation Concerning the Acquisition and Disposition of Assets of a Company B.E. 2547 (2004) dated October 29, 2004 and its amendments ("**Assets Acquisition Notifications**"). The Transaction size is calculated according to the Pro forma financial statements of the Company and NYKT for the nine-month period ended September 30, 2018, with the highest transaction size based on consideration value criteria of **21.54 percent** of the total value of the assets of the Company and the subsidiary. The Company has not acquired other assets during the past 6 months before the date of the Board of Director's meeting resolution to approve the entering into this Transaction. Such Transaction is, therefore, classified as a Class 2 Transaction under the Assets Acquisition Notifications. (Please refer to details of the calculation of transaction size in Part 1, Item "1.1.6 1. Type and Size of Transaction").

Moreover, ArtLion is a subsidiary under the control of the NYK Group, whereby the NYK Group has N.Y.K. (Thailand) Co., Ltd., a major shareholder of the Company as well as a member company of the NYK Group (as of May 8, 2018, the latest book closing date before the Board of Directors of the Company resolved to propose to the Extraordinary General Meeting of Shareholders of the Company to consider and approve the Company's entry into this transaction, N.Y.K. (Thailand) Co., Ltd. has a shareholding of 18.34 percent of total paid-up capital of the Company), this Additional Share Purchase Transaction is deemed as a Connected Transaction under the Notification of Capital Market Supervisory Board, TorChor. 21/2551 Re: Rules on Connected Transactions dated August 31, 2008 and its amendments, as well as the Notification of the Board of Governors of the Stock Exchange of Thailand Re: Disclosures of Information and Other Acts of Listed Companies Concerning Connected Transactions B.E. 2546 (2003) ("**Connected Transaction Notifications**"). The value of the Transaction is equivalent to 25.90 percent of the net tangible assets (NTA) of the Company's reviewed financial statements for the period ended September 30, 2018 where the Company and ArtLion, including NYK Group does not have any other connected transactions within the past 6 months before the Company's Board of Directors resolved to propose to the shareholders for an approval for entering into this Additional Share Purchase Transaction. As a result, the transaction size of this Connected Transaction is totaled at **25.90 percent** which is considered as a large transaction with the transaction value exceeding THB 20 million and exceeding 3 percent of the Net Tangible Asset (NTA) of the Company. (Please refer to details of the calculation of Transaction size in Part 1, Item "1.1.6 1. Type and Size of Transaction").

The Company is, therefore, required to appoint an independent financial advisor to provide an opinion on this Transaction, promptly prepare a report, disclose information regarding the entering into the Transaction to the SET, and hold a shareholders' meeting to approve the entry into such Transaction with a required affirmative vote of not less than three-fourths of the total number of votes of the shareholders or their proxies attending the meeting and having the right to vote, excluding shareholders with vested interest. In this regard, the Company has appointed I V Global Securities Public Company Limited as the independent financial advisor (the "**Independent Financial Advisor**" or "**IFA**") to provide opinion on this Asset Acquisition and Connected Transaction to the shareholders.

The shareholding structure of the Group of the Company Pre and Post-Transaction is as follows:

Figure 2: The shareholding structure of the Group of the Company Pre- and Post- Transaction

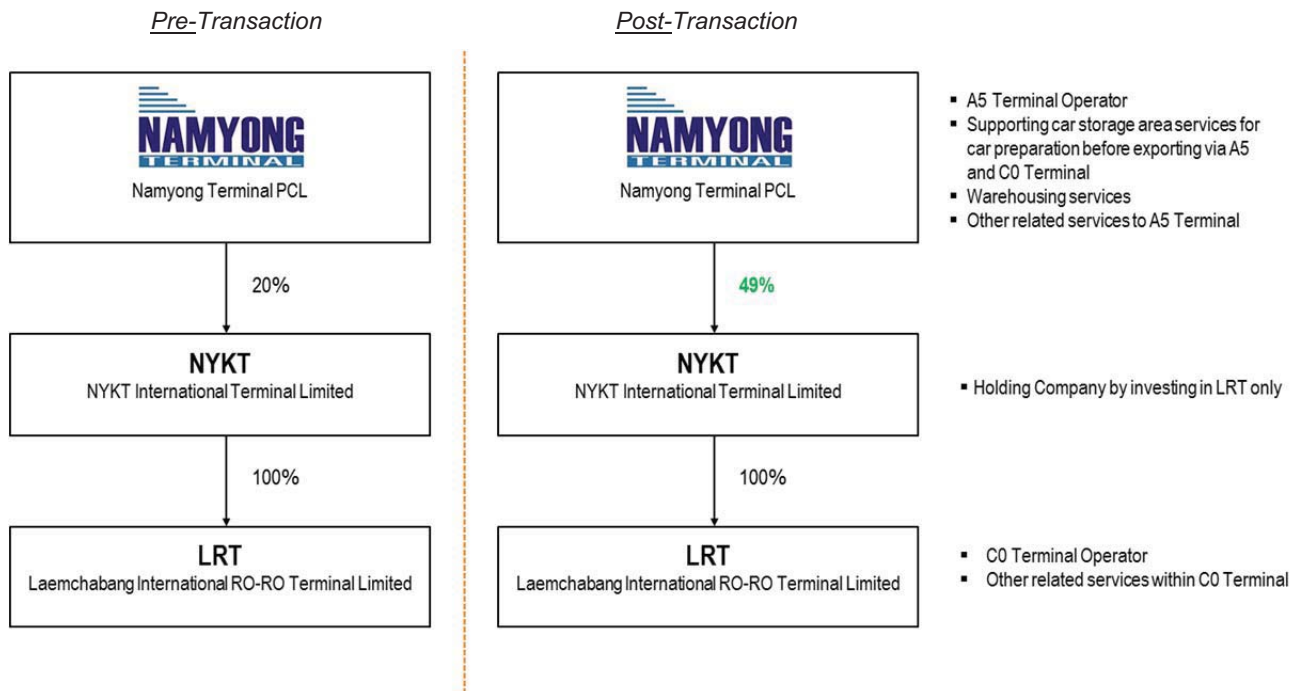
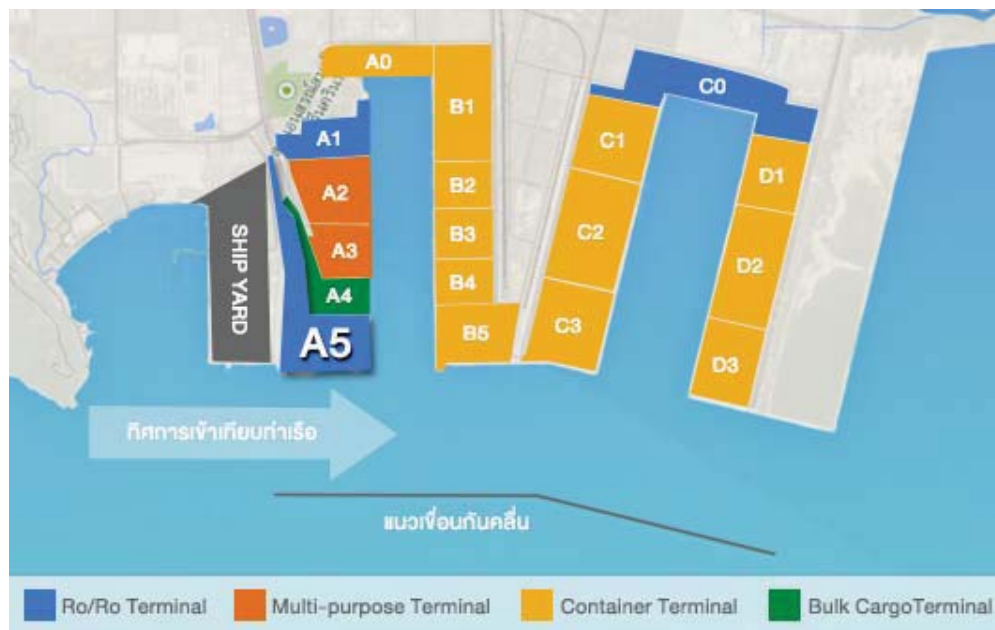


Figure 3: Map show the location of various port terminals



Source: The Company's website and summarized by IFA

Major products that LRT provides services can be summarized as follows:

(1) Car (Ro-Ro)

- Provision of Ro/Ro terminal services for car importation and exportation to car manufacturers.



(2) General Cargo

- General cargo or products under general cargo include products that are transported through the terminal and such products are not transshipped or inconvenient to be loaded and discharged through containers which can be divided as follows;
 - Material products such as steel coil, steel pipe, machinery and;
 - Extra-large products. Examples of extra-large products that were transshipped at C0 Terminal, including skytrain bogies and components used in wind energy projects such as wind turbine blades and wind turbine masts.



(3) Module

- Products categorized under module are similar to products under general cargo, but will be focused on special project and large steel product such as large equipment or structures of oil rigs, etc.



(4) Passengers

- Revenue from passengers came from service delivered at C0 terminal for travelling vessels.



(5) Others

- Other revenue includes revenue from warehouse services. LRT provides warehouse services in the area of C0 Terminal.

Opinion of the Independent Financial Advisor on the Reasonableness of the Transaction

The Independent Financial Advisor (IFA) has an opinion that entering into the Asset Acquisition and the Connected Transaction **is appropriate** by considering from significant factors, including advantages, disadvantages, and risks of entering into the transaction as follows:

Key Advantages of Entering into the Transaction

- A continued investment to support a growth of car imports and exports through Laem Chabang Port which is a core business of the Company

Currently, Thailand has three major port terminals which can serve shipment for cars exports and imports in a format through Ro/Ro terminal, including: (1) A1 Terminal, (2) A5 Terminal, and (3) C0 Terminal. All three terminals are located in Laem Chabang Port which is a deep-sea port having an advantage in terms of its location since its location is close to most car manufacturers. Therefore, it is easy, fast, and able to reduce risks of damage of car transportation from their production bases to terminals. It can be said that Laem Chabang Port is a port that is most appropriate for car transportation for export and import presently. However, A5 Terminal of the Company can accommodate car transportation of up to 1.5 million units per year. Moreover, during 2013-2017, the Company's A5 Terminal had a transportation volume of cars or the utilization rate in a range of 61.79 - 65.79 percent of A5 Terminal's capacity, which is almost at the congested level. If in the future, the number of car transportation through Laem Chabang Port increases beyond the capacity of A5 Terminal of the Company, an increased volume of car transportation will be transferred to C0 Terminal instead, which result in an increase in revenue of operators of C0 terminals. On the contrary, revenues of the Company as a terminal service operator of A5 Terminal will be limited.

Therefore, by entering into the Additional Share Purchase Transaction is considered as a continued investment in LRT, a terminal service operator at C0 Terminal, which will help accommodate a growth of a volume of car transportation, a core business of the Company, and also help enhance capability in a growth of the Company after A5 Terminal reaches its full capacity.

- A continued investment in assets that have growth potential and create opportunities for the Company's future business expansion

Thailand is presently in a period of infrastructure development, especially for transportation, in accordance with the strategic development plan of transportation infrastructure of Thailand 2015-2022¹. The main projects include double-track railway project, high-speed train, skytrain, high-speed rail linked to 3 airports seamlessly (Suvarnabhumi, Don Muang, and U-Tapao). The transportation of large equipment and materials used in constructions, as well as skytrain bogie must be transported through C0 Terminal of LRT. In addition, alternative energy business, for an example wind power is likely to continue growing in Thailand. A transportation of large wind turbines which are the main components of power plant must be transported through C0 Terminal of LRT likewise. In this regard, when considering service income from general cargo of LRT, it is growing steadily in which such service income since 2016 until first nine months of 2018 were THB 121.64, 163.92, and 191.45 million, respectively.

The Additional Share Purchase Transaction is, thus, a continued investment to support the Company in expanding the scope of business to terminal service of general cargo, such cargo are mainly related to infrastructure development and alternative energy in the country which are in a potential growth period. Subsequently, a volume of cargo transported through C0 Terminal of LRT is expected to be higher and result in an increase in revenue and steadily improved operating performance as well.

- A continued investment that help diversify investment risks and increase a variety of terminal service business

Presently, the Company has revenue primarily from RO/RO terminal service for car imports and exports only. In 2015 - 2017, the Company's terminal service incomes were THB 1,152.80, 1,159.29 and 1,159.92 million, accounting for 81.90 percent, 81.27 percent, and 81.55 percent of total revenue, respectively.

¹ Page 8-10 show examples of projects in strategic development plan of transportation infrastructure of Thailand 2015-2022
http://laemchabangportphase3.com/files/MarketSounding2/PPT_OTP.pdf

Entering into the Additional Share Purchase Transaction that will increase a shareholding of the Company in LRT from 20 percent to 49 percent of the total shares of LRT (both direct and indirect), the Company will have a source of profit from terminal services for general cargo and reduce risks of reliance on a source of profit from providing RO/RO terminal service only, as well as diversify risks from business operations of the Company.

- A continued investment in accordance with the objectives of the use of proceeds from the Company's IPO.

The purchase value from entering into the Additional Share Purchase Transaction shall not exceed USD 27.82 million or equivalent to THB 922 million in which the Company shall use fund from the Company's initial public offering (IPO) in November 2013. This Transaction is related to an expansion of the Company's business that meets the objectives of the use of proceeds specified in the prospectus of the IPO.

- A continued investment in the business that the management of the Company has experiences

Knowledge, expertise, and experience in business administration or business operation are key elements to success. The management of the Company comprises of a group of professionals who have expertise and experience in terminal service for import and export in Thailand for more than 30 years. By entering into the Additional Share Purchase Transaction to increase investments in LRT is deemed as a continued investment in terminal service business in which the management of the Company had experience. Therefore, the management of the Company can fully bring knowledge and experience into business administration, resulting in better performance that will positively impact on operating results of the Company in the future, as well as create benefits to the shareholders of the Company in the long term as well.

- The Company has a chance to receive retained earnings in higher proportion from entering into this Additional Share Purchase Transaction

In reference to the Shareholders' Agreement of LRT, shareholders of LRT agreed not to pay out dividends until the Company to exercise its right for additional investment in LRT. According to the interview with the management of the Company, the Company invested in LRT in 2012, and LRT has never paid dividends to shareholders. As of September 30, 2018, LRT has retained earnings of THB 467.26 million. Based on the calculation by IFA, if the Company increases its investment in LRT from 20 percent to 49 percent, the Company will receive increased dividends if all unappropriated retained earnings are used to pay dividends from THB 89.25 million to THB 218.67 million, or increased by THB 129.42 million. Should there is a dividend payment of 50 percent of unappropriated retained earnings, the Company shall receive higher dividends from THB 44.63 million to THB 109.33 million, or increased by THB 64.71 million.

- A continued investment at the purchase value close to the value of the investment of the Company in the previous 5 years (in 2012), which is much lower than the current value of the investment

Entering into this Transaction to exercise right to purchase additional shares with a total amount of investment shall not be more than USD 27.82 million, including the purchase price of NYKT's shares of not lower than USD 24.65 million and interest expense until the date that the Company exercise its right to purchase shares of not more than USD 3.17 million. In reference to the Shareholders' Agreement of LRT, the purchase value paid to acquire NYKT's shares in order to increase the shareholding in LRT of another 29 percent shall not be less than USD 24.65 million (USD 85 million multiplied by 29.00%) is calculated from the value of an investment in the total shares of LRT in an amount of USD 85 million, which is the same value used to determine the value of investment that the Company invested in LRT of 20 percent in 2012.

When comparing to a construction investment of a newly terminal in Lam Chabang Port, including the development of Laem Chabang Port Phase 3, which has a total investment of approximately THB 110 billion, divided into an infrastructure investment of THB 50 billion by Port Authority of Thailand and another investment of THB 60 billion would be opened for private sector in 5 terminals, consisting of E0, E1, E2, F1 and F2 Terminals when comparing between the new investment and the continued investment of the Company. It can be seen that the value of this Transaction (including the purchase price of NYKT and interest expense until the date that the Company exercise its right to purchase shares) of approximately THB 922 million is much lower than the value of the investment in a new terminal of around THB 1,641 million.

▪ An investment in assets at a reasonable price

The Company will exercise its right for an additional investment in LRT by acquiring ordinary shares of NYKT in a total value of not exceed THB 922 million in which such purchase value is lower than the range of fair value calculated by the IFA at THB 1,079.72 million - THB 1,147.64 million. Therefore, the IFA has an opinion that **the purchase price is reasonable**.

(For additional information related to advantages of entering into the transaction, please refer to Part 2, Section 2.3 of this report)

Key disadvantages and risks of entering into the Transaction

Risk directly arises from the Additional Share Purchase Transaction

▪ Risk of loss sharing in the financial statements of the Company

The Company has acquired 20 percent of LRT's shares since 2012 onwards. LRT became an associate company of the Company due to such investment proportion and the Company will recognize the operating results of LRT in the form of profit (loss) sharing which can be summarized as follows:

Table 2: Share of Profit (Loss) from Investments in Associates of the Company during 2013-2017 and in the first 9 months of 2018

Share of profit (loss) from investment in associates <i>Unit: THB Thousand</i>	Y2013	Y2014	Y2015	Y2016	Y2017	First 9 months of Y2018
Profit for the period attributable to Company	30,959	4,557	19,642	7,883	12,134	16,579
Amortization of intangible assets	(18,414)	(18,414)	(19,401)	(21,377)	(21,377)	(16,033)
Depreciation of property, plant and equipment	(41)	(41)	(41)	(41)	(41)	(32)
Amortization of deferred tax assets	(1,283)	(220)	-	-	-	-
Amortization of deferred tax liabilities from acquisition	1,814	1,814	2,012	2,406	2,406	1,805
Share of profit (loss) from investment in associates	13,035	(12,304)	2,212	(11,129)	(6,878)	2,319

Sources: Notes to Financial Statements of the Company for the year 2014-2017, audited by EY Office Limited.

Notes to the financial statements of the Company ended September 30, 2018, reviewed by EY Office Limited.

Remark: In 2013 – 2017, the Company has only one associate company which is LRT. As of September 17, 2018, the Company has two associate companies which are NYKT and LRT.

The above table shows that although the Company will receive a profit for the period attributable to the Company from associates (in proportion to the investment of 20 percent in LRT) continuously, however, because a business of LRT has limited operation period based on a concession period and the purchase price of LRT is higher than the fair value of LRT's net asset and liabilities at the date of entering into the transaction in 2012, which resulted in a goodwill. Therefore, the auditor of the Company has considered that there will be an amortization of intangible assets (which including Right under port service concession agreement and goodwill) in the investment in LRT. If the net profits for the period attributable to the Company (from LRT's operating results in proportion to the Company's shareholding) are less than amortization of intangible assets and other related amortization, this will result in a share of loss from investments in associates. In this regard, the Company will start receiving share of profit from investment in associated company (LRT) when LRT has a yearly net profit of approximately THB 100 million or more (a breakeven point).

After the Additional Share Purchase Transaction, the Company will have higher investments proportion in associates, which are LRT and NYKT, from 20 percent to 49 percent. Therefore, if the profit for the period attributable to the Company which the Company shall receive in proportion to the increased investment proportion is still less than an increased amortization of intangible assets and other related amortization, the Company will have a share of loss from investments in associates. In this regard, the management of the Company provides basic information that the breakeven point of the investment in LRT after this transaction will be at the point that LRT has a net profit of approximately THB 100-140 million.

Based on an initial assessment by the IFA, by referring to the information from the management of the Company, the amortization of intangible assets of the Company (according to the proportion of investment at 20 percent), which mainly consists of amortization of rights under concession of C0 Terminal and goodwill, is at an average of approximately THB 23 million per year. After the Transaction, the Company will have an amortization expense of these intangible assets (based on the proportion of investment at 49 percent) of approximately THB 67 million per year. It can be seen that, after entering into the Transaction, the Company has a substantial increase in the amortization expense of intangible assets. Nevertheless, the valuation of amortization cost of intangible assets from this investment is an initial assessment by the IFA with the purpose to give an overview of the transaction to the shareholders of the Company only and then may not be appropriated for other purpose as some assumptions are the events which have not yet occurred and the IFA has limited information for the valuation.

Even though, entering into this transaction causes an increase in the breakeven point and the Company must also bear the additional amortization cost of intangible assets, the management of the Company still believes that this investment is reasonable and is considered as an investment to expand the business of the Company in the future. This investment shall help to alleviate the restrictions of accommodation in terms of the rising volume of car exports in the future if A5 Terminal of the Company reaches a utilization rate at a maximum 1.5 million cars per annum in the near future. This will ensure that the Company will be able to have revenue from terminal services continuously after A5 Terminal is at its full capacity. The management of the Company additionally commented that there are continuous growths of income of LRT from providing terminal service for general cargo which involved with the development of the country's infrastructure and power plants and a rising volume of cars transportation through Laem Chabang Port, as well as, the involvement in business administration of the Company's management in accordance with an increased shareholding. Moreover, LRT's customers who will be using the berth service to transport their module products have expressed their intentions to use the serviced for the next 3-5 years, which will help LRT to generate stable income. All of which will help LRT to have better operating results and create a share of profit from investments in associates to the Company. In addition, the performance of LRT in the first 9 months of 2018 has a net profit of approximately THB 91 million and from the financial projection by the IFA, LRT's performance post 2019 will have a net profit of more than THB 150 million per year.

- **Risk of impairment of investments**

Should the Company finds an indication that there is a probably an impairment of investments in NYKT as a result of continued operation losses of NYKT or any changes that negatively impact on operating performance of NYKT, the Company must conduct an impairment testing of such investments. If the Company there is an impairment of investments in NYKT, the Company shall record an allowance for impairment of investments in the statement of financial position, which will result in a decrease in the value of investments in associates. Moreover, the Company shall also record the loss on impairment of investments in associates as expenses in the statement of comprehensive income of the Company immediately, which will result in a decrease in net profit of the Company and its subsidiaries. After the Additional Share Purchase Transaction, the Company will have an increase in shareholding and investments in NYKT, if there is impairment in the value of investments after the Transaction, the impairment will be higher than prior to the Transaction.

However, the management of the Company believes that LRT's operating results will continue to grow as planned and there will not be any indication of impairment of investments in NYKT. In addition, the performance of LRT in the first 9 months of 2018 has net profits of approximately THB 91 million, which is higher than the profits in 2018 at THB 69.95 million.

- **Exchange Rate Risk**

As the settlement of purchase price of not more than USD 27.82 million US, or equivalent to THB 922 million will be settled in USD and the Company has a source of fund for payment from the proceeds from the Company's IPO, which are in THB, the Company has a risk in case of THB depreciated against USD on the settlement date, i.e. an increase amount of THB that the Company has to pay. In this regard, the Company has a plan to hedge the exchange rate by purchasing a forward contract accordingly.

- **Risk of an investment in a holding company**

The Additional Share Purchase Transaction has a total investment value of not more than USD 27.82 million, or about THB 922 million. The Company's main objective is to increase an investment

proportion in LRT, a Ro/Ro and general cargo terminal operator at C0 Terminal, Laem Chabang Port. The Company's total investment value in LRT can be calculated at USD 44.82 million. However, such Transaction will result in the Company's acquisition of NYKT's shares, which is a holding company. Subsequent to the Transaction, the Company shall hold NYKT's shares in an amount of 1,963,160 shares, representing 49 percent of total shares of NYKT and the Company shall have 3 representative directors of the total of 7 directors. Currently, NYKT holds 100 percent of LRT's shares in which NYKT shall have revenue and profit from LRT's business operation. Should NYKT quits its investment or no longer invests in LRT, this will result in a lack of NYKT's source of revenue and profits, and this Transaction shall not meet the Company's objectives.

The IFA is of the opinion that the risk of such occurrence is very low when considering the terms in draft Shareholders' Agreement of NYKT in Table 1-14 (*Part 1 of this report*), it requires the Company or the representative directors of the Company to participate in making all important issues of NYKT. Consequently, it is very difficult that the Company or representative directors of the Company shall approve such action.

▪ **Risk or impact if the shareholders do not approve the Transaction.**

Entering into the Transaction has a key condition specifying that the Company must be approved by the shareholders' meeting of the Company. If the shareholders' meeting of the Company does not approve the Transaction, the Transaction will not occur and it will not cause any adverse effects to the Company and/or the current business operation of the Company since the Company is not required to deposit or warranty in this case and a payment of the purchase price will occur only when the Transaction is successfully completed. In addition, the Transaction is considered as the Company's right in accordance with the Shareholders' Agreement of LRT in which the Company has the right to choose to exercise or not. If the Company does not exercise the right, it will not subject to any penalties.

However, if the shareholders of the Company do not approve the Transaction, this may affect the Company in the future after a transportation volume of cars through Laem Chabang Port increases beyond the capacity of A5 Terminal of the Company. An increased transportation volume shall be transferred to C0 Terminal which results in an increase in revenue of an operator of C0 Terminal, while, an increase in revenue of the Company as an operator of A5 Terminal shall be limited. Therefore, by not entering into the Transaction may be seen as a loss of the Company's investment opportunity to expand its investment in the future.

▪ **Risk that may cause a conflict of interest in a RO/RO terminal services business**

In Thailand, there are three major port terminals to provide berth services for car exports and imports which located in Laem Chabang Port, including A1 Terminal, A5 Terminal and C0 Terminal which may pose potential conflicts of interest.

According to the interviews with the management of the Company, it found that all 3 terminals have different main products for loading and unloading. From the type of product categories shown in Table 2-11 (*in Part 2 of this report*), A1 Terminal must give priority to passenger ships (i.e. if there is a passenger ship entering the terminal, the terminal shall give way for a passenger ship prior to Ro/Ro ships). A5 Terminal is a key terminal for cars transportation, while, C0 Terminal is a terminal for general cargo. In addition, if considering locations of all 3 terminals (*as seen in Figure 3*), it can be seen that A5 Terminal is located in the area nearest to an entrance of the route to access to Laem Chabang Port (which allows a cruise line to dock at A5 Terminals as the first terminal with the shortest distance, causing the lowest cost of hiring tug boats), followed by A1 Terminal and C0 Terminal. According to the factors regarding locations and incurred costs, most cruise lines desiring to dock for cars loading and unloading shall choose to use services from A5 Terminal as the first priority, followed by A1 Terminal and C0 Terminal, respectively.

The management of the Company additionally informed that the Company has acknowledged concerns about the conflict of interest and has set the following measures to prevent conflicts of interest that may arise in the future as follows.

- The Board of Directors shall consider necessity and reasonableness of the transaction, follow up, supervise, and monitor to ensure that there is no conflict against the best interests of the Company. If necessary, the Company shall disclose significant information to shareholders and investors.

- If the Company decides to operate other terminal service projects which are outside the scope of the project it is concentrating, the Board of Directors shall discuss and decide whether such transactions are beneficial to the Company and are for the best interests of the Company.
- The Company can proceed through a mechanism under NYKT's regulations for the best interests of the Company, if there is a case of conflict of interest that may arise.

Risks associated with business operations of a company that the Company invests in

Since the Company will have an increase in investment proportion in LRT from 20.00 percent to 49.00 percent of the total shares of LRT, the Company will have higher risks from regular business operations of LRT which can be summarized as follows;

▪ Risk of termination or non-renewal of the main agreements for business operation

Currently, the Company is an indirect shareholder of 20.00 percent in LRT. After the Transaction, the Company's shareholding will increase to 49.00 percent of the total shares of LRT. LRT is a C0 Terminal operator for RO/RO and general cargo. Its operations performed under the Agreement for Investment, Management, and Operation of C0 Terminal at Laemchabang Port, made with the Port Authority of Thailand ("PAT"), dated August 29, 2005.

The Agreement for Investment, Management, and Operation of C0 Terminal at Laemchabang Port is a long-term agreement. A remaining period of the agreement is approximately 16 years and 6 months (from March 1, 2019) and there is the right to renew for another 20 years. The risk of non-renewal of the agreement is relatively low compared to a short-term agreement. However, the Company still has a risk of business operations if LRT, the Company's associate company, is terminated the agreement by PAT which may significantly affect business operation, financial position, and operating results of the Company. In the event that LRT breaches the material terms of the agreement which hinders and causes damages to the management and operation of the terminal, PAT has the right to terminate the agreement made with LRT. However, in the past period, LRT has strictly followed all conditions in the agreement, and has never received any warning letter or penalty notice for a breach of conditions in the agreement.

▪ Risk of Tariff Structure and Port Tariff being under control of PAT

PAT reserves the rights to change the tariff rates or tariff structure at any time under the Agreement. Nonetheless, from the commencement of the Agreement, PAT has never changed the tariff rates while LRT's service cost may change during the Agreement. If the cost of the business operation is increasing while LRT could not increase its tariff structure to match such the increasing cost, it might affect the financial status and performance of LRT and also affect the financial status of the Company.

However, LRT has made a good effort to control and manage the cost for the efficiency, which results in the stabilized gross profit. The gross profit margin of LRT is in the range of 40.52 - 48.22 percent over the past three years (2015-2017) in which gross profit margin of LRT is at a level close to the Company, which is in the range of 44.39 - 48.71 percent. In addition, the management of the Company also commented that PAT is more than likely to increase the tariff in compliance with the operating costs of private sector because the tariff has never been increased for a long time and the opening of bidding for the private sector to jointly invest in the development of Laem Chabang Port Phase 3.

▪ Risk from emerging competitors in the port terminal industry for export and import of cars

Service income from RO/RO loading and discharging is one of the sources of major income of LRT. In 2015 - first 9 months of 2018, such income of LRT to total revenues is in the range of 18.23, 19.66, 22.04, and 15.78 percent, respectively. If the competition in the port terminal industry for car export and import increases, it may negatively impact on the financial position and operating results of LRT in the future.

According to an interview with the management of the Company and the information disclosed in the Form 56-1 of the Company, there are 2 main factors that PAT will grant a concession of a new Ro/Ro terminal, including: 1) the possibility of an area to be developed as Ro/Ro terminal, and 2) the number of cars utilized the existing 3 Ro/Ro terminals. PAT will not grant a concession to operate a new Ro/Ro terminal at Laem Chabang Port until the volume of the products transported (or utilization rate) through the 3 existing Ro/Ro terminals exceed 75 percent of their capacity. PAT has

determined the numbers of cars shipped through all 3 Terminals (A5, A1, and C0), in the total number of cars at 1,850,000 units per year. In 2017, the total number of cars transported through all 3 terminals is 1,216,965 units (according to Lam Chabang Port's website), representing 65.78 percent of the capacity determined by PAT. It can be seen that all 3 terminals still have their high remaining capacity to accommodate the growth of car exports. The Company anticipates that there should be no approval of concession to operate a new Ro/Ro terminal in the near future.

(For additional information related to Disadvantages and Risks that may arise from entering into the transaction, please refer to Part 2, Section 2.4 of this report)

Comparison of Advantages and Disadvantages between Transaction Made with the Connected Person and Transaction Made with External Party, Necessity to make Transaction with Connected Persons, and Reasons that the Company does not Make Transaction with External Party

- Benefits and advantages of entering into the transaction with the connected person, compared with the non-connected person
 - This additional investment will give the Company a chance to receive unappropriated retained earnings of LRT in an increasing proportion.
 - This Transaction is an investment at the purchase value close to the value of the investment of the Company in the previous 5 years (in 2012), which is much lower than the current value of the investment.
 - This Transaction will allow the Company to have an increase in a joint investment proportion with NYK Group. This Transaction will also strengthen relationship with NYK Group.
- Disadvantages of entering into the transaction with the connected person, compared with the non-connected person
 - By entering into this Connected Transaction, the Company has an additional costs related to an appointment of the Independent Financial Advisor (IFA) to provide an opinion to the shareholders of the Company and the arrangement of the shareholders' meeting.

(For additional information related to advantages and disadvantages of entering into the transaction with the connected person, compared with non-connected person, please refer to Part 2, Section 2.5 of this report)

Appropriateness of Transaction Price

Summary of NYKT's share valuation based on the different valuation approaches is as follow:

Table 3: Summary of a range of NYKT's fair value

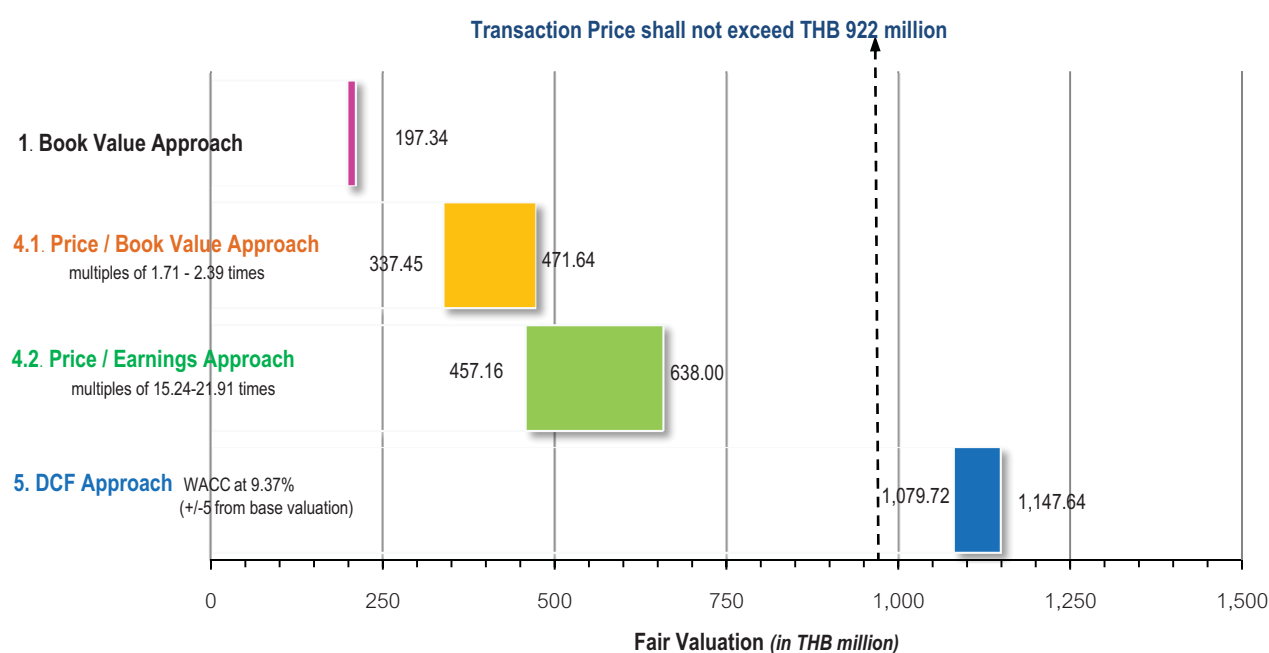
Valuation Approach	NYKT's Fair Valuation (THB Million)	Higher (Lower) than NYKT's Purchase Value (THB Million)	Appropriateness of Valuation Approach
1) Book value approach	197.34	(724.66)	Inappropriate
2) Adjusted book value approach	197.34	(724.66)	Inappropriate
3) Market value approach	-	-	N/A
4) Market comparable approach			
4.1) Price to book value ratio (P/BV)	337.45 - 471.64	(584.55) - (450.36)	Inappropriate
4.2) Price to earnings ratio (P/E)	443.77 - 638.00	(478.23) - (284.00)	Inappropriate
5) Discounted cash flow approach (DCF)			
Base Case	1,112.83	190.83	Appropriate
Sensitivity Analysis	1,079.72 - 1,147.64	157.72 - 225.64	Appropriate

Source: Projected and summarized by the IFA

Remark: N/A - Cannot be calculated

Value of share purchase and connected transaction is not more than THB 922 Million

Figure 4: Summary of Fair Valuation of NYKT



Source: Projected and summarized by the IFA

There are both advantages and disadvantages from using each valuation approach to reflect NYKT's fair price as follow;

1) Book Value Approach

This approach reflects NYKT's operating results and financial position as of September 30, 2018 only and does not reflect current market value of assets. It also does not reflect NYKT's profitability in the future and NYKT's competitiveness. Therefore, the IFA has an opinion that this valuation approach does not reflect the appropriate value of NYKTs' equity.

2) Adjusted Book Value Approach

Under this approach, the revaluation of NYKT's assets should be included in order to reflect the fair market value more than book value approach. The adjusted book value is reflected by the revaluation of the assets, investment in securities, tax saving from losses carried forward and contingent liabilities from the legal issues and any situations after the Company's fiscal year. However, there is no revaluation. Therefore, valuation of share price by adjusted book value approach is equal to book value approach, which does not reflect the appropriate value of NYKT's equity.

3) Market Value Approach

Due to NYKT's shares are not listed on the SET, the IFA cannot value share value by market value approach.

4) Market Comparable Approach

This valuation approach reflects the investor's perspective on NYKT and related industry outlook by considering NYKT's net asset value, profitability, at present, but ignoring NYKT's future performance. This approach compares several market multiples among the listed companies which operate in the same or similar type of business or industry as NYKT. However, there are limitations under this approach such as the differences among the comparable listed companies, accounting policy, target customer, business size, and market capitalization, etc. Moreover, the book value and earnings per share of NYKT are based on the information from the pro forma consolidated financial statements of NYKT, prepared by the Company, to be used for consideration of entering into the transaction, which still have not been audited or reviewed by the auditors of LRT. Therefore, the IFA has an opinion that this approach is not appropriate for the valuation of NYKT's fair value.

5) Discounted Cash Flow Approach: DCF

This valuation approach is based on the analysis of NYKT's historical performance which is used to reflect ability to generate cash flow and NYKT's future performance by considering various factors that are likely to impact business operation such as policy and business operation plan, competitiveness of business, or revenue structure, etc. On the assumptions regarding the projection of NYKT's performance, since NYKT is a holding company engaging in the business of holding shares in other companies, which currently holds shares in LRT only one company, the valuation by using DCF takes into account the operating results of LRT in the future by considering an analysis of the past operating results of LRT, as well as future business operation plans of NYKT and LRT from the management team as well as relevant industry overview in the country. Therefore, the IFA has an opinion that this valuation approach is appropriate for the valuation of NYKT's fair value.

The IFA has an opinion that discounted cash flow approach is the most appropriate approach for fair valuation of NYKT due to this approach is able to reflect NYKT's operating results and profitability in the future. In summary, the IFA has calculated NYKT's shareholders' equity which is in the range of THB 1,079.72 million - THB 1,147.64 million and NYKTs shares purchase price of not exceeding THB 922 million which is in the range of the aforesaid fair valuation. Therefore, the IFA has an opinion that shares purchase price is appropriate.

(For more information on the appropriateness of transaction value, please refer to Part 3, Section 3.1 of this report).

Sufficiency of source of fund for the Transaction and suitability of the conditions of the transaction

The purchase value from entering into the Additional Share Purchase Transaction shall not exceed THB 922 million. The Company has the source of fund from the proceeds from the Company's IPO in 2013. The IFA is of the opinion that the Company has sufficient fund for entering into the Additional Share Purchase Transaction based on a report of the Company's Capital Increase No. 11 on January 4, 2019, the Company's remaining fund from capital increase as of December 31, 2018 is THB 1,226.79 million and the financial statements of the Company as of September 30, 2018, the Company's cash and cash equivalents is THB 1,382.46 million which is sufficient to enter into the Additional Share Purchase Transaction.

In this regard, the transaction value will occur in case that it must be approved by the Shareholders' meeting of the Company. Should the Shareholders' meeting does not approve the Transaction, the Transaction will not occur and does not affect anything to the Company at all and / or the business operation of the Company since the Company has not been required to deposit or guarantee and the settlement will occur on the date that the transaction is fully completed.

Therefore, when considering the conditions associated with the transaction mention above, the IFA is of the opinion that conditions to entering into this asset acquisition and connected transaction are appropriate, as no condition is out of the ordinary course business and the conditions of the transaction are for the benefit of both the Company and the shareholders.

(For more information on appropriateness of terms of the Transaction, please refer to Part 3, Section 3.2 of this report)

In sum, by entering into this Additional Share Purchase Transaction is reasonable as fair value of NYKT, which acquired by the Company, has the higher value, appraised by the IFA, than the transaction value. Moreover, by entering into this Transaction is considered as the way to eliminate restrictions of accommodation in terms of the rising volume of car exports in the future if A5 Terminal of the Company reaches a maximum utilization rate and a continued investment that help diversify investment risks and increase a variety of terminal service business, which is the main business of the Company.

The opinion of IFA in this report is based on the assumptions that all the information and documents received are accurate and complete, and reflects the operating environment and most up-to-date information at the time of issuance of this report. In conclusion, the Independent Financial Advisor is of the opinion that the entry into this Transaction is appropriate and recommends that the shareholders should **approve** this asset acquisition and connected transaction.

In deciding whether to grant approval for the Company to enter into the transaction, the shareholders can consider the information, reasons and opinion in various aspects provided by the IFA in this report. However, the decision whether to approve the Transaction depends primarily on the shareholders' individual judgment.

The details of the opinion of the Independent Financial Advisor can be found in the following parts of this IFA Report, as follow:

This page intentionally left blank

Part 1: Characteristics & Details of the Transaction

1.1 Characteristics and Details of the Asset Acquisition and Connected Transaction

1.1.1 Objective and Background of the Transaction

According to the Shareholders' Agreement between Namyong Terminal Public Company Limited (**"the Company"**) and Nippon Yusen Kabushiki Kaisha Group (**"NYK Group"**) which is a major shareholder of Laemchabang International Ro-Ro Terminal Co., Ltd. (**"LRT"**), dated March 30, 2012 (and its amendments) (**"Shareholders' Agreement of LRT"**), it specifies that within May 15, 2017, the Company is entitled to make an investment in LRT by the purchase of additional shares of 29.00 percent of the total shares of LRT (both direct and indirect) from NYK Group under the terms stipulated in the Shareholders' Agreement. In this regard, the 2017 and 2018 Annual General Meetings of Shareholders have acknowledged the extension of period for exercising the option to be within March 31, 2019 since NYK Group needed more time for business restructuring. At present, the NYK Group has already completed the business restructuring within the group, the Company, thus, intends to exercise its rights to make an additional investment in LRT.

The Board of Directors' Meeting of Namyong Terminal Public Company Limited (**"the Company"**) No. 5/2018 held on November 7, 2018 resolved to propose to the Extraordinary General Meeting of Shareholders of the Company to consider and approve the Company's entry into an asset acquisition and connected transaction in the case of exercising a right to make investment in LRT under the Shareholders' agreement of LRT by purchasing 29.00 percent of shares of NYKT International Terminal Co., Ltd. (**"NYKT"**) (which currently holds 100.00 percent of total shares in LRT) from ArtLion Development Limited (**"ArtLion"**) which is a subsidiary under the control of NYK Group. A total amount of investment shall not be more than USD 27.82 million or approximately THB 922 million, including the purchase price of NYKT's shares of not lower than USD 24.65 million and interest expense until the date that the Company exercise its right to purchase shares of not more than USD 3.17 million (with a reference to a foreign exchange rate of Bank of Thailand at THB 33.1325 to USD 1 as at November 6, 2018 which is one working day prior the date of the Board of Director's meeting resolution to approve the entering into this transaction. In addition, the exchange rate on the date of entering into the transaction may be different from the stated above. As of January 15, 2019, such exchange rate is at THB 32.0476 to USD 1.00). (Hereinafter referred to as **"Additional Share Purchase Transaction"**)

The acquisition of the NYKT Shares is considered as an asset acquisition transaction under the Notification of the Capital Market Supervisory Board, TorChor. 20/2551 (2008) Re: Rules on Entering into Material Transactions Deemed an Acquisition or Disposition of Assets, as well as under the Notification of the Stock Exchange of Thailand Re: Disclosure of Information and Operation Concerning the Acquisition and Disposition of Assets of a Company B.E. 2547 (2004) dated October 29, 2004 and its amendments (**"Assets Acquisition Notifications"**). The Transaction size is calculated according to the Pro forma financial statements of the Company and NYKT for the nine month period ended September 30, 2018, with the highest transaction size based on consideration value criteria of **21.54 percent** of the total value of the assets of the Company and the subsidiary. The Company has not acquired other assets during the past 6 months before the date of the Board of Director's meeting resolution to approve the entering into this Transaction. Such Transaction is therefore classified as a Class 2 Transaction under the Assets Acquisition Notifications. (Please refer to details of the calculation of transaction size in Part 1, Item "1.1.6 1. Type and Size of Transaction").

Moreover, ArtLion is a subsidiary under the control of the NYK Group, whereby the NYK Group has N.Y.K. (Thailand) Co., Ltd., a major shareholder of the Company as well as a member company of the NYK Group (as of May 8, 2018, the latest book closing date before the Board of Directors of the Company resolved to propose to the Extraordinary General Meeting of Shareholders of the Company to consider and approve the Company's entry into this transaction, N.Y.K. (Thailand) Co., Ltd. has a shareholding of 18.34 percent of total paid-up capital of the Company), this Additional Share Purchase Transaction is deemed as a Connected Transaction under the Notification of Capital Market Supervisory Board, TorChor. 21/2551 Re: Rules on Connected Transactions dated August 31, 2008 and its amendments, as well as the Notification of the Board of Governors of the Stock Exchange of Thailand Re: Disclosures of Information and Other Acts of Listed Companies Concerning Connected Transactions B.E. 2546 (2003) (**"Connected Transaction Notifications"**). The value of the Transaction is equivalent to 25.90 percent of the net tangible assets (NTA) of the Company's reviewed financial statements for the period ended September 30, 2018 where the Company and ArtLion, including NYK Group does not have

any other connected transactions within the past 6 months before the Company's Board of Directors resolved to propose to the shareholders for an approval for entering into this Additional Share Purchase Transaction. As a result, the transaction size of this Connected Transaction is totaled at **25.90 percent**. (Please refer to details of the calculation of Transaction size in Part 1, Item "1.1.6 1. Type and Size of Transaction").

The Company is, therefore, required to appoint an independent financial advisor to provide an opinion on this Transaction, promptly prepare a report, disclose information regarding the entering into the Transaction to the SET, and hold a shareholders' meeting to approve the entry into such Transaction with a required affirmative vote of not less than three-fourths of the total number of votes of the shareholders or their proxies attending the meeting and having the right to vote, excluding shareholders with vested interest. In this regard, the Company has appointed I V Global Securities Public Company Limited as the independent financial advisor (the "**Independent Financial Advisor**" or "**IFA**") to provide opinion on this Asset Acquisition and Connected Transaction to shareholders.

1.1.2 Date of the Transaction

The Company shall enter into this Transaction after obtaining an approval of the Extraordinary General Meeting of Shareholders No.: 1/2019 which will be held on February 22, 2019 and the process will be completed within March 31, 2019.

1.1.3 Parties Involved and Relationship with the Company

- The Buyer : Namyong Terminal Public Company Limited ("**the Company**")
- The Seller : ArtLion Development Limited ("**ArtLion**")
which is a subsidiary under the control of the Nippon Yusen Kabushiki Kaisha Group ("**NYK Group**")
- Relationship : The Company and ArtLion, as well as directors, shareholders and management of the Company and ArtLion are related, which shall cause the Transaction to be considered as the Connected Transaction under the Notification of the Capital Market Supervisory Board No. TorChor. 21/2551 Re: Rules on Connected Transactions and the Notification of the Board of Governor of the SET Re: Disclosure of Information and Other Acts of Listed Companies concerning Connected Transactions B.E. 2546 ("**Connected Transaction Notifications**"). Since ArtLion, as the Seller, and N.Y.K. (Thailand) Co., Ltd., a major shareholder of the Company, are companies under the control of NYK Group similarly, this transaction is deemed as a Connected Transaction between the Company and a major shareholder of the Company.

In order to show the relationship between individuals and juristic entities involved in this Transaction, the IFA has summarized information for better understanding as follows;

Table 1-1: Relationship between individuals or juristic entities involved in this Transaction

	Relationship / Holding Position in		
	The Company ^{1/}	NYKT ^{2/}	LRT ^{3/}
ArtLion Development Limited ("ArtLion") or the Seller is a subsidiary under the control of NYK	<ul style="list-style-type: none"> ArtLion, as the Seller, and N.Y.K. (Thailand) Co., Ltd., a major shareholder of the Company, are companies under the control of NYK Group similarly In this regard, N.Y.K. (Thailand) Co., Ltd. holds shares in the Company of 227,437,200 shares (equivalent to 18.34 percent of total 	<ul style="list-style-type: none"> ArtLion holds shares in NYKT of 1,570,528 shares (equivalent to 39.20 percent of total number of shares issued and sold) NYK, through Harbour One (Thailand) Co., Ltd., holds shares in NYKT of 1,634,631 shares (equivalent to 40.80 percent 	-

	Relationship / Holding Position in		
	The Company ^{1/}	NYKT ^{2/}	LRT ^{3/}
	<i>number of shares issued and sold)</i>	<i>of total number of shares issued and sold)</i>	
Mr. Pongthep Leungsuwan	<ul style="list-style-type: none"> is a director is one of the authorized directors 	<ul style="list-style-type: none"> is a director is one of the authorized directors 	<ul style="list-style-type: none"> is a director is one of the authorized directors
Ms. Pimkarn Leungsuwan	<ul style="list-style-type: none"> is Chief Financial Officer and a director is one of the authorized directors holds 19,250,200 shares of the Company <i>(equivalent to 1.55 percent of total number of shares issued and sold)</i> 	-	<ul style="list-style-type: none"> holds 1 share of LRT <i>(equivalent to 0.00 percent of total number of shares issued and sold)</i>
Mr. Amornnat Janyong	<ul style="list-style-type: none"> is Chief Operating Officer 	<ul style="list-style-type: none"> is a director is one of the authorized directors 	<ul style="list-style-type: none"> is a director is one of the authorized directors

Source: 1/ The Company and SET (details of the Company's shareholders as per the book closing date on May 8, 2018)

2/ List of Shareholders (BorJor. 5) of NYKT dated October 1, 2018

3/ List of Shareholders (BorJor. 5) of LRT dated October 1, 2018

1.1.4 General Characteristic of the Transaction

The Company will purchase additional shares of LRT by the purchase of NYKT's ordinary shares of 1,161,870 shares, accounting for 29.00 percent of total number of shares issued and sold of NYKT at a total price of not more than USD 27.82 million or approximately THB 922 million. The Company will pay for above shares to the Sellers by cash on the date that the transaction is fully completed. After entering into the transaction, the Company will hold NYKT's shares of 1,963,160 shares, representing 49.00 percent of total number of shares issued and sold of NYKT, increasing the Company's investment in LRT from 20.00 percent to 49.00 percent since NYKT holds 100 percent of total number of shares issued and sold of LRT.

Summary of NYKT is as follows:

1) General Information of NYKT

Table 1-2: Overview of NYKT International Terminal Co., Ltd. ("NYKT")

Company Name	: NYKT International Terminal Co., Ltd.
Date of Establishment	: September 17, 2018
Registration Number	: 0105561159797
Office Address	: 2525, Building 1, FYI Center, 7th Floor, Rama 4 Road, Klongtoey Sub-District, Klongtoey District, Bangkok
Registered and Paid-up Capital	: THB 400,644,900.00 Divided into 4,006,449 ordinary shares with a par value of THB 100.00 per share
Business Type	: Holding company
Auditor	: EY Office Limited

Source: The Company, the affidavit of NYKT as issued by Ministry of Commerce dated October 1, 2018

2) Board of Director of NYKT

Table 1-3: List of NYKT's Board of Directors Pre- and Post-Transaction

	Pre-Transaction ^{1/}	Post-Transaction ^{2/}
Name of Directors	1. Mr. Yanin Amrarong	1. Mr. Yanin Amrarong
	2. Mr. Sukawat Intong	2. Mr. Sukawat Intong
	3. Mr. Pongthep Leungsuwan	3. Mr. Pongthep Leungsuwan ^{3/}
	4. Mr. Amornnat Janyong	4. Mr. Amornnat Janyong ^{3/}
	5. Mr. Yusuke Sasada	5. Mr. Yusuke Sasada
	6. Mr.Koji Nakajima	6. Mr.Koji Nakajima
		7. Representative director of the Company ^{3/}
Authorized Director	The joint signatures of (either Mr. Yusuke Sasada or Mr. Sukawat Intong) and (either Mr. Pongthep Leungsuwan or Mr. Amornnat Janyong), together with company's seal affixed.	The joint signatures of (either Mr. Yusuke Sasada or Mr. Sukawat Intong) and (either Mr. Pongthep Leungsuwan or Mr. Amornnat Janyong), together with company's seal affixed.

Source: 1/ The Company's Affidavit of NYKT issued by the Ministry of Commerce dated October 1, 2018

2/ The Company based on the Shareholders' Agreement between the Company and Nippon Yusen Kabushiki Kaisha dated 30 March 2012 (and its amendments)

3/ Representative director of the Company

3) Shareholders of NYKT

Table 1-4: List of NYKT's shareholders Pre- and Post-Transaction

Name of Shareholders	Pre- Transaction ^{1/}		Post-Transaction ^{2/}	
	No. of shares ^{3/}	%	No. of shares ^{3/}	%
1. Namyong Terminal PCL	801,290	20.00	1,963,160	49.00
2. Artlion Development Limited	1,570,528	39.20	408,658	10.20
3. Harbour One (Thailand) Co., Ltd.	1,634,631	40.80	1,634,631	40.80
Total	4,006,449	100.00	4,006,449	100.00

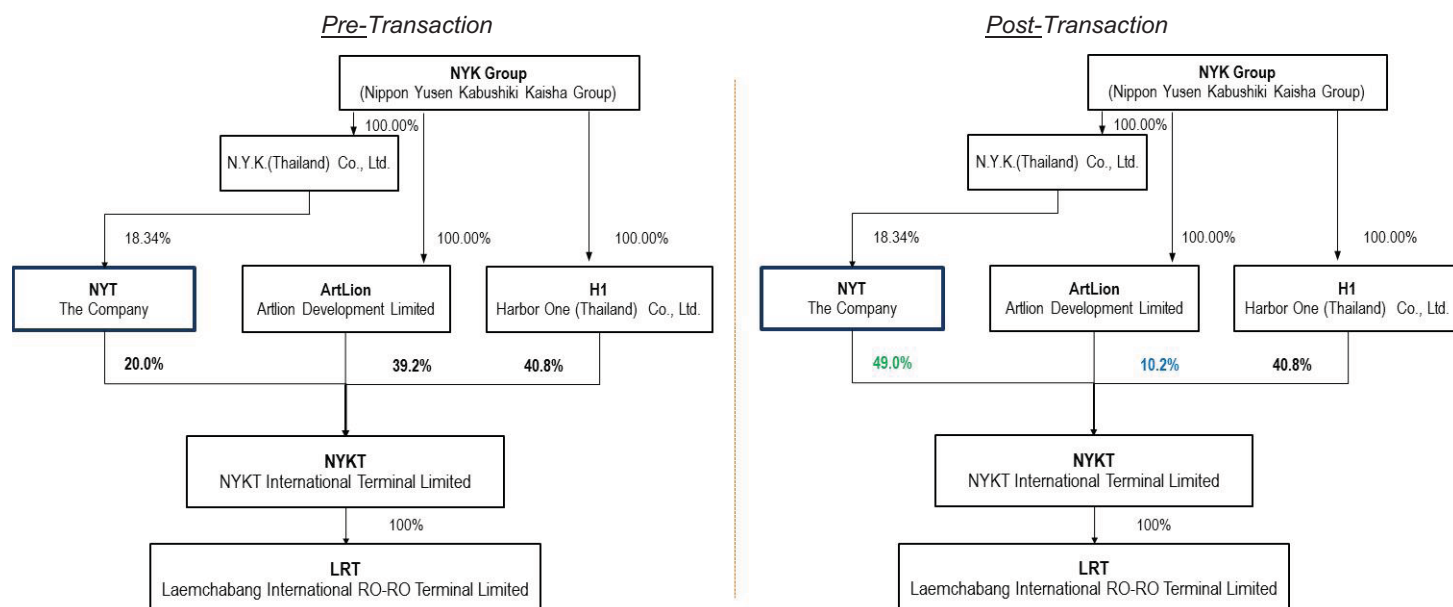
Source: 1/ List of Shareholders (BorJor. 5) of NYKT dated September 17,2018

2/ The Company

Remark: 3/ Ordinary Shares with a par value of THB 100.00

Details of the shareholding in NYKT Pre- and Post-Transaction are as follows:

Figure 1-1: The shareholding in NYKT Pre- and Post-Transaction



4) Summary of Financial Information of NYKT

Table 1-5: Summary of Financial Information of NYKT

Statement of Financial Position (Unit: THB Million)	30 Sep 2018 Pro Forma	31 Dec 2017 Pro Forma	31 Dec 2016 Pro Forma
Total Assets	716.057	617.038	552.02
Total Liabilities	35.572	25.60	26.22
Shareholders' Equity	680.485	591.43	525.79
Income Statement (Unit: THB Million)	First 9 months of Y2018	Y2017	Y2016
Total Revenue	259.140	279.243	309.886
Total Expenses	(170.089)	(213.601)	(264.943)
Net Profit (Loss)	89.051	65.642	44.943

Source: The Company. Pro forma financial statements of NYKT which have been prepared by the Company

Remark: NYKT was recently established on September 17, 2018 from the merger in order to restructure the shareholding between Sapphire RoRo (Thailand) Limited ("SRT"), a subsidiary of the Company, and Global Cargo (Thailand) Limited ("GCT"), a company wholly owned by NYK

(Please refer to details regarding NYKT as attached in Appendix 2 of this Report)

NYKT is currently a holding company with the investments in one company, which is Laemchabang International Ro-Ro Terminal Co., Ltd. ("LRT"). Brief information of LRT is as follows:

1) General Information of LRT

Table 1-6: Overview of Laemchabang International Ro-Ro Terminal Co., Ltd. ("LRT")

Company Name	: Laemchabang International Ro-Ro Terminal Co., Ltd.
Date of Establishment	: August 23, 2005
Registration number	: 0105548110348
Office Address	: 88/3, Moo 3, Thungsukhla Sub-District, Sriracha District, Chonburi.
Registered and Paid-up Capital	: THB 210,000,000.00 Divided into; 500,000 ordinary shares with a par value of THB 100.00 per share 1,600,000 preferred shares with a par value of THB 100.00 per share
Business Type	: Terminal services business at C0 Terminal in Laem Chabang Port
Auditor	: EY Office Limited

Source: The Company, the affidavit of LRT as issued by Ministry of Commerce dated June 20, 2018

2) Board of Director of LRT

Table 1-7: List of LRT's Board of Directors Pre- and Post-Transaction

	Pre-Transaction ^{1/}	Post-Transaction ^{2/}
Name of Directors	1. Mr. Yanin Amrarong	1. Mr. Yanin Amrarong
	2. Mr. Sukawat Intong	2. Mr. Sukawat Intong
	3. Mr. Pongthep Leungsuwan	3. Mr. Pongthep Leungsuwan ^{3/}
	4. Mr. Amornnat Janyong	4. Mr. Amornnat Janyong ^{3/}
	5. Mr. Yusuke Sasada	5. Mr. Yusuke Sasada
	6. Mr.Koji Nakajima	6. Mr.Koji Nakajima
		7. Representative director of the Company ^{3/}
Authorized Director	The joint signatures of (either Mr. Yusuke Sasada or Mr. Sukawat Intong) and (either Mr. Pongthep	The joint signatures of (either Mr. Yusuke Sasada or Mr. Sukawat Intong) and (either Mr. Pongthep Leungsuwan or

	Pre-Transaction ^{1/}	Post-Transaction ^{2/}
	Leungsuwan or Mr. Amornnat Janyong), together with company's seal affixed.	Mr. Amornnat Janyong), together with company's seal affixed.

Source: 1/ The Company's Affidavit of LRT issued by the Ministry of Commerce dated June 20, 2018

2/ The Company based on a shareholders' agreement between the Company and Nippon Yusen Kabushiki Kaisha dated 30 March 2012 (and its amendments)

3/ Representative director of the Company

3) Shareholders of LRT

Table 1-8: List of LRT's shareholders as of October 1, 2018

No.	Name of Shareholders	Nationality	No. of shares ^{1/}	%	Registered and Paid-up Capital (THB)
1	NYKT International Terminal Co., Ltd. ("NYKT")	Thai	2,099,998	100.0	209,999,800
2	Ms. Pimkarn Leungsuwan	Thai	1	0.0	100
3	Mr. Yusuke Sasada	Japanese	1	0.0	100
Total			2,100,000	100.0	210,000,000

Source: List of Shareholders (BorJor. 5) of LRT dated October 1, 2018

Remark: 1/ Ordinary Shares with a par value of THB 100.00

4) Summary of Financial Information of LRT

Table 1-9: Summary of Financial Information of LRT

Statement of Financial Position (Unit: THB Million)	31 Dec 2017 Audited	31 Dec 2016 Audited	31 Dec 2015 Audited
Total Assets	611.61	542.28	488.49
Total Liabilities	25.35	25.97	21.37
Shareholders' Equity	586.26	516.31	467.12
Income Statement (Unit: THB Million)	Y2017	Y2016	Y2015
Total Revenue	279.21	309.85	292.57
Total Expenses	209.26	260.67	178.88
Net Profit (Loss)	69.95	49.18	113.69

Source: The Company
Auditor of LRT is EY Office Limited

(Please refer to details regarding LRT as attached in Appendix 3 of this Report)

1.1.5 Details of Acquired Assets

1,161,870 ordinary shares of NYKT, which is account for 29.00 percent of NYKT's total shares, with a par value of THB 100.00.

The details of NYKT and LRT are shown in Appendix 2 and Appendix 3 of this report, respectively.

PJ.

1.1.6 Type and Size of Transaction

1.1.6.1 Acquisition of Assets

The Additional Share Purchase Transaction is deemed as Acquisition of Assets, in accordance with the Notification of the Capital Market Supervisory Board TorChor. 20/2551 Re: Rules on Entering into Material Transactions Deemed as Acquisition or Disposal of Assets dated August 31, 2008 and Notification of the Capital Market Supervisory Board Re: Disclosure of Information and Other Acts of Listed Companies Concerning the Acquisition and Disposition of Assets B.E. 2547 (2004) dated as October 29, 2004, and its amendments ("**Acquisition or Disposition Notification**"). The maximum transaction size based on consideration value criteria is 21.54 percent of the total value of the assets of the Company which is calculated from the financial statements of the Company ended September 30, 2018. The calculation details are as follow:

Table 1-10: Details of such calculation for this Transaction according to various criteria

Criteria	Formula	Transaction Size
1. Net Tangible Asset (NTA) Criteria	$\frac{\text{NTA of Target} * \text{Percentage of Acquisition} * 100}{\text{NTA of the Company}}$ $= \{ 679^{1/} * 29\% / 3,560^{2/} \} \times 100$	5.53%
2. Net Profit Criteria	$\frac{\text{Net Profit of Target} * \text{Percentage of Acquisition} * 100}{\text{Net Profit of the Company}}$ $= \{ 100^{3/} * 29\% / 416^{4/} \} \times 100$	7.00%
3. Total Value of Consideration Criteria	$\frac{\text{Total Consideration Paid}}{\text{Total Asset of the Company}}$ $= \{ 922 / 4,280^{5/} \} \times 100$ <p><i>(The total value of consideration consists of total price paid to acquire NYKT's shares at a purchase price of USD 24.65 million or equivalent to THB 816.72 million and interest expense until the date that the Company exercises its right to purchase LRT's shares of not more than USD 3.17 million or equivalent to THB 105.03 million)</i></p>	21.54%
4. Value of issued securities Criteria	$\frac{\text{Number of issued securities as the compensation}}{\text{No. of paid-up shared of the Company}}$ <p><i>Not applicable because the Company does not issue any securities to pay for NYKT shares</i></p>	

Remark: 1/ NTA of NYKT according to the pro forma financial statements of NYKT ended September 30, 2018, prepared by the Company

2/ NTA of the Company according to the financial statements of the Company ended March 31, 2018, reviewed by EY Office Limited

3/ 12-month net income of NYKT from October 1, 2017 – September 30, 2018, calculated by the Company

4/ Trailing 12-month net income of the Company from October 1, 2017 – September 30, 2018, based on the financial statements of the Company ended September 30, 2017 and ended September 30, 2018, as reviewed by EY Office Limited and the financial statements of the Company ended December 31, 2017, as audited by EY Office Limited

5/ Total Asset of the Company according to the financial statements ended September 30, 2018, as reviewed by EY Office Limited

When combining all asset acquisition transactions during the past 6 months before the Company's Board of Directors resolved to propose to the shareholders for an approval to entering into the Additional Share Purchase Transaction in which the Company has not acquired other assets, the transaction size based on consideration value criteria is **21.54 percent** which is equal to or greater than 15 percent but less than 50 percent, such transaction is, therefore, classified as a Class 2 transaction under the Notification of the Stock Exchange of Thailand Re: Disclosure of Information and Operation Concerning the Acquisition and Disposition of Assets of a Company ("**Acquisition or Disposition Notification**").

1.1.6.2 Connected Transaction

ArtLion is a subsidiary under the control of NYK Group, whereby NYK Group has N.Y.K. (Thailand) Co., Ltd., a major shareholder of the Company, as a member of the group (as of May 8, 2018, the latest book closing date, N.Y.K. (Thailand) Co., Ltd. has a shareholding of 18.34 percent of total paid-up capital of the Company), the Additional Share Purchase Transaction is deemed as a Connected Transaction under the Notification of Capital Market Supervisory Board, TorChor. 21/2551 Re: Rules on Connected Transactions and its amendments, as well as the Notification of the Board of Governors of the Stock Exchange of Thailand Re: Disclosures of Information and Other Acts of Listed Companies Concerning Connected Transactions B.E. 2546 (“**Connected Transaction Notifications**”). The value of the transaction is equivalent to 25.90 percent of the net tangible assets (NTA) of the Company’s reviewed financial statements for the period ended September 30, 2018. Calculation details are as follows:

Table 1-11: Details of the calculation of Connected Transaction size

Criteria for calculation	Formula	Transaction Size
Size of Connected Transaction	$\frac{\text{Total Value of Consideration paid to the Sellers}}{\text{NTA of the listed company as of September 30, 2018}}$ $= \{ 922^{1/} / 3,560^{2/} \} \times 100$	25.90%

Remark: 1/ Cash to pay for NYKT’s shares, plus actual marginal costs at a total price of not more than USD 27.82 million or approximately THB 922 million

2/ Financial statements ended September 30, 2018, reviewed by EY Office Limited

When combining all connected transactions with the same persons (the Seller) during the past 6 months prior to the Company’s Board of Directors resolved to propose to the shareholders for an approval to entering into the Additional Share Purchase Transaction in which the Company has not acquired other assets, the Connected Transaction size equals to **25.90 percent**, which is considered as a large transaction with the transaction value exceeding THB 20 million and exceeding 3 percent of the Net Tangible Asset (NTA) of the Company.

Accordingly, to enter into the Additional Share Purchase Transaction, the Company is required to undertake the following actions in line with the Acquisition and Disposal Notifications and the Connected Transactions Notifications:

- Disclose information on the Additional Share Purchase Transaction to the SET pursuant to the Acquisition and Disposal Notifications and the Connected Transactions Notifications;
- Convene a shareholders’ meeting of the Company to request for approval of the Additional Share Purchase Transaction, which is the Asset Acquisition transaction and Connected Transaction, which must be approved by a vote of not less than three-fourths of the total votes of shareholders attending the meeting and having the right to vote excluding shareholders with vested interest; and
- Appoint an independent financial advisor to provide opinion on the Additional Share Purchase Transaction, which is the Asset Acquisition transaction and Connected Transaction, and submit such opinion to the SEC, the SET, and the shareholders of the Company

At the Extraordinary General Meeting of Shareholders No. 1/2019 to be held on February 22, 2019, shareholders who have conflict of interest as of December 28, 2018 or the latest closing date of the Company’s share registration book for the Extraordinary General Meeting of Shareholders No. 1/2019 will not be entitled to cast vote on such transaction. In this regard, list of the Company’s shareholders as of December 28, 2018 who have conflict of interest and are not entitled to cast vote are:

Table 1-12: List of Company’s shareholders that have no voting rights

Name	Relationships with the parties in the transaction	Number of shares held in the Company as of December 28, 2018	
		No. of Shares	%
1. N.Y.K. (Thailand) Co., Ltd.	A company under the control of NYK Group, similar to ArtLion who is the Seller of NYKT’s shares to the Company.	227,437,200	18.34

Source: SET and Annual Registration Statement (Form 56-1) of the Company

1.1.7 Shareholders' Agreement

In order to present an overview of the Transaction, the IFA would like to summarize key information of an agreement / a draft agreement related to the Transaction as follows:

1.1.7.1 Key conditions of the agreement between the Company and NYK Group, a major shareholder of LRT, dated March 30, 2012 (and its amendments) ("Shareholders' Agreement of LRT")

Table 1-13: Key conditions of the Shareholders' Agreement of LRT

Parties	The Buyer: Namyong Terminal Public Company Limited ("the Company") The Seller: Nippon Yusen Kabushiki Kaisha Group ("NYK")
Signing Date and Transaction Date	March 30, 2012 and April 24, 2012
Asset being acquired	Ordinary shares and preferred shares of Laemchabang International Ro-Ro Terminal Co., Ltd. ("LRT") 100,000 ordinary shares, accounting for 20.00 percent of total ordinary shares of LRT 320,000 preferred shares, accounting for 20.00 percent of total preferred shares of LRT
Option	The Company is entitled to make investment in LRT by the purchase of additional shares of 29.00 percent of the total shares of LRT (the total shareholding held directly and indirectly shall not exceed 49.00 percent of the total shares of LRT) within May 15, 2017 at a purchase price of not less than USD 24.65 million, plus actual marginal costs (such as interest expense until the date that the Company exercises its right to purchase LRT's shares). <i>(In this regard, NYK Group has announced an extension of period for exercising the option to be within March 31, 2018, and the Board of Directors' Meeting No. 1/2017 held on February 22, 2017 has resolved to propose to the 2017 Annual General Meeting of Shareholders to be acknowledged the extension of period for exercising the option by a purchase of LRT's shares of 29 percent under the Shareholders' Agreement between the Company and NYK Group aforementioned from within May 15, 2017 to March 31, 2018 since NYK needed more time to complete the business restructuring. Later, on January 12, 2018, NYK has sent a letter to the Company to request a further extension of period for exercising the option to be within March 31, 2019 because its business restructuring is still not completed and the Board of Directors' Meeting No. 1/2018 has resolved to propose to the 2018 Annual General Meeting of Shareholders to be acknowledged of such extension).</i>
Board of Director	<ol style="list-style-type: none"> 1) The Board of Director consists of 6 members, including 4 representatives of NYK Group, and 2 representatives of the Company. Chairman of the Board of Director is a representative of NYK Group. However, after the Company exercises its right by purchasing additional shares of LRT of 29.00 percent, members of the Board of Director shall increase to 7, including 4 representatives of NYK Group and 3 representatives of the Company. 2) LRT has to arrange the Board of Directors' meeting at least once a year, with more than half of the directors and at least 1 director who represents the Company attending the meeting to form a quorum. 3) Voting at the Board of Directors' Meeting <ul style="list-style-type: none"> ▪ General matters are required to receive the votes of more than half of directors attending the meeting. ▪ Reserved matters are required to receive half of the votes of directors attending the meeting and the votes from 1 director who represents NYK group and 1 director who represents the Company, including a resolution to approve loans with a period of more than 1 year and loan amount of more than THB 20 million, acquisition / disposition of property, or approval of expenses worth over THB 20 million, guarantee, as well as an approval of annual financial statements. ▪ Special matters are required to receive unanimous votes of directors attending the meeting, including an amendment of memorandum of association, an increase or a decrease in registered capital and an issuance of new shares, amalgamation or merger between the Company and other companies, core business transfer, a dissolution or liquidation of the Company, a launch of new business, an entry into a joint venture or investment in other companies, matters that at least 4 out of 5 directors have an opinion that they are important, as well as other matters that cause a payment of more than THB 40

	<p>million.</p> <p>In the event that the votes at the Board of Directors' meeting are equal received, the chairman shall have no right to vote as a casting vote.</p> <p>4) Joint signatures of 1 director who represents NYK and 1 director who represents the Company, together with company's seal affixed, shall be deemed as LRT's legally binding transaction.</p>
Shareholding Structure	Within 1 month after the signing date, both parties shall restructure LRT's shareholding so that the shareholding of NYK and the Company in LRT shall be equal to 80.00 percent and 20.00 percent, respectively, both ordinary shares and preferred shares.
Shareholders' Meeting	<p>1) The shareholders' meeting is required an aggregate amount of shares of more than half of the total shares issued by LRT and a proxy of the Company at least 1 person attending the meeting to form a quorum.</p> <p>2) Voting at the shareholders' meeting is considered as 1 share equal to 1 vote, except as otherwise specified in the Articles of Association.</p> <ul style="list-style-type: none"> ▪ General matters are required to receive the votes of more than half of the votes attending the meeting. ▪ Special matters are required to receive unanimous votes of shareholders attending the meeting and entitled to vote, including an amendment of the Memorandum of Association or Articles of Association, an increase or a decrease of registered capital, liquidation, changes in administration or management structure, an entry into the transaction concerning merger, whether a merger or being part of other entities (as well as joint venture or any form of partnership), matters that at least 4 out of 5 directors have an opinion that they are important, as well as other matters that cause a payment of more than THB 40 million.
Restrictions on Share Transfer / Rights of First Refusal	<p>1) Transfer, selling, pledging, encumbrance or any other actions that cause changes in shareholding of LRT must be approved by the Board of Directors of LRT.</p> <p>2) In the event that shareholders of any party wish to sell, transfer or make any actions which shall change a shareholding in LRT's shares, either partially or entirely, to third parties, such shareholders are required to offer shares to shareholders of the other party first. If shareholders of the other party reject the offer, shares can be sold or transferred to third parties.</p> <p>3) Restrictions on share transfer do not include a transfer of shares from shareholders to companies in the Group. The companies in the Group means entities that parties hold shares of at least 50.00 percent or entities that hold shares in parties of not less than 51.00 percent as of the transaction date of this agreement.</p>
Dividend Policy	LRT shall pay a dividend of at least 50.00 percent of annual net profit after the deduction of legal reserves, except for the shareholders of both parties agreed otherwise.
Business Operation as a Competitor	While the Shareholders' Agreement between the Company and NYK Group is effective, apart from entities that both parties are operating as of the date of the agreement, both parties, including employees, directors, representatives, partners, shareholders or persons related to both parties, shall not engage in persons or juristic entities, both directly and indirectly, whether shareholding, managing, or entering into the agreements, to operate business similar to or seem as a competitor toward LRT in Thailand. Unless the party receives the written consent from the other party.
Termination	<ul style="list-style-type: none"> - In case that LRT dissolves its company - All parties have agreed in writing to terminate this Agreement.
Applicable Law	Laws of the Kingdom of Thailand

Source: The Company, Prospectus of the Company, Audited Financial Statements of the Company for the year 2013, Annual Registration Report of the Company (Form 56-1) for the year 2017.

1.1.7.2 Key conditions of the draft shareholders' agreement of NYKT

Table 1-14: Key conditions of the draft shareholders' agreement of NYKT

Parties	<ul style="list-style-type: none"> - Namyong Terminal Public Company Limited ("the Company") - Artlion Development Limited - Harbor One (Thailand) Limited - Nippon Yusen Kabushiki Kaisha ("NYK") <p><i>In this regard, Artlion Development Limited and Harbor One (Thailand) Limited</i></p>
----------------	--

	and NYK, collectively referred to as "NYK Group"
Signing Date	Subsequent to the Additional Share Purchase Transaction.
Board of Director	<p>1) The Board of Director consists of 7 members, including 4 representatives of NYK Group, and 3 representatives of the Company. Chairman of the Board of Director is a representative of NYK Group. NYKT has to arrange the Board of Directors' meeting at least once a year, with more than half of the directors and at least 1 director who represents the Company attending the meeting to form a quorum.</p> <p>2) Voting at the Board of Directors' Meeting</p> <ul style="list-style-type: none"> ▪ General matters are required to receive the votes of more than half of directors attending the meeting. ▪ Reserved matters are required to receive half of the votes of directors attending the meeting and the votes from 1 director who represents NYK group and 1 director who represents the Company, including a resolution to approve loans with a period of more than 1 year and loan amount of more than THB 20 million, acquisition / disposition of property, or approval of expenses worth over THB 20 million, guarantee, as well as an approval of annual financial statements. ▪ Special matters are required to receive unanimous votes of directors attending the meeting, including an amendment of memorandum of association, an increase or a decrease in registered capital and an issuance of new shares, amalgamation or merger between the Company and other companies, core business transfer, a dissolution or liquidation of the Company, a launch of new business, an entry into a joint venture or investment in other companies, matters that at least 4 out of 5 directors have an opinion that they are important, as well as other matters that cause a payment of more than THB 40 million. <p>In the event that the votes at the Board of Directors' meeting are equal, the chairman shall have no right to vote as a casting vote.</p> <p>3) Joint signatures of 1 director who represents NYK and 1 director who represents the Company, together with company's seal affixed, shall be deemed as NYKT's legally binding transaction.</p>
Shareholders' Meeting	<p>1) The shareholders' meeting is required an aggregate amount of shares of more than half of the total shares issued by NYKT and a proxy of the Company at least 1 person attending the meeting to form a quorum.</p> <p>2) Voting at the shareholders' meeting is considered as 1 share equal to 1 vote, except as otherwise specified in the Articles of Association.</p> <ul style="list-style-type: none"> ▪ General matters are required to receive the votes of more than half of the votes attending the meeting. ▪ Special matters are required to receive unanimous votes of shareholders attending the meeting and entitled to vote, including an amendment of the Memorandum of Association or Articles of Association, an increase or a decrease of registered capital, liquidation, changes in administration or management structure, an entry into the transaction concerning merger, whether a merger or being part of other entities (as well as joint venture or any form of partnership), matters that at least 4 out of 5 directors have an opinion that they are important, as well as other matters that cause a payment of more than THB 40 million.
Restrictions on Share Transfer / Rights of First Refusal	<p>1) Transfer, selling, pledging, encumbrance or any other actions that cause changes in shareholding of NYKT must be approved by the Board of Directors of NYKT.</p> <p>2) In the event that shareholders of any party wish to sell, transfer or make any actions which shall change a shareholding in NYKT's shares, either partially or entirely, to third parties, such shareholders are required to offer shares to shareholders of the other party first. If shareholders of the other party reject the offer, shares can be sold or transferred to third parties.</p> <p>3) Restrictions on share transfer do not include a transfer of shares from shareholders to companies in the Group. The companies in the Group means entities that parties hold shares of at least 50.00 percent or entities that hold shares in parties of not less than 51.00 percent as of the transaction date of this agreement.</p>
Dividend Policy	NYKT shall pay a dividend of at least 50.00 percent of annual net profit after the deduction of legal reserves, except for the shareholders of both parties agreed otherwise.

Business Operation as a Competitor	While the Shareholders' Agreement of NYKT is effective, apart from entities that both parties are operating as of the date of the agreement, both parties, including employees, directors, representatives, partners, shareholders or persons related to both parties, shall not engage in persons or juristic entities, both directly and indirectly, whether shareholding, managing, or entering into the agreements, to operate business similar to or seem as a competitor toward NYKT in Thailand. Unless the party receives the written consent from the other party.
Other Important Information	After the Shareholders' Agreement of NYKT is effective, the Shareholders' Agreement of LRT shall be terminated.
Termination	<ul style="list-style-type: none"> - In case that NYKT dissolves its company - All parties have agreed in writing to terminate this Agreement.
Applicable Law	Laws of the Kingdom of Thailand

Source: The Company and summary prepared by the IFA. The IFA reviewed the Draft Shareholders' Agreement of NYKT in the data room on December 18, 2018

After the Shareholders' Agreement of NYKT is effective, the Shareholders' Agreement of LRT will be terminated. In this regard, the IFA has considered wordings of both Shareholders' Agreements and found that the new agreement which is the Shareholders' Agreement of NYKT has been conducted on the basis and principles similar to the previous Shareholders' Agreement of LRT.

1.1.8 Total Value of Consideration

The Company will pay the consideration for NYKT's ordinary shares in an amount of 1,161,870 shares, accounting for 29.00 percent of total number of shares issued and sold of NYKT, with a par value of THB 100 per share, at a total price of not more than USD 27.82 million or approximately THB 922 million, consisting of:

- The purchase price of NYKT's shares of not lower than USD 24.65 million or equivalent to THB 816.72 million.
- Interest expense until the date that the Company exercises its right to purchase shares of not more than USD 3.17 million or equivalent to THB 105.03 million. For a source of calculation of additional interest expense that the Company has to pay, it starts from the date that the Company investing in 20 percent of LRT and having the right to purchase additional shares of LRT of 29 percent in 2012 until the date that the Company exercises the right to purchase LRT's shares. However, since a delay in right exercising of more than a year came from a delay in NYK Group's business restructuring by its operational team, NYK Group stopped charging interest to the Company during such period because the delay is not by the Company.

The Company will pay for above transaction price to ArtLion by cash on the date that the transaction is completed.

1.1.9 Criterion for Purchase Price Determination

*(In reference to Information Memorandum on
Asset Acquisition and Connected Transaction of the Company)*

- Based on the purchase price stipulated in the Shareholders' Agreement of LRT, the Board of Directors' Meeting of the Company No. 5/2018 considered that the acquisition of NYKT shares is reasonable and beneficial to the Company as well as the Shareholders of the Company. The expected benefits to the Company are summarized as follows: Investing in LRT for an additional 29 percent is one of the objectives for the use of funds from the Company's IPO and listing the shares on the Stock Exchange of Thailand. The Company has consistently provided information and facts relating to the nature of the business including the operational outcome of LRT to the public. Acting under such plan is therefore reasonable, otherwise, the Company would need good justification for not doing so as well as a substitute plan; otherwise, this could have an impact on the credibility of the Company and the price of the securities of the Company.

- To eliminate the obstacles to support the automobile export capacity in the future in the case that the A5 Terminal operates at full capacity of 1.5 million vehicles.
- To enable business development in a manner which can ensure confidence that the Company will continue to have revenue from the port business in a consistent manner after A5 Terminal is fully operational (1.5 million vehicles in the future).
- Investing in LRT can be seen as having a concession to operate a port business under a concession period of almost 40 years with investment funds of USD 85 million. If there is a bidding for a new port terminal, the investment value is expected to be higher with the same concession period.
- Investing in LRT is a business opportunity that enables the sharing of knowledge, management and business operation, etc., from NYK Group which is one of the world's leaders offering marine and port service business.
- Investing in LRT offers an opportunity to create a good relationship with NYK Group which is a major shareholder of the Company and a leading world-class marine shipping services provider.
- Investing in LRT offers an opportunity for business development for the joint investments with NYK Group to operate other businesses in the future.

1.1.10 Source of Funds for Transaction

Funds from the Company's IPO and listing the shares on the Stock Exchange of Thailand in 2013.

According to further information of the IFA, based on a report of the Company's Capital Increase No. 11 on January 4, 2019, the Company's remaining fund from capital increase as of December 31, 2018 is THB 1,226.79 million. According to the financial statements of the Company as of September 30, 2018, the Company's cash and cash equivalents is THB 1,382.46 million which is sufficient to enter into the Additional Share Purchase Transaction.

1.1.11 Additional information regarding a listed company to invest in an associated company which has connected persons of the listed company holding share of equal or more than 10 percent of the total number of voting rights of such associated company

The background of the Additional Share Purchase Transaction started from the Company and NYK Group entering into a joint venture in LRT in 2012 (on the date of the joint venture, the Company was not yet a listed company on the SET and NYK Group was not yet a major shareholder of the Company). The initial objective of the Company's investment in LRT with NYK Group was the Company having 49 percent shareholding in LRT and NYK Group having 51 percent shareholding in LRT. As the Company saw an investment opportunity at C0 Terminal, together with the joint venture with NYK Group, which is one of the world's largest and oldest cruise line business operators and having good relationship with automobile manufacturers in Thailand, the Company's main customers, shall result in the Company's stronger image. In addition, the joint venture with a company that has long-time experience regarding shipping services shall help the business operation of LRT to be effective. This also provides an opportunity for the Company's staff to develop knowledge, expertise in a view of cruise line business, which is a key customer of the Company.

Since the total investment value of LRT was as high as USD 85 million, or equivalent to THB 2,816.26 million (calculated by the IFA referring to an exchange rate of THB 33.1325 : USD 1 in order to be able to compare the value of investment in THB), and the Company had to enter into the investment at 49 percent of LRT, it required an investment amount of approximately THB 1,379.97 million. But, at the time, the Company did not have sufficient capital to invest at 49 percent of LRT, it had to invest at 20 percent of LRT beforehand and also enter into the Shareholders' Agreement of LRT, which has the option to allow the Company to exercise the right to purchase additional shares of LRT in the future of 29 percent. Subsequent to the aforementioned joint venture, the Company held 20 percent of LRT's shares, causing LRT to be an associated company of the Company, and NYK Group held 80 percent of LRT's shares.

In 2013, the Company became a listed company on the SET in which one of the objectives of funding through the SET was a fundraising to exercise the right to purchase additional shares of LRT. However, the Company did not exercise the right immediately after the fundraising. Later in 2015, NYK Group, through NYK (Thailand) Co., Ltd., became a major shareholder of the Company, with a shareholding of 18.34 percent of total number of shares issued and sold of the Company. As a result, the shareholding structure of an associated company of the Company was not in accordance with the Notification of Capital Market Supervisory Board, TorChor. 28/2551.

From the above information, the shareholding structure of an associated company of the Company was not in accordance with the Notification of Capital Market Supervisory Board, TorChor. 28/2551 since 2015 onwards. In this regard, after the Transaction, the Company will hold 49 percent of total shares of NYKT and NYK Group will hold 51 percent of total shares of NYKT. While, NYKT will hold 100 percent of total shares of LRT, the management provides further information that a shareholding structure of NYKT, an associated company of the Company, is appropriate based on the objectives of the Company's joint venture since the beginning. The Company has considered that such shareholding structure is for the best interests of the Company and the Company's shareholders. In addition, the Company has measures to reduce impacts from the Company's shareholding of 49 percent in NYKT which is less than NYK Group's shareholding of 51 percent in NYKT, resulting in controlling power of NYK Group in NYKT, by setting key conditions of the draft Shareholders' Agreement of NYKT such as (1) the Board of Directors' meeting and the shareholders' meeting of NYKT must include a representative of the Company attending the meetings to form a quorum (2) special matters are required to receive unanimous votes of the Board of Directors and shareholders attending the meetings, and (3) joint signatures of 1 director who represents NYK Group and 1 director who represents the Company, together with company's seal affixed, shall be deemed as NYKT's legally binding transaction (*Shareholders can refer to further details regarding Key conditions of the draft shareholders' agreement of NYKT, Table 1-14*).

1.1.12 Conditions Related to Transaction

Entering into the Additional Share Purchase Transaction and paying consideration by cash shall be under significant condition.

Extraordinary General Meeting of Shareholders No. 1/2019 of the Company to be held on February 22, 2019 must approve the transaction. Details are as following:

Table 1-15: Progress of Conditions Precedent

Matters to proposed to the shareholders' meeting for approval	Condition of approval
1) To consider and approve the Company's entry into the asset acquisition and connected transaction by exercising its right for investment in LRT in accordance with the Shareholders' Agreement between the Company and NYK Group by an acquisition of 29.00 percent of the total shares of NYKT.	■ Awaiting for the meeting of shareholders of the Company in which the transaction must be approved by the votes of not less than three-fourths of the total votes of shareholders attending the meeting and having the right to vote excluding shareholders with vested interest.

1.2 Information of Namyong Terminal Public Company Limited ("the Company")

Please refer to Appendix 1 of this report.

1.3 Information of NYKT International Terminal Co., Ltd. ("NYKT")

Please refer to Appendix 2 of this report.

1.4 Information of Laemchabang International Ro-Ro Terminal Co., Ltd. ("LRT")

Please refer to Appendix 3 of this report.

Part 2: Opinion of the Independent Financial Advisor on the Reasonableness of the Asset Acquisition and Connected Transaction

The Independent Financial Advisor (IFA) has an opinion that entering into the Asset Acquisition and the Connected Transaction **is appropriate** by considering from significant factors, including advantages, disadvantages, and risks of entering into the transaction as follows:

2.1 Objective and Necessity to Entering into Transaction

Namyong Terminal Public Company Limited (the “**Company**”) is a fully-integrated Roll-on/Roll-off (Ro/Ro) and general cargo port terminal operator. In order to increase service capacity of the Company in the long term and to accommodate a volume of car exports of Thailand which is likely to increase significantly in the future, in April 2012, the Company and Nippon Yusen Kabushiki Kaisha Group (“**NYK Group**”) have jointly invested in Laemchabang International Ro-Ro Terminal Co., Ltd. (“**LRT**”), an operator of Ro/Ro terminal services for car importation and exportation, and general cargo at C0 terminal. LRT has been granted a concession on investment, administration and operation of C0 terminal from Port Authority of Thailand (“**PAT**”) for the period of 30 years starting from September 1, 2005 and will be expiring on August 31, 2035. The Company invested 20 percent of total shares of LRT through Sapphire RoRo (Thailand) Limited (“**SRT**”). According to the Shareholders’ Agreement between the Company and NYKT Group dated March 30, 2012, the Company has the right to acquire additional shares of 29 percent of the total shares of LRT (both direct and indirect) from NYK Group by exercising its right within May 15, 2017, at the purchase price of not less than USD 24.65 million plus actual marginal costs *(In addition, a total value of investment to this transaction shall not be more than USD 27.82 million, including the purchase price of NYKT’s shares of not lower than USD 24.65 million and interest expense until the date that the Company exercise its right to purchase shares of not more than USD 3.17 million)*. Investment in LRT between the Company and NYK Group in 2012 is considered as a transaction with external parties.

As the Shareholders’ Agreement between the Company and NYK Group provides an opportunity for the Company to exercise the right to purchase additional shares until 2017, so as to create confidence prior to an additional investment in LRT, the management of the Company has been monitoring an operation of LRT continuously and wished to exercise the right to acquire additional shares since the beginning of 2017 onwards. NYKT has granted an extension of period for exercising the right to be within March 31, 2018 and the Board of Directors’ Meeting of the Company No. 1/2017 has resolved to propose to the 2017 Annual General Meeting of Shareholders to be acknowledged. Subsequently, the NYK Group has sent a letter to the Company to request a further extension of period for exercising the right to be within March 31, 2019 as the NYK Group would like to complete its business restructuring within the group. The business restructuring has now been completed and the Board of Directors’ Meeting of Namyong Terminal Public Company Limited No. 5/2018 held on November 7, 2018 thus resolved to propose to the Extraordinary General Meeting of Shareholders of the Company to consider and approve the Company’s entry into the Asset Acquisition and Connected Transaction by exercising the right for an additional investment in LRT. As NYK Group, through N.Y.K. (Thailand) Co., Ltd., has purchased shares of the Company from existing shareholders of the Company in an amount of 113,718,600 shares (227,437,200 shares after split par), representing 18.34 percent of total issued and paid-up shares of the Company, NYK Group is a major shareholder of the Company since September 2015. The Additional Share Purchase Transaction in 2018 - 2019 is, therefore, considered as a Connected Transaction because the Company shall enter into the Transaction with a major shareholder of the Company under the Notification of Capital Market Supervisory Board, TorChor. 21/2551 Re: Rules on Connected Transactions and its amendments, as well as the Notification of the Board of Governors of the Stock Exchange of Thailand Re: Disclosures of Information and Other Acts of Listed Companies Concerning Connected Transactions B.E. 2546 (“**Connected Transaction Notifications**”).

Table 2-1: Key Events Related to the Additional Share Purchase Transaction

No.	Events	Date
1.	The Company signed an Agreement with NYK Group for an investment in LRT.	March 2012
2.	The Company held 20 percent of the total shares of LRT and had the right to purchase additional shares of 29 percent of the total share of LRT from NYK in which the right must be exercised within May 15, 2017.	April 2012

No.	Events	Date
3.	Ordinary shares of the Company were listed on the Stock Exchange of Thailand	November 2013
4.	NYK Group, through N.Y.K. (Thailand) Co., Ltd., became a major shareholder of the Company. <i>(This was a significant event that caused the Additional Share Purchase Transaction after September 2015 deemed as Connected Transaction).</i>	September 2015
5.	NYK Group has notified an extension of period for exercising the right to be within March 31, 2018, and the Board of Directors' Meeting No. 1/2017 has resolved to propose to the 2017 Annual General Meeting of Shareholders to be acknowledged.	February 2017
6.	NYK Group has sent a letter to the Company to request a further extension of period for exercising the right to be within March 31, 2019 because NYK Group would like to complete the business restructuring within its group. The Board of Directors' Meeting No. 1/2018 has resolved to propose to the 2018 Annual General Meeting of Shareholders to be acknowledged of such extension.	January 2018
7.	The merger between SRT (a subsidiary of the Company) and GCT (a subsidiary of NYK Group) was completed. NYKT is the new company post-merger.	September 2018
8.	The Board of Directors' Meeting No. 5/2018 has resolved to propose to the Extraordinary General Meeting of Shareholders of the Company to consider and approve the Company's entry into the Additional Share Purchase Transaction with ArtLion, a subsidiary under the control of NYK Group. Therefore, entering into this transaction is considered as an Asset Acquisition and Connected Transaction.	November 2018
9.	Extraordinary General Meeting of Shareholders No. 1/2019 shall be held to consider and approve the Additional Share Purchase Transaction.	February 2019
10.	Deadline for exercising the right to purchase additional shares of 29 percent of the total shares of LRT.	March 2019 (March 31, 2019)

Source: Form 56-1 of the Company and summarized by the IFA

In this regard, the Company believes that the Additional Share Purchase Transaction is in accordance with objectives of the use of proceeds from the Company's IPO which shall eliminate restrictions of accommodation in terms of the rising volume of car exports in the future if A5 Terminal of the Company reaches a maximum utilization rate at 1.5 million cars in the future. This will ensure that the Company will be able to have revenue from terminal services continuously after A5 Terminal is at its full capacity. In addition, the Transaction is deemed as business opportunity to acquire knowledge, management skill, and business operation, as well as a chance to build a good relationship with NYK Group, which is both a major shareholder of the Company and one of the leading world-class cruise line business operators and terminal services providers. Moreover, this Transaction may be an opportunity for the Company to extend business by entering into a joint venture with NYK Group in other businesses in the future.

2.2 Impact on Financial Position of the Company from Entering into Transaction

By entering into the Additional Share Purchase Transaction, the Company will acquire NYKT's shares of 1,161,870 shares, representing 29.00 percent of the total issued and paid-up shares of NYKT. Therefore, after entering into the Transaction, the Company's shareholding in NYKT will increase from 20.00 percent to 49.00 percent of the total issued and paid-up of NYKT. In this regard, NYKT will remain as an associate company of the Company. Such investments of the Company in NYKT will be recorded in the financial statements of the Company by means of Equity Method. Subsequently, an increase in the Company's shareholding in NYKT will significantly impact on the financial statements of the Company as follows:

▪ **Statement of Financial Position**

Table 2-2: Accounting impact by using Equity Method on Statement of Financial Position of the Company

Statement of Financial Position		Pre-Transaction (20 % shareholding in NYKT) As of September 30, 2018	Post-Transaction (49 % shareholding in NYKT) After the Transaction
Impact	Investments in associate which are in a category of non-current assets	THB 510.46 million	Increase by THB 922 million ^{1/}

Remark: 1/ A total amount of investment shall not be more than USD 27.82 million or approximately THB 922 million (referring to foreign exchange of Bank of Thailand at the rate at THB 33.1325 : USD 1 as of November 6, 2018 which is the last working date prior to the Board of Director's meeting resolution to approve the entering into this transaction). However, if the foreign exchange rate on the transaction date is not as described above or a total amount of investment is lower than described, investments in associates may be higher or lower than THB 922 million. As of January 15, 2019, such exchange rate is at THB 32.0476 to USD 1.00.

▪ **Statement of Comprehensive Income**

Table 2-3: Accounting impact by using Equity Method on Statement of Comprehensive Income

Statement of Comprehensive Income		Pre-Transaction (20 % shareholding in NYKT) As of September 30, 2018	Post-Transaction (49 % shareholding in NYKT) After the Transaction
Impact	Share of profit from investments in associate or Share of loss from investments in associate	Profit / loss from NYKT by Equity Method will be allocated in proportion to a shareholding which is <u>20.00</u> percent after major income and expenses of NYKT	Profit / loss from NYKT by Equity Method will be allocated in proportion to a shareholding which is <u>49.00</u> percent after major income and expenses of NYKT

In addition, should the Company finds an indication that there probably is an impairment of investments in NYKT as a result of continued operation losses of NYKT or changes that negatively impact on operating performance of NYKT, the Company must conduct an impairment testing of such investments. And if the Company finds that there is an impairment of investments in NYKT, the Company shall record an allowance for impairment of investments in the statement of financial position, which will result in a decrease in the value of investments in associates. Moreover, the Company shall also record the loss on impairment of investments in associates as expenses in the statement of comprehensive income of the Company immediately, which will result in a decrease in net profit of the Company and its subsidiaries.

2.3 Advantages of Entering into the Transaction

(1) A continued investment to support a growth of car imports and exports through Laem Chabang Port which is a core business of the Company

Currently, Thailand has three major port terminals which can serve shipment for cars exports and imports in a format through Ro/Ro terminal, including (1) A1 Terminal (2) A5 Terminal and (3) C0 Terminal. All 3 terminals are located in Laem Chabang Port which is a deep-sea port having an advantage in terms of its location since its location is close to most car manufacturers. Therefore, it is easy, fast, and able to reduce risks of damage of car transportation from their production bases to terminals. It can be said that Laem Chabang Port is a port that is most appropriate for car transportation for export and import presently.

When comparing among 3 port terminals, it found that A5 Terminal is a terminal for car export and import with the most comprehensive services. While, A1 Terminal is a terminal for passenger ships and Ro/Ro, it often gives priority to passenger ships. Whereas C0 Terminal is a terminal for Ro/Ro and general cargo in which, at present, most products transferred through this terminal are general cargo.

Information of car imports and exports through Laem Chabang Port (all 3 terminals) and through A5 Terminal of the Company is as follows:

Table 2-4: Information of car imports and exports through Laem Chabang Port

Unit: No. of Car	Y2013	Y2014	Y2015	Y2016	Y2017
Volume of car through all 3 terminals of Laem Chabang Port ^{1/}	1,198,010	1,188,098	1,245,372	1,269,649	1,216,955
Volume of car through A5 Terminal ^{2/}	926,800	948,250	985,190	989,910	946,770
Utilization rate of A5 Terminal (%) ^{4/}	61.79	63.22	65.68	65.99	63.12
Volume of car through A1 Terminal ^{3/}	271,210	239,848	260,182	279,739	270,195
Utilization rate of A1 Terminal (%) ^{4/}	71.55	71.96	65.86	73.56	66.54
The volume of car through C0 Terminal ^{2/}	56,548	23,968	62,588	59,058	70,582
Utilization rate of C0 Terminal (%) ^{4/}	5.65	2.40	6.26	5.91	7.06

Source: 1/ Laem Chabang Port's website

2/ The Company and Form 56-1 of the Company

3/ Calculated by the IFA

4/ The Company's managements informed that the annual capacity to transport cars through A5, A1 and C0 Terminal are 1,500,000 vehicles, 300,000 vehicles, and 1,000,000 vehicles, respectively.

According to the information in the table above, it showed that since 2014-2016 the volume of car imports and exports through Laem Chabang Port has increased steadily prior to a decline in 2017. However, according to the estimate information of Market Sounding 1 document prepared by Roland Berger, a consultant of project feasibility in economic, engineering, and environment, as well as design for a construction of Laem Chabang Phase 3 ¹, the volume of car imports and exports through Laem Chabang Port will be 1.5 million units in 2020, 1.9 million units in 2025, and 2.3 million units in 2030. Moreover, the management of LRT and the Company projects that the number of cars transporting through A5 Terminal will be growing from these factors, namely:

- The growth in demand of car sales internationally;
- The recovery of car market from the Middle East, there used to be a movement of approximately 225,000 units per year and dropped substantially to 77,000 units in 2017. There was a recovery in this market in 2018 with an increase of 17.7% in the first eleven months of 2018, which is mainly due to the increase in crude oil prices;
- The import volume as well as the transshipment for the re-export to other countries is still at the rising trend;
- The export of new brands of cars (which have not previously exported) include MG, SUBARU and PROJEN, etc.;
- The rise in export volume of existing car brands with newer models such as Nissan Note, Nissan Terra, Ford Raptor, Toyota CH-R, etc.; and
- International standard energy saving car project Phase 2 (or Eco-Car Project Phase 2) in which at present there are many manufacturers who are interested in participating in the project and are expected to manufacture approximately 700,000 units per year, of which 50% of such production will be for export.

However, A5 Terminal of the Company can accommodate car transportation of up to 1.5 million units per year. If in the future the number of car transportation through Laem Chabang Port increases beyond the capacity of A5 Terminal of the Company, an increased volume of car transportation will be transferred to C0 Terminal instead, which result in an increase in revenue of operators of C0 terminals. On the contrary, revenues of the Company as a terminal service operator of A5 Terminal will be limited. Moreover, according to the information disclosed in the Annual Registration Statements (Form 56-1) of the Company indicating that PAT will not grant a concession to operate a new Ro/Ro terminal at Laem Chabang Port until the volume of the products transported through the 3 existing Ro/Ro terminals exceed 75 percent of their capacity. Such information seems to indicate that if the products loaded and unloaded through any terminals exceeding 75.00 percent of their capacity, the transportation of products in those terminals is relatively crowded/congested and may require the opening of new terminals to help support the loading or unloading through other terminals. According to the information from Table 2-4, it indicates

¹ Laem Chabang Phase 3 Market Sounding #1 prepared by Roland Berger, May 2018
<http://laemchabangportphase3.com/files/Presentation/03Presentation.pdf>

PT.

that during 2013-2017, the Company's A5 Terminal had a transportation volume of cars (utilization rate) in a range of 61.79 - 65.79 percent of A5 Terminal's capacity, while, A1 Terminal had a transportation volume of cars (utilization rate) in a range of 65.86 - 73.56 percent of A1 Terminal's capacity. This shows that cars transportation through the aforementioned 2 terminals is relatively crowded/congested already. If cars transportation through Laem Chabang Port is growing up in the future, the transportation volume of 2 terminals will not grow much, compared to C0 Terminal, which had a transportation volume of cars (utilization rate) in a range of 2.40 - 6.76 percent of C0 Terminal's capacity. Therefore, C0 Terminal shall be able to help accommodate a transportation of a large number of cars in the future.

Therefore, by entering into the Additional Share Purchase Transaction is considered as a continued investment in LRT, a terminal service operator at C0 Terminal, which will help accommodate a growth of a volume of car transportation, a core business of the Company, and also help enhance capability in a growth of the Company after A5 Terminal reaches its full capacity.

(2) A continued investment in assets that have growth potential and create opportunities for the Company's future business expansion

Currently, Thailand is in a period of infrastructure development, especially for transportation, in accordance with the strategic development plan of transportation infrastructure of Thailand 2015-2022.² The main projects include double-track railway project, high-speed train, skytrain, high-speed rail linked to 3 airports seamlessly (Suvarnabhumi, Don Muang, and U-Tapao). The transportation of large equipment and materials used in constructions, as well as skytrain bogie must be transported through C0 Terminal of LRT. Table 2-5 below shows 44 projects with a total budget of THB 2.02 trillion in strategic development plan of transportation infrastructure of Thailand in 2018.

Table 2-5: Implementation Plan in 2018 (44 projects) with a total budget of THB 2.02 trillion

No.	Project Name	Budget (THB Million)
Projects approved by a Commission of Public Private Partnership (PPP) / Cabinet of 21 projects		
1.	Kathu-Patong Expressway	13,916.97
2.	Border Transpiration Center, Nakhon Phanom	1,132.53
3.	Regional Bus Station (Border)	8,049.98
4.	Regional Freight Station (Main Town)	8,342.47
5.	Purchase of Electric Passenger Vehicle	417.00
6.	Purchase of NGV Buses of 489 units	1,735.55
7.	Motorway Nakhon Pathom - Cha Am	77,831.81
8.	Motorway Hat Yai - Malaysia-Thailand cross-border	34,070.00
9.	Motorway Utraphimuk Elevated Tollway Rangsit - Bang Pa-in	25,070.00
10.	Motorway H35 Elevated Tollway Bangkok - Mahachai	40,075.00
11.	High-Speed Rail Bangkok - Chiang Mai	276,226.00
12.	High-Speed Rail Bangkok - Hua Hin	77,906.86
13.	Urban Railway(Light Red) Bang Sue-Hua Mak/(Dark Red) Bang Sue-Hua Lamphong	50,137.15
14.	Electric Railway (Purple) Tao Poon - Rat Burana	128,235.01
15.	Mass Transit System, Phuket	30,154.42
16.	Mass Transit System, Chiang Mai	107,233.00
17.	Mass Transit System, Nakhon Ratchasima	13,593.00
18.	Mass Transit System, Khon Kaen	13,947.00
19.	Laem Chabang Port Phase 3	90.65
20.	Business Development of Dry Port	1,825.83
21.	Center of Maintenance, Repair and Overhaul	4,022.00
Projects that are completed bidding / starting construction / ready to serve of 23 projects		
22.	Truck Stop Buriram / Khon Kaen	480.00
23.	Expressway Rama 3 - Dao Khanong - Ring Road	31,244.00
24.	Third-Stage Expressway Section N2 (Kaset Intersection - Outer Ring Road)	17,551.00
25.	Double Track Railway Nakhon Pathom - Chum Phon	42,933.72

² Page 8-10 show examples of projects in strategic development plan of transportation infrastructure of Thailand 2015-2022
http://laemchabangportphase3.com/files/MarketSounding2/PPT_OTP.pdf

PJ.

No.	Project Name	Budget (THB Million)
26.	Double Track Railway Lopburi – Pak Nam Pho	22,678.06
27.	Double Track Railway Map kabao – Chira Junction	30,880.83
28.	Double Track Railway Pak Nam Pho - Den Chai	62,614.35
29.	Double Track Railway Chira Junction - Ubon Ratchathani	37,523.60
30.	Double Track Railway Khon Kaen - Nong Khai	26,654.36
21.	Double Track Railway Chum Phon - Suratthani	24,287.36
32.	Double Track Railway Suratthani - Hat Yai - Song Kla	57,369.43
33.	Double Track Railway Hat Yai - Padang Besar	8,116.12
34.	Double Track Railway Den Chai – Chiang Mai	59,915.24
35.	Double Track Railway Den Chai – Chiang Rai - Chiang Khong	85,345.00
36.	Double Track Railway Ban Pai – Mukdahan - Nakhon Phanom	67,965.33
37.	High-Speed Rail Bangkok - Nakhon Ratchasima	179,412.21
38.	High-Speed Rail linked to 3 airports seamlessly (Don Muang-Suvarnabhumi-U-Tapao)	203,397.03
39.	Urban Railway (Dark Red) Rangsit – Thammasat University (Rangsit Campus)	6,570.40
40.	Urban Railway (Light Red) Siriraj - Taling Chan - Salaya	17,671.61
41.	Electric Railway (Orange) ang Khun Non - Thailand Cultural Centre	120,459.00
42.	Krabi Airport Development (construction of parking area / electrical system)	1,215.00
43.	Khon Kaen Airport Development (Construction of Passenger Terminal Building)	2,250.00
44.	Joint ticket system	737.53

Source: Office of Transport and Traffic Policy and Planning

In addition, an alternative energy business, i.e.; wind power, which is likely to continue growing in Thailand, a transportation of large wind turbines which are the main components of power plant must be transported through C0 Terminal of LRT likewise. Moreover, the constructions of other types of power plants in both Thailand and neighboring countries also have to transfer through C0 Terminal such as the Chai Buri Hydroelectric Power Plant, Xe-Pian and Xe-Namnoy Hydroelectric Power Plant, Nam-Lik Hydroelectric Power Plant, Nam-Theun Hydroelectric Power Plant, South Bangkok Power Plant, Mae Moh Power Plant, and Khanom Power Plant. In this regard, when considering service income from general cargo of LRT, it is growing steadily in which such service income since 2016 until first nine months of 2018 were THB 121.64, 163.92, and 191.45 million, respectively.

Therefore, the Additional Share Purchase Transaction is a continued investment to support the Company in expanding the scope of business to terminal service of general cargo, such cargo are mainly related to infrastructure development and alternative energy in the country which are in a potential growth period. Thus, a volume of cargo transported through C0 Terminal of LRT is expected to be higher and result in an increase in revenue and steadily improved operating performance as well.

(3) A continued investment that help diversify investment risks and increase a variety of terminal service business

Presently, the Company has revenue primarily from RO/RO terminal service for car imports and exports only. In 2015 - 2017, the Company's terminal service incomes were THB 1,152.90, 1,159.29 and 1,159.92 million, accounting for 81.90 percent, 81.27 percent, and 81.55 percent of total revenue, respectively. Moreover, the Company also had a source of income from share of profit from investments in associates from holding shares of 20 percent in NYKT which holds LRT's shares of 100 percent. LRT had revenue from providing terminal service for several types of products, including general cargo, such as machinery, skytrain bogies, wind turbine blades and wind turbine masts used in wind power projects, cars, products categorized under module, and passengers, etc. In 2017 and first nine months of 2018, LRT's main revenue came from terminal services for general cargo, accounting for 58.71 percent, and 67.01 percent of total revenue, respectively (*Shareholders can refer to further details regarding revenue structure of LRT in Appendix 3, Table C-1 and C - 2 of this report*). By entering into the Additional Share Purchase Transaction that will increase a shareholding of the Company in LRT from 20 percent to 49 percent of the total shares of LRT (both direct and indirect), the Company will have a source of profit from terminal services for general cargo and reduce risks of reliance on a source of profit from providing RO/RO terminal service only, as well as diversify risks from business operations of the Company.

(4) A continued investment in accordance with the objectives of the use of proceeds from the Company's IPO

Referred to the prospectus of the initial public offering ("IPO") of the Company's ordinary shares, the Company has objectives to use the proceeds from the IPO which amounted to approximately THB 2,382 million (after deducting underwriting fees, guarantee fee, and other related expenses) for the following purposes:

- To repay loans from financial institutions of approximately THB 800 million
- To invest for business expansion of about THB 800 - 1,500 million
- The remaining from the above projects shall be used as working capital in the Company

The purchase value from entering into the Additional Share Purchase Transaction shall not exceed USD 27.82 million or equivalent to THB 922 million (*with a reference to a foreign exchange rate of Bank of Thailand at THB 33.1325 to USD 1 as at November 6, 2018 which is one working day prior the date of the Board of Director's meeting resolution to approve the entering into this transaction. In addition, the exchange rate on the date of entering into the transaction may be different from the stated above. As of January 15, 2019, such exchange rate is at THB 32.0476 to USD 1.00*) According to the report of the Company's Capital Increase No. 11 on January 4, 2019, the Company's remaining fund from capital increase as of December 31, 2018 is THB 1,226.79 million. Based on the consolidated financial statements of the Company as of September 30, 2018, the Company's cash and cash equivalents is THB 1,382.46 million.

(5) A continued investment in the business that the management of the Company has experiences

Knowledge, expertise, and experience in business administration or business operation are key elements to success. The management of the Company comprises of a group of professionals who have expertise and experience in terminal service for import and export in Thailand for more than 30 years. By entering into the Additional Share Purchase Transaction to increase investments in LRT is deemed as a continued investment in terminal service business in which the management of the Company had experience. Therefore, the management of the Company can fully bring knowledge and experience into business administration, resulting in better performance that will positively impact on operating results of the Company in the future, as well as create benefits to the shareholders of the Company in the long term as well.

(6) The Company has an opportunity to receive retained earnings in higher proportion from entering into this Additional Share Purchase Transaction

In reference to the Shareholders' Agreement of LRT, shareholders of LRT agreed not to pay dividends until the Company to exercise its right for additional investment in LRT. According to the interview with the management of the Company, the Company invested in LRT in 2012, and LRT has never paid dividends to shareholders. As of September 30, 2018, LRT has retained earning of THB 467.26 million. The IFA has calculated unappropriated retained earnings (which can be used to pay dividends) and details can be summarized as follows:

Table 2-6: Calculation of unappropriated retained earnings

Item	Option 1: Pay dividend at 100% of unappropriated retained earnings	Option 2: Pay dividend at 50% of unappropriated retained earnings
	(THB Million)	(THB Million)
Total retained earnings ^{1/}	467.26	467.26
Appropriated retained earnings – legal reserve ^{2/}	21.00	21.00
Unappropriated retained earnings (which can be used to pay dividends) (100 percent) ^{2/}	446.26	446.26
Dividends according to the percentage of shareholding at 20 percent ^{2/}	89.25	44.63
Dividends according to the percentage of	129.42	64.71

shareholding at 29 percent ^{2/}		
Dividends according to the percentage of shareholding at 49 percent ^{2/}	218.67	109.33

Source and remarks: 1/ The Company

2/ Calculated by the IFA

The above table shows that if the Company increases its investment in LRT from 20 percent to 49 percent, the Company will receive increased dividends (if all unappropriated retained earnings are used to pay dividends) from THB 89.25 million to THB 218.67 million, or increased by THB 129.42 million. If there is a dividend payment of 50 percent of unappropriated retained earnings, the Company shall receive higher dividends from THB 44.63 million to THB 109.33 million, or increased by THB 64.71 million. The IFA is of an opinion that after entering into this Transaction, LRT is likely to pay dividends to the shareholders because the Shareholders' Agreement of LRT has indicated a dividend payment policy that LRT shall pay dividends at least 50 percent, except the shareholders agreed otherwise. The Company and NYK Group jointly agreed that LRT shall not pay dividends until the Company successfully exercised the right. Therefore, after entering into the Transaction, LRT is likely to pay out dividends to shareholders who have never received dividends since entering into the investment in 2012 in accordance with the agreement between the Company and NYK Group. In addition, as of September 30, 2018, LRT has cash and cash equivalents, as well as short-term investments of approximately THB 442 million, which shows that LRT has sufficient amount of money for dividend payment.

In addition, it may be considered that if LRT makes a dividend payment of THB 129.42 million, it seems similar to have a decrease in the Company's payment for the Transaction of THB 129.42 million, or the Company's payment for the Transaction shall be equal to approximately THB 792.33 million. If LRT makes a dividend payment of THB 64.71 million, the Company's payment for the Transaction shall be equal to approximately THB 857.04 million.

However, when considering a return on investment in LRT of the Company in proportion to 20 percent of LRT, if LRT makes a dividend payment, dividends in proportion to 20 percent investment shall be equal to THB 89.25 million, as indicated in Table 2-6 above. When comparing to investments in associates based on the book value appearing in the 2012 financial statements of the Company at THB 526.725 million, with an investment period until September 2018, which is approximately 6.5 years. The average rate of annual return on investment shall be equal to approximately 2.44 percent, which is lower than a dividend yield of the Company during 2014-2018 at 3.33 - 6.05 percent (information from Setsmart) since the Company and NYK Group just entered into a joint venture in 2012, a new working system must be implemented. Moreover, a large amount of retrospective property tax charged in 2016 (the IFA has conducted an initial assessment that if LRT is not liable to pay such tax, an average rate of annual return on investment shall increase to 3.53 percent), which result in a fluctuation of LRT's business operation in the past. However, the management of the Company provides further comments that according to continuous revenue growth of LRT from terminal services for general cargo which relate to a development of the country's infrastructure and electrical power, as well as a growth in a transportation volume of cars through Laem Chabang Port, together with an increasing involvement in LRT's management of the Company in proportion to the Company's increasing shareholding. Furthermore, LRT's customers who will use terminal services for products categorized under module had expressed their desire to use the services in the next 3-5 years, which result in stable revenue and better business operation of LRT, as well as generating profit sharing from investments in associates to the Company. In this regard, business operations of LRT in the first 9 months of 2018 can generate a net profit of approximately THB 91 million, which is higher than a profit in 2018 at THB 69.95 million.

(7) A continued investment at the purchase value close to the value of the investment of the Company in the previous 5 years (in 2012), which is much lower than the current value of the investment

Entering into this Transaction to exercise right to purchase additional shares with a total amount of investment shall not be more than USD 27.82 million, including the purchase price of NYKT's shares of not lower than USD 24.65 million and interest expense until the date that the Company exercise its right to purchase shares of not more than USD 3.17 million. In reference to the Shareholders' Agreement of LRT, the purchase value paid to acquire NYKT's shares in order to increase the shareholding in LRT of another 29 percent shall not be less than USD 24.65 million (USD 85 million multiplied by 29.00%) is calculated from the value of an investment in the total shares of LRT in an amount of USD 85 million, which is the same value used to determine the value of investment that the Company invested in LRT of 20 percent in 2012.

Table 2-7: Source of the purchase value paid for additional shares

Year	The Value of LRT used to determine the purchase value (USD Million)	Investment proportion in LRT (%)	Purchase value of LRT (USD Million)	Additional payment to the Seller (USD Million)	Total Investments (USD Million)
2012	85.00	20.00	17.00 ^{1/}	-	17.00
2019	85.00	29.00	24.65	3.17	27.82

Source: 1/ The Company's financial statements ended December 31, 2012 which have been audited by EY Office Limited

Apart from the purchase value paid to acquire shares, the Company will have to pay additional costs to the Seller of approximately USD 3.17 million, or equivalent to THB 105.03 million. When comparing to unappropriated retained earnings of (which can be used to pay dividends to the Company) of LRT in proportion to the additional investment of 29 percent, which is THB 129.42 million, it can be seen that the marginal costs to the Company is less than retained earnings of LRT that the Company will receive from this Transaction in the amount of THB 24.41.

Table 2-8: Comparison between unappropriated retained earnings that the Company will receive and additional costs that the Company has to pay

Item	Amount (THB Million)
Unappropriated retained earnings (which can be used to pay dividends) (29 percent) ^{1/}	129.42
Additional interest expenses until the date that the Company exercises its right to purchase LRT's shares ^{2/}	105.01
Difference between (1) and (2)	24.41

Remarks: 1/ Table 2-6 aforementioned
2/ Projected by the Company

Based on the calculation of additional interest expense that the Company has to pay, it starts from the date that the Company investing in 20 percent of LRT and having the right to purchase additional shares of LRT of 29 percent in 2012 until the date that the Company exercises the right to purchase LRT's shares. However, since a delay in right exercising of more than a year came from a delay in NYK Group's business restructuring by its operational team, NYK Group stopped charging interest to the Company during such period because the delay is not the Company's fault.

In addition, when comparing to a construction investment of a new terminal in Lam Chabang Port, including the development of Laem Chabang Port Phase 3, which has a total investment of approximately THB 110 billion, divided into an infrastructure investment of THB 50 billion by Port Authority of Thailand and another investment of THB 60 billion would be opened for private sector in 5 terminals, consisting of E0, E1, E2, F1 and F2 Terminals. E0 Terminal is a RO/RO terminal for cars loading and unloading with a capacity to accommodate of up to approximately 1,000,000 units. While, E1, E2, F1, and F2 Terminals are terminals for containers loading and unloading which are not LRT's competitors. As C0 Terminal of LRT is a terminal for loading and unloading of general cargo and cars with a capacity of up to approximately 1,000,000 units. Therefore, a comparison of this investment is to provide a preliminary overview of the investment in new terminals and the investment in the existing terminals because there are differences in terms of products that are loaded and unloaded through terminals which may result in the differences in the actual investment value. In this regards, when comparing between the new investment and the continued investment of the Company as specified in a table below, it can be seen that the value of this transaction (including the purchase price of NYKT and interest expense until the date that the Company exercise its right to purchase shares) of approximately THB 922 million is much lower than the value of the investment in a new terminal of around THB 1,641 million.

Table 2-9: Comparison between the investment in a new terminal and the continued investment in LRT's terminal

ITEM	No. of Terminal	Concession Period (Year)	Ownership (%)	Total Investment (Private Sector Only) (THB Million)
Laem Chabang Port Development Phase 3	5 ^{1/}	35 ^{1/}	100.00	60,000 ^{2/}
Laem Chabang Port Development Phase 3	1	35	100.00	12,000

PJ.

ITEM	No. of Terminal	Concession Period (Year)	Ownership (%)	Total Investment (Private Sector Only) (THB Million)
Laem Chabang Port Development Phase 3	1	16 years 6 months	100.00	5,657
Laem Chabang Port Development Phase 3	1	16 years 6 months	29.00	1,641
Additional Share Purchase Transaction of the Company	1	16 years 6 months	29.00	922

Source: 1/ http://www.laemchabangportnew.com/attachments/article/1929/081061_pro2.pdf
 2/ http://www.powertimeonline.com/index.php/component/multicontent_client/showcontent/115505.html
 3/ Total investment value per 1 terminal

Remark: Calculated by the IFA with the objective of comparing between the value of the investment in a new terminal and the existing terminal by adjusting the ratio of ownership and concession period of the investment in a new terminal similarly to an additional investment of the Company in LRT.

(8) An investment in assets at a reasonable price

The Company will exercise its right for an additional investment in LRT by acquiring ordinary shares of NYKT in a total value of not exceed THB 922 million in which such purchase value is lower than the range of fair value calculated by the IFA at THB 1,079.72 million - THB 1,147.64 million. Therefore, the IFA has an opinion that **the purchase value is reasonable**.

(For reasonableness of purchase price of NYKT's shares, please refer to Part 3, Section 3.1.6 of this report)

2.4 Disadvantages and Risks that may Arise from the Transaction

2.4.1. Risk directly arises from the Additional Share Purchase Transaction

(1) Risk of loss sharing in the financial statements of the Company

The Company has acquired 20 percent of LRT's shares since 2012 onwards. LRT became an associate company of the Company due to such investment proportion and the Company will recognize the operating results of LRT in the form of profit (loss) sharing which can be summarized as follows:

Table 2-10: Share of Profit (Loss) from Investments in Associates of the Company during 2013-2017 and in the first 9 months of 2018

Share of profit (loss) from investment in associates <i>Unit: THB Thousand</i>	Y2013	Y2014	Y2015	Y2016	Y2017	First 9 months of Y2018
Profit for the period attributable to the Company	30,959	4,557	19,642	7,883	12,134	16,579
Amortization of intangible assets	(18,414)	(18,414)	(19,401)	(21,377)	(21,377)	(16,033)
Depreciation of property, plant and equipment	(41)	(41)	(41)	(41)	(41)	(32)
Amortization of deferred tax assets	(1,283)	(220)	-	-	-	-
Amortization of deferred tax liabilities from acquisition	1,814	1,814	2,012	2,406	2,406	1,805
Share of profit (loss) from investment in associates	13,035	(12,304)	2,212	(11,129)	(6,878)	2,319

Source: Notes to Financial Statements of the Company for the year 2014-2017 which have been audited by EY Office Limited. Notes to the financial statements of the Company ended September 30, 2018 which has been reviewed by EY Office Limited.

Remark: In 2013 – 2017, the Company has only one associate company which is LRT and from September 17, 2018 the Company has two associate companies which are NYKT and LRT

The above table shows that although the Company will receive a profit for the period attributable to the Company from associates (in proportion to the investment of 20 percent in LRT) continuously,

however, because a business of LRT has limited operation period based on a concession period and the purchase price of LRT is higher than the fair value of LRT's net asset and liabilities at the date of entering into the transaction in 2012, which resulted in a goodwill. Therefore, the auditor of the Company has considered that there will be an amortization of intangible assets (which including Right under port service concession agreement and goodwill) in the investment in LRT. If the net profits for the period attributable to the Company (from LRT's operating results in proportion to the Company's shareholding) are less than amortization of intangible assets and other related amortization, this will result in a share of loss from investments in associates. In this regard, the Company will start receiving share of profit from investment in associated company (LRT) when LRT has a yearly net profit of approximately THB 100 million or more (a breakeven point). When considering the past data during 2013-2017, the Company has a share of profits from investment in associates in 2013 and 2015. In 2013 and 2015 the Company had a net profit of THB 172.58 million and THB 113.69 million, respectively. Moreover, when considering the share of profit (loss) from investment in associates in the past, it can be seen as quite volatile as it alternately shows profit and loss. If considering information for the past 3 years from 2016 onwards, in 2016, the Company has a high amount of net loss due to the retroactive property tax of THB 55 million which is considered as one-time expense. For the year 2017, the Company still received a share of loss from investments in associates but has a lower amount because total revenue of LRT has decreased, mainly due to the decrease in service revenue from module products. However, during the first 9 months of 2018, the Company started to receive the share of profits from investment in associates due to the increase in total revenue of LRT, mainly from service income from general cargo.

After the Additional Share Purchase Transaction, the Company will have higher investments proportion in associates, which are LRT and NYKT, from 20 percent to 49 percent. Therefore, if the profit for the period attributable to the Company which the Company shall receive in proportion to the increased investment proportion is still less than an increased amortization of intangible assets and other related amortization, the Company will have a share of loss from investments in associates. In this regard, the management of the Company provides basic information that the breakeven point of the investment in LRT after this transaction will be at the point that LRT has a net profit of approximately THB 100-140 million.

Based on an initial assessment by the IFA, by referring to the information from the management of the Company, the amortization of intangible assets of the Company (according to the proportion of investment at 20 percent), which mainly consists of amortization of rights under concession of C0 Terminal and goodwill, is at an average of approximately THB 23 million per year. After the Transaction, the Company will have an amortization expense of these intangible assets (based on the proportion of investment at 49 percent) of approximately THB 67 million per year. It can be seen that, after entering into the Transaction, the Company has a substantial increase in the amortization expense of intangible assets. Nevertheless, the valuation of amortization cost of intangible assets from this investment is an initial assessment by the IFA with the purpose to give an overview of the transaction to the shareholders of the Company only and then may not be appropriated for other purpose as some assumptions are the events which have not yet occurred and the IFA has limited information for the valuation. Some assumptions are the events which have not yet occurred and the IFA has limited information for the valuation. In this regard, the main constraints in the assessment of the IFA which affect the amortization cost of intangible assets that will occur at the transaction date.

- 1) Net asset value of NYKT and LRT at the transaction date. The IFA valued the amortization cost of intangible assets based on information as at September 30, 2018. This transaction should take place around the end of February 2019, in which the net asset value of NYKT and LRT is likely to increase due to the continuous increase in LRT's profit, which directly cause the amortization cost of intangible assets to be lower.
- 2) Exchange rate at the transaction date. The investment value of THB 922 million is with a reference to a foreign exchange rate of Bank of Thailand at THB 33.1325 to USD 1 as at November 6, 2018. In addition, as of January 15, 2019, such exchange rate is at THB 32.0476 to USD 1.00.
- 3) Assessing the fair value of net assets and liabilities from this investment. The Company will evaluate such fair value in order to allocate the purchase price and recognize goodwill from entering into the transaction, which the Company has to finish this process within 1 year from the date of the transaction. In this regard, if the Company uses any assumptions which are different from assumptions of the IFA, the real amortization cost of intangible assets will be different from the value appraised by the IFA.

- 4) The method to calculate the amortization cost of intangible assets. The IFA use the straight line method and the amortization period according to the remaining life of the concession of 16 years 6 months only without taking into account the opportunity to renew the concession contract by using conservative basis. The IFA's assumptions are different from the Company's assumptions since the management of the Company has different opinion and some hypotheses that the managements of the Company use are considered as confidential information which cannot be disclosed.

Even though, entering into this transaction causes an increase in the breakeven point and the Company must also bear the additional amortization cost of intangible assets, the management of the Company still believes that this investment is reasonable and is considered as an investment to expand the business of the Company in the future. This investment shall help to alleviate the restrictions of accommodation in terms of the rising volume of car exports in the future if A5 Terminal of the Company reaches a utilization rate at a maximum 1.5 million cars per annum in the near future. This will ensure that the Company will be able to have revenue from terminal services continuously after A5 Terminal is at its full capacity.

The management of the Company additionally commented that there are continuous growths of income of LRT from providing terminal service for general cargo which involved with the development of the country's infrastructure and power plants and a rising volume of cars transportation through Laem Chabang Port, as well as, the involvement in business administration of the Company's management in accordance with an increased shareholding. Moreover, LRT's customers who will be using the berth service to transport their module products have expressed their intentions to use the serviced for the next 3-5 years, which will help LRT to generate stable income. All of which will help LRT to have better operating results and create a share of profit from investments in associates to the Company. In addition, the performance of LRT in the first 9 months of 2018 has a net profit of approximately THB 91 million and from the financial projection by the IFA, LRT's performance post 2019 will have a net profit of more than THB 150 million per year.

(2) Risk of impairment of investments

Should the Company finds an indication that there a probably an impairment of investments in NYKT as a result of continued operation losses of NYKT or any changes that negatively impact on operating performance of NYKT, the Company must conduct an impairment testing of such investments. If the Company there is an impairment of investments in NYKT, the Company shall record an allowance for impairment of investments in the statement of financial position, which will result in a decrease in the value of investments in associates. Moreover, the Company shall also record the loss on impairment of investments in associates as expenses in the statement of comprehensive income of the Company immediately, which will result in a decrease in net profit of the Company and its subsidiaries. After the Additional Share Purchase Transaction, the Company will have an increase in shareholding and investments in NYKT, if there is impairment in the value of investments after the Transaction, the impairment will be higher than prior to the Transaction.

However, the management of the Company commented that there are continuous growths of income of LRT from providing terminal service for general cargo which involved with the development of the country's infrastructure and power plants and a rising volume of cars transportation through Laem Chabang Port, as well as the involvement in business administration of the Company's management in accordance with an increased shareholding. Moreover, LRT's customers who will use the berth service to transport their module products have expressed their intention to use the service for the next 3-5 years, which will help LRT to generate stable income. In this regard, the management of the Company believes that LRT's operating results will continue to grow as planned and there will not be any indication of impairment of investments in NYKT. In addition, the performance of LRT in the first 9 months of 2018 has a net profit of approximately THB 91 million, which is higher than a profit in 2018 at THB 69.95 million.

(3) Exchange Rate Risk

As the settlement of purchase value of not more than USD 27.82 million US, or equivalent to THB 922 million (referring to foreign exchange of Bank of Thailand at the rate at THB 33.1325 : USD 1 as of November 6, 2018 which is the last working date prior to the Board of Director's meeting resolution to approve the entering into this transaction), was set in USD, but the Company has a source of fund for payment from the proceeds from the Company's IPO, which are in THB. Therefore, the Company has a risk in case of THB depreciated against USD on the settlement date which will result in an increasing

amount of THB that the Company has to pay. In addition, as of January 15, 2019, such exchange rate is at THB 32.0476 to USD 1.00.

In this regard, the Company has a plan to hedge the exchange rate by purchasing a forward contract accordingly.

(4) Risk of an investment in a holding company

The Additional Share Purchase Transaction has a total investment value of not more than USD 27.82 million, or about THB 922 million. The Company's main objective is to increase an investment proportion in LRT, a Ro/Ro and general cargo terminal operator at C0 Terminal, Laem Chabang Port. The Company's total investment value in LRT can be calculated at USD 44.82 million. However, such Transaction will result in the Company's acquisition of NYKT's shares, which is a holding company. Subsequent to the Transaction, the Company shall hold NYKT's shares in an amount of 1,963,160 shares, representing 49 percent of total shares of NYKT and the Company shall have 3 representative directors of the total of 7 directors. Currently, NYKT holds 100 percent of LRT's shares in which NYKT shall have revenue and profit from LRT's business operation. Should NYKT quits its investment or no longer invests in LRT, this will result in a lack of NYKT's source of revenue and profits, and this Transaction shall not meet the Company's objectives.

However, the IFA is of the opinion that the risk of such event is very low since when considering the draft Shareholders' Agreement of NYKT in Table 1-14 (Part 1 of this report), the sales or discontinuation of investments in LRT is considered as assets disposition, which is considered as a reserved matter. Therefore, the aforementioned action requires to receive half of the votes of directors attending the meeting and the votes from 1 director who represents NYK group and 1 director who represents the Company. In addition, if the matter requires an approval of the shareholders' meeting, such agenda should be considered as a special matter since it relates to changes in management or structure. As a result, the matter must receive unanimous votes of shareholders attending the meeting and entitled to vote. In this regard, when considering the approval of the Board of Directors' meeting and the shareholders' meeting in case of NYKT decides to sell or discontinue investments in LRT, the Company and/or representative directors of the Company must be involved in the vote. Consequently, it is very difficult that the Company or representative directors of the Company shall approve such action.

(5) Risk or impact if the shareholders do not approve the Transaction.

Entering into the Transaction has a key condition specifying that the Company must be approved by the shareholders' meeting of the Company. If the shareholders' meeting of the Company does not approve the Transaction, the Transaction will not occur and it will not cause any adverse effects to the Company and/or the current business operation of the Company since the Company is not required to deposit or warranty in this case and a payment of the purchase price will occur only when the Transaction is successfully completed. In addition, the Transaction is considered as the Company's right in accordance with the Shareholders' Agreement of LRT in which the Company has the right to choose to exercise or not. If the Company does not exercise the right, it will not subject to any penalties.

However, if the shareholders of the Company do not approve the Transaction, this may affect the Company in the future after a transportation volume of cars through Laem Chabang Port increases beyond the capacity of A5 Terminal of the Company. An increased transportation volume shall be transferred to C0 Terminal which results in an increase in revenue of an operator of C0 Terminal, while, an increase in revenue of the Company as an operator of A5 Terminal shall be limited. Therefore, by not entering into the Transaction may be seen as a loss of the Company's investment opportunity to expand its investment in the future.

(6) Risk that may cause a conflict of interest in a RO/RO terminal services business

In Thailand, there are three major port terminals to provide berth services for car exports and imports which located in Laem Chabang Port, including A1 Terminal, A5 Terminal and C0 Terminal. The summaries of three ports are as follow:

Table 2-11: Summary of three berths that provide car loading services at Laem Chabang Port

Terminal	Type of Product ^{1/}	The volume of car loading through the berths between 2013-2017 ^{2/} (Unit)	Utilization of each berth, compared with the capacity of each berth between 2013-2017 ^{2/}	Operator ^{1/ 3/}
A5	Car / General Cargo	926,800 – 989,910	61.79% – 65.99%	Namyong Terminal Public Co., Ltd. (the "Company")
A1	Passenger Ship / Car	197,594 – 220,681	65.86% - 73.56%	NYK Auto Logistics (Thailand) Co., Ltd. which is a company in NYK Group
C0	General Cargo / Car	23,968 – 70,582	2.40% – 7.06%	Laemchabang International Ro-Ro Limited ("LRT") which NKYT owns 100% and after the Additional Share Purchase Transaction, NYK Group and the Company will hold NYKT's shares in the proportion of 51% and 49%, respectively.

Source: 1/ Laem Chabang Port's website

2/ Table 2-4 aforementioned

3/ Laem Chabang Port's website and additionally summarized by the IFA

If considering in Table 2-11, it shows that A1 Terminal of NYK Group, A5 Terminal of the Company, and C0 Terminal of LRT can provide terminal services similarly, which may pose potential conflicts of interest.

Figure 2-1: Location of various port terminals



Source: The Company's website

According to the interviews with the management of the Company, it found that all 3 terminals have different main products for loading and unloading. From the type of product categories shown in Table 2-11 (in Part 2 of this report), A1 Terminal must give priority to passenger ships (i.e. if there is a passenger ship entering the terminal, the terminal shall give way for a passenger ship prior to Ro/Ro ships). A5 Terminal is a key terminal for cars transportation, while, C0 Terminal is a terminal for general cargo. In addition, if considering locations of all 3 terminals (as seen in Figure 3), it can be seen that A5 Terminal is located in the area nearest to an entrance of the route to access to Laem Chabang Port (which allows a cruise line to dock at A5 Terminals as the first terminal with the shortest distance, causing the lowest cost of hiring tug boats), followed by A1 Terminal and C0 Terminal. According to the factors regarding locations and incurred costs, most cruise lines desiring to dock for cars loading and unloading shall choose to use services from A5 Terminal as the first priority, followed by A1 Terminal and C0 Terminal, respectively. It can be seen that the amount of cars loading and unloading through A5 Terminal is the highest. However, if considering in terms of congestion of a transportation volume of cars, it can be

seen that during 2013-2017, A5 Terminal had a transportation volume of cars in a range of 61.79 - 65.79 percent of its capacity, while, A1 Terminal had a transportation volume of cars in a range of 65.86 - 73.56 percent of its capacity. The figures show that the transportation volume of cars of both terminals was almost at the crowded/congested level, according to the fact that PAT will not grant a concession to operate a new Ro/Ro terminal at Laem Chabang Port until the volume of the products transported through the 3 existing Ro/Ro terminals exceed 75 percent of their capacity. In addition, congestion of terminal services usage occurred in a certain period because cruise lines want to get services simultaneously but A5 Terminal is able to accommodate only 3 ships at once. Therefore, it may consider that the terminal services for cars transportation at C0 Terminal in which its transportation volume of cars is in a range of 2.40 - 6.76 percent of its capacity during 2013-2017 shall help support the volume of cars transportation through Laem Chabang Port which will grow in the future, namely C0 Terminal will help alleviate the congestion of A5 Terminal and A1 Terminal.

In this regard, the management of the Company additionally informed that the Company has acknowledged concerns about the conflict of interest and has set the following measures to prevent conflicts of interest that may arise in the future as follows.

1. The Board of Directors shall consider necessity and reasonableness of the transaction, follow up, supervise, and monitor to ensure that there is no conflict against the best interests of the Company. If necessary, the Company shall disclose significant information to shareholders and investors.
2. If the Company decides to operate other terminal service projects which are outside the scope of the project it is concentrating, the Board of Directors shall discuss and decide whether such transactions are beneficial to the Company and are for the best interests of the Company.
3. The Company can proceed through a mechanism under NYKT's regulations for the best interests of the Company, if there is a case of conflict of interest that may arise.

In the event that the Company cannot resolve the abovementioned conflicts, the Company will deem by unfit under the SET's Rules and Regulations with regards: Maintaining the Status of Listing Company in the Exchange, 2001 and not also conforming to the Notification of Capital Market Supervisory Board TorJor 28/2551. The Company has the duty to quickly resolve the conflicts in conformant to the SET's Rules and Regulations and with that of Office of the SEC. Should the Company decides to issue any new securities that seek the Office of the SEC's approval in the near future, the Company needs to resolve this conflicting matters prior receiving the approval from both the SET and the Office of the SEC.

2.4.2 Risks associated with business operations of a company that the Company invests in

Since the Company will have an increase in investment proportion in LRT from 20.00 percent to 49.00 percent of the total shares of LRT, the Company will have higher risks from regular business operations of LRT which can be summarized as follows:

(1) Risk of termination or non-renewal of the main agreements for business operation

Currently, the Company is an indirect shareholder of 20.00 of LRT. After the transaction, the Company's shareholding will increase to 49.00 percent of the total shares of LRT. LRT is a C0 Terminal operator for RO/RO and general cargo. Its operations performed under the Agreement for Investment, Management, and Operation of C0 Terminal at Laemchabang Port, made with the Port Authority of Thailand ("**PAT**"), dated August 29, 2005. Under the terms of the agreement, LRT is allowed to invest, manage, and operate C0 Terminal for delivery / storage and loading / discharging of Ro/Ro, general cargo, and container in which LRT has to pay compensation to PAT in a rate stipulated in the agreement. The agreement period started from September 1, 2005 and will be expired on August 31, 2035 in a total period of 30 years. LRT has the right to renew an agreement for 2 times with a period of 10 years per renewal, depending on the terms and conditions jointly established. In this regard, LRT must submit a request to renew the agreement in writing at least two years prior to an expiration date of the agreement.

The Agreement for Investment, Management, and Operation of C0 Terminal at Laemchabang Port is a long-term agreement. A remaining period of the agreement is approximately 16 years and 6 months (from March 1, 2019) and there is the right to renew for another 20 years. The risk of non-renewal of the agreement is relatively low compared to a short-term agreement. However, the Company still has a risk of business operations if LRT, the Company's associate company, is terminated the agreement by PAT which may significantly affect business operation, financial position,

and operating results of the Company. In the event that LRT breaches the material terms of the agreement which hinders and causes damages to the management and operation of the terminal, PAT has the right to terminate the agreement made with LRT after PAT informs LRT of the cause and LRT cannot resolve within 90 days. In addition, PAT may terminate the agreement at any time by special reasons such as national security, public safety or necessity, government orders or by other similar reasons. In this case, PAT must pay LRT as a tool and equipment, as well as various properties supplied by LRT. However, in the past period, LRT has strictly followed all conditions in the agreement, and has never received any warning letter or penalty notice for a breach of conditions in the agreement.

In addition, according to an interview with the management of the Company and the information disclosed in the Form 56-1 of the Company, for the risks of non-renewal of the agreement at the end of the existing agreement, as well as at the end of period which has been renewed of another 2 times for 10 years per renewal, the Company believes that providing terminal service for car export requires knowledge, expertise, and experience in managing and operating the terminal, as well as, a good relationship with shipping lines and car manufacturers. The Company's major shareholders and management have the expertise and experience in the business for more than 30 years. Furthermore, the Company has consistently developed a good relationship and trust with PAT. Thus, the Company is confident that it is highly possible that it will be able to renew the agreement with PAT after the end of the agreement. Moreover, in November 2018, the Board of Directors of PAT has approved a joint investment with the existing private investor after a termination of A5 Terminal Agreement³ in which the Company is the concessionaire. Therefore, the Company's management believes that LRT shall receive a renewal of the concession agreement as well.

(2) Risk of Tariff Structure and Port Tariff being under control of PAT

Under the terms stipulated in the Agreement for the Investment in Construction, Management and Operation of C0 Terminal, PAT has sole power to determine a tariff structure and port tariff. LRT is not allowed to charge any tariff for terminal services, loading/discharging service, warehouse service and other services within the terminal exceeding the rates announced by PAT. In case of violation, PAT has the right to settle the fine under the agreement.

Furthermore, PAT reserves the rights to change the tariff rates or tariff structure at any time under the Agreement. Nonetheless, from the commencement of the Agreement, PAT has never changed the tariff rates while LRT's service cost may change during the Agreement. If the cost of the business operation is increasing while LRT could not increase its tariff structure to match such the increasing cost, it might affect the financial status and performance of LRT and also affect the financial status of the Company.

However, LRT has made a good effort to control and manage the cost for the efficiency, which results in the stabilized gross profit. The gross profit margin of LRT is in the range of 40.52 - 48.22 percent over the past three years (2015-2017) in which gross profit margin of LRT is at a level close to the Company, which is in the range of 44.39 - 48.71 percent. And LRT has a net profit margin in 2015-2017 at 25.05 percent, 15.87 percent and 38.86 percent, respectively. LRT's net profit margin in 2015 and 2017 was at the level close to the net profit margin of the Company in the year 2015-2017 at 31.59 percent, 27.34 percent, and 27.33 percent, respectively. In 2016, the net profit margin of LRT is relatively low due to LRT having to pay for the retroactive property tax of THB 55 million which is considered as one-time expense. In addition, the management of the Company also commented that PAT tends to increase the tariff in compliance with the operating costs of private sector because the tariff has never been increased for a long time and the opening of bidding for the private sector to jointly invest in the development of Laem Chabang Port Phase 3.

(3) Risk from emerging competitors in the port terminal industry for export and import of cars

Service income from RO/RO loading and discharging is one of the sources of major income of LRT. In 2015 - first 9 months of 2018, such income of LRT to total revenues is in the range of 18.23, 19.66, 22.04, and 15.78 percent, respectively. Therefore, if the competition in the port terminal industry for car export and import increases, it may negatively impact on the financial position and operating results of LRT in the future.

³ "PAT allows private investors to continue investment in LCP Phase 1-2, and also invite to participate a bidding for LCP Phase 3" on May 6, 2018, [siamturakit](#)

At present, there are only 3 Ro/Ro terminals in Thailand that can provide services for the Import and Export of cars which are (1) A1 Terminal (2) A5 Terminal and (3) C0 Terminal. All terminals are located in Laem Chabang Port. In the future, if there are more establishments of Ro/Ro terminals for the export and import of cars, either by the new operators applying for concession from PAT or investment of a private sector in a new deep-sea port, the competition in the terminal industry for the import and export of cars will be increased.

According to an interview with the management of the Company and the information disclosed in the Form 56-1 of the Company, there are 2 main factors that PAT will grant a concession of a new Ro/Ro terminal, including: 1) possibility of an area to be developed as Ro/Ro terminal and 2) number of cars utilized the existing 3 Ro/Ro terminals. PAT will not grant a concession to operate a new Ro/Ro terminal at Laem Chabang Port, until the volume of the products transported through the 3 existing Ro/Ro terminals exceed 75 percent of their capacity. PAT has determined the numbers of cars shipped through all 3 Terminals (A5, A1, and C0), in the total number of cars at 1,850,000 units per year. In 2017, the total number of cars transported through all 3 terminals is 1,216,965 units (according to Lam Chabang Port's website), representing 65.78 percent of the capacity determined by PAT. It can be seen that all 3 terminals still have their high remaining capacity to accommodate the growth of car exports. The Company anticipates that there will be no approval of concession to operate a new Ro/Ro terminal in the near future.

In addition, there is a low possibility for the private sector to invest in a new port since the establishment of a new deep sea port terminal requires a great amount of investment. The location of the terminal is also important considering convenient transportation, neighboring to a production base and supporting area for car storage service. Moreover, the operation of the terminal for the import and export of cars requires high knowledge, expertise and experience in terms of terminal service, yard planning, intermediary in cooperation with car manufacturers, cruise lines, and government agencies involved, etc. Therefore, new entrepreneurs to operate RO/RO terminal service for export and import of car require spending considerable amount of time to build confidence and trust of automobile manufacturers that they can manage effectively, on time, and without any damage caused to cars.

In addition, according to the study of the IFA on the progress of a development project of Laem Chabang Port Phase 3, which plans to construct 5 new terminals (E0, E1, E2, F1, and F2), one of such 5 terminal, E0, is planned to be an RO/RO terminal for car transportation. Currently, it is in the process of selecting a private sector for a joint-investment under the Public Private Partnership program. For F Terminals (F1 and F2), they are expected to sign an agreement with a private operator within March 2019, with a concession period of 35 years. In this regard, PAT forecast that F Terminals for container transportation will be launched no later than in 2025. The construction plan is divided into: infrastructure construction for 3 years (2019-2021), as well as terminal construction and transportation equipment installment for 3 years (2021-2023). For E Terminals, according to the preliminary study, it is planned to launch E1 Terminal in 2030 and E2 Terminal in 2034. There is no for launch for E0⁴. According to the aforementioned information, it shows that the risk of emerging new competitors in the near future is very low because PAT still has no plans to open new terminals for RO/RO loading and discharging. Moreover new terminals are required relatively long construction time (approximately 5 years) prior to launch. If E0 Terminal is to be launched, it should be in a period that E1-E2 Terminals have launched during 2030-2034, the impact on C0 Terminal will be low since the concession of C0 Terminal will be expired in 2035 (if not renewed).

2.5 Comparison of Advantages and Disadvantages between Transaction Made with the Connected Person and Transaction Made with External Party, Necessity to make Transaction with Connected Persons, and Reasons that the Company does not Make Transaction with External Party

Prior to this transaction, the Company has not received any offer or conditions for the transfer of the business in the same manner. Therefore, this transaction, currently, is the best available terms and conditions for the Company.

⁴ Development project of Laem Chabang Port Phase 3
http://www.laemchabangportnew.com/attachments/article/1929/081061_pro2.pdf

2.5.1 Benefits and advantages of entering into the transaction with the connected person, compared with the non-connected person

- (1) This additional investment will provide the Company an opportunity to receive unappropriated retained earnings of LRT in an increasing proportion.

In reference to the Shareholders' Agreement of LRT, the shareholders of LRT had agreed not to pay dividends until the Company to exercise its right for additional investment in LRT. According to questioning the management of the Company, since the Company has invested in LRT in 2012, LRT has never paid dividends to shareholders. As of September 30, 2018, LRT has retained earning of THB 467.26 million. The IFA has calculated unappropriated retained earnings (which can be used to pay dividends), according to Table 2-6 above, it shows that if the Company increases its investment in LRT from 20 percent to 49 percent, the Company will receive increased dividends (if all unappropriated retained earnings are used to pay dividends) from THB 89.25 million to THB 218.67 million, or increased by THB 129.42 million.

- (2) This Transaction is an investment at the purchase value close to the value of the investment of the Company in the previous 5 years (in 2012), which is much lower than the current value of the investment.

Entering into this transaction to exercise right to purchase additional shares with a total amount of investment shall not be more than USD 27.82 million, including the purchase price of NYKT's shares of not lower than USD 24.65 million and interest expense until the date that the Company exercise its right to purchase shares of not more than USD 3.17 million. In reference to the Shareholders' Agreement of LRT, the purchase value paid to acquire NYKT's shares in order to increase the shareholding in LRT of another 29 percent of not less than USD 24.65 million is calculated from the value of an investment in the total shares of LRT in an amount of USD 85 million, which is the same value used to determine the value of investment that the Company invested in LRT of 20 percent in 2012.

In addition, when comparing to a construction investment of a new terminal in Lam Chabang Port, including the development of Laem Chabang Port Phase 3, which has a total investment of approximately THB 110 billion, divided into an infrastructure investment of THB 50 billion by Port Authority of Thailand and another investment of THB 60 billion would be opened to private sector in 5 terminals, consisting of E0, E1, E2, F1 and F2 Terminal. When comparing between the new investment and the continued investment of the Company as specified in a Table 2-9 above, it can be seen that the value of this Transaction of approximately THB 922 million is much lower than the value of the investment in a new terminal of around THB 1,641 million.

- (3) This Transaction will allow the Company to have an increase in a joint investment proportion with NYK Group. This Transaction will also strengthen relationship with NYK Group, which is one of the leading and oldest world-class cruise line business operators, having good relationship with automobile manufacturers in Thailand, which are main customers of the Company. Currently, NYK is the listed company in Japanese Stock Exchange with 2018's total revenue of JPY 2.18 trillion and market capitalization as of January 16, 2019 of JPY 303,038 million. NYK Group operates business relate to transportation and shipping around the world which makes the relationship with NYK Group can help the Company create an opportunity to expand investment related to Terminal from being an alliance with NYK Group.

2.5.2 Disadvantages of entering into the transaction with the connected person, compared with the non-connected person

By entering into the Connected Transaction in which the transaction size is more than 3 percent of the net tangible assets of the Company, the Company must comply with the Connected Transactions Notification which causes additional costs related to an appointment of the Independent Financial Advisor (IFA) to provide an opinion to the shareholders of the Company and the arrangement of the shareholders' meeting.

Part 3: Opinion of Independent Financial Advisor on Appropriateness of Transaction Price and Terms of Transaction

In considering the appropriateness of the Transaction Price, the IFA used the information obtained from the Company, as well as interviews with the management of the Company, documents received from the Company such as assumptions used in the preparation of projection, contracts related to the Transaction, audited or reviewed financial statements, and documents relevant to the Transaction. In addition, the IFA also used information disclosed to the public such as Annual Registration Statements (Form 56-1), audited or reviewed financial statements, financial information from various websites, and information that the Company, NYKT, and LRT disclosed to the public on the SEC's website (www.sec.or.th) and the SET's website (www.set.or.th), as well as a study of business and financial information of other comparable companies, etc.

However, the IFA's opinions are based on the assumptions that the aforementioned information and documents are complete, comprehensive, correct as well as current when considering the available information. Any significant changes to those factors may impact NYKT's operation and valuation as well as the shareholders' decision to determine the fairness of the Transaction Price.

The preparation of the report will cover (1) the appropriateness of the Transaction Price, and (2) the appropriateness of terms of the Transaction.

3.1 Appropriateness of Transaction Price

The IFA has determined NYKT's fair valuation by using the following five approaches:

3.1.1 Book Value Approach

3.1.2 Adjusted Book Value Approach

3.1.3 Market Price Approach

3.1.4 Market Comparable Approach

1. Price to Book Value Approach : P/BV Ratio
2. Price to Earning Ratio Approach : P/E Ratio

3.1.5 Discounted Cash Flow Approach: DCF

These valuation approaches can be summarized as follow;

3.1.1 Book Value Approach

This valuation approach shows the overall NYKT's equity value at any point of time. As for the valuation of NYKT by this book value approach, NYKT's value is based on the pro forma financial statements as of September 30, 2018 which was prepared by the Company to demonstrate the overall financial status of NYKT before the Transaction. NYKT was recently established on September 17, 2018 from the merger in order to restructure the shareholding between Sapphire RoRo (Thailand) Limited ("**SRT**"), a subsidiary of the Company, and Global Cargo (Thailand) Limited ("**GCT**"), a company wholly owned by NYK Group. In this regard, the pro forma financial statements of NYKT as of September 30, 2018 are the financial statements prepared by consolidating financial statements of SRT and GCT (For details regarding the pro forma financial statements of NYKT, please refer to Table B-3, Page 4 of Appendix 2 of this Report).

Under this approach, the fair equity value is calculated from the shareholders' equity based on the pro forma financial statements of NYKT. The calculation is shown as follow:

Table 3-1: Calculation of the fair valuation of NYKT using Book Value Approach

Details	September 30, 2018 (Pro Forma) THB Million
Issued and paid-up capital ^{1/}	400.64
Deficit from business combination under common control	(12.75)
Surplus on valuation of investments from business combination under common control	(140.90)
Retained earnings	433.49
Total Shareholders' Equity of NYKT	680.48
Book Value of NYKT in proportion to 29% Shareholding	197.34

Source: Pro forma financial statements as of September 30, 2018 as prepared by the Company

Remark: 1/ Number of issued and paid-up shares of NYKT is 4,006,449 shares

According to the book value approach, the equity value of NYKT is equivalent to THB 680.48 million (or THB 169.85 per share). By entering into this Transaction, the Company will acquire NYKT's shares in a proportion of 29 percent of the total shares of NYKT, representing a value of **THB 197.34 million**.

This approach reflects NYKT's operating results and financial position as of September 30, 2018 only and does not reflect current market value of assets. It also does not reflect NYKT's profitability in the future and NYKT's competitiveness. Therefore, the IFA is of an opinion that this valuation approach does not reflect the appropriate value of NYKTs' equity.

3.1.2 Adjusted Book Value Approach

The adjusted book value approach is calculated from the company's total assets deducted by the total liabilities including the commitments and contingent liabilities based on the financial statement as of September 30, 2018 and adjusted by the items that occurred after the financial statements have been done or items that affect and result in an increase in book value. The aforementioned items include items such as increase or decrease in revaluation of the Company's assets which have not been booked in the financial statements; reversal of allowance of doubtful account or bad debt, tax saving from losses carries forward, the contingent liabilities from legal cases, and etc. The purpose of the adjustments is to reflect the fair market value of the company's assets.

Based on the pro forma financial statement of NYKT as of September 30, 2018 as per the table below, the IFA found that the majority of assets of NYKT are current assets (75.51% of total assets), which mainly is cash and cash equivalents, as well as short-term investments in fixed deposits. The IFA therefore does not make any adjustments under this approach. The equity value of NYKT in proportion to 29% of total shares of NYKT under adjusted book value approach thus equals to its book value of **THB 197.34 million**.

Table 3-2: Pro Forma financial statement of NYKT as of September 30, 2018

Balance Sheet (Unit in THB Million)	September 30, 2018 (Pro Forma)
Cash and cash equivalents	498.94
Trade and other receivables	8.52
Other current assets	33.23
Total current assets	540.69
Concession improvements, buildings and equipment	175.36
Total Assets	716.06
Total liabilities	35.57
Total shareholders' equity	680.49
Total liabilities and shareholders' equity	716.06

Source: Pro forma financial statements of NYKT as of September 30, 2018 as prepared by the Company

3.1.3 Market Price Approach

This approach takes into consideration the demand-supply sides in the stock market (SET) using the historical trading prices of NYKT at various periods. The IFA considered the SEC's ruling i.e. the volume weighted average price of the (Market capitalization of listed securities/ its trading volume) based on the 7-15 business days prior to the Company's BOD resolution to enter into this Transaction.

Nevertheless, NYKT is a non-listed company; the IFA cannot determine the fair valuation under market price approach.

3.1.4 Market Comparable Approach

The market comparable approach is an assessment of NYKT's fair value by comparing market trading prices traded on the SET based on the assumption that companies in the same industry which have the same business characteristics and operate in similar market conditions shall have close market values. In this regard, the IFA has selected a group of comparable companies: companies that operate as a port terminal service operator for loading / discharging of cargo in Thailand and/or companies that are holding companies investing in companies that operate port terminal service business for loading / discharging of cargo in Thailand.

According to the study of the SET's listed companies in transportation & logistics sector, the IFA is of an opinion that there is one listed company can be used as a comparable company to NYKT ("**Comparable Company**"), which is Namyong Terminal Public Company Limited ("**NYT**" or "**the Company**"). Because it is the only one company that has a revenue proportion from providing terminal services and other related services of more than 50 percent of total revenue. In the first 9 months of 2018 and 2017, the proportion of service income from terminal service and other related services were 80.71% and 81.55 % of total revenues, respectively. In addition, the Company also holds shares of companies that operate terminal services at Laem Chabang Port which is the same as NYKT.

The IFA selects the period for relevant calculation starting from November 25, 2013 - November 6, 2018 (approximately a 5-year period). The market value should be reflecting in the covered periods as the Company (the Comparable Company) was traded on the Stock Exchange of Thailand since 5 years ago.

3.1.4.1 Price to Book Value Approach: P/BV Ratio

Under this approach, the fair valuation of NYKT's equity is based on NYKT's book value from the pro forma financial statement of NYKT dated September 30, 2018 multiplied by P/BV multiple of NYKT's comparable company.

The P/BV multiple from its comparable company within the 7 business days, 15 business days, 30 business days, 60 business days, 90 business days, 180 business days, 360 business days, and since the Company listed on the SET prior to November 6, 2018 (one day prior to the Board of Director's meeting No. 5/2018 to be approved to propose the Transaction at the EGM No. 1/2019 for entering into this Transaction) as shown in the following table:

Table 3-3: P/BV multiples of comparable company prior to November 6, 2018

	P/BV (x)								
	7-Day	15-Day	30-Day	60-Day	90-Day	120-Day	180-Day	360-Day	Since NYT listed on the SET ^{1/}
The Company	1.73 x	1.72 x	1.71 x	1.74 x	1.76 x	1.76 x	1.82 x	1.93 x	2.39 x

Source: Bloomberg and summarized by the IFA

Remark: 1/ The Company was listed and traded on the SET since November 25, 2013.

The mean P/BV multiples of a comparable company are in the range of **1.71 – 2.39 times**.

The following table shows the calculation of NYKT's value by using P/BV multiples from the comparable company:

Table 3-4: Calculation of NYKT's fair value using Price to Book Value approach (P/BV)

		Minimum of the range	Maximum of the range
NYKT's equity value ^{1/}	(THB Million)	680.48	680.48
P/BV Multiple	(times)	1.71	2.39
Fair Value of NYKT	(THB Million)	1,163.62	1,626.35
Fair Value of NYKT in proportion to 29% Shareholding	(THB Million)	337.45	471.64

Remark: 1/ Referred to information in Table 3-1: Calculation of the NYKT's equity value by using Book Value Approach

The fair valuation calculated from the market comparable approach by using P/BV ratio from a comparable company is in the range of THB 1,163.62 – 1,626.35 million. In this regard, after the Additional Share Purchase Transaction, the Company will acquire additional NYKT's shares in a proportion of 29% of the total shares of NYKT, representing a total value of **THB 337.45 - 471.64 million**.

3.1.4.2 Price to Earnings Ratio Approach: P/E Ratio

Under this approach, the fair valuation of NYKT's equity is based on NYKT's trailing twelve months earnings multiplied by P/E multiple of NYKT's comparable company.

P/E ratio from its comparable company within the 7 business days, 15 business days, 30 business days, 60 business days, 90 business days, 180 business days, 360 business days, and since the Company listed on the SET prior to November 6, 2018 (one day prior to the Board of Director's meeting No. 5/2018 to be approved to propose the Transaction at the EGM No. 1/2019 for entering into this Transaction) as shown in the following table:

Table 3-5: P/E multiples of comparable compare prior to November 6, 2018

	P/E (x)								
	7-Day	15-Day	30-Day	60-Day	90-Day	120-Day	180-Day	360-Day	Since NYT listed on the SET ^{1/}
The Company	15.40 x	15.29 x	15.24 x	15.73 x	15.95 x	16.27 x	17.11 x	18.45 x	21.91 x

Source: Bloomberg and summarized by the IFA

Remark: 1/ The Company was listed and traded on the SET since November 25, 2013

The mean P/E multiples of a comparable company are in the range of **15.24 – 21.91 times**.

The following table shows the calculation of NYKT's value by using P/E from the comparable company.

Table 3-6: Calculation of NYKT's fair value using Price to Earnings Ratio Approach (P/E)

		Minimum of the range	Maximum of the range
Trailing twelve months earnings ^{1/}	(THB Million)	100.41	100.41
P/E Multiple	(times)	15.24	21.91
Fair Value of NYKT	(THB Million)	1,530.25	2,199.98
Fair Value of NYKT in proportion to 29% Shareholding	(THB Million)	443.77	638.00

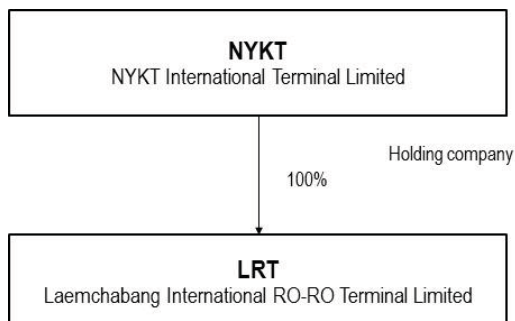
Remark: 1/ Information of trailing twelve months earnings of NYKT ended September 30, 2018 (October 1, 2017 – September 30, 2018) as calculated by the Company

The shareholders equity calculated from the market comparable approach by using P/E ratio from a comparable company is in the range of THB 1,530.25 – 2,199.98 million. In this regard, after the Additional Share Purchase Transaction, the Company will acquire additional NYKT's shares in a proportion of 29 percent of the total shares of NYKT, representing a total value of **THB 443.77 - 638.00 million**.

3.1.5 Discounted Cash Flow Approach: DCF

In determining the fair value of NYKT by using discounted cash flow approach, the IFA considered using sum-of-the-parts valuation approach, which is derived from the sum of the fair value of each company as shown in a diagram below:

Figure 3-1: Shareholding structure of NYKT and its subsidiaries



C0 Port Terminal Operator at Laem Chabang Port Terminal

Source: The Company and summarized by the IFA

Valuation of the fair value of NYKT by discounted cash flow approach, by using the sum-of-the-parts approach is a separate valuation by taking into account the profitability in the future of each company separately in order to reflect the fair value based on fundamentals of each company. Key assumptions used in a preparation of financial projections of NYKT and subsidiaries can be summarized as followings.

NYKT is a company engaged in the business of holding shares in other companies (Holding Company), which currently holds shares of LRT (only one company). The source of revenue and earnings of NYKT derives solely from the operation performance of LRT. Valuation by using DCF will thus take into account the future operating results of LRT, and calculating the present value of projected net cash flows of LRT with an appropriate discount rate. In this regard, the IFA has derived the weighted average cost of capital (WACC) to be used as a discount rate and calculate the net cash flow from a financial projection of LRT for the next 16 years and 6 months (from March 1, 2019 to August 31, 2035). The calculation is based on LRT's continued business operation basis (on-going concern basis) in accordance with the remaining period of the Agreement for Investment, Management, and Operation of C0 Terminal at Laem Chabang Port, without significant changes occurred and under current economic situation. The fair valuation of NYKT is later calculated using the sum-of-the-part valuation, taking into consideration the discounted cash flows of LRT - DCF Method and add other assets of NYKT (in this case, there is only cash at NYKT) to derive the fair valuation of NYKT.

The IFA has conducted a financial projection of LRT based on information and assumptions received from LRT and the Company, as well as interviews with the management and relevant staff for the purpose of valuating the fair value of LRT's ordinary shares only. It cannot be used as a reference valuation for any purpose other than those mentioned above. In this regard, should there be any economic conditions and other external factors that affect LRT's operations, as well as internal situation of LRT change significantly from the assumptions given, the projected fair value in accordance with this approach will change as well.

LRT is a C0 Port Terminal operator in which its main revenues consisting of:

- (1) Port Terminal services consist of service to shipping lines for the use of berth in docking their vessels at berth (Berth Hire), service to shipping lines for the use of berth in moving cars (or cargo) on and off vessels (Wharfage), service to exporters / importers for moving cars (or cargo) within the terminal (Wharf Handling), and service to exporters / importers / shipping lines for short-term car or cargo storage at the terminal (Short-term Storage).
- (2) Other services related to the core business, including equipment rental and car cleaning before import or export.

C0 Port Terminal has a capacity in handling vehicles up to 1 million units per annum.

The financial projection of the IFA is based on historical information, business plans of LRT, and projections from the management of the Company and LRT, as well as the overview of related industries. Key assumptions of the financial projection of LRT can be summarized as follows:

(1) Revenue Structure

There are 3 types of revenues for LRT, namely: service revenues, interest revenues and other revenues. The IFA conducts the projection for the service revenue only and estimates that LRT will not be having any future interest income or other revenues. The interest income was previously derived from the retained earnings that have not been paid out as dividends and these funds are currently invested in savings and/or investments. It is anticipated that LRT will be paying dividends to all shareholders post this Transaction; the interest income will be significantly reduced.

Revenue structure of LRT can be classified by type of product or services as follows;

Table 3-7: Revenue structure of LRT during 2015 – first 9 months of 2018

Service Revenue from	Y2015		Y2016		Y2017		First 9 months of Y2018		Annual Growth Rate 2013-2018
	THB Million	%	THB Million	%	THB Million	%	THB Million	%	%
1. Ro-Ro	53.35	18.23	60.90	19.66	61.61	22.07	45.09	15.78	7.47
2. General Cargo	127.17	43.47	121.64	39.26	163.92	58.71	191.45	67.01	13.53
3. Module	106.44	36.38	98.05	31.64	16.63	5.96	2.60	0.91	(60.47)
4. Passenger	2.18	0.75	0.37	0.12	3.00	1.07	3.01	1.05	17.16
5. Other Service Revenue	3.43	1.17	28.90	9.33	34.05	12.19	43.56	15.25	215.20
Total Service Revenue	292.57	100.00	309.85	100.00	279.21	100.00	285.70	100.00	(2.31)

Source: The Company

(For pictorial illustration regarding type of business/product serviced by LRT, please refer to Appendix 3 of this Report).

In preparation of a financial projection, the IFA has key assumptions of revenue which can be summarized as follows:

1.1 Revenue from Ro-Ro

This is a provision of port terminal services for import and export of cars in a format of Roll-on Roll-off (“**Ro-Ro**”) to automotive manufacturers, which is similar to services presently provided by the Company at A5 Terminal.

Revenue from terminal services is collected from automotive manufacturers and shipping lines. Revenue collected from car manufacturing companies, including wharf handling services, is calculated based on Revenue Ton (“**RT**”) (RT unit is the weight in metric tons or volume in cubic meter whichever higher shall be used to calculate the tariff). The revenue earned from providing area to receive goods and to store the cars prior to exportation or importation, shall be collected on daily basis if the vehicles park or store exceeding the given free time. The revenue collected from shipping lines comprises of income from berth hire services which is collected when the vessel is docked at the terminal on an hourly rate, and income from wharfage when loading/unloading goods, the tariff rate of which shall be calculated per RT.

Key parameters in the projection of revenue from Ro-Ro come from the number of cars expected to use terminal services for transportation at C0 Terminal. The management of LRT and the Company projected that during 2019 there will be a number of cars transported through C0 Terminal of 100,000 units and will grow steadily to 500,000 units in 2029 because C0 Terminal will support and accommodate a growing number of cars transported through Laem Chabang Terminal and A5 Terminal. Moreover, the management of LRT and the Company projects that the number of cars transporting through A5 Terminal will be growing from these factors, namely: 1) the growth in demand of car sales internationally; 2) the recovery of car market from the Middle East, there used to be a movement of approximately 225,000 units per year and dropped substantially to 77,000 units in 2017 for the reason of falling oil prices. There was a recovery in this market in 2018 with an increase of 17.7% in the first eleven months of 2018 (The number of car transporting is back to its norms at 225,000 units in 2019. The numbers of vehicles

transporting through three port terminals in 2019 is projected at 1.36 million units) ; 3) the import volume as well as the transshipment for the re-export to other countries is still at the rising trend; 4) the export of new brands of cars (which have not previously exported) include MG, SUBARU and PROJEN, etc.; and (5) the rise in export volume of existing car brands with newer models such as Nissan Note, Nissan Terra, Ford Raptor, Toyota CH-R, etc., and; (6) international standard energy saving car project Phase 2 (or Eco-Car Project Phase 2) in which at present there are many manufacturers who are interested in participating in the project and are expected to manufacture approximately 700,000 units per year in which 50% of such production will be for export. However, A5 Terminal can handle car transportation of up to 1,500,000 units per year. The numbers of cars transported through A5 Terminal during 2015-2017 were 985,185 units, 989,907 units, and 946,769 units¹, accounting for the utilization rate of 65.68 percent, 65.99 percent, and 63.12 percent of the maximum capacity of A5 Terminal, respectively. According to the estimate of Market Sounding 1 Document prepared by Roland Berger, a consultant of project feasibility in economic, engineering, and environment, as well as design for a construction of Laem Chabang Phase 3², the volume of car imports and exports through Laem Chabang Port will be 1.5 million units in 2020, 1.9 million units in 2025, and 2.3 million units in 2030 respectively.

The IFA is of the opinion that the estimates by the management for the number of cars transporting via C0 Terminal at 100,000 – 500,000 units are reasonable for the following reasons:

- 1) The volume of car transportation at C0 Terminal is projected between 100,000 – 500,000 units per annum (or at the utilization rate between 10 – 50% of C0 Terminal's maximum handling capacity). The projected capacity is much lower when compared to A5 Terminal's utilization rate at 61.79 - 65.79% (during 2013 – 2018) and also lower than that of A1 Terminal's utilization rate at 65.86 – 73.56% (during 2013 – 2018).
- 2) The increase in the projected volume of car transportation at C0 Terminal attributed by two key determinants, namely:
 - 2.1) The IFA uses the projected volume of car transportation through 3 port terminals in Laem Chabang from the report of Roland Berger. The aforementioned report is a feasibility study conducted to by undertaking the economic, engineering, environmental as well as the layout of Phase 3 Laem Chabang port. The report shows that the volume of car transportation via existing terminals will stand at 1,400,000 units in 2019 and increases to 2,300,000 units in year 2030. The average annual growth rate from 2018 – 2030 (1,216,955 units to 2,300,000 units respectively) is 5.02% which is line with the historical growth rate at 5.87% as shown in Table 3-8 below. Based on the numbers given in the same table, the rise in the volume over 2013 – 2014 were attributed by Eco-Car Phase 1. This leads to an affirmation that the current Eco-Car Phase 2 should result in a similar drive in the volume surge. Moreover, the attributes as given by the management of the Company in earlier paragraph also support the volume growth as projected in the study by Roland Berger.
 - 2.2) The IFA finds that there is a reasonableness to support the growth in the projected volume of car transportation via Port Terminal C0. The IFA uses the total projected volume based the reasons given in 2.1 and proportionate the volume share among three port terminals (A5, A1 and C0) according to their historical volume flows (as shown in Table 3-8). The historical proportionated volume of each terminal in relative to the total volume is thus used as projected allocation as shown in Table 3-9, row (2) to (4) accordingly. C0 Terminal is the port terminal that alleviates the overcrowding traffic volume at A5 Terminal and A1 Terminal. Based on the Company's Annual Registered Statements (Form 56-1), it shows that PAT shall not consider opening a new Ro/Ro terminal in Laem Chabang Port unless the utilization rate of three existing terminals exceed 75% of the maximum handling capacity, which also implies that all three existing terminals are overcrowded. The IFA thus uses 75% capacity as the threshold benchmark for each port terminal. Should either projected volume at A5 Terminal A5 or A1 Terminal exceeds the 75% threshold level; the spillover from each terminal will be going to Terminal C0. The resulting figures or the net effects are shown in row (7) in Table 3-9. When comparing these calculated figures with row (8) – the estimates by the management of the Company, it shows that the estimates in row (8) are lower than the net effects shown in row (7) in all projected periods except for only year 2019. It can thus concludes that the estimates by the management are reasonable when take into the considerations: the study by Roland Berger, as well as the utilization rates of

1 Reference to 2017 Annual Report of the Company, Page 70, Table showing the number of cars transported through the Company's Terminal during 2015-2017

2 Laem Chabang Phase 3 Market Sounding #1 prepared by Roland Berger, May 2018
<http://laemchabangportphase3.com/files/Presentation/03Presentation.pdf>

A5 Terminal at 72.79 -100.00%, A1 Terminal at 69.41-100.00% whereas C0 Terminal at 10.00-50.00%.

Table 3-8: Number of vehicles imported and exported through Laem Chabang Ports

Volume of car transportation <i>Unit: no. of vehicles</i>	2013	2014	2015	2016	2017	2018	Annual Growth Rate 2013-2018
Via 3 Laem Chabang Ports ^{1/}	914,970	1,198,010	1,188,098	1,245,372	1,269,649	1,216,955	5.87%
Via A5 Terminal ^{2/}	880,197	926,800	948,250	985,190	989,910	946,770	1.47%
Via A1 Terminal ^{2/}	34,773	214,662	215,880	197,594	220,681	199,613	44.19%
Via C0 Terminal ^{2/}	2,750	56,548	23,968	62,588	59,058	70,582	91.37%
Proportion of each port terminal relative to total combined volume <i>in %</i>							Annual Growth Rate 2013-2018
Via A5 Terminal	96.20%	77.36%	79.81%	79.11%	77.97%	77.80%	81.37%
Via A1 Terminal	3.50%	17.92%	18.17%	15.87%	17.38%	16.40%	14.87%
Via C0 Terminal	0.30%	4.72%	2.02%	5.03%	4.65%	5.80%	3.75%

Source: 1/ Website of Laem Chabang Terminal

2/ The Company and the Annual Registration Statements (Form 56-1) of the Company

3/ Calculated by the IFA

Table 3-9: Projected Number of vehicles imported and exported through Laem Chabang Ports in 2019 - 2030

Volume of car transportation <i>Unit: no. of vehicles</i>	75% of maximum handling capacity ^{1/}	2019	2020	2021	2022	2023
(1) Via 3 Laem Chabang Ports ^{2/}		1,400,000	1,500,000	1,600,000	1,700,000	1,800,000
(2) Via A5 Terminal ^{3/}	1,125,000	1,139,243	1,220,618	1,301,993	1,383,367	1,464,742
(3) Via A1 Terminal ^{3/}	225,000	208,223	223,096	237,969	252,842	267,716
(4) Via C0 Terminal ^{3/}	750,000	52,535	56,288	60,040	63,793	67,545
Spillover from 75% of maximum handling capacity						
(5) Via A5 Terminal [(2) – 1,125,000]		14,243	95,618	176,993	258,367	339,742
(6) Via A1 Terminal [(3) – 225,000]		(16,777)	(1,904)	12,969	27,842	42,716
(7) Net volume via C0 Terminal ^{4/}		66,779	151,906	250,002	350,002	450,002
(8) Estimates by the Company ^{5/}		100,000	150,000	210,000	273,000	327,600

Remarks: 1/ Maximum capacity that each port terminal can handle are namely: A5 Terminal (1.5 million units), A1 Terminal (0.3 million units) and C0 Terminal (1.0 million units).

2/ Projection taken from Laem Chabang Phase 3 Market Sounding #1 prepared by Roland Berger, May 2018

3/ The IFA projects that each port terminal (A5, A1 and C0) will be handling at the average of 81.37%, 14.87% and 3.75% to the total projected volume.

4/ There will be a spillover from A5 and A1 Terminal should they are handling above 75% of their respective maximum handling capacity.

5/ The estimates that are used by the IFA in this section of the report.

Table 3-9: (Continued)

Volume of car transportation <i>Unit: no. of vehicles</i>	2024	2025	2026	2027	2028	2029	2030
(1) Via 3 Laem Chabang Ports ^{1/}	1,850,000	1,900,000	1,950,000	2,000,000	2,150,000	2,200,000	2,300,000
(2) Via A5 Terminal ^{2/}	1,505,429	1,546,116	1,586,803	1,627,491	1,749,552	1,790,240	1,871,614
(3) Via A1 Terminal ^{2/}	275,152	282,589	290,025	297,462	319,771	327,208	342,081
(4) Via C0 Terminal ^{2/}	69,422	71,298	73,174	75,050	80,679	82,555	86,308
Spillover from 75% of maximum handling capacity							
(5) Via A5 Terminal	380,429	421,116	461,803	502,491	624,552	665,240	746,614

Volume of car transportation <i>Unit: no. of vehicles</i>	2024	2025	2026	2027	2028	2029	2030
(6) Via A1 Terminal	50,152	57,589	65,025	72,462	94,771	102,208	117,081
(7) Net volume via C0 Terminal ^{3/}	500,003	550,003	600,003	650,003	800,003	850,003	950,003
(8) Estimates by the Company ^{4/}	360,360	396,396	436,036	457,837	480,729	500,000	500,000

Remarks: 1/ Projection taken from Laem Chabang Phase 3 Market Sounding #1 prepared by Roland Berger, May 2018

2/ The IFA projects that each port terminal (A5, A1 and C0) will be handling at the average of 81.37%, 14.87% and 3.75% to the total projected volume.

3/ There will be a spillover from A5 and A1 Terminal should they are handling above 75% of their respective maximum handling capacity.

4/ The estimates that are used by the IFA in this section of the report.

The number of cars transported through LRT's C0 Terminal during 2016-2017 and in the first 10 months of 2018 are shown in the following table:

Table 3-10: Number of cars transported through C0 Terminal of LRT during 2016 – 2017 and in the first 10 months of 2018

<i>Unit: Number of car or Revenue Ton</i>	Y2016	Y2017	First 10 Months of Y2018	Historical Average ^{1/}	Average proportion to the number of cars imported and exported
Number of cars imported	3,539	1,056	701	1,869	3%
Imported volume based on RT / car	42.0	44.5	47.1	47.2	
Number of cars exported	55,519	69,526	45,435	60,169	97%
Exported volume based on RT / car	13.8	14.2	15.7	15.4	
Total number of import and export car	59,058	70,582	46,136	62,039	100%

Source: The Company

Remark 1/ Calculated by finding the average monthly value of the last 34 months (from 2016 to the first 10 months of 2018) and annualize the figure.

According to the table above showing a 2019-2035 projection, the proportions of the number of cars imported and exported equal to 3 percent and 97 percent of the total number of cars imported and exported, respectively. Such figures are based on the average proportion of historical data. The projected tonnage for import car and export car at 47.2 RT and 15.4 RT respectively are also based on the historical average.

For service income, which is calculated per RT is consisting of: (1) wharf handling tariff; (2) income from wharfage when loading/unloading goods; (3) storage tariff based on the rate set by PAT ³ depending on type and weight of cargo loading and unloading. At present, the average service rate of imported RO-RO is THB 110.70 per Register Tonnage or "RT" and the average service rate of exported RO-RO is THB 48.70 per RT. In this regard, the IFA has adjusted such service rate to be increased at a rate of 3% per annum in which the adjustments will be in 2022 and 2032, according to the projections of the management of the Company. The IFA is of the opinion that the estimates by the management is reasonable for the projected the average service rate of imported RO-RO is THB 110.70 per and the projected average service rate of exported RO-RO is THB 48.70 per RT as they close to the historical average rate and according to the published rate by PAT. The adjustments of 3% per annum are also reasonable for it is in line with inflation rate. Moreover the costs of business operation increase gradually every year, it is most likely that PAT will make change in tariff rate in order to reflect operating costs of operators.

Other income from Ro-Ro consists of tariff for service to shipping lines for the use of berth in docking their vessels at berth (Berth Hire) based on the rate per GRT set by PAT and service income from storage space and warehouses.

3 Reference to the announcement on the website of the Port Authority of Thailand ("PAT")

Tariff of Laem Chabang Port <http://www.laemchabangportnew.com/th/2013-12-25-04-36-26.html>

The announcement of tariffs: (1) wharf handling tariff at No. 105, (2) wharfage tariff at No. 201, and (3) storage tariff at No. 204.

Table 3-11: Projection of LRT's revenue during year 2019 - 2035

Unit: THB Million Calendar Year	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
Year (Post Transaction)	1 ^{1/}	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17 ^{2/}
1. Revenue from Ro-Ro																	
No. of car	100,000	150,000	210,000	273,000	327,600	360,360	396,396	436,036	457,837	480,729	500,000	500,000	500,000	500,000	500,000	500,000	500,000
RT (in metric tons)	1,635,400	2,453,100	3,434,340	4,464,642	5,357,570	5,893,327	6,482,660	7,130,926	7,487,473	7,861,846	8,177,000	8,177,000	8,177,000	8,177,000	8,177,000	8,177,000	8,177,000
Revenue from inbound	15.68	23.51	32.92	55.63	66.76	73.44	80.78	88.86	93.30	97.97	101.90	101.90	101.90	122.28	122.28	122.28	122.28
Revenue from outbound	72.85	109.28	152.99	258.55	310.26	341.29	375.41	412.96	433.60	455.28	473.53	473.53	473.53	568.24	568.24	568.24	568.24
Total revenue	88.53	132.79	185.91	314.18	377.02	414.72	456.20	501.82	526.91	553.25	575.43	575.43	575.43	690.52	690.52	690.52	690.52
Other revenue	9.17	14.00	19.92	29.83	36.32	40.54	45.26	50.57	53.95	57.56	60.82	61.82	62.85	69.41	70.50	71.63	72.79
Total Revenue -RO-RO	97.70	146.79	205.83	344.01	413.34	455.26	501.46	552.39	580.86	610.81	636.25	637.25	638.28	759.93	761.02	762.15	763.31
2. Revenue from General Cargo																	
RT (in metric tons)	2,100,636	2,600,000	2,330,000	2,060,000	2,060,000	2,018,800	1,978,424	1,938,856	1,900,078	1,862,077	1,862,077	1,862,077	1,862,077	1,862,077	1,862,077	1,862,077	1,862,077
Revenue - inward cargo	130.96	162.09	145.26	166.95	166.95	163.61	160.34	157.13	153.99	150.91	150.91	150.91	150.91	181.10	181.10	181.10	181.10
Revenue - outward cargo	43.02	53.25	47.72	54.85	54.85	53.75	52.68	51.62	50.59	49.58	49.58	49.58	49.58	59.49	59.49	59.49	59.49
Total revenue	173.98	215.34	192.98	221.80	221.80	217.36	213.01	208.75	204.58	200.49	200.49	200.49	200.49	240.59	240.59	240.59	240.59
Other revenue	43.17	54.71	50.22	47.90	49.02	49.18	49.35	49.52	49.69	49.87	51.08	52.33	53.61	56.84	58.20	59.60	61.05
Total Revenue - General Cargo	217.15	270.05	243.20	269.70	270.82	266.54	262.36	258.27	254.27	250.36	251.57	252.82	254.10	297.43	298.79	300.19	301.64
3. Revenue from Module																	
RT (in metric tons)	420,000	1,280,000	1,280,000	740,000	740,000	740,000	740,000	740,000	740,000	740,000	740,000	740,000	740,000	740,000	740,000	740,000	740,000
Avg. service rate per RT	80.29	80.29	80.29	104.38	104.38	104.38	104.38	104.38	104.38	104.38	104.38	104.38	104.38	125.25	125.25	125.25	125.25
Total Revenue - Module	33.72	102.77	102.77	77.24	77.24	77.24	77.24	77.24	77.24	77.24	77.24	77.24	77.24	92.69	92.69	92.69	92.69
4.Revenue from Passenger																	
Total Revenue Passenger	2.58	2.59	2.60	3.45	3.45	3.45	3.45	3.45	3.45	3.45	3.45	3.45	3.45	4.02	4.02	4.02	4.02
5.Revenue from Others																	
Total Revenue - Others	41.38	42.40	43.44	57.87	59.31	60.79	62.32	63.90	65.52	67.18	68.90	70.67	72.50	89.25	91.57	93.97	96.43
Total Revenue	327.11	564.59	597.81	752.18	824.07	863.20	906.74	955.16	981.24	1,008.96	1,037.32	1,041.34	1,045.48	1,243.32	1,248.09	1,253.02	838.72

Remark

1/ The Company expects to enter into the Transaction within February 28, 2019. The projected figures in 2019 are for a period of 10-month from March 1, 2019 till December 31, 2019.

2/ The concession agreement will expire on August 31, 2035 (a remaining period of 16 years and 6 months from March 1, 2019). The figures in 2035 are projected numbers for the first eight months from January 1, 2035 till August 31, 2035

1.2 Revenue from General Cargo

General cargo or products under general cargo include products that are transported through the terminal and such products are not transshipped and/or heavy or bulky making them inconvenient to be loaded and discharged through containers which can be divided into: (1) raw materials such as steel coil, steel pipe, machinery and; (2) extra-large products, examples of extra-large products that were transshipped at C0 Terminal, including skytrain bogies and components used in wind farm projects such as wind turbine blades and wind turbine masts.

Key parameters in projection of revenue in this segment are weight in RT (Revenue Ton). The aforementioned products are considered as through cargo or cargo discharged from vessels to terminal area. The weight of general cargo transported through C0 Terminal was 2.34 million RT in 2016, 1.37 million RT in 2017, and 1.70 million RT in the first 10 month of 2018, according to the table below:

Table 3-12: Tonnage of General Cargo of LRT during 2016 – 2017 and in the first 10 months of 2018

Unit: Weight in RT (Revenue Ton)	Y2016	Y2017	First 10 Months of Y2018	Historical Average ^{1/}	Average Proportion to the Total Tonnage
Inward General Cargo	868,528	1,006,396	1,515,822	1,196,734	63%
Outward General Cargo	<u>1,477,401</u>	<u>365,325</u>	<u>181,763</u>	<u>714,525</u>	37%
Total Tonnage of General Cargo	2,345,928	1,371,721	1,697,585	1,911,259	100%

Source: The Company

Remark 1/ Calculated by finding the average monthly value of the last 34 months (from 2016 to the first 10 months of 2018) and annualize the figure.

The management of LRT and the Company estimates the weight tonnage of general cargo to be transported through C0 Terminal over the next 9 years (2019-2027) based on the assumptions of weight in the past, demand of some customers or groups submitting a request to import equipment and use terminal services at C0 Terminal such as customers of wind turbine project. For a projection of weight from 2028 onwards, the management of the Company projects to be at an average of 1,862,077 RT per year. The IFA is of the opinion that the estimates by the management are reasonable for the projections in 2019 - 2027 are based on the demand requisitions from the customers who intend to use the facilities at C0 Terminal. As for the projections from year 2028 onwards at 1,862,077 RT per annum is close to the historical average rate of year 2016-2018 (first 10 months) at 1,911,259 RT per annum.

Table 3-13: An Example of projection of general cargo in tonnage of during 2019 - 2023

Unit: Weight in RT (Revenue Ton)	Y2019 ^{1/}	Y2020	Y2021	Y2022	Y2023
1. Materials product	970,152	1,200,000	1,200,000	1,200,000	1,200,000
2. Wind turbine project	270,000	540,000	270,000	-	-
3. Inbound products of a listed company ^{2/}	360,000	360,000	360,000	360,000	360,000
4. Inbound/Outbound products in category of project of other customers	<u>500,484</u>	<u>500,000</u>	<u>500,000</u>	<u>500,000</u>	<u>500,000</u>
Total Tonnage of General Cargo	2,100,636	2,600,000	2,330,000	2,060,000	2,060,000

Source: The Company

Remarks: 1/ The Company expects to enter into the Transaction within February 28, 2019. The projected figures in 2019 are for a period of 10-month from March 1, 2019 till December 31, 2019.

2/ A listed company that show an intention to import equipment and use terminal services at C0 Terminal

For service income from general cargo, it is based on similar calculation as RO-RO, which will be calculated per RT, consisting of (1) wharf handling tariff (2) income from wharfage when loading/unloading goods (3) storage tariff based on the rate set by PAT depending on type and weight of cargo loading and unloading. At present, the average service rate of inward general cargo is THB 97.40 per RT and the average service rate of outward general cargo is THB 56.90 per RT. According to Table 3-11 on Page 60, a projection during 2019 to 2035, the proportion of the number of inward and outward general cargo will be equal to 63 percent and 37 percent of the total weight, respectively. Such figures are based on the average proportion of historical data. In this regard, the IFA has adjusted such service rate to be increased at a rate of 3 percent per year in which the adjustments will be in 2022 and 2032, according to the projections of the management of the Company. The IFA is of the opinion that the projected service rate of inward general cargo at THB 97.40 per RT and outward general cargo at THB 56.90 per RT is reasonable for these are historical charges according to the published tariff rate by

PAT. The adjustments of 3% per annum is also reasonable for it is in line with inflation rate. Moreover the costs of business operation increase gradually every year, it is most likely that PAT will make change in tariff rate in order to reflect operating costs of operators.

Other income from general cargo consists of tariff for service to shipping lines for the use of berth in docking their vessels at berth (Berth Hire) based on the rate per GRT set by PAT and service income from storage space and warehouses.

1.3 Revenue from Module

Products categorized under module are similar to products under general cargo, but will be focused on special project and large steel product such as large equipment or structures of oil rigs, etc. Products categorized under module is required to be assembled and taken apart at the terminal before being transported through the terminal, mostly are outbound products.

Key parameters of revenue projection are weight in RT (Revenue Ton). Products categorized under Module are considered as through cargo or cargo discharged from vessels to terminal area. The weight of products categorized under module transported through C0 Terminal was 1.28 million RT in 2016, 0.15 million RT in 2017, and 0.032 million RT in the first 10 month of 2018, according to the table below:

Table 3-14: Tonnage of Product categorized under Module of LRT during 2016 – 2017 and in the first 10 months of 2018

Unit: Weight in RT (Revenue Ton)	Y2016	Y2017	First 10 Months of Y2018	Historical Average ^{1/}	Average Proportion to the Total Weight
Inward products	-	33,999	32,530	23,481	5%
Outward products	<u>1,276,483</u>	<u>117,788</u>	-	<u>492,096</u>	<u>95%</u>
Total Tonnage under Module	1,276,483	151,787	32,530	515,577	100%

Source: The Company

Remark 1/ Calculated by finding the average monthly value of the last 34 months (from 2016 to the first 10 months of 2018) and annualize the figure.

The management of LRT and the Company projects the tonnage of product categorized under module to be transported through C0 Terminal over the next 5 years based on the assumptions of weight in the past, demand of customers, request for intention to import equipment and use terminal services at C0 Terminal such as the structure of oil rig of an international company, which will have the construction in Thailand and the structure will be taken apart in order to be transported by ship. For a projection of weight from 2022 onwards, the management of the Company projects to be at an average of 740,000 RT per year. The IFA is of the opinion that the estimates by the management is reasonable for the projections in 2019 - 2021 are based on the demand requisitions from the customers who intend to use the facilities at C0 Terminal. As for the projections from year 2022 onwards at 740,000 RT per annum with 240,000 RT per annum are based on the customer requisitions and the remaining projected 500,000 RT per annum are based on the historical average rate of year 2016-2018 (first 10 months). In sum, the projected 740,000 RT per annum is reasonable as they fall within the historical handling demands that C0 Terminal used to handle and these projections are lower than the historical average rate of year 2016 - 2018 (first 10 months) at 515,577 RT per annum and the average of 2019 – 2021 at 993,333 RT per annum.

Table 3-15: An Example of projection of under module in tonnage of LRT during 2019 - 2023

Unit: Weight in RT (Revenue Ton)	Y2019 ^{1/}	Y2020	Y2021	Y2022	Y2023
1. Oil rig project of customer no. 1	340,000	1,040,000	1,040,000	-	-
2. Oil rig project of customer no. 2	80,000	240,000	240,000	240,000	240,000
3. Products in this category by other customers	-	-	-	<u>500,000</u>	<u>500,000</u>
Total Tonnage of Module	420,000	1,280,000	1,280,000	740,000	740,000

Source: The Company

Remarks: 1/ The Company expects to enter into the Transaction within February 28, 2019. The projected figures in 2019 are for a period of 10-month from March 1, 2019 till December 31, 2019.

For service income from Module, it is calculated the same as general cargo, which will be calculated per RT based on the rate set by PAT depending on type and weight of cargo loading and unloading. At present, the average service rate of imported and exported module is THB 80.30 per RT. According to Table 3-11 on Page 60, a projection during 2019 to 2035, the proportions of the number of imported and exported module will be equal to 5 percent and 95 percent, respectively. Such figures are based on the average proportion of historical data. In this regard, the IFA has adjusted such service rate to be increased at a rate of 3 percent per year in which the adjustments will be in 2022 and 2032, according to the projections of the management of the Company. The IFA is of the opinion that the projected service rate of module at THB 80.30 per RT is reasonable for this was the historical charge according to the published tariff by PAT. The adjustments of 3% per annum is also reasonable for it is in line with inflation rate. Moreover the costs of business operation increase gradually every year, it is most likely that PAT will make change in tariff fee in order to reflect operating costs of operators.

1.4 Revenue from Passenger

Revenue from passenger came from the use of terminal service at C0 Terminal which is a terminal for tourist vessels. The average number of passengers using terminal services was 9,072 persons per annum (during 2013-2018).

Table 3-16: Number of passengers of LRT during 2016 – 2017 and in the first 10 months of 2018

	Y2016	Y2017	First 10 Months of Y2018	Historical Average ^{1/}
No. of passengers <i>person</i>	1,545	10,759	12,427	8,729
Revenue from Passenger per person <i>THB</i>	238.5	278.6	241.9	267.9

Source: The Company

Remark 1/ Calculated by finding the average monthly value of the last 34 months (from 2016 to the first 10 months of 2018) and annualize the figure.

The management of LRT and the Company projected the number of passengers throughout the projection period of 10,000 persons a year, based on the consideration of information and growth prospects in 2017 and in first 10 months of 2018. Revenue from passengers will be projected based on average revenue per person which is equal to THB 267.90 per person (this rate is the average rate per person. For revenue from berth hire services, which is collected when the vessel is docked at the terminal on an hourly rate according to the weight of the boat and other tariff related). In this regard, the IFA has adjusted such service rate to be increased at a rate of 3 percent per year in which the adjustments will be in 2022 and 2032, according to the projections of the management of the Company. The IFA is of the opinion that the projected passengers at 10,000 head per annum the average service rate at THB 267.90 per head is reasonable for this was the historical number from LRT. The historical average number of passenger for the year 2016-2018 (first 10 months) is 10,000 per annum. The adjustments of 3% per annum is also reasonable for it is in line with inflation rate. Moreover the costs of business operation increase gradually every year, it is most likely that PAT will make change in tariff fee in order to reflect operating costs of operators.

1.5 Revenue from other Services

Revenue from other services includes revenue from warehouse services. LRT provides warehouse services in the area of C0 Terminal. The nature of services can be classified into two types, including: open yard and warehouse; and the berth hire for specialty ships. For the projection of servicing revenue will be based on the volume of transshipment at C0 Terminal., as the warehousing rental services, the service rate to be increased at a rate of 3 percent per year in which the adjustments will be in 2022 and 2032, according to the projections of the management of the Company.

(2) Expenses related to service income**2.1 Cost of Services**

Cost of services will consist of a concession fee and a property tax of 12.5 percent per year of a concession fee. A concession fee will be based on the concession agreement signed with PAT since August 2005.

(Please refer to Summary of Agreement for Investment and Operation of C0 Terminal Located at Laem Chabang Port, Table C-3, Appendix 3 of this Report)

2.2 Selling and Administrative Expenses

Selling and administrative expenses include staff expenses (consisting of wage, overtime, bonus, cost of living, and related expenses, etc.) and other expenses (consisting of utility bills, audit fee, maintenance costs, etc.). In preparation of the projection of selling and administrative expenses, the IFA has referred to the historical financial information of LRT, together with the consideration of trend of future expenses in accordance with a projection of the management. The assumption used in projection is a proportion of selling and administrative expenses to total revenues of 21.1 percent, which can be presented as following:

Table 3-17: Other Expenses of LRT during 2016 – 2017 and in the first 10 months of 2018

	Y2016	Y2017	First 10 Months of Y2018	Historical Average ^{1/}
Selling and administrative expenses ^{2/} (THB Million)	56.14	59.84	54.43	60.14
% of Selling and Administrative Expenses to Total Revenues	18.4%	21.8%	19.4%	21.1%

Source: The Company

Remark 1/ Calculated by finding the average monthly value of the last 34 months (from 2016 to the first 10 months of 2018) and annualize the figure.

2/ The aforementioned expenses do not include depreciation and amortization

(3) Depreciation

The IFA determined each type of assets and its depreciation by using straight line method which is shown under the Company's policy as follow:

Table 3-18: Depreciation period

Type of Assets	Depreciation period (years)
Concession improvement	5 – 25 years
Buildings	5 – 10 years and the concession period
Port equipment	5 – 25 years
Other	5 – 10 years

Source: Notes to Financial Statements of LRT ended December 31, 2017

(4) Corporate Income Tax

The corporate income tax rate for LRT is 20% throughout the projection period.

(5) Capital Expenditure

The management of the Company provided information that LRT has capital expenditure of up to THB 10 million per year since most of LRT's investment will be an investment for maintenance of C0 Terminal in order to perform effectively. Such capital expenditures include: repair and maintenance of port yard, purchase of port equipment and motor equipment that are used at the port. LRT spent an average of THB 9.93 million per year during the period of 2012 - 2017. The IFA determined capital expenditure of LRT at THB 10 million throughout the projection period.

(6) Working Capital Turnover Ratio

The management of LRT forecasted that the efficiency of working capital will remain the same level during 2015-2017.

Days of account receivable: approximately 1.5 days

Days of account payable: approximately 0.7 days since LRT's main account payable is PAT, and LRT has to pay compensation as stated in the agreement to PAT immediately.

(7) Terminal Value

According to the Agreement for Investment, Construction, Management, and Operation of C0 Terminal dated August 29, 2005 ("**Concession Agreement**"), after the expiration of the agreement, LRT has the right to renew an agreement for 2 times with a period of 10 years per renewal, depending on the terms and conditions jointly established, filed a petition at least 2 years prior to the end of the agreement. After the expiration of the agreement, all immovable properties including infrastructure shall become the property of PAT as "Build, Operate and Transfer" basis. PAT also has the right to buy all or part of the movable properties from LRT at their book value.

The IFA has considered a terminal value by using a conservative basis. Terminal value calculated by the IFA is zero, based on the assumption that after the Concession Agreement will be expired on August 31, 2035 and LRT will not be renewed. The book value of all equipment of LRT will be equal to zero because assets have been fully depreciated.

(8) Discount Rate = Weighted Average Cost of Capital or WACC

The IFA determined the WACC by following components:

$WACC$	$= K_e \left(\frac{E}{V} \right) + K_d(1-t) \left(\frac{D}{V} \right)$	=	9.37%
K_e	= Cost of Equity (calculated as below)	=	9.37%
K_d	= Cost of Debt	=	N/A ^{1/}
t	= Corporate Income Tax Rate	=	20.00%
V	= $D + E$ which D means amount of debt and E means amount of equity	=	100.00%
$\left(\frac{D}{V} \right)$	= Proportion of debt to investor-supplied capital ^{1/}	=	0.00% (no debt)
$\left(\frac{E}{V} \right)$	= Proportion of equity to investor-supplied capital	=	100.00%

Cost of Equity: K_e

$$K_e = R_f + \beta(R_m - R_f) + LRP$$

where:

Risk Free Rate, R_f = Risk free rate of return (R_f) is **2.73% per annum** ^{2/}, which is calculated based on daily mean of 10-year Thailand government bond from November 25, 2013 until November 6, 2018 (Median risk free rate equals to 2.65%)

Beta, β = Beta is a coefficient that reflects the risk of investment in LRT. As LRT is a non-listed firm, there is no beta of LRT. The IFA has valued Beta β of LRT based on the information from listed companies operating similar business as LRT. The IFA has an opinion that the Company is a comparable company of LRT because the Company provides terminal services at Laem Chabang Port and has the proportion of service income of more than 95 percent of total revenues similar to LRT.

According to the information of the comparable company, Unlevered Beta β , in which Unlevered Beta = Levered Beta / $\{1 + ((1 - \text{Marginal Tax Rate}) * D/E)\}$ will be adjusted to Levered Beta of LRT with the average capital structure of the Company (calculation of Unlevered Beta is shown in Table 3-19). The financial structure of the

Company and LRT are similar, which is, there is no interest bearing debt.

Beta β of LRT equals to 0.657 ^{1/3/}

Market premium, $R_m - R_f$ = The difference between the expected market return (R_m) and the risk free rate of return (R_f) is equivalent to **8.58%** ^{4/}, which was calculated based on daily mean of 10-year Thailand government bond from November 25, 2013 until November 6, 2018. (the mean of market rate (R_m) is equal to 11.32% and the median is equal to 11.36%).

LRP Liquidity Risk Premium

The IFA has adjusted to cost to equity by 100 basis points to reflect the liquidity risk premium as LRT is a non-listed company.

Sources: 1/ LRT has no interest bearing debt based on the financial statements of LRT ended December 31, 2017 and the interview with the management of the Company
2/ 3/ 4/ Bloomberg

The IFA selects the period for relevant calculation starting from November 25, 2013 - November 6, 2018 (the entire period of approximately 5 years) to use the Company's information which is a comparable company since the Company was traded on the Stock Exchange of Thailand in order to reflect the market value covering in all periods.

Table 3-19: Calculation of Unlevered Beta of LRT's comparable listed company

Company Name (Symbol)	<u>Levered Beta</u> ^{1/}	<u>Market Value of Liabilities</u>	<u>Market Value of Equity</u>	<u>Debt (D) / Equity (E)</u>	<u>Debt (D) / D+E</u>	<u>Marginal Tax Rate</u>	<u>Unlevered Beta</u> ^{2/}
Namyong Terminal PCL (NYT)	0.6570	0	4,547.78	0.00%	0.00%	20.0%	0.6570

Source: Bloomberg as of November 6, 2018 which was the last business day prior to the Board of Directors' meeting which has approved the entering into the transaction

Note: 1/ Levered Beta is coefficient that takes into account the effect of liabilities of the Company

2/ Unlevered Beta = Levered Beta / {1 + ((1 - Marginal Tax Rate) * D/E)}

Table 3-20: Range of Weighted Average Cost of Capital (WACC) used by the IFA for Calculation and Analysis

Low Value (Decreased by 5%)	Base Value	High Value (Increased by 5%)
8.90%	9.37%	9.84%

Source: Calculation by the IFA

(9) Summary of Financial Projections in 2019 - 2035

The IFA has prepared financial projections of LRT from March 1, 2019 until August 31, 2035 (the concession agreement will be expired on August 31, 2035) or a remaining period of 16 years and 6 months from March 1, 2019, according to Table on the following page.

	Historical					Projections										
Unit: THB Million Calendar Year	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	..	2034	2035
No.of months	12	12	12	12	12	9 ^{2/}	10 ^{3/}	12	12	12	12	12	12	..	12	10 ^{4/}
Total Revenue	341.68 (123.47)	198.91 (133.49)	292.57 (151.06)	309.85 (217.57)	279.21 (163.67)	258.86 (128.09)	327.11 (141.04)	564.59 (228.89)	597.81 (259.49)	752.18 (297.16)	824.07 (314.70)	863.20 (324.25)	906.74 (334.87)	..	1,253.02 (464.36)	838.72 (310.40)
Service Expenses ^{5/}														
EBITDA ^{6/}	218.21	65.41	141.51	92.28	115.54	130.77	186.07	335.71	338.32	455.03	509.37	538.96	571.87	..	788.65	528.32
% EBITDA to Revenue	63.9%	32.9%	48.4%	29.8%	41.4%	50.5%	56.9%	59.5%	56.6%	60.5%	61.8%	62.4%	63.1%	..	62.9%	63.0%
Depreciation & Amortization	(27.21)	(18.58)	(17.16)	(30.75)	(27.53)	(17.11)	(18.85)	(22.62)	(22.62)	(22.62)	(22.62)	(22.62)	(22.62)	..	(22.62)	(15.41)
Earnings before interest and taxes (EBIT)	191.00	46.83	124.35	61.53	88.01	113.67	167.22	313.09	315.70	432.41	486.75	516.34	549.25	..	766.03	512.92
Corporate Income Tax	(0.01)	(1.07)	(10.27)	(12.35)	(18.06)	(22.90)	(33.44)	(62.62)	(63.14)	(36.48)	(97.35)	(103.27)	(109.85)	..	(153.21)	(102.58)
Earnings Before Interest After Tax (EBIAT)	190.99	45.77	114.08	49.19	69.95	90.76	133.77	250.47	252.56	345.92	389.40	413.07	439.40	..	612.83	410.33

6/ EBITDA is earnings before interest, taxes, and depreciation

Table 3-22: Financial Projections of LRT in 2019-2035

Unit: THB Million Calendar Year	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
Year (Post Transaction)	1 ^{1/}	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17 ^{2/}
Total Revenue	327.11	564.59	597.81	752.18	824.07	863.20	906.74	955.16	981.24	1,008.96	1,037.32	1,041.34	1,045.48	1,243.32	1,248.09	1,253.02	838.72
Service Expenses ^{3/}	(141.04)	(228.89)	(259.49)	(297.16)	(314.70)	(324.25)	(334.87)	(369.18)	(375.55)	(382.31)	(389.23)	(390.21)	(413.72)	(461.99)	(463.16)	(464.36)	(310.40)
EBITDA ^{4/}	186.07	335.71	338.32	455.03	509.37	538.96	571.87	585.97	605.70	626.65	648.09	651.13	631.76	781.32	784.93	788.65	528.32
% EBITDA to Revenue	56.9%	59.5%	56.6%	60.5%	61.8%	62.4%	63.1%	61.3%	61.7%	62.1%	62.5%	62.5%	60.4%	62.8%	62.9%	62.9%	63.0%
Depreciation & Amortization	(18.85)	(22.62)	(22.62)	(22.62)	(22.62)	(22.62)	(22.62)	(22.62)	(22.62)	(22.62)	(22.62)	(22.62)	(22.62)	(22.62)	(22.62)	(22.62)	(15.41)
Earnings before interest and taxes (EBIT)	167.22	313.09	315.70	432.41	486.75	516.34	549.25	563.35	583.08	604.03	625.47	628.51	609.14	758.70	762.31	766.03	512.92
Corporate Income Tax	(33.44)	(62.62)	(63.14)	(86.48)	(97.35)	(103.27)	(109.85)	(112.67)	(116.62)	(120.81)	(125.09)	(125.70)	(121.83)	(151.74)	(152.46)	(153.21)	(102.58)
Earnings Before Interest After Tax (EBIAT)	133.77	250.47	252.56	345.92	389.40	413.07	439.40	450.68	466.46	483.22	500.38	502.81	487.31	606.96	609.85	612.83	410.33

Net Cash Flow

EBIAT	133.77	250.47	252.56	345.92	389.40	413.07	439.40	450.68	466.46	483.22	500.38	502.81	487.31	606.96	609.85	612.83	410.33
+ Depreciation and Amortization	18.85	22.62	22.62	22.62	22.62	22.62	22.62	22.62	22.62	22.62	22.62	22.62	22.62	22.62	22.62	22.62	15.41
- CAPEX	(10.00)	(10.00)	(10.00)	(10.00)	(10.00)	(10.00)	(10.00)	(10.00)	(10.00)	(10.00)	(10.00)	(10.00)	(10.00)	(10.00)	(10.00)	(19.00)	(22.60)
+/- Net Working Capital	(9.05)	(7.23)	(0.59)	(5.17)	(2.41)	(1.31)	(1.46)	(1.10)	(0.87)	(0.93)	(0.95)	(0.13)	0.39	(6.63)	(0.16)	(0.16)	12.47
Free Cash Flow to Firm (FCFF)	133.58	255.86	264.59	353.37	399.61	424.38	450.56	462.21	478.21	494.91	512.05	515.29	500.32	612.95	622.31	616.28	415.62

Remark

1/ The Company expects to enter into the transaction completely within February 28, 2019. The projected figures in 2019 are for a 10-month period from March 1, 2019 till December 31, 2019.

2/ A concession agreement will be expired on August 31, 2035 (a remaining period of 16 years and 6 months from March 1, 2019). The projected figures in 2035 are for the first eight months from January 1, 2035 till August 31, 2035

3/ The aforementioned expenses do not include depreciation and amortization

4/ EBITDA is earnings before interest, taxes, and depreciation

(10) Summary of Fair Value Valuation of LRT

According to the information in Table 3-22 and the aforementioned assumptions, free cash flow of LRT can be calculated as following:

Table 3-23: Calculation of LRT's net present value of free cash flow

LRT	THB Million
Present value of terminal value	3,320.86
Add: Cash and short-term investment as of March 1, 2019 ^{1/}	513.00
Less: Outstanding interest bearing debts of last installment	-
Net present value of Free Cash Flow of LRT – Base Case	3,833.86

Source: Projected by the IFA

Remark: 1/ Projected by the Company based on cash balance of THB 495.48 million as of September 30, 2018. And LRT has a cash balance of THB 533.61 million as of December 31, 2018.

(11) Sensitivity Analysis

Due to the fact that LRT's fair value valuation is based on various assumptions, the IFA has conducted sensitivity analysis in purpose of covering all impacts from changes in significant factors.

The main factor used in sensitivity analysis is Weighted Average Cost of Capital (WACC). Since the IFA has considered that the hypothesis used by the IFA to estimate the revenue during the projection period is the projection based on the conservative basis by using the market information of the industry, the information from the management of LRT and consideration of the competitive environment of the industry of LRT in the past. Therefore, the IFA has an opinion that the sensitivity analysis on WACC is sufficient to reflect the effect of changes in LRT's fair value.

Table 3-24: Sensitivity analysis of LRT's fair value to changes in WACC

(THB Million)	Weighted Average Cost of Capital (WACC)		
	9.84%	9.37%	8.90%
Fair Value of LRT	3,719.67	3,833.86	3,953.90

Remark: A range of Weighted Average Cost of Capital (WACC) is based on Table 3-20
WACC of 8.90 percent and 9.84 showed the effects in case of there is an increase or a decrease in WACC

(12) Calculation of the Fair Value of NYKT by Sum-of-the-Part Valuation Approach

In valuation of the fair value of NYKT by using a discounted cash flow approach, the IFA applied Sum-of-the-part valuation approach, which is derived from the sum of enterprise value under NYKT in which NYKT currently holds shares of LRT only one company.

Table 3-25: Calculation of the Fair Value of NYKT by Sum-of-the-Part Valuation Approach

	Value (THB Million)				
	Min	-	Base Case	-	Max
Total Enterprise Value of LRT	3,719.67	-	3,833.86	-	3,953.90
Add: Cash and cash equivalents ^{1/}	3.49	-	3.49	-	3.49
Less: Interest bearing debts of last installment ^{2/}	0	-	0	-	0
Fair Value of NYKT – in proportion of 100%	3,723.16	-	3,837.35	-	3,957.39
Fair Value of NYKT in proportion to 29% of total shares	1,079.72	-	1,112.83	-	1,147.64

Source: Projected by the IFA

Remarks: 1/ Projected by the Company based on cash balance of THB 3.49 million stated in the pro forma financial statements of NYKT ended September 30, 2018 which was prepared by the Company. Cash balance is set to remain the same until March 1, 2019

2/ Projected by the Company by assuming that NYKT has no interest bearing debt.

3.1.6 Summary of Opinion of the IFA on NYKT's Fair Value of Ordinary Shares

Summary of NYKT's share valuation based on the different valuation approaches is as follow;

Table 3-26: Summary of a range of NYKT's fair value

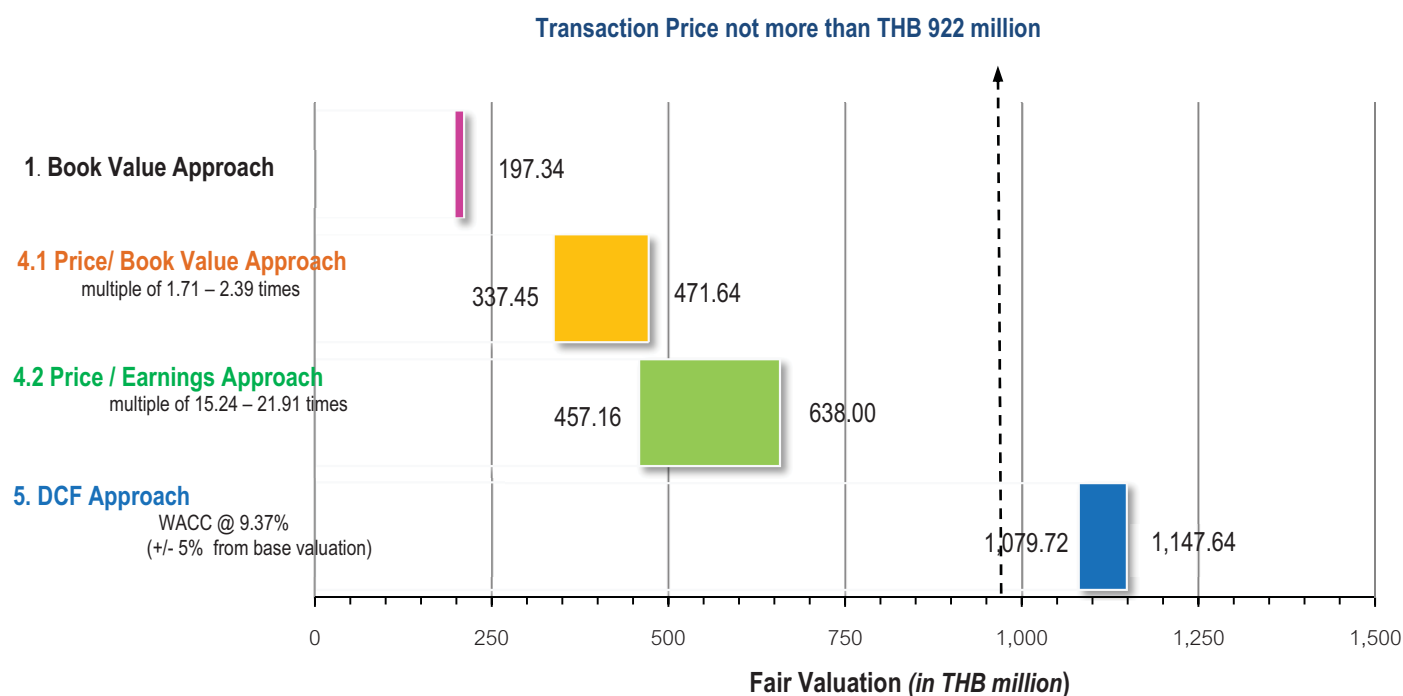
Valuation Approach	NYKT's Fair Valuation (THB Million)	Higher (Lower) than NYKT's Purchase Value (THB Million)	Appropriateness of Valuation Approach
1) Book value approach	197.34	(724.66)	Inappropriate
2) Adjusted book value approach	197.34	(724.66)	Inappropriate
3) Market value approach	-	-	N/A
4) Market comparable approach			
4.1) Price to book value ratio (P/BV)	337.45 - 471.64	(584.55) - (450.36)	Inappropriate
4.2) Price to earnings ratio (P/E)	443.77 - 638.00	(464.84) - (284.00)	Inappropriate
5) Discounted cash flow approach (DCF) Base case	1,112.83	190.83	Appropriate
Sensitivity Analysis	1,079.72 - 1,147.64	157.72 - 225.64	Appropriate

Source: Projected and summarized by the IFA

Remark: N/A - Cannot be calculated

Value of share purchase and connected transaction is not more than THB 922 Million

Figure 3-2 Summary of Fair Valuation of NYKT



Source:

Projected and summarized by the IFA

There are both advantages and disadvantages from using each valuation approach to reflect NYKT's fair price as follow;

1) Book Value Approach

This approach reflects NYKT's operating results and financial position as of September 30, 2018 only and does not reflect current market value of assets. It also does not reflect NYKT's profitability in the future and NYKT's competitiveness. Therefore, the IFA has an opinion that this valuation approach does not reflect the appropriate value of NYKTs' equity.

2) Adjusted Book Value Approach

Under this approach, the revaluation of NYKT's assets should be included in order to reflect the fair market value more than book value approach. The adjusted book value is reflected by the revaluation of the assets, investment in securities, tax saving from losses carried forward, and contingent liabilities from the legal issues and any situations after the Company's fiscal year. However, there is no any revaluation. Therefore, valuation of share price by adjusted book value approach is equal to book value approach, which does not reflect the appropriate value of NYKT's equity.

3) Market Value Approach

Due to NYKT's shares are not listed on the SET, the IFA cannot value share value by market value approach.

4) Market Comparable Approach

This valuation approach reflects the investor's perspective on NYKT and related industry outlook by considering NYKT's net asset value, profitability, at present, but ignoring NYKT's future performance. This approach compares several market multiples among the listed companies which operate in the same or similar type of business or industry as NYKT. However, there are limitations under this approach such as the differences among the comparable listed companies, accounting policy, target customer, business size, and market capitalization, etc. Moreover, the book value and earnings per share of NYKT are based on the information from the pro forma consolidated financial statements of NYKT, prepared by the Company, to be used for consideration of entering into the transaction, which still have not been audited or reviewed by the auditors of LRT. Therefore, the IFA has an opinion that this approach is not appropriate for the valuation of NYKT's fair value.

5) Discounted Cash Flow Approach: DCF

This valuation approach is based on the analysis of NYKT's historical performance which is used to reflect ability to generate cash flow and NYKT's future performance by considering various factors that are likely to impact business operation such as policy and business operation plan, competitiveness of business, or revenue structure, etc. On the assumptions regarding the projection of NYKT's performance, since NYKT is a holding company engaging in the business of holding shares in other companies, which currently holds shares in LRT only one company, the valuation by using DCF takes into account the operating results of LRT in the future by considering an analysis of the past operating results of LRT, as well as future business operation plans of NYKT and LRT from the management team as well as relevant industry overview in the country. Therefore, the IFA has an opinion that this valuation approach is appropriate for the valuation of NYKT's fair value.

Under the discounted cash flow approach, the approach is to calculate the Company's future cash flow from the financial projection on the assumptions given from LRT and NYKT, and set up under current economic conditions and circumstance. However, should there be any changes in the future of such factors which could impact to the assumptions, LRT's financial projection might be distorted from the forecast or the relevant factors to forecast might change, and also NYKT's intrinsic price would change.

The IFA has an opinion that discounted cash flow approach is the most appropriate approach for fair valuation of NYKT due to this approach is able to reflect NYKT's operating results and profitability in the future. In summary, the IFA has calculated NYKT's shareholders' equity which is in the range of THB 1,079.72 million - THB 1,147.64 million and NYKT's shares purchase price of not exceeding THB 922 million which is in the range of the aforesaid fair valuation. Therefore, the IFA has an opinion that shares purchase price is appropriate.

Additionally, the IFA has conducted a scenario analysis by adjusting a growth rate of tariff service fee from 3.00 percent to 0.00 growth, or no change in tariff rate. According to no tariff change scenario, the fair value of NYKT in proportion to 29 percent of total shares of NYKT is in a range of THB 851.76 - 898.92 million in which such fair value is lower than the Transaction Price of THB 922 million by THB (70.24) - (23.08) million. However, when take into consideration that, the Company will be most likely to receive dividends in proportion to its increased shareholding of 29 percent from LRT, or in an amount of THB 129.42 million (if the entire retained earnings are used to pay dividends) and THB 64.71 million (if there is a dividend payment at 50 percent of retained earnings). The dividends received will reduce the Transaction Price of THB 922 million, by the amount of dividends received. The Transaction Price adjusted down by dividend received shall be in a range of THB 792.33 - 857.04 million. When comparing to the fair value of NYKT (in case of an absence of growth in tariff fee), which is in a range of THB 851.76

- 898.92 million, it can be seen that the Transaction Price is lower than the fair value of NYKT almost throughout the range. As a result, the IFA still is of an opinion that the Transaction Price is appropriate. In this regard, the IFA is also of an opinion that the likelihood that service fee will not increase throughout the remaining concession period of 16 years and 6 months is relatively low because the costs of business operation increase gradually every year. Therefore, PAT is most likely to increase tariff fee in order to reflect operating costs of operators.

3.2 Appropriateness of Terms of Transaction

Entering into the Connected Transaction with a transaction price of not exceeding THB 922 million is under several key conditions as follow;

Table 3-27: Appropriateness of the Terms of the Transaction

Key Terms	Rational
1) The Company has received an approval from the Shareholders' Meeting of the Company to enter into the connected transaction by exercising the right for additional investment in LRT in accordance with the Shareholders' Agreement between the Company and NYK Group by a share purchase of 29 percent of total shares of NYKT.	- This transaction is considered as a connected transaction under the Notification of Capital Market Supervisory Board, TorChor. 21/2551 Re: Rules on Connected Transactions as well as the Notification of the Board of Governors of the SET Re: Disclosures of Information and Other Acts of Listed Companies Concerning Connected Transactions B.E. 2546 (2003) (collectively known as " Connected Transaction Notification ").
<u>Payment Term</u> The Company will pay the purchase price to the Seller on the date that the transaction is fully completed.	- A common commercial term
<u>Source of funding for this transaction</u> 1) Investments of the Company of not more than THB 922 million will come from the proceeds from the Company's IPO in 2013.	- According to a report of the Company's Capital Increase No. 10 on July 9, 2018, the Company's remaining fund from capital increase as of June 30, 2018 is THB 1,287.55 million. In this regard, according to the consolidated financial statements of the Company as of September 30, 2018, the Company's cash and cash equivalents is THB 1,382.46 million which is sufficient to enter into the Additional Share Purchase Transaction.

When considering terms of the transaction and source of funds used in entering into the transaction, the IFA has an opinion that terms of the acquisition of assets and connected transaction are appropriate due to these are normal terms of general business transactions, as well as there are no conditions that will result in the loss of benefits of the Company and the Company's shareholders.

Part 4: Conclusion on Opinion of Independent Financial Advisor

The Board of Directors' Meeting of Namyong Terminal Public Company Limited ("**the Company**") No. 5/2018 held on November 7, 2018 resolved to propose to the Extraordinary General Meeting of Shareholders of the Company to consider and approve the Company's entry into the asset acquisition and connected transaction in the case of exercising a right to make investment in LRT under the Shareholders' Agreement of LRT by the purchase of 29.00 percent of shares of NYKT International Terminal Co., Ltd. ("**NYKT**") (a company which currently holds 100.00 percent of total shares in LRT) from Artlion Development Limited ("**ArtLion**") which is a subsidiary of and under the control of NYK Group. A total amount of investment shall not be more than USD 27.82 million or approximately THB 922 million (referring to foreign exchange of Bank of Thailand at the rate at THB 33.1325 : USD 1 as of November 6, 2018 which is the last working date prior to the date of the Board of Director's meeting resolution to approve the entering into this Transaction). (Hereinafter referred to as "**Additional Share Purchase Transaction**")

The summary of the IFA's opinion is as follows:

The reasonableness of the Transaction

Advantages of Entering into the Transaction

- *A continued investment to support a growth of car imports and exports through Laem Chabang Port which is a core business of the Company;*
- *A continued investment in assets that have growth potential and create opportunities for the Company's future business expansion;*
- *A continued investment that help diversify investment risks and increase a variety of terminal service business;*
- *A continued investment in accordance with the objectives of the use of proceeds from the Company's IPO;*
- *A continued investment in the business that the management of the Company has experiences;*
- *The Company will most likely receive retained earnings in higher proportion from entering into this Additional Share Purchase Transaction;*
- *A continued investment at the purchase value close to the value of the investment of the Company in the previous 5 years (in 2012), which is much lower than the current value of the investment; and*
- *An investment in assets at a reasonable price.*

Disadvantages and Risks that may arise from the Transaction

- **Risk directly arises from the Additional Share Purchase Transaction**
 - 1) *Risk of loss sharing in the financial statements of the Company.*
 - 2) *Risk of impairment of investments.*
 - 3) *Exchange Rate Risk.*
 - 4) *Risk of an investment in a holding company.*
 - 5) *Risk or impact should the shareholders do not approve the Transaction.*
 - 6) *Risk that may cause a conflict of interest in a RO/RO terminal services business.*
- **Risks associated with business operations of a company that the Company invest in**
 - 1) *Risk of termination or non-renewal of the main agreements for business operation.*
 - 2) *Risk of Tariff Structure and Port Tariff being under control of PAT.*
 - 3) *Risk from emerging competitors in the port terminal industry for export and import of cars.*

Comparison of Advantages and Disadvantages between Transaction Made with the Connected Person and Transaction Made with External Party, Necessity to make Transaction with Connected Persons, and Reasons that the Company does not Make Transaction with External Party

- ***Benefits and advantages of entering into the transaction with the connected person, compared with the non-connected person***
 - 1) *This additional investment will give the Company an opportunity to receive unappropriated retained earnings of LRT in an increasing proportion.*
 - 2) *This Transaction is an investment at the purchase value close to the value of the investment of the Company in the previous 5 years (in 2012), which is much lower than the current value of the investment.*
 - 3) *This Transaction will allow the Company to have an increase in a joint investment proportion with NYK Group. This Transaction will also strengthen relationship with NYK Group.*
- ***Disadvantages of entering into the transaction with the connected person, compared with the non-connected person***

By entering into this Connected Transaction, the Company has an additional cost related to an appointment of the Independent Financial Advisor (IFA) to provide an opinion to the shareholders of the Company and the arrangement of the shareholders' meeting.

Appropriateness of the Transaction Price

The Company will exercise its right for an additional investment in LRT by acquiring ordinary shares of NYKT in a total value of not exceed THB 922 million in which such purchase value is lower than the range of fair value calculated by the IFA at THB 1,079.72 million - THB 1,147.64 million. Therefore, the IFA has an opinion that **the transaction Price is appropriate**.

Sufficiency of the source of fund and Suitability of the conditions of the Transaction

The purchase value from entering into the Additional Share Purchase Transaction shall not exceed THB 922 million. The Company has the source of fund from the proceeds from the Company's IPO in 2013. The IFA is of the opinion that the Company has sufficient fund for entering into the Additional Share Purchase Transaction based on a report of the Company's Capital Increase No. 11 on January 4, 2019, the Company's remaining fund from capital increase as of December 31, 2018 is THB 1,226.79 million and the financial statements of the Company as of September 30, 2018, the Company's cash and cash equivalents is THB 1,382.46 million which is sufficient to enter into the Additional Share Purchase Transaction

In this regard, the transaction value will occur in case that it must be approved by the Shareholders' meeting of the Company. Should the Shareholders' meeting does not approve the Transaction, the Transaction will not occur and does not affect anything to the Company at all and / or the business operation of the Company since the Company has not been required to deposit or guarantee and the settlement will occur on the date that the transaction is completed.

Therefore, considering the conditions associated with the Transaction mention above, the IFA is of the opinion that **conditions to entering into this asset acquisition and connected transaction are appropriate**, as no condition is out of the ordinary course business and the conditions of the Transaction are for the benefits of both the Company and the shareholders.

In sum, entering into this Additional Share Purchase Transaction is reasonable as the fair value of NYKT, which acquired by the Company, has the higher value, appraised by the IFA, than the transaction value. Moreover, entering into this Transaction is considered as the way to eliminate restrictions of accommodation in terms of the rising volume of car exports in the future if A5 Terminal of the Company reaches a maximum utilization rate and a continued investment that help diversify investment risks and increase a variety of terminal service business, which is the main business of the Company

Based on all information and reasons mentioned above, the IFA is of the opinion that shareholders should approve this Asset Acquisition and Connected Transaction.

Nonetheless, in deciding whether to approve or disapprove the said Transaction, the shareholders can make consideration thereon based on the above reasons and opinion rendered by the Independent Financial Advisor. The final decision depends on the shareholders' individual judgment.

The Independent Financial Advisor's opinion is based on the assumptions that all information in consideration was complete and accurate, and reflects the operating environment and most up-to-date information at the time of issuance of this report. Any changes in the information used to formulate an opinion could have a significant impact on the valuation, the Independent Financial Advisor's opinion and the decision of the shareholders. The purpose of this report is to provide a recommendation to shareholders of the Company and the opinion of the IFA should not be misconstrued as an endorsement to enter into the Transaction, or a guarantee of the outcome of the Transaction.

I V Global Securities PLC, as the Independent Financial Advisor hereby certifies that we have provided the opinion fairly using independent professional judgments, by placing the interest of the shareholders at the utmost importance.

Yours Faithfully,

Independent Financial Advisor
I V Global Securities Public Company Limited



(Mr. Pisit Jeungpraditphan, CFA, CAIA)
Senior Vice President
Supervisor
Financial Advisory



(Mrs. Sriporn Sudthipongse)
President and CEO

This page intentionally left blank

Appendix 1

Company Information and Operating Results of Namyong Terminal Public Company Limited

Source: Annual Registration Statement (Form 56-1) and Annual Report of Namyong Terminal

1. General Information

Name : Namyong Terminal Public Company Limited (the “**Company**” or “**NYT**”)

Type of business : Details of the business operations of the Company as follows:

1. Terminal services and other services related to the core business

1.1 Terminal services:

- Service to shipping lines for docking their vessels
- Service to shipping lines for transshipment of cars or general cargo on and off vessels
- Service to car manufacturers for moving cars or cargo within the terminal
- Service to car manufacturers for receiving area

1.2 Other services related to the core business:

- Supporting Car storage area service for car preparation before and after being imported
- Service to shipping lines for moving cars from the berth area on and off vessels (Stevedore on Board)
- Service to shipping lines for moving cars from Supporting Car storage area to berth areas
- Office rental at A5 terminal
- Equipment rental
- Imported and exported car cleaning

2. Warehouse services

Apart from A5 terminal, the Company and its subsidiaries also hold 20 percent shares of Lamchabang International Ro-Ro Terminal Limited (“**LRT**”) which is a Ro/Ro and general cargo terminal operator of C0 Terminal, which is located at Laem Chabang Port as A5 Terminal

Website : <http://www.namyongterminal.com>

Head office : 19th Floor Lumpini Tower (Room No. 1168/52) Rama 4 Road, Thungmahamek, Sathorn, Bangkok 10120

Telephone : 0-2679-7357

Fax : 0-2285-6642

Registered : THB 620,000,000

& paid-up capital : Divided into 1,240,000,000 shares with a par value of THB 0.50

2. Nature of Business

2.1 Background

Namyong Terminal Public Company Limited (the “**Company**” or “**NYT**”), formerly known as Meung Mae Teeb Company Limited which was incorporated on 15 July 1982 with initial objectives for minerals and coal mining business and was renamed to Universal Coal Company Limited and Banpu Terminal Company Limited respectively. In 2002, Banpu Public Company Limited sold 100 percent of shares in Banpu Terminal Company Limited to Namyuenyong Shipping Company Limited and the Leungsuwan family. Banpu Terminal Company Limited changed its business strategy from a coal terminal operator to a Ro/Ro terminal operator for car export and import. It was later renamed to Namyong Terminal Company Limited. With the aim to expand the capacity of the Company’s service in long term in order to support the growing trend of car exportation in Thailand in future, in April 2012, the Company and Nippon Yusen Kabushiki Kaisha (“**NYK**”) group co-invested in the Laemchabang International RO-RO Terminal Co., Ltd. (“**LRT**”) which operates Ro/Ro terminal services for car importation and exportation, and general cargo at C0 terminal, situated in Laem Chabang Terminal, Si Racha Sub-District, Chonburi Province. On 29 August 2005, LRT has been granted the concession on investment, administration and operation of C0 terminal from Port Authority of Thailand (“**PAT**”) for the period of 30 years starting from 1 September 2005 and will be expired in 31 August 2035.

On 27 June 2012, the Company registered the conversion from being a company limited to public company limited, and, on 18 March 2013, the general meeting of the shareholders resolved to increase the registered capital from THB 414.5 million to THB 620 million by issuing 205.5 million of newly-issued shares for capital increase at the par value of THB 1 for the initial public offering (“**IPO**”). Accordingly in November 2013, the Company registered the paid-up capital to THB 620 million by offering 205.5 million of newly-issued shares for capital increase at the par value of THB 1 per share for initial public offering at the offer value of THB 11.9 per share. At the same time, the Company registered all of its ordinary shares in the Stock Exchange of Thailand, whereby the first trading date was on 25 November 2013. In this regard, the objectives of the fund raising were to repay financial institution’s loan, invest and expand business, and utilize as a revolving fund for the businesses. In November 2013, the Company has made full repayment on both long term and short term loans to the financial institutions.

Namyong Terminal Public Company Limited has continuously invested and developed management system of A5 Terminal. The Company has made investment to expand the Company’s terminal from only 1 berth at the beginning to 3 berths at present, with the total quay length of 697 meters, max draft 14 meters (at present, the max draft increases to 17 meters). These berths can support maximum vessel size at 80,000 DWT. Additionally, on 31 December 2017, as a result of the expansion of parking area for car exportation and importation, the Company operates the total parking area for car exportation at 820,903 square meters, comprising the parking area for exportation and importation within the terminal at 247,000 square meters which can support up to 15,437 cars, and car storage area for export preparation surrounding the terminal at 573,903 square meters, which can support up to 35,869 cars at the same time. Moreover, the Company also provides cargo storage and warehouse service at 270,027 square meter (120,796 square meters of which are pending the area management process).

On 19 May 2017, the Company changed its par value per share from THB 1.00 to THB 0.50.

2.2 Vision and Business Goals

The Company intends to operate the Company’s berth as a global hub for all types of vehicles by managing it professionally with high technology, as well as being committed to providing berth services to be a world class center for exporting and importing cars of the country under the potential of the Company, the personnel experience and the development of technology to support the business. At present, the Company has been trusted by car manufacturers to become a market leader in providing port services for exporting and importing of the country with 80 percent of the market share. In the future the Company intends to increase its market share from berth services of both A5 and C0 Terminal.

2.3 Type of Business

The Company is a fully-integrated Roll-on/Roll-off (Ro/Ro) terminal operator of A5 Terminal providing terminal services, supporting car storage areas for storing and preparing cars before exported and other services related to the core business including Warehouse Service at Laem Chabang Port, Sriracha, Chonburi. The details of the services are as follows:

(1) Port Terminal services and other services related to the core business

1.1 Port Terminal services:

The services at A5 Terminal include berth hire, wharfage, wharf handling and short-term car storage.

- Service to shipping lines for the use of berth in docking their vessels at berth (Berth Hire)

The location of A5 Terminal at Laem Chabang Port has geographical advantage over the others as the terminal is at the entrance of the watercourse so shipping lines' vessels can firstly dock at A5 as resulted in shortest distances and lowest cost of tug boat. The terminal's location is next to the break water which helps protect the terminal from wind and sea wave.

A5 Terminal has the total berth width of 697 meters, with depth of 17 meters from the mean sea level. A5 Terminal can accommodate up to an 80,000 DWT vessel.

A5 Terminal has with three berths as follows:

- Berth 1 at 225 meters width;
- Berth 2 (next to Berth 1) at 302 meters width; and
- Berth 3 (at the side of Berth 1) at 170 meters width.

- Service to shipping lines for the use of berth in moving cars (or cargo) on and off vessels (Wharfage)

Wharfage service can be categorized according to the loading / discharging characteristics into 4 following types:

- Export Cargo: Cargo that manufacturers or providers export overseas upon customers' requirements.
- Import Cargo: Cargo that manufacturers or providers import from overseas objectively for manufacturing or selling.
- Through Cargo: Cargo that discharging from vessels to terminal area and store at the terminal area before loading back to the vessels.
- Transshipment Cargo: Cargo that discharging from vessels to terminal area and wait for being loaded to new vessels to destination ports.

- Service to car makers for moving cars (or cargo) within the terminal (Wharf Handling)

The Company provides a service of moving exported cars from receiving area to pre-loading area in order to hand over exported cars to shipping lines and for moving imported cars from pre-loading area to import area in order to pass on to importers.

The area within A5 Terminal is 247,000 square meters which is able to accommodate 15,437 cars simultaneously, consisting of three main areas, namely: (1) pre-loading area, (2) receiving area and (3) import area. To efficiently provide the wharf handling service, the Company used over-15-year-experience in Ro/Ro terminal service in developing IT systems that help systematically and accountably manage wharf handling service in the terminal.

- Service to car manufacturers for short-term car storage at the terminal (Short-term Storage)

When the Company receives exported, imported or transshipped cargo, exporters and importers can store their cars or cargo in the terminal without any charge for a specific period of time (free-time) determined by PAT (3 days for import and export and 15 days for transshipment).

1.2 Storage and Supporting Car Storage Area for Preparation before Car Export

As of 31 December 2017, the Company provides supporting car storage area service near by the terminal and Industrial Estate Authority of Thailand ("IEAT") for 573,903 square meters which can accommodate approximately 35,869 cars simultaneously.

(2) Warehousing services

As of 31 December 2017, the Company has a total warehousing area of 270,027 square meters, (120,796 square meters of which are pending the area management process) in the areas of both IEAT and PAT, which can be divided into open yard area of 46,880 square meters and warehouse of 223,147 square meters. The Company also has a warehouse of 1,000 square meters at Zone 1A used for providing a service to exporters and importers.

2.4 Relationship with the groups of the major shareholder

In 2015, N.Y.K. (Thailand) Co., Ltd, a subsidiary of Nippon Yusen Kabushiki Kaisha ("NYK Group"), became the major shareholders of the Company by purchasing 113,718,000 of the Company shares, representing 18.34 from the existing shareholders on 22 September 2013. At present, NYK Group has used the Company's berth services, such as bringing boats to the dock.

2.5 Business Structure of the Company

2.5.1 The business structure of the Company as at December30, 2017

Figure A-1: The Shareholding structure of the Company as at December 30, 2017

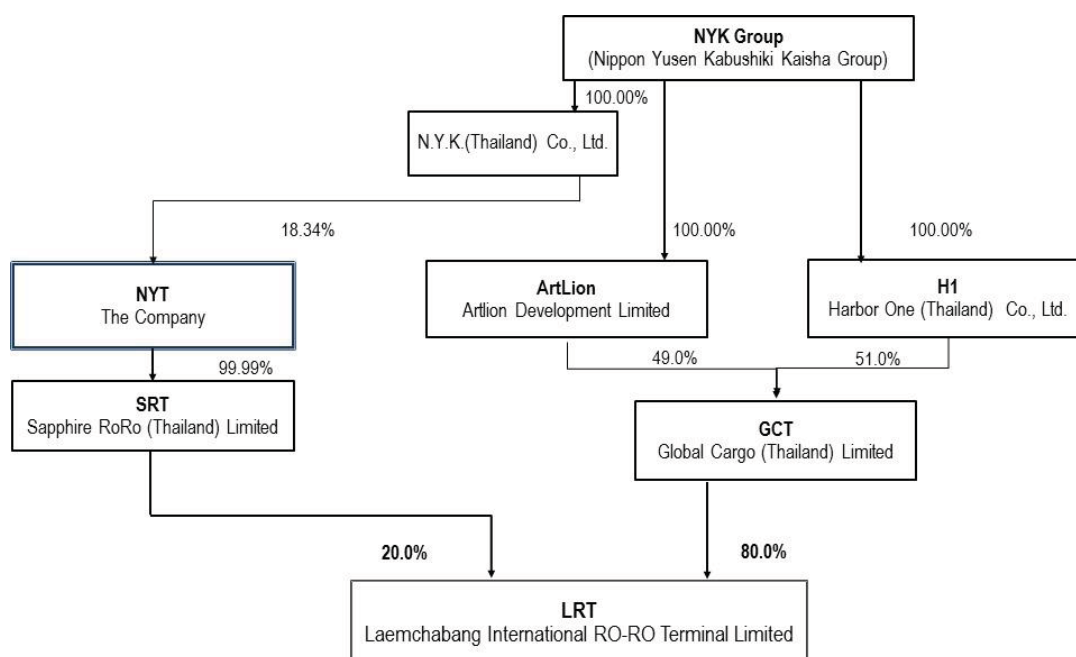


Table A-1: List of the subsidiary and Associate as at December 30, 2017

Company Name	Type of business	Shareholding (percentage)	Registered capital and paid up capital (THB million)
<u>Subsidiary</u> Sapphire Ro-Ro (Thailand) Limited ("SRT")	Holding Company	100.00	183.75
<u>Associate</u> Laemchabang International Ro-Ro Terminal Limited ("LRT")	Providing services at C0 terminal located at Laemchabang	The Company and SRT together holding 20 percent	210.00

2.5.2 The business structure of the Company as at September 17, 2018

On September 17, 2018, the amalgamation between Sapphire Ro-Ro (Thailand) Limited (the subsidiary of Namyang Terminal Public Company Limited) and Global Cargo (Thailand) Limited has been completed. The new company after the amalgamation is NYKT International Terminal Co., Ltd. ("NYKT"). SRT has ceased its operation since September 17, 2018 after the merger is completed.

Figure A-2: The business structure of the Company as at September 17, 2018

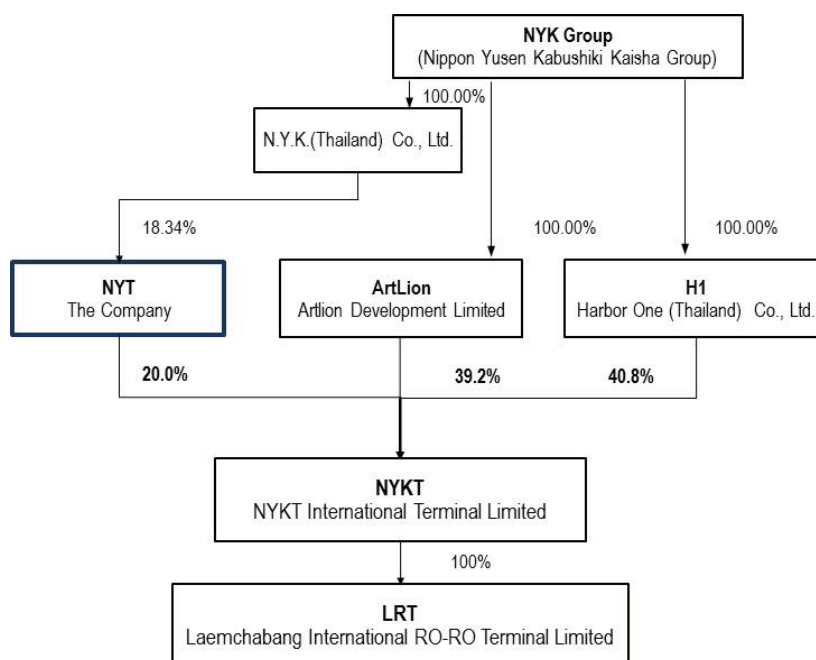


Table A-2: List of the associates as at September 17, 2018

Company Name	Type of business	Shareholding (percentage)	Registered capital and paid up capital (THB million)
<u>Associate</u> NYKT International Terminal Co., Ltd. ("NYKT") ^{1/}	Holding Company	20.00	400.65
<u>Indirect Associate</u> Laemchabang International Ro-Ro Terminal Limited ("LRT")	Providing services at C0 Terminal located at Laemchabang	The Company holds 20 percent of LRT via NYKT	210.00

Remark: 1/ NYKT was established on 17 September 2018 from the amalgamation between SRT and Global Cargo (Thailand) Limited

2.6 Summary of the Main Agreement Relevant to the Business Operation

▪ Agreement for Investment, Construction, Management and Operation of A5 Terminal

Table A-3: Summary of the key terms in Agreement for Investment, Construction, Management and Operation of A5 Terminal

Parties	Namyong Terminal Public Company Limited (the “ Company ”) and Port Authority of Thailand (the “ PAT ”)
Purpose	To operate as a terminal service business for exportation and importation of cars including general products at the A5 terminal, located at Laem Chabang, Chonburi Port
Term of agreement	25 years from 1 May 1996 – 30 April 2021 The Company may extend the term of the agreement for another 5 years (under the terms and conditions agreed upon by both parties) by submitting a written request 2 years prior to the expiry date.
Remuneration	The Company must pay remuneration to PAT. The remuneration shall be divided into 2 parts; the annual remuneration and additional remuneration for the case where the amount of the product surpasses the amount specified. In each operation year, the annual remuneration must be paid by 4 equal installments, and each installment shall be paid before the beginning of each quarter. The additional remuneration in the cases where the amount of the product surpasses the amount specified shall be paid at the end of the operation year.
Main condition of the agreement	<ul style="list-style-type: none"> - Having a natural person with a Thai nationality or a Thai juristic person holding at least 51 per cent of shares during the term of the agreement and having a paid up registered capital of at least THB 120 million. - The Company shall have ownership of the properties consisting of the additional infrastructure, equipment and facilities in relation to the operation of the terminal, which was procured by the Company during the term of the agreement. Upon termination of the agreement, all real properties including the infrastructure shall become the ownership of PAT and PAT is entitled to purchase all or part of the movable properties in the price of the current book value. - PAT shall specify (1) the structure of the port charges and (2) the rate of the port tariff. The Company may not collect the port charges in excess of the rates specified by PAT.
Termination	<ul style="list-style-type: none"> - The term of operation under the agreement expires. - The Company violates the material terms of the agreement which hinders and causes damages to the management and operation of the terminal. - Termination of the agreement by reason of national security, public safety or necessity, government orders or other similar reasons.

Source: Form 56-1 of the Company

▪ Lease Agreement or Service Agreement of the Area/Land to Provide Parking Services and; Storage and Warehouse Services

Table A-4: Summary of key terms in Lease Agreement or Service Agreement of the Area/Land to Provide Parking Services and; Storage and Warehouse Services

Parties/Lessor/Service Provider	Term of Agreement (Years)	Main condition of the agreement
PAT	1 – 20 year	<ul style="list-style-type: none"> - The Company has ownership of the real property consisting of the infrastructure which was procured by the Company. Upon termination of the agreement, the real properties shall be under the ownership of PAT. Furthermore, the Company must decommission any part of the structure which PAT does not wish to keep. - In respect to the movable properties of the Company, PAT has the right to purchase all or part of the properties in the price of the current book value. - During the term of the agreement, PAT has the right to raise the rental fees.

Parties/Lessor/Service Provider	Term of Agreement (Years)	Main condition of the agreement
IEAT	12 – 30 year	<ul style="list-style-type: none"> - The Company has ownership of the structure and property which was procured by the Company. Upon termination of the Agreement, the Company must decommission the structure from the area. - The Company may pledge or mortgage its leasing rights and structure or use it as collateral with financial institutions by notifying the IEAT within 30 days from the date of movement. - During the term of the agreement, IEAT may raise the rental fees for some agreements.
Other service providers	3 – 6 year	<ul style="list-style-type: none"> - The Company has ownership of the structure and property which was procured by the Company. Upon termination of the Agreement, the Company must decommission the structure from the area.

Source: Annual Registration Statements (Form 56-1) of the Company

2.7 Revenue Structure

Table A-5: Revenue of the Company by business

Type of Income	3Q 2018		Y2017		Y2016		Y2015	
	THB million	%	THB million	%	THB million	%	THB million	%
1. Service revenues								
1.1 Terminal services and related services	881.69	80.71	1,159.92	81.55	1,159.29	81.27	1,152.80	81.90
1.2 Warehousing services	178.30	16.32	213.33	15.00	222.20	15.58	199.07	14.14
Total service revenues	1,059.99	99.23	1,373.25	96.55	1,381.49	96.85	1,351.87	96.04
2. Other Revenues	8.37	0.77	49.03	3.45	44.97	3.15	55.72	3.96
Total Revenues	1,092.47	100.00	1,422.28	100.00	1,426.46	100.00	1,407.59	100.00

Sources: 2017 Annual Registration Statements (Form 56-1) and the Company's financial statements as at September 30, 2018

3. Shareholders

Table A-6: Top 10 major shareholders as of December 30, 2017

No.	Name - Surname	No. of shares (shares) ^{1/}	Percentage
1.	Leuangsuwan Family	586,534,800	47.28
	1.1 Namyuenyong Shipping Company Limited	311,999,000	25.16
	1.2 Dr. Theparak Leungsuwan	133,649,800	10.78
	1.3 Mrs. Preeyanan Leungsuwan	22,950,000	1.85
	1.4 Ms. Phatwadee Leungsuwan	20,736,400	1.67
	1.5 Ms. Pensri Leungsuwan	19,250,200	1.55
	1.6 Ms. Pimkarn Leungsuwan	19,250,200	1.55
	1.7 Mr. Boonchai Leungsuwan	19,250,200	1.55
	1.8 Mr. Boonyawat Leungsuwan	19,250,200	1.55
	1.9 Mr. Dhananant Leungsuwan	19,250,200	1.55
	1.10 Mr. Prabhun Prachumbhun	480,000	0.04
	1.11 Mrs. Aree Leungsuwan	261,800	0.02
	1.12 Mrs. Penchun Leungsuwan	147,200	0.01
	1.13 Mrs. Lawan Leungsuwan	60,000	0.00
	1.14 Mr. Pongthep Leungsuwan	0	0.00
	1.15 Mr. Sumit Leungsuwan	0	0.00
2.	N.Y.K. (Thailand) Company Limited	227,437,200	18.34
3.	N.C.B. TRUST LIMITED-NORGES BANK 11	32,537,000	2.62
4.	Thai NVDR Company Limited	31,263,600	2.52
5.	HSBC (SINGAPORE) NOMINEES PTE LTD	28,111,000	2.27
6.	Southeast Life Insurance Co., Ltd	19,103,200	1.54
7.	Thanachart Low Beta Fund	17,833,200	1.44
8.	Krungthai Axa Assurance Public Company Limited – KTAM Growth by Krungthai Asset Management Co., Ltd.	12,575,500	1.01
9.	Value Plus - Dividend Long Term Equity Fund	10,414,100	0.84
10.	Southeast Insurance Co., Ltd (Equity)	9,351,700	0.75
Top ten major shareholders of the Company		975,161,300	78.64

Source: The Company and SET

Remarks: 1/ Par value is THB 0.50

Juristic persons that holds 10% or more of the Company's paid-up capital details as follows:

- Namyuenyong Shipping Company Limited

As of December 30, 2017, the registered capital and paid-up capital of Namyuenyong Shipping Company Limited consisted of THB 517,000,000, divided into ordinary shares of 517,000 shares at a par value of THB 1,000. Details of shareholders as follows:

Table A-7: List of shareholders of Namyuenyong Shipping Company Limited

Name - Surname	No. of Shares (Shares)	Percentage
1. Dr. Theparak Leungsuwan	64,625	12.50
2. Mr. Dhananant Leungsuwan	64,625	12.50
3. Ms. Pensri Leungsuwan	64,625	12.50
4. Mr. Boonchai Leungsuwan	64,625	12.50
5. Ms. Phatwadee Leungsuwan	64,625	12.50
6. Ms. Pimkarn Leungsuwan	64,625	12.50
7. Mr. Boonyawat Leungsuwan	64,625	12.50
8. Mrs. Preeyanun Leungsuwan	64,625	12.50
Total	517,000	100.00

Sources: 2017 Annual Registration Statements (Form 56-1) and Annual report of the Company

- N.Y.K. (Thailand) Co., Ltd.

As of December 30, 2017, the registered capital and Paid-up capital of N.Y.K. (Thailand) Company Limited consisted of THB 964,000,000, divided into ordinary shares of 964,000 shares at the par value of THB 1,000. Details of shareholders as follows:

Table A-8: List of shareholders of N.Y.K. (Thailand) Co., Ltd.

Name - Surname	No. of Shares (Shares)	Percentage
1. Nippon Yusen Kabushiki Kaisha Limited	963,998	99.99
2. N.Y.K. Distribution Service (Thailand) Co., Ltd.	1	0.00
3. N.Y.K. Line (Thailand) Co., Ltd.	1	0.00
Total	964,000	100.00

Sources: 2017 Annual Registration Statements (Form 56-1) and Annual report of the Company

4. Directors

As of 24 December 2018, Board of Directors comprised of twelve persons as follow:

Table A-9: List of Board of Directors

No.	Name - Surname	Position
1.	Dr. Borwornsak Uwanno, Professor Emeritus	Chairman of the Board of Directors / Independent Director
2.	Dr. Theparak Leungsuwan	Director / Chairman of the Executive Committee / Executive Director Authorized Director / Chief Executive Officer
3.	Mr. Dhananant Leungsuwan	Director / Non-Executive Director
4.	Ms. Pensri Leungsuwan	Director / Non-Executive Director / Authorized Director
5.	Ms. Pimkarn Leungsuwan	Director / Member of the Executive Committee/ Executive Director Authorized Director / Chief Financial Officer
6.	Dr. Sunee Sornchaitanasuk	Director / Chairman of the Audit Committee / Independent Director
7.	Mr. Chaisawasdt Kittipornpaiboon	Director / Independent Director
8.	Mrs. Benchawan Srangnitra	Director / Chairman of the Nomination, Compensation and Corporate Governance Committee / Member of the Audit Committee / Independent Director
9.	Mrs. Sunee Pongpud	Director / Member of the Audit Committee / Independent Director
10.	Mr. Vallop Tiasiri	Director / Member of the Nomination, Compensation and Corporate Governance Committee / Independent Director
11.	Dr. Vichya Kreangam	Director / Member of the Audit Committee / Member of the Nomination, Compensation and Corporate Governance Committee / Independent Director
12.	Mr. Pongthep Leungsuwan	Director / Member of the Executive Committee / Executive Director / Authorized Director / Chief Administrative Officer / (Acting) Director of Human Resources / (Acting) Director of Legal Affairs

Source: Annual Registration Statement (Form of 56-1) and www.set.or.th

Remarks: 1/ Terms of office of the Board of Directors is 3 years subject to date of appointment or rotation
2/ Ms. Sopana Paraphuti, the Corporate Secretary, is the secretary of the Board of Directors

Authorized Director

Dr. Theparak Leungsuwan, Ms. Pensri Leungsuwan, Ms. Pimkarn Leungsuwan, Mr. Pongthep Leungsuwan, any two of four to jointly sign and affix the Company's seal.

5. Summary of Financial Highlights and Analysis of Operational Performance and Financial Status

▪ Statement of Financial Status

Table A-10: Statement of Financial Status - Assets

(Units: THB Million)

Statement of Financial Position	3Q/2018		Y2017		Y2016		Y2015	
	THB M	%	THB M	%	THB M	%	THB M	%
Cash and cash equivalents	1,382.46	32.30	35.18	0.81	43.58	0.99	54.61	1.23
Current investments	602.21	14.07	1,972.10	45.27	1,878.98	42.89	1,833.64	41.24
Trade and other receivables	145.31	3.39	119.20	2.74	116.20	2.65	110.60	2.49
Prepaid expenses	25.69	0.60	21.82	0.50	27.75	0.64	29.24	0.66
Other current assets	8.71	0.20	15.30	0.34	27.69	0.63	10.99	0.25
Total Current Assets	2,164.38	50.57	2,163.60	49.66	2,094.20	47.80	2,039.08	45.87
Restricted bank deposits	-	-	-	-	-	-	30.00	0.67
Long-term investments	177.51	4.15	130.25	2.99	12.00	0.27	-	-
Investment in associates	510.46	11.93	506.44	11.62	513.32	11.72	524.44	11.79
Right under port service concession agreement	230.36	5.38	292.07	6.70	369.68	8.44	439.21	9.88
Leasehold improvements, buildings and equipment	1,052.30	24.59	1,177.23	25.64	1,242.32	28.36	1,282.63	28.84
Intangible assets	94.71	2.21	98.91	2.27	99.76	2.28	56.88	1.28
Deferred tax assets	41.69	0.97	42.09	0.97	42.81	0.98	50.45	1.13
Other non-current assets	8.82	0.21	6.13	0.15	6.38	0.15	23.99	0.54
Total Non-Current Assets	2,115.84	49.43	2,193.12	50.34	2,286.27	52.20	2,407.61	54.13
Total Assets	4,280.21	100.00	4,356.72	100.00	4,380.47	100.00	4,446.69	100.00

Sources: 2017 Annual Registration Statements (Form 56-1) and the Company's financial statement

Table A-11: Statement of Financial Status – Liabilities and Equity

(Units: THB Million)

Statement of Financial Position	3Q/2018		Y2017		Y2016		Y2015	
	THB M	%	THB M	%	THB M	%	THB M	%
Trade and other payables	26.56	0.62	20.49	0.47	17.24	0.39	37.06	0.83
Income tax payable	16.01	0.37	28.09	0.64	31.30	0.71	36.08	0.81
Current portion of liabilities under finance lease agreements	0.15	0.00	1.17	0.03	1.76	0.04	3.46	0.08
Security deposits	31.74	0.74	38.64	0.89	17.46	0.40	31.05	0.70
Accrued expenses	162.41	3.79	183.36	4.21	168.09	3.84	160.50	3.61
Other current liabilities	14.11	0.33	15.84	0.36	15.78	0.36	15.43	0.35
Total Current Liabilities	250.98	5.86	287.59	6.60	251.64	5.74	283.57	6.38
Provision for port remuneration under concession agreement - net of current portion	64.31	1.50	95.53	2.19	135.83	3.10	167.12	3.76
Liabilities under finance lease agreement – net of current portion	0.17	0.00	0.29	0.01	1.45	0.03	2.65	0.06
Accrued land rental expense	92.49	2.16	93.99	2.16	95.67	2.18	85.47	1.92
Security deposits	123.56	2.89	75.59	1.73	112.29	2.56	115.14	2.59
Provision for decommissioning costs	27.96	0.65	27.21	0.62	26.21	0.60	25.22	0.57
Provision for long-term employee benefits	23.80	0.56	22.38	0.52	19.92	0.45	14.39	0.32
Total Non-Current Liabilities	332.30	7.76	314.99	7.23	391.38	8.94	409.99	9.22

Statement of Financial Position	3Q/2018		Y2017		Y2016		Y2015	
	THB M	%	THB M	%	THB M	%	THB M	%
Total Liabilities	583.28	13.63	602.58	13.83	643.02	14.68	693.56	15.60
Registered Capital	620.00	-	620.00	-	620.00	-	620.00	-
Issued and fully paid up Capital	620.00	14.49	620.00	14.23	620.00	14.15	620.00	13.94
Share premium	2,178.41	50.89	2,178.41	50.00	2,178.41	49.73	2,178.41	48.99
Retained earnings								
Appropriated - statutory reserve	62.00	1.45	62.00	1.42	62.00	1.42	62.00	1.39
Unappropriated	836.53	19.54	893.73	20.52	877.04	20.02	892.72	20.08
Total Shareholders' equity	3,696.93	86.37	3,754.14	86.17	3,737.45	85.32	3,753.13	84.40
Total Liabilities and shareholders' equity	4,280.21	100.00	4,356.72	100.00	4,380.47	100.00	4,446.69	100.00

Sources: 2017 Annual Registration Statements (Form 56-1) and the Company's financial statement

▪ Statement of Comprehensive Income

Table A-12: Statement of Comprehensive Income

(Units: THB Million except for earnings per shares)

Statement of Comprehensive Income	3Q/2018		Y2017		Y2016		Y2015	
	THB M	%	THB M	%	THB M	%	THB M	%
Service income	881.69	80.71	1,159.92	81.55	1,159.29	81.27	1,152.80	81.90
Other service income	178.30	16.32	213.33	15.00	222.20	15.58	199.07	14.14
Interest income	24.11	2.21	30.92	2.17	38.80	2.72	45.57	3.24
Other income	8.37	0.77	18.12	1.28	6.18	0.43	10.15	0.72
Total Revenue	1,092.47	100.00	1,422.29	100.00	1,426.46	100.00	1,407.59	100.00
Cost of services	575.62	52.69	763.71	53.70	744.90	52.22	693.40	49.26
Selling expenses	2.56	0.23	3.59	0.25	4.96	0.35	4.53	0.32
Administrative expenses	119.70	10.96	153.58	10.80	150.19	10.53	145.46	10.33
Total Expenses	697.87	63.88	920.88	64.75	900.06	63.10	843.39	59.91
Profit before shares of profit (loss) from investment in associate, finance cost and income tax expense	394.60	36.12	501.41	35.25	526.40	36.90	564.21	40.09
Share of profit (loss) from investment in associate	2.32	0.21	(6.88)	(0.48)	(11.13)	(0.78)	2.21	0.16
Profit before finance cost and income tax expense	396.92	36.33	494.53	34.77	515.27	36.12	566.42	40.25
Finance cost	(4.66)	(0.43)	(7.72)	(0.54)	(9.15)	(0.64)	(10.26)	(0.73)
Profit before income tax expense	392.25	35.91	486.81	34.23	506.12	35.48	556.16	39.52
Income tax expense	(77.46)	(7.09)	(98.12)	(6.90)	(116.09)	(8.14)	(111.57)	(7.93)
Profit for the period	314.80	28.82	388.69	27.33	390.03	27.34	444.59	31.59
Other comprehensive income for the period	-	-	-	-	(2.71)	(0.19)	-	-
Total comprehensive income for the period	314.80	28.82	388.69	27.33	387.32	27.15	444.59	31.59

Sources: 2017 Annual Registration Statements (Form 56-1) and the Company's financial statement

▪ Cash flow Statement

Table A-13: Cash flow Statement

Description (Unit: THB Million)	9-Month Period of 2018	Y2017	Y2016	Y2015
Net cash from (used in) operating activities	396.00	557.99	571.72	667.60
Net cash from (used in) investment activities	1,324.48	(192.33)	(205.71)	(786.13)
Net cash from (used in) financial activities	(373.20)	(374.06)	(377.04)	(383.15)
Cash and cash equivalents Increase (decrease) in cash	1,347.28	(8.40)	(11.03)	(501.69)
Cash and cash equivalents, ending	1,382.46	35.18	43.58	54.61

Sources: 2017 Annual Registration Statements (Form 56-1) and the Company's financial statement

▪ Summary of Key Financial Ratios

Table A-14: Key Financial Ratios

Ratio	Unit	9-Month Period of 2018	Y2017	Y2016	Y2015
<u>Liquidity Ratio</u>					
Liquidity Ratio	Time	8.62	7.52	8.32	7.19
Quick Liquidity Ratio	Time	8.49	7.39	8.10	7.05
Trade Account Receivable Turnover	Time	11.27	14.80	14.73	13.19
Average Collection Period	Days	31.93	24.32	24.44	27.29
Payable Turnover	Time	24.47	40.48	27.44	26.05
Credit Term	Days	14.71	8.89	13.12	13.82
Cash Cycle	Days	17.22	15.42	11.32	13.47
<u>Profitability Ratio</u>					
Gross Profit Margin	%	45.70	44.39	46.08	48.71
Operating Profit Margin	%	37.23	36.51	38.10	41.74
Net Profit Margin	%	28.82	27.33	27.34	31.59
Return of Equity	%	8.45	10.38	10.41	11.96
<u>Efficiency Ratio</u>					
Return on Assets	%	7.29	8.90	8.84	10.10
Return on Fixed Assets	%	N/A	41.25	38.01	36.94
Asset Turnover	Times	0.25	0.33	0.32	0.32
<u>Financial Ratio</u>					
Debt to Equity Ratio	Times	0.16	0.16	0.17	0.18
Interest Coverage Ratio	Times	N/A	2,225.00	1,263.57	1,412.65
Dividend Payout Ratio ^{1/}	%	N/A	94.02	92.71	91.09

Source: 2017 Annual Registration Statements (Form 56-1) and calculation by IFA

Remark: 1/ Dividend payout ratio calculated from the total dividend paid / net profit from the separated financial statement.

Operating Results and Financial Analysis of the Company Operations

The Company operates a full service terminal for the exportation and importation of cars (Ro/Ro). The Company's services include terminal services, storage area and preparation prior exportation services, and other services in relation to the principal services as well as the warehousing services in the terminal located at Laemchabang, Sriracha District, Chonburi Province. The Company's main customers are the importers and exporters of cars and world class shipping lines. Furthermore, the Company is the leading terminal service provider for import and export of cars in Thailand and has the highest market share for years.

Overall Performance of the Company

(In 2015-2017, the Company has only one associate company which is LRT and since September 17, 2018, the Company has two associate companies which are NYKT and LRT.)

Y2015 - 2017

In the year 2015, 2016 and 2017, the total revenue of the Company amounted to THB 1,407.59 million, THB 1,426.46 million and THB 1,422.28 million respectively, which is the compound annual growth rate (CAGR) of 0.52 percent per annum. The main reason was stable volumes of cars exported through the terminal in the past 3 years, which was in line with the country's overall car export volumes.

In the year 2015, 2016 and 2017, the cost for providing services amounted to THB 693.40 million, THB 744.90 million and THB 763.71 million which increased by 7.43 percent and 2.52 percent, respectively. The costs were mostly incurred from the increase of land rental fees, because between the year 2015 and the year 2016, the Company rented additional 2 plots of land (approximate total area of 106 Rai) to support the expansion of number of cars in the terminal and to increase the area of warehousing services in the future. Presently, such areas have finished with improvement and some areas are ready for service. In addition, the rental fees have been increased for some of the areas that the Company has renewed the rental agreement.

In the year 2015, 2016 and 2017, the total servicing and administrative expenses amounted to THB 149.99 million, THB 155.16 million and THB 157.17 million respectively which mostly incurred from the increase of the expenses relating to the employees.

The Company's net profits in the year 2015, 2016 and 2017 amounted to THB 444.59 million, THB 390.03 million and THB 388.69 million, computed to be net profit at the rate of 31.59 percent, 27.34 percent and 27.33 percent respectively. In 2017, the Company's net profit slightly decreased from the previous year due to both positive and negative factors affecting the profit of the Company, which can be summarized as follows:

1. Decrease of revenues from warehousing services as the Company terminated agreements with some customers because they were unable to comply with the terms and conditions specified in the agreements. However, the Company gained revenues from the forfeiture of guarantee deposit placed by such customers.
2. Decrease of interest due to the increase of the interest rates in the market.
3. Increase of service cost due to the increase of rented area to support the expansion of the terminal and warehousing services as well as the increase the rental fees in consistent with the current market rates.
4. Increase of sales and administration expenses due to the increase of the expenses relating to the employees.
5. Decrease of loss incurred from investment in associated companies as, in the year 2016, the associated companies had a large number of loss because of retroactive property tax assessment by the authority.
6. Decrease of corporate income tax expense as, in the year 2016, the Company suffered loss from deferred tax asset written off from the retained loss of the business under BOI promotion pursuant to the relevant Supreme Court's decisions.

First Nine-Month of 2018 (third quarter ended 30 September 2018)

Namyong Terminal Public Company Limited and its subsidiary reported net profit for the third quarter and the 9-month period ended 31 September 2018 amounting THB 118.2 million and THB 314.8 million, respectively; increasing by THB 25.0 million or 26.8% and THB 27.1 million or 9.4% compared to the corresponding periods of previous year.

Revenue

Reported revenue for the third quarter and the 9-month period of 2018 were THB 384.1 million and THB 1,092.5 million, increase by 6.7% and 3.9% from the corresponding periods of previous year as details below:

Table A-15: Revenue breakdown for the third quarter and the 9-month period of 2018

Unit: THB million	3 rd Quarter				9-month period			
	2018	2017	Difference	%	2018	2017	Difference	%
Service Revenue	303.55	293.39	10.16	3.5	881.69	853.56	28.13	3.3
Other service revenue	67.05	56.42	10.64	18.9	178.30	164.13	14.17	8.6
Interest income	7.13	7.65	(0.53)	(6.9)	24.11	23.70	0.41	1.7
Other income	6.42	2.58	3.84	148.7	8.37	9.76	(1.39)	(14.2)
Total revenue	384.15	360.03	24.11	6.7	1,092.47	1,051.15	41.32	3.9

- Revenues from terminal services and related services for the third quarter and the 9-month period of 2018 valued THB 303.5 million and THB 881.7 million, increased by THB 10.2 million or 3.5% and THB 28.1 million or 3.3% when comparing to the corresponding periods of previous year. These mainly due to an increase in number of cars shipped through the Company's terminal; 8,563 cars or 3.6% and 28,393 cars or 4.1% more than the comparing periods, respectively.
- Revenues from warehousing services for the third quarter and the 9-month period of 2018 amounted THB 67.1 million and THB 181 million; increased THB 10.6 million or 18.9% and THB 14.2 million or 8.6% when comparing to the corresponding periods of previous year. The increase were from the Company utilized a plot of land to new major customer since August 2018.

Expenses

- Cost of services for the third quarter 2018 amounting THB 197.0 million, decreased by THB 3.4 million from the previous year contradicted with the revenue growth. The decrease was from reduction of property tax base for the fiscal year 2017, the Company therefore reversed over accrued expenses of THB 8.7 million.
- Administrative expenses of THB 41.6 million for the third quarter and THB 119.7 million for the 9-month period of 2018 slightly increase from the corresponding periods mainly from increase in employee expenses and bad debt provision on goods impounded by Thai Customers

Profit (loss) sharing from Investment in associate

For the third quarter 2018, the Company realized profit from investment in associate of THB 3.5 million, compares to sharing loss of THB 0.4 million of the previous year. Because in the current period the associate had more general cargo throughputs from project work resulted in higher revenue and profit.

Financial Position

▪ As of Y2015 to Y2017

The Company's total assets as of 31 December 2015, 2016 and 2017 were THB 4,446.69 million, THB 4,380.47 million and THB 4,356.72 million respectively. The outstanding balance as of December 31, 2017 has slightly decreased. The main reason was the depreciation of project cost and leasehold improvement of lands, buildings and equipment during the year.

The Company's total liabilities as of 31 December 2015, 2016 and 2017 were THB 693.56 million, THB 643.02 million and THB 602.58 THB respectively. The total liabilities as of December 31, 2017 decreased from the previous year due to the payment of consideration in accordance with the terminal concession agreement, the settlement of the construction costs for the improvement of the service area at the berth, and the write-off of deposit guarantees, which became revenue gained due to the breaches of agreement by customers.

The shareholder's equity as of 31 December 2015, 2016 and 2017 were THB 3,753.13 million, THB 3,737.45 million and THB 3,754.14 million respectively as a result of the Company's net profit after deduction of the interim dividend payment.

▪ **As of September 30, 2018**

As of September 30, 2018, the Company had total assets of THB 4,280.13 million, decreased by THB 76.51 million or 1.76% from year-end 2017. The main reason was due to the decrease in Right under port service concession agreement of THB 61.71 million and the decrease in leasehold improvement of lands, buildings and equipment of THB 64.93 million.

As of September 30, 2018, the Company had total liabilities of THB 583.28 million, decreased by THB 19.30 million or 3.72% from year-end 2017. The main reason was due to the decreased in provision for port remuneration under concession agreement - net of current portion of THB 31.22 million and the decreased of accrued expenses of THB 20.95 million.

As of September 30, 2018, the Company had total shareholders' equity of THB 3,696.93 million, decreasing by THB 57.20 million or 0.18% from year-end 2017. The main reason was due to the decrease in unappropriated retained earnings because the company has paid the dividend for the accounting period ending 31 December 2017 in the amount of THB 372 million on 24 May 2018.

Main Factors or Events Which May Affect the Business Operation or the Financial Position of the Company in the Future

- The option for purchase of additional LRT shares in the amount not exceeding 29 percent (direct and indirect shareholding shall not exceed 49 percent)

Under the shareholder's agreement between the Company and NYK, LRT's major shareholder, dated March 30, 2012 (including the amendments), specifies that, within May 15, 2017, the Company has the option to purchase additional LRT shares from NYK in an amount of 29 percent under the specified terms. The purchase price shall not be lower than USD 24.65 million including the actual cost (e.g. interest cost up to the date the Company exercises its option and additional investment in LRT). In this regard, NYK had informed that the period for purchasing shares was extended until March 31, 2018. The Board of Directors Meeting No. 1/2560 dated February 22, 2017 approved that this matter shall be presented to the 2017 Annual General Meeting to acknowledge the extension of period for purchasing LRT shares of 29 percent under the above shareholder's agreement from within May 15, 2017 to be within March 31, 2018, since NYK needs more time to complete the business restructuring of the group company. Subsequently on January 12, 2018, NYK sent a letter to the Company requesting to extend the period for purchasing LRT shares of 29 percent under the above shareholders' agreement to be within March 31, 2019 as NYK needs more time to complete the business restructuring within the group.

Therefore, if the Company exercises its right whether in part or in whole in the future, the Company would need to invest at least USD 0.85 million per one-percent increase of shareholding. However, after exercising the right, LRT would maintain the status of Company's associated company since the shareholding, whether direct or indirect, does not exceed 49 percent. Consequently, in the consolidated financial statements of the Company, this investment would be recorded as an investment in an associated company, and the value shall be calculated by the equity method. The profits share shall be recognized from the investment in the associated company as per the increasing shareholding proportion from the original 20 percent after the exercise of right.

The Board of Director's meeting of the Company No. 5/2018 held on November 7, 2018 resolved to propose to the Extraordinary General Meeting of Shareholders of the Company to consider and approve such additional share purchase transaction. The Extraordinary General Meeting of Shareholders No. 1/2019 will be held on February 22, 2019.

6. Industry Overview/ Market Overview and Competition

Shareholders can learn more about the market and competitive situation from Part 1: Business Listing No. 2.3 in 2017 Annual Registration Statement (Form 56-1), ending on December 31, 2017.

Appendix 2

Company Information and Operating Results of NYKT International Terminal Co., Ltd. ("NYKT")

1. General Information of NYKT

Company name	:	NYKT International Terminal Co., Ltd. ("NYKT")
Type of business	:	Holding company
Head office	:	2525, Building 1, FYI Center, 7 th Floor, Rama 4 Road, Klongtoey Sub-District, Klongtoey District, Bangkok
Registered capital	:	0-2002-7660
Fax	:	0-2002-7069
Registered capital	:	THB 400,644,900.00 Divided into 4,006,449 ordinary shares with a par value of THB 100 per share
Paid-up capital	:	THB 400,644,900.00
as of October 1, 2018	:	Divided into 4,006,449 ordinary shares with a par value of THB 100 per share
Auditor	:	EY Office Limited

2. Nature of Business of NYKT

2.1 Background

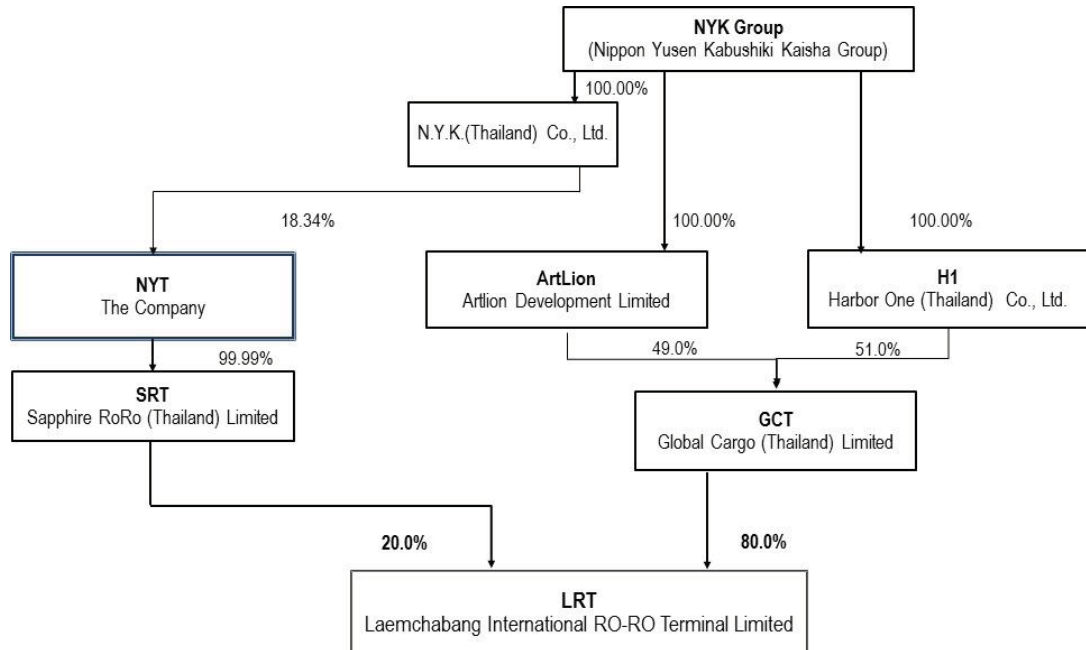
NYKT International Terminal Co., Ltd. was established on September 17, 2018 by originating from the merger in order to restructure the shareholding between Sapphire RoRo (Thailand) Limited ("SRT"), a subsidiary of the Company in which the Company has a shareholding of 99.99 percent of total paid-up capital of SRT, and Global Cargo (Thailand) Limited ("GCT"), a company wholly owned by Nippon Yusen Kabushiki Kaisha Group ("NYK Group"). N.Y.K. (Thailand) Co., Ltd., a major shareholder of the Company, is also a member of the NYK Group (as of May 8, 2018, the latest book closing date, N.Y.K. (Thailand) Co., Ltd. has a shareholding of 18.34 percent of total paid-up capital of the Company).

2.2 Nature of Business

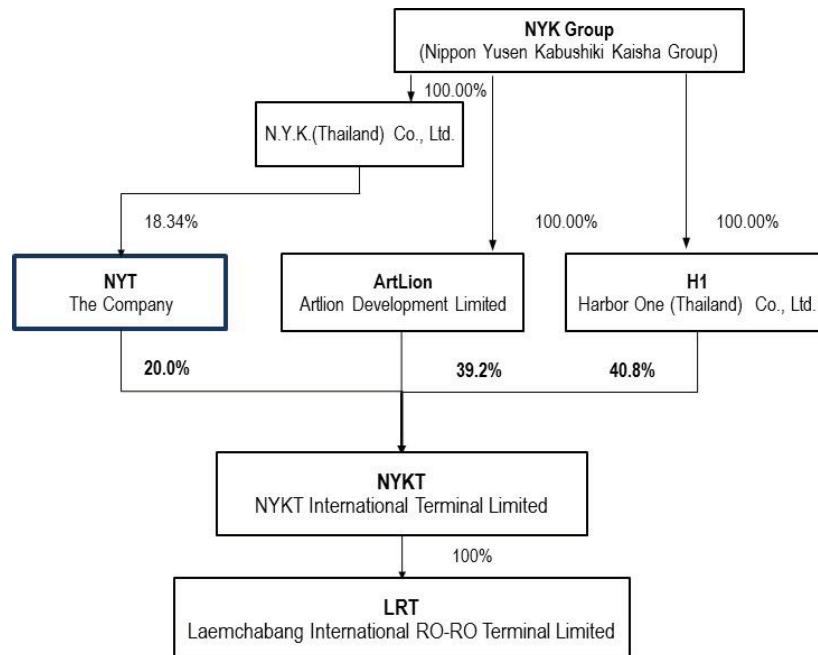
NYKT is a holding company with the investments in one company, which is Laemchabang International Ro-Ro Terminal Co., Ltd.

Figure B-1: Shareholding Structure Before and After the Merger

Before the merger



After the merger



(Shareholders can study more information regarding the merger of SRT and GCT from a resolution of the Board of Directors' meeting of Namyong Terminal Public Company Limited No. 2/2018 held on May 11, 2018 and its amended version on May 22, 2018 on the website of the Stock Exchange of Thailand www.set.or.th)

3. List of NYKT's Directors

Table B-1: Directors of NYKT as of September 17, 2018

No.	Name of Directors	Nationality	Position
1.	Mr. Yanin Amrarong	Thai	Director
2.	Mr. Sukawat Intong	Thai	Director
3.	Mr. Pongthep Leungsuwan	Thai	Director
4.	Mr. Amornnat Janyong	Thai	Director
5.	Mr. Yusuke Sasada	Japanese	Director
6.	Mr.Koji Nakajima	Japanese	Director

Source: The affidavit of NYKT as issued by Ministry of Commerce dated September 17, 2018

- Authorized Directors on behalf of the Company

The joint signatures of either (Mr. Yusuke Sasada or Mr. Sukawat Intong) together with either (Mr. Pongthep Leungsuwan or Mr. Amornnat Janyong), and with company's seal affixed.

- List of Directors before and after this transaction

Please refer to Table 1-3, Part 1 of this Report.

4. List of NYKT's Shareholders

Table B-2: Shareholders of NYKT as of October 1, 2018

No.	Name of Shareholders	Nationality	No. of shares ^{1/}	%	Registered and Paid-up Capital (THB)
1.	Artlion Development Limited ("ArtLion") ^{2/}	Hong Kong	1,570,528	39.20	157,052,800
2.	Habour One (Thailand) Co., Ltd. ("H1") ^{2/}	Thai	1,634,631	40.80	163,463,100
3.	Namyong Terminal PLC. (the "Company")	Thai	801,290	20.00	80,129,000
Total			10,000,000	100.00	100,000,000.00

Source: BorOrChor 5. (List of Shareholders) of NYKT issued by the Ministry of Commerce dated October 1, 2018

Remark: 1/ Par Value of THB 100.00 per share

2/ A subsidiary under the control of Nippon Yusen Kabushiki Kaisha Group ("NYK Group") which is a group company that has N.Y.K. (Thailand) Co., Ltd., a major shareholder of the Company, as one member of the group.

- List of Shareholders **before** and **after** this transaction

Please refer to Table 1-4, Part 1 of this Report.

5. Summary of Financial Highlights and Analysis of Operational Performance and Financial Status of NYKT

▪ Statements of Financial Position and Income Statement (Pro Forma Financial Statements)

NYKT was recently established on September 17, 2018 from the merger in order to restructure the shareholding between Sapphire RoRo (Thailand) Limited ("**SRT**"), a subsidiary of the Company, and Global Cargo (Thailand) Limited ("**GCT**"), a company wholly owned by NYK Group. NYKT thus has no financial statements audited or reviewed by auditors. In order to provide an overview of financial status and operational performance of NYKT, the Company prepared pro forma financial statements which can be summarized in the table below:

Table B-3: Pro Forma Statement of Financial Position and Income Statement of NYKT

Statement of Financial Position (Unit: THB Million)	30 Sep 2018 Pro Forma	31 Dec 2017 Pro Forma	31 Dec 2016 Pro Forma
Total Assets	716.057	617.038	552.02
Total Liabilities	35.572	25.60	26.22
Shareholders' Equity	680.485	591.43	525.79
Income Statement (Unit: THB Million)	First 9-month of Y2018	Y2017	Y2016
Total Revenue	259.140	279.243	309.886
Total Expenses	(170.089)	(213.601)	(264.943)
Net Profit (Loss)	89.051	65.642	44.943

Source: The Company.

Pro forma financial statements of NYKT which have been prepared by the Company.

The information above on the financial statements of NYKT are preliminary information, to provide an overview status of NYKT's shares that the Company will acquire, the IFA does not analyze the financial position and operational performance of NYKT.

Appendix 3

Company Information and Operating Results of Laemchabang International Ro-Ro Terminal Co., Ltd. ("LRT")

1. General Information of LRT

Name	:	Laemchabang International Ro-Ro Terminal Co., Ltd. ("LRT")
Type of business	:	<p>LRT is engaged in businesses which can be classified as follows;</p> <p>1. Terminal services and other services related to the core business</p> <p>1.1 Terminal services</p> <ul style="list-style-type: none">- Service to shipping lines for the use of berth in docking their vessels at berth (Berth Hire)- Service to shipping lines for the use of berth in moving cars (or cargo) on and off vessels (Wharfage)- Service to exporters / importers for moving cars (or cargo) within the terminal (Wharf Handling)- Service to exporters / importers / shipping lines for short-term car or cargo storage at the terminal (Short-term Storage) <p>1.2 Other services related to the core business, including</p> <ul style="list-style-type: none">- Equipment rental- Car cleaning before import or export
Website	:	http://www.lrt-th.com
Head office	:	88/3, Moo 3, Thungsukhla Sub-District, Sriracha District, Chonburi.
Telephone	:	038-490020-24
Fax	:	038-490025
Registered & paid-up capital as of September 30, 2018	:	<p>THB 210,000,000</p> <p>Divided into 500,000 ordinary shares with a par value of THB 100 per share.</p> <p>Divided into 1,600,000 preferred shares with a par value of THB 100 per share.</p>
Auditor	:	EY Office Limited

2. Nature of Business of LRT

2.1 Background

Laemchabang International Ro-Ro Terminal Co., Ltd. was established on August 23, 2005, formerly named Hutchison Ro-Ro Terminal (Thailand) Co., Ltd. In April 2012, the Company and NYK Group has co-invested in LRT which operates Ro/Ro terminal services for car importation and exportation, and general cargo at C0 terminal, situated in Laemchabang Terminal, Sriracha District, Chonburi Province. On August 29, 2003, LRT has been granted the concession on investment, administration and operation of C0 Terminal from Port Authority of Thailand (“PAT”) for the period of 30 years starting from September 1, 2005 and will be expired on August 31, 2035.

2.2 Nature of Business

LRT is a Ro/Ro and general cargo port terminal operator at C0 Terminal, providing similar services provided by the Company at A5 Terminal. Presently, major cargos are loaded and discharged through C0 Terminal is still general cargo such as special project and steel products. Services provided by LRT at C0 Terminal can be categorized into two types, including terminal services and other services related to the core business. Details are as follows;

(1) Terminal Services

1.1 Services to shipping lines for the use of berth in docking their vessels at berth (Berth Hire)

The U shape of C0 Terminal has the depth of 16 meters from the mean sea level and the width of 600 meters, consisting of three berths, including Berth 1 with 250 meters width, Berth 2 with 250 meters width and Berth 3 with 100 meters width. C0 Terminal can accommodate up to an 80,000 DWT vessel.

1.2 Services to shipping lines for the use of berth in moving cars (or cargo) on and off vessels (Wharfage)

C0 Terminal provides similar wharfage services to that of A5 Terminal which can be categorized by the nature of cargo into 4 types, including export cargo, import cargo, through cargo and transshipment cargo.

1.3 Services to exporters/importers for moving cars (or cargo) within the terminal (Wharf Handling)

C0 Terminal has a total wharf handling area of 315,400 square meters. At present, LRT separates the area into two different sections according to cargo types. Zone 1 for Ro/Ro cargo, that are mainly cars, with the area of 146,535 square meters, is able to accommodate approximately 5,876 cars. The other section is Zone 2 for general cargo, such as special project and steel products, with the area of 165,740 square meters. LRT also has an area of 3,125 square meters used as warehouses, offices and others.

1.4 Services to exporters / importers / shipping lines for short-term car or cargo storage at the terminal (Short-term Storage)

Exporters, importers, or shipping lines can store their cars or cargo that will be exported, imported, or transshipped in the terminal without any charge for a specific period of time (free-time 3 days for Import and Export and 15 days for Transshipment).

(2) Other services related to the core business

Apart from the terminal service, LRT also provides other services that are related to the loading / discharging services, such as equipment rental and car cleaning before import or export.

Figure C-1: Pictures showing area within LRT - C0 port terminal and storage area



Source: Pictures taken by IFA on November 20, 2018

Figure C-2: Map showing the location of LRT, C0 Terminal and storage area



Source: Google Maps, the Company's website and summarized by IFA

Major products that LRT provides services can be summarized as follows:

1) Car (Ro-Ro)

- Provision of Ro/Ro terminal services for car importation and exportation to car manufacturers.



2) General Cargo

- General cargo or products under general cargo include products that are transported through the terminal and such products are not transshipped or inconvenient to be loaded and discharged through containers. General cargo can be divided as follows:

- (1) Material products such as steel coil, steel pipe, machinery; and
- (2) Extra-large items. Examples of extra-large products that were transshipped at C0 Terminal, including skytrain bogies and components used in wind energy projects such as wind turbine blades and wind turbine masts.



3) Module

- Products categorized under module are similar to products under general cargo, but will be focused on special project and large steel product such as large equipment or structures of oil rigs, etc.



4) Passengers

- Revenue from passengers came from service delivered at C0 terminal for travelling vessels.



5) Others

- Other revenue includes revenue from warehouse services. LRT provides warehouse services in the area of C0 Terminal

2.3 Revenue Structure

Table C-1: Revenue structure of LRT

Type of revenue (Unit: THB Million)	Y2017		Y2016		Y2015	
	Amount	%	Amount	%	Amount	%
Service income	274.24	98.22	304.53	98.28	290.42	99.27
Interest income	4.62	1.65	3.76	1.21	1.72	0.59
Other income	0.35	0.13	1.56	0.50	0.43	0.15
Total revenues	279.21	100.0	309.85	100.0	292.57	100.0

Source: The Company

Table C-2: Revenue structure of LRT classified by type of product

Type of product (Unit: THB Million)	First 9 months of Y2018		Y2017		Y2016		Y2015	
	Amount	% of total revenues	Amount	% of total revenues	Amount	% of total revenues	Amount	% of total revenues
Ro/Ro	45.09	15.78	61.61	22.07	60.90	19.66	53.35	18.23
General Cargo	191.45	67.01	163.92	58.71	121.64	39.26	127.17	43.47
Module	2.60	0.91	16.63	5.96	98.05	31.64	106.44	36.38
Passenger	3.01	1.05	3.00	1.07	0.37	0.12	2.18	0.75
Others	43.56	13.48	29.08	10.41	23.57	7.61	1.28	0.44
Total service income	280.65	98.23	274.24	98.22	304.53	98.28	290.42	99.27

Source: The Company

2.4 Summary of major agreements related to business operation

- Agreement for Investment and Operation of C0 Terminal Located at Laem Chabang Port

Table C-3: Summary of Agreement for Investment and Operation of C0 Terminal Located at Laem Chabang Port

Parties	Laemchabang International Ro-Ro Terminal Co., Ltd ("LRT") Port Authority of Thailand ("PAT")
Purpose	To receive/deliver, store, load/discharge Ro/Ro cargos, general cargos and containers only. If it wishes to provide the aforementioned services for other products, it must obtain prior written approval from PAT.
Term of Agreement	30 years from 1 September 2005 – 31 August 2035. LRT may extend the agreement for 2 more periods; one period shall consist of 10 years (under the terms and conditions agreed by both parties) by submitting an advance written request to extend at least 2 years prior to the expiry date.
Remuneration	LRT must pay remuneration to PAT. The remuneration shall be divided into 2 parts; the annual remuneration and additional annual remuneration specified in the agreement. For one operation year, both types of remuneration must be paid in 4 equal installments and each installment shall be paid before the start of each quarter.
Main conditions to the agreement	<ul style="list-style-type: none"> - Having a natural person with a Thai nationality or a Thai juristic person holding at least 51 percent of shares during the term of the agreement and having a registered and paid-up capital of at least THB 50 million. - LRT shall have ownership of the properties consisting of the additional infrastructure, equipment and facilities in relation to the operation of the terminal, which was procured by LRT during the term of the agreement. Upon termination of the agreement, all real properties including the infrastructure shall be under the ownership of PAT and PAT is

	<p>entitled to purchase all or part of the movable properties of LRT in the price of the current book value.</p> <ul style="list-style-type: none"> - PAT shall specify (1) the structure of the port charges and (2) the rate of the port tariff. LRT may not collect the port charges in excess of the rates specified by PAT.
Termination	<ul style="list-style-type: none"> - The term of operation under the agreement expires. - LRT violates the material terms of the agreement which hinders and causes damages to the management and operation of the terminal. - Termination of the agreement by reason of national security, public safety or necessity, government orders or by other similar reasons.

Source: 2017 Annual Registration Statements (Form 56-1) of the Company

3. List of LRT's Directors

Table C-4: Directors of LRT as of June 20, 2018

No.	Name of Directors	Nationality	Position
1.	Mr. Yanin Amrarong	Thai	Director
2.	Mr. Sukawat Intong	Thai	Director
3.	Mr. Pongthep Leungsuwan	Thai	Director
4.	Mr. Amornnat Janyong	Thai	Director
5.	Mr. Yusuke Sasada	Japanese	Director
6.	Mr.Koji Nakajima	Japanese	Director

Source: The affidavit of LRT as issued by Ministry of Commerce dated September 20, 2018

- Authorized Directors on behalf of the Company

The joint signatures of either (Mr. Yusuke Sasada or Mr. Sukawat Intong) together with either (Mr. Pongthep Leungsuwan or Mr. Amornnat Janyong), and with company's seal affixed.

- List of Directors **before** and **after** this transaction

Please refer to Table 1-7, Part 1 of this Report.

4. List of LRT's Shareholders

Table C-5: Shareholders of LRT as of October 1, 2018

No.	Name of Shareholders	Nationality	No. of shares 1/	%	Registered and Paid-up Capital (THB)
1.	NYKT International Terminal Co., Ltd. ("NYKT")	Thai	2,099,998	100.00	209,999,800
2.	Ms. Pimkarn Leungsuwan	Thai	1	0.00	100
3.	Mr. Yusuke Sasada	Japanese	1	0.00	100
Total			2,100,000	100.00	210,000,000

Source: BorOrJor 5. of LRT issued by the Ministry of Commerce dated October 1, 2018

Remark: 1/ Par Value of THB 100.00 per share

5. Summary of Financial Highlights and Analysis of Operational Performance and Financial Status of LRT

■ Statement of Financial Status

Table C-6: Statement of Financial Status - Assets

(Unit : THB Million)	31 Dec 2017		31 Dec 2016		31 Dec 2015	
	THB M	%	THB M	%	THB M	%
<u>Assets</u>						
Current assets						
Cash and cash equivalents	163.64	26.75	95.51	17.61	91.01	18.63
Current investments	219.04	35.81	112.11	20.67	110.26	22.57
Trade and other receivables	10.63	1.74	5.82	1.07	14.22	2.91
Other current assets	27.21	4.45	28.16	5.19	19.14	3.92
Total current assets	420.51	68.75	241.60	44.55	234.63	48.03
Non-current assets						
Restricted bank deposit	-	0.00	83.97	15.48	-	0.00
Concession improvements, buildings&equipment	189.21	30.94	211.93	39.08	236.44	48.40
Intangible assets	1.23	0.20	1.29	0.24	1.58	0.32
Deferred tax assets	0.66	0.11	3.50	0.65	15.84	3.24
Total non-current assets	191.10	31.25	300.68	55.45	253.86	51.97
Total assets	611.61	100.00	542.28	100.00	488.49	100.00
<u>Liabilities and shareholders' equity</u>						
Current liabilities						
Trade and other payables	4.37	0.72	3.20	0.59	4.39	0.90
Accrued expenses	11.78	1.93	12.23	2.26	12.89	2.64
Other current liabilities	9.01	1.47	10.39	1.92	3.97	0.81
Total current liabilities	25.17	4.12	25.82	4.76	21.25	4.35
Non-current liabilities						
Provision for long-term employee benefits	0.18	0.03	0.15	0.03	0.12	0.02
Total non-current liabilities	0.18	0.03	0.15	0.03	0.12	0.02
Total liabilities	25.35	4.15	25.97	4.79	21.37	4.38

(Unit : THB Million)	31 Dec 2017		31 Dec 2016		31 Dec 2015	
	THB M	%	THB M	%	THB M	%
Shareholders' equity						
Share capital						
Registered capital	210.00	34.34	210.00	38.73	210.00	42.99
Issued and fully paid						
1,600,000 preference shares of THB 100 each	160.00	26.16	160.00	29.51	160.00	32.75
500,000 ordinary shares of THB 100 each	<u>50.00</u>	<u>8.18</u>	<u>50.00</u>	<u>9.22</u>	<u>50.00</u>	<u>10.24</u>
	210.00	34.34	210.00	38.73	210.00	42.99
Retained earnings – unappropriated	376.26	61.52	306.31	56.48	257.12	52.64
Total shareholders' equity	586.26	95.85	516.31	95.21	467.12	95.62
Total liabilities and shareholders' equity	611.61	100.00	542.28	100.00	488.49	100.00

Source: The Company

▪ Statement of Income

Table C-7: Statement of Income

(Unit : THB Million)	Y2017		Y2016		Y2015	
	THB Million	%	THB Million	%	THB Million	%
Revenues						
Service income	274.24	98.22	304.53	98.28	290.42	99.27
Interest income	4.62	1.65	3.76	1.21	1.72	0.59
Other income	0.35	0.13	1.56	0.50	0.43	0.15
Total revenues	279.21	100.00	309.85	100.00	292.57	100.00
Expenses						
Cost of services	163.11	58.42	161.94	52.26	150.37	51.40
Selling expenses	0.55	0.20	0.56	0.18	0.69	0.24
Administrative expenses	27.53	9.86	30.75	9.92	17.16	5.87
Other expense	-	0.00	55.07	17.77	-	0.00
Total expenses	191.20	68.48	248.32	80.14	168.22	57.50
Profit (loss) before finance cost and income tax expense	88.01	31.52	61.53	19.86	124.35	42.50
Finance cost	-	0.00	0.00	0.00	0.39	0.13
Profit (loss) before income tax expense	88.01	31.52	61.53	19.86	123.96	42.37
Income tax expense	18.06	6.47	12.35	3.98	10.27	3.51
Net profit (loss) for the year	69.95	25.05	49.18	15.87	113.69	38.86

Source: The Company

▪ Summary of Key Financial Ratios

Table C-8: Key Financial Ratios

Financial Ratios	Unit	31 Dec 2017	31 Dec 2016	31 Dec 2015
Current ratio	(Times)	16.71	9.36	11.04
Gross profit margin	(%)	40.52	46.82	48.22
Net profit (loss) margin	(%)	25.05	15.87	38.86
Return on equity (ROE)	(%)	12.69	10.00	27.71
Return on assets (ROA)	(%)	12.12	9.54	25.59
Debt to equity ratio	(%)	0.04	0.05	0.05

Source: Calculated by the IFA with reference to the financial statements of LRT

Operating Results and Financial Analysis of LRTs Operations

Overview of operating performance during 2015-2017

■ Total Revenue

During 2015 – 2017, LRT had main revenues from service income of THB 290.42, 304.53, and 274.74 million, representing 99.27, 98.28, and 98.22 percent of total revenues in 2015, 2016 and 2017, respectively.

In 2015, LRT had total revenues of THB 290.42 million, increased from the previous year by THB 93.66 million, or 47.09 percent. An increase in revenue in 2015 was driven by an increase in service income of THB 93.11 million due to an increase in products categorized under module which are special projects such as equipment or structures of oil rigs, etc.

In 2016, LRT had total revenues of THB 309.85 million, increased from the previous year by THB 17.28 million, or 17.28 percent. An increase in revenue in 2016 came from an increase in service income of THB 14.11 million because of an increase in revenue from storage services.

In 2017, LRT had total revenues of THB 279.21 million, decreased from the previous year by THB 30.64 million, or 9.89 percent. A decrease in revenue in 2017 came from a decrease in service income of THB 30.29 million due to a decrease in service income from products categorized under module of THB 81.41 million, which are loading/discharging of large structures. This type of products are not loaded / discharged on a regular basis, depending on whether customers of LRT shall be hired to operate large projects. However, this year LRT has an increase in service income from general cargo by approximately THB 42.28 million.

■ Cost of services and gross profit

LRT had a gross profit of THB 140.05, 142.59, and 111.13 million, representing 29.86, 36.43, and 32.07 percent of total revenues in 2015, 2016, and 2017, respectively.

■ Selling and administrative expenses

LRT had selling expenses of THB 0.69, 0.56, and 0.55 million, representing 0.24, 0.18, and 0.20 percent of total revenues in 2015, 2016, and 2017, respectively. The proportions of selling expenses to total revenues in the last 2 years were relatively similar.

LRT had administrative expenses of THB 17.16, 30.75, and 27.53 million, representing 5.87, 9.92, and 9.86 percent of total revenues in 2015, 2016, and 2017, respectively. The proportions of administrative expenses to total revenues in the last 2 years were likely similar.

■ Net profit (loss)

During 2015–2017, LRT had operating profit of THB 113.69, 49.18, and 69.95 million, representing net profit margin of 38.86, 15.87, and 25.05 percent, respectively. A decline in net profit mainly came from the retrospective property tax assessment in 2016 which was in an item of other expense in an amount of THB 55.07 million. The management of the Company pointed out that this is one-time expense since prior to 2016 the Company had not paid such taxes. Nevertheless, from 2016 onwards, the Company paid property taxes duly.

Financial position at the end of 2015 - 2017

■ Assets

As of December 31, 2015, LRT's total assets were THB 488.49 million. Most of assets were current assets of THB 234.63 million, or 48.03 percent of total assets and non-current assets of THB 253.86 million, or 51.97 percent of total assets. Key items of current assets included current investments of THB 110.26 million and cash and cash equivalents of THB 91.01 million. While, key items of non-current assets included concession improvements, buildings and equipment of THB 236.44 million.

As of December 31, 2016, LRT's total assets were THB 542.28 million. Most of assets were current assets of THB 241.60 million, or 44.55 percent of total assets and non-current assets of THB 300.68 million, or 55.45 percent of total assets. Key items of current assets included current investments of THB 112.11 million and cash and cash equivalents of THB 95.51 million. While, key items of non-current assets included concession improvements, buildings and equipment of THB 211.93 million.

As of December 31, 2017, LRT's total assets were THB 611.61 million. Most of assets were current assets of THB 420.51 million, or 68.75 percent of total assets and non-current assets of THB 191.10 million, or 31.25 percent of total assets. Key items of current assets included current investments of THB 219.04 million and cash and cash equivalents of THB 163.64 million. While, key items of non-current assets included concession improvements, buildings and equipment of THB 189.21 million.

■ Liabilities

As of December 31, 2015, LRT's total liabilities were THB 21.37 million, or 4.38 percent of total assets. Most of liabilities were current liabilities of THB 21.25 million, or 99.44 percent of total liabilities. Key items of current liabilities included accrued account of THB 12.89 million.

As of December 31, 2016, LRT's total liabilities were THB 25.97 million, or 4.79 percent of total assets. Most of liabilities were current liabilities of THB 25.82 million, or 99.42 percent of total liabilities. Key items of current liabilities included accrued account of THB 12.23 million and other current liabilities of THB 10.39 million.

As of December 31, 2017, LRT's total liabilities were THB 25.35 million, or 4.15 percent of total assets. Most of liabilities were current liabilities of THB 25.17 million, or 99.28 percent of total liabilities. Key items of current liabilities included accrued account of THB 11.78 million and other current liabilities of THB 9.01 million.

■ Shareholders' equity

At the end of 2015, 2016, and 2017, LRT's shareholders' equities were THB 467.12, 516.31, and 586.28 million, representing 95.62, 95.21, and 95.85 percent of total assets, respectively. Continuous increases in shareholders' equity were as a result of net profits from operations. LRT's retained earnings were THB 257.12, 306.31, and 376.26 million, respectively.

6. Summary of Industry / Market and Competition

6.1 Overview of Major Commercial Terminals in the Area of 3 Provinces in Eastern Economic Corridor (EEC)

One of potentials and advantages in terms of geographical location of 3 provinces in Eastern Economic Corridor or EEC is being an eastern coastal area of Thailand, serving as a natural gateway and a gateway for international trade between neighboring countries in the region and globally connected. According to the objective in upgrading capacity of the country as a seaport country, Thailand expected to become one of top 10 countries of the world with the highest number of vessels passing through the terminals. At the same time, to accommodate the carriage of products by sea between countries which is likely to increase continuously, this leads to the development of competitiveness in transportation of products by sea and being a data hub of transportation with the purpose of expanding trade and investment opportunities in Thailand which will support the development of 3 major commercial terminal projects, including;

- Map Ta Phut Industrial Port Phase III to increase the capacity of natural gas and raw fluid material shipments for petrochemical industry¹

Map Ta Phut Industrial Deep Seaport is a transportation port created in line with international standards. As of 2016, it saw the shipment of 43 million tons per year, with gas and oil transportation accounting for 57 percent, coal 18 percent, chemicals 16 percent, and other substances accounting for 9 percent of shipments. The total value of the products which were transported to and from Map Ta Phut Industrial Seaport was THB 430 million.

¹ "Map Ta Phut Industrial Port Phase III" by Eastern Economic Corridor Office of Thailand (EECO)
<https://eeco.or.th/en/project/infrastructure-development/map-ta-phut-port>

- Laem Chabang Port Phase III to increase the number of container shipments and car shipped ²

Laem Chabang Port is a deep-sea port built for the transportation of international cargo with the area of 6,340 rais, and built the Laem Chabang Port Phase I and Phase II. Presently, (according to the information in 2016) over 7 million containers and 1 million cars are transported through the Laem Chabang Port on a yearly basis. This means that Laem Chabang functions at about 70% of the approximately 11 million containers and 2 million cars which are shipped in the world's largest port.

- Sattahip Commercial Port to transform to a port that can facilitate world-class modern cruise ships. It also supports a successful shipbuilding and oil rig assembly industry ³

The aforementioned three ports are also enhanced in terms of transportation and logistics capacity with the development plan of double track railway to connect 3 ports and link to transportation routes across the country.

In addition, in the operation of ports development, there are also plans to prepare new areas to support as target industrial promotion zone in EEC which are located adjacent to each port. The development of three ports reflects the upgrade of the development of target industrial promotion zone and also increases competitiveness to EEC and investments in Thailand as well.

Source: Eastern Economic Corridor Office of Thailand (EECO)'s website and www.bangkokbiznew.com

6.2 Laem Chabang Port

Laem Chabang Port, located in the eastern part of Thailand, covered an area of 6,340 rais, which can handle extra-large ships (Super Post Panamax). The Port Authority of Thailand is responsible for the whole port, while it lets private sectors to contract the operational function which is called "Landlord Port". Laem Chabang Port is one of the highest (trading) growth rates in the world; rated World Top Container Port by the world's leading magazine such as Loyld List etc. The rating had leapfrogged from the twenty-third in 1998 – 1999 to the twentieth and eighteenth in 2002 and 2003 accordingly.

With the intention to develop Laem Chabang Port to be entitled one of the World Class Port; all requirements to meet the high standard service provision have to be implemented. Some of the implementations are as follows; increase the service capacity to ensure all services as mentioned are achieved, utilize port area to also support other relevant activities, increase productivity, employ modern technology to function docking field and yard operation and initiate new projects and activities to fulfill and cover all services requirements such as Container Care Centre Project.

The geographical location of Thailand is bonded with neighboring countries such as Myanmar, Laos, Cambodia, and Malaysia and also has the access to China and Vietnam. It acts as a gateway to South East Asia region. It has an advantage of its large hinterland; therefore, the port has high capacity to develop to be a gateway port by inviting those neighboring countries to be its hinterland.

Furthermore, Laem Chabang Port has sufficient areas to extend related business such truck terminals, distribution centre, free trade area, etc. and also to include other crucial facilities such as hazardous bulks warehouse and fire damage prevention centre. These facilities are approved for international standard to be ready to provide all services. Laem Chabang Port has a professional administration and flexible management to service customers. It is due to the port operational functions are given priorities to private sectors to sub-contract; granting most benefits to the customers from competitive private port operators.

Laem Chabang Port is promoted by the Government to be the country's main port replacing the Bangkok Port which was limited the freight containers not to exceed 1.0 million TEU since 1996 ⁴.

² "Laem Chabang Port Phase III" by Eastern Economic Corridor Office of Thailand (EECO)

<https://eeco.or.th/en/project/infrastructure-development/laem-chabang-deep-sea-port>

³ "Sattahip Commercial Port" by Eastern Economic Corridor Office of Thailand (EECO)

<https://eeco.or.th/en/project/infrastructure-development/sattahip-commercial-port>

⁴ Laem Chabang Port's website <http://www.laemchabangportnew.com/en/about-lcp/information.html>

At present, Laem Chabang Port has 18 berths as follows:

Table C-9: Information of berths at Laem Chabang Port

No.	Berth	Stage / Phase	Operator	Type of Product
1.	A0	1	LCMT Co., Ltd.	Passenger ship / Container
2.	A1	1	NYK Auto Logistics (Thailand) Co., Ltd.	Passenger ship / Car
3.	A2	1	Thai Laemchabang Terminal Co., Ltd.	General cargo / Container
4.	A3	1	Hutchison Laemchabang Terminal Co., Ltd.	Multi-purpose / Container
5.	A4	1	Aawthai Warehouses Co., Ltd.	Sugar and molasses
6.	A5	1	Namyong Terminal Public Co., Ltd.	Car / General cargo
7.	B1	1	L C B Container Terminal 1 Ltd.	Container
8.	B2	1	Evergreen Container Terminal (Thailand) Ltd.	Container
9.	B3	1	Eastern Sea Laemchabang Terminal Co., Ltd.	Container
10.	B4	1	T I P S Co., Ltd.	Container
11.	B5	1	Laem Chabang International Terminal Co., Ltd.	Container
12.	C0	2	Laemchabang International Ro-Ro Limited	General cargo / Car
13.	C1	2	Hutchison Laemchabang Terminal Co., Ltd.	Container
14.	C2	2	Hutchison Laemchabang Terminal Co., Ltd.	Container
15.	C3	2	Laemchabang International Ro-Ro Limited	Container
16.	D1	2	Hutchison Laemchabang Terminal Co., Ltd.	Container
17.	D2	2	Hutchison Laemchabang Terminal Co., Ltd.	Container
18.	D3	2	Hutchison Laemchabang Terminal Co., Ltd.	Container

Source: Laem Chabang Port's website and a summary prepared by the IFA

At present, Laem Chabang Port Phase I and II have potential to accommodate cargo up to 11.10 million TEU per year. But it is anticipated that in the next few years Laem Chabang Port will not be able to accommodate an increasing number of containers. Therefore, there was a development plan of Laem Chabang Port Phase 3 in order to enhance the potential of the port and increase flexibility of import and export channels to be able to accommodate both ships and containers up to 18 million TEU per year, and increase car transportation from 1 million units per year to 3 million units per year. In addition, the development plan of Laem Chabang Port Phase 3 also has the development of port area of 1,600 rais with 4,500 meters width, consisting of 1 car transportation berth, 1 coastal berth, and 4 container berths. Laem Chabang Port Phase 3 will be opened for private investment in 2018 and its construction is expected to be completed in 2025.

Volume of cargo through Laem Chabang Port in the previous 3 years can be summarized as follows:

Table C-10: Volume of cargo through Laem Chabang Port in the previous 3 years

Transaction	Y2015	Y2016	Y2017	Y2018 (9 months) (Oct 17 - Jun 18)
1. No. of Vessels (times)				
- Container vessels	9,889	10,075	10,862	7,886
: International container vessels	5,153	5,159	4,723	3,602
: Coastal container vessels	4,736	4,916	6,139	4,284
- Conventional vessels	371	344	352	211
- RO-RO carriers	653	665	696	521
- Bulk carriers	94	91	60	82
- Passenger ships	42	56	59	75
- Barges	122	92	86	70
- Others	1,301	1,284	1,346	1,080

Transaction	Y2015	Y2016	Y2017	Y2018 (9 months) (Oct 17 - Jun 18)
Total	12,478	12,607	13,461	9,925
2. Quantity (metric tons)				
2.1 Conventional cargo				
2.1.1 Inward conventional cargo	794,020.24	670,483.10	933,944.31	671,290.56
2.1.2 Outward conventional cargo	3,450,466.83	3,687,892.17	3,315,966.49	1,582,632.28
Total	4,244,487.07	4,358,375.27	4,249,910.80	2,253,922.84
2.2 Container cargo				
2.2.1 Inward container cargo	26,676,633.42	28,358,116.24	31,641,002.33	25,199,671.27
2.2.2 Transshipment container cargo	482,134.59	385,310.26	506,726.57	388,393.27
2.2.3 Outward container cargo	41,684,492.76	43,966,324.12	46,970,819.55	36,567,250.10
2.2.4 Transshipment container cargo	363,572.65	379,603.06	520,786.40	395,946.66
Total	69,206,833.42	73,089,353.68	79,639,334.85	62,551,261.30
3. No. of Containers (TEU)				
3.1 Inbound container	3,302,272.75	3,427,215.25	3,710,573.25	2,914,101.75
3.2 Transshipment container	36,893.50	30,542.75	42,919.50	33,131.75
3.3 Outbound container	3,410,261.50	3,573,690.50	3,881,313.75	2,990,496.75
3.4 Transshipment container	30,276.75	29,246.75	42,472.00	32,198.75
Total	6,779,704.50	7,060,695.25	7,677,278.50	5,969,949.00
4. No. of Car (Units)				
4.1 Inbound	56,506	65,896	69,858	57
4.2 Outbound	1,188,866	1,203,753	1,147,107	869,915
Total	1,245,372	1,269,649	1,216,965	926,635
5. No. of Passenger (persons)				
5.1 Inbound passengers	97,265	114,345	121,871	105,320
5.2 Outbound passengers	96,075	114,543	121,654	104,153
Total	193,340	228,888	243,525	209,473

Source: Laem Chabang Port's website

Appendix 4

Scenario Analysis on Fair Valuation of NYKT International Terminal Co., Ltd. (“NYKT”)

Key factor that has significant impact on the revenues of Port Terminal C0 is the tariff rate of Laem Chabang Port. It impacts both the discounted cash flows as well as the valuation of NYKT. The IFA thus conducts scenario analysis in purpose of covering all impacts from changes in this significant factor, which can be summarized in the table below:

Table D-1: Scenario that may impact the fair valuation of NYKT

Scenario	Scenario - Code Name	Description
Scenario 1	TARIFF CHANGE	Analysis based on the scenario that tariff rate at Laem Chabang Port to be increased at a rate of 3% per annum with the adjustments will be in 2022 and 2032, according to the projections of the management of the Company.
Scenario 2	NO TARIFF CHANGE	Analysis based on the scenario that there is no tariff rate change at Laem Chabang Port during the projection period of 2019 – 2035.

In this regard, the IFA calculates the net cash flow from a financial projection of LRT for the next 16 years and 6 months (from March 1, 2019 to August 31, 2035), based on LRT's continued business operation basis in accordance with the remaining period of the Agreement for Investment, Management, and Operation of C0 Terminal at Laem Chabang Port.

The projected cash flows of LRT according to Scenario 1: TARIFF CHANGE are shown in Part 3, Heading 3.1.5 of this Report whereas the projected cash flows of LRT under the Scenario 2: NO TARIFF CHANGE for the year 2019 – 2035 are shown as following:

Financial Projections of LRT in 2019-2035 based on Scenario 2: NO TARIFF CHANGE

The financial projections of LRT from March 1, 2019 to August 31, 2035 (the concession agreement expires on August 31, 2035) based on Scenerio 2: NO TARIFF CHANGE are as follow:

Table D-2: Financial Projections of LRT in 2019-2035 under Scenario 2: NO TARIFF CHANGE

Unit: THB Calendar Year	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
Year (Post Transaction)	1 ^{1/}	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17 ^{2/}
Total Revenue	327.11	564.59	597.81	590.65	647.01	677.76	711.97	750.02	770.68	792.62	815.23	818.84	822.56	826.39	830.34	834.40	559.06
Service Expenses ^{3/}	(141.04)	(228.89)	(259.49)	(256.76)	(270.51)	(278.01)	(286.36)	(318.14)	(323.18)	(328.54)	(334.05)	(334.93)	(358.34)	(359.28)	(360.24)	(361.23)	(309.41)
EBITDA ^{4/}	186.07	335.71	338.32	333.89	376.51	399.75	425.61	431.88	447.49	464.09	481.18	483.91	464.22	467.12	470.10	473.17	249.65
% EBITDA to Revenue	56.9%	59.5%	56.6%	56.5%	58.2%	59.0%	59.8%	57.6%	58.1%	58.6%	59.0%	59.1%	56.4%	56.5%	56.6%	56.7%	44.7%
Depreciation & Amortization	(18.85)	(22.62)	(22.62)	(22.62)	(22.62)	(22.62)	(22.62)	(22.62)	(22.62)	(22.62)	(22.62)	(22.62)	(22.62)	(22.62)	(22.62)	(22.62)	(15.41)
Earnings before interest and taxes (EBIT)	167.22	313.09	315.70	311.27	353.89	377.13	402.99	409.26	424.87	441.47	458.56	461.29	441.60	444.50	447.48	450.55	234.24
Corporate Income Tax	(33.44)	(62.62)	(63.14)	(62.06)	(70.58)	(75.23)	(80.40)	(81.65)	(84.78)	(88.10)	(91.51)	(92.06)	(88.12)	(88.70)	(89.30)	(89.91)	(46.65)
Earnings Before Interest After Tax (EBIAT)	133.77	250.47	252.56	249.22	283.31	301.90	322.59	327.60	340.10	353.37	367.05	369.23	353.48	355.79	358.18	360.64	187.59
Net Cash Flow																	
EBIAT	133.77	250.47	252.56	249.22	283.31	301.90	322.59	327.60	340.10	353.37	367.05	369.23	353.48	355.79	358.18	360.64	187.59
+ Depreciation and Amortization	18.85	22.62	22.62	22.62	22.62	22.62	22.62	22.62	22.62	22.62	22.62	22.62	22.62	22.62	22.62	22.62	15.41
- CAPEX	(10.00)	(10.00)	(10.00)	(10.00)	(10.00)	(10.00)	(10.00)	(10.00)	(10.00)	(10.00)	(10.00)	(10.00)	(10.00)	(10.00)	(10.00)	(19.00)	(22.60)
+/- Net Working Capital	(9.05)	(7.23)	(0.59)	0.24	(1.89)	(1.03)	(1.15)	(0.75)	(0.69)	(0.74)	(0.76)	(0.12)	0.40	(0.13)	(0.13)	(0.14)	9.12
Free Cash Flow to Firm (FCFF)	133.58	255.86	264.59	262.08	294.04	313.49	334.07	339.48	352.03	365.25	378.91	381.73	366.50	368.29	370.67	364.12	189.52

Remarks: 1/ The Company expects to enter into the transaction completely within February 28, 2019. The figures in 2019 are the projected numbers for a period of 10-month only from March 1, 2019 till December 31, 2019.

2/ A concession agreement will be expired on August 31, 2035 (a remaining period of 16 years and 6 months from March 1, 2019). The figures in 2035 are for those projected number for the first eight months from January 1, 2035 till August 31, 2035

3/ The aforementioned expenses do not include depreciation and amortization

4/ EBITDA is earnings before interest, taxes, and depreciation

Table D-3: Weighted Average Cost of Capital (WACC) used by the IFA for Calculation and Analysis

Low Value <i>(Decreased by 5%)</i>	Base Value	High Value <i>(Increased by 5%)</i>
8.90%	9.37%	9.84%

Source: Calculation by the IFA

Summary of Fair Value Valuation of LRT

According to the information in Table D-2 and the aforementioned assumptions, free cash flow of LRT can be calculated as following:

Table D-4: Calculation of LRT's net present value of free cash flow

LRT	THB Million
Present value of terminal value	2,499.97
Add: Cash and short-term investment as of March 1, 2019 ^{1/}	513.00
Less: Outstanding interest bearing debts of last installment	-
Net present value of Free Cash Flow of LRT – Base Case	3,012.97

Source: Projection by the IFA

Remark: 1/ Projected by the Company based on cash balance of THB 495.48 million as of September 30, 2018, and there was a cash balance of THB 533.61 million as of December 31, 2018.

Calculation of the Fair Value of NYKT by Sum-of-the-Part Valuation Approach

In valuation of the fair value of NYKT by using a discounted cash flow approach, the IFA applied Sum-of-the-part valuation approach, which is derived from the sum of enterprise value under NYKT in which NYKT currently holds shares of LRT only one company.

Table D-5: Calculation of the Fair Value of NYKT by Sum-of-the-Part Valuation Approach under Scenario 2: NO TARIFF CHANGE

	Value (THB Million)			
	<i>Min</i>	-	<i>Base Case</i>	- <i>Max</i>
Total Enterprise Value of LRT	2,933.60	-	3,012.97	- 3,096.23
Add: Cash and cash equivalents ^{1/}	3.49	-	3.49	- 3.49
Less: Interest bearing debts of last installment ^{2/}	<u>0</u>	-	<u>0</u>	- <u>0</u>
Fair Value of NYKT – in proportion of 100%	2,937.09	-	3,016.46	- 3,099.72
Fair Value of NYKT in proportion to 29% of total shares	851.76	-	847.77	- 898.92

Source: Projection by the IFA

Remarks: 1/ Projection by the Company based on cash balance of THB 3.49 million stated in the pro forma financial statements of NYKT ended September 30, 2018 which was prepared by the Company. Cash balance is set to remain the same until March 1, 2019

2/ Projection by the Company by assuming that NYKT has no interest bearing debt.

Comparison between valuation of LRT and NYKT

The following table compares the fair value of LRT and NYKT under Scenario Analysis.

Table D-6: Summary of Scenarion Analysis on the impact on Fair Value of LRT and NYKT

Unit in THB Million	Weighted Cost of Capital (WACC)		
	9.84%	9.37%	8.90%
Fair Valuation of LRT			
Scenario 1: TARIFF CHANGE	3,719.67	3,833.86	3,953.90
Scenario 2: NO TARIFF CHANGE	2,933.60	3,012.97	3,096.23
Fair Value of NYKT in proportion to 29% of total shares			
Scenario 1: TARIFF CHANGE	1,079.72	1,112.83	1,147.64
Scenario 2: NO TARIFF CHANGE	851.76	874.77	898.92

Source: The range for the weighted cost of capital (WACC) is 8.90% - 9.84%, according to the 5% change from the base WACC of 9.37%. The range encompasses the volatility within acceptance range resulting the final valuation with acceptance bandwidth.

According to Scenario 1: TARIFF CHANGE, the fair value of NYKT in proportion to 29% holding is between THB 1,079.72 – 1,147.64 million, and the purchase price of THB 922 million falls below the calculated range. The IFA, therefore, concludes that **the Transaction Price is appropriate.**

According to Scenario 2: NO TARIFF CHANGE, the fair value of NYKT in proportion to 29 percent of total shares of NYKT is in a range of THB 851.76 - 898.92 million in which such fair value is lower than the Transaction Price of THB 922 million by THB (70.24) - (23.08) million. However, when take into consideration that, the Company will most likely receive dividends in proportion to its increased shareholding of 29 percent from LRT in an amount of THB 129.42 million (if the entire retained earnings are used to pay dividends) and THB 64.71 million (if there is a dividend payment at 50 percent of retained earnings). The dividends received shall reduce the Transaction Price of THB 922 million, by the amount of dividends received. The Transaction Price adjusted down by dividend received will be in a range of THB 792.33 - 857.04 million. When comparing to the fair value of NYKT (in case of an absence of growth in tariff fee), which is in a range of THB 851.76 - 898.92 million, it can be seen that the Transaction Price is lower than the fair value of NYKT almost throughout the range. As a result, the IFA still is of an opinion that the Transaction Price is appropriate. In this regard, the IFA is also of an opinion that the likelihood that service fee will not increase throughout the remaining concession period of 16 years and 6 months is relatively low because the costs of business operation increase gradually every year. Therefore, PAT is most likely to increase tariff fee in order to reflect operating costs of operators.