

**The opinions of the Independent Financial Advisor
on the acquisition of asset
regarding the entire business transfer from Advance Polymers & Chemicals Co., Ltd.**

by



UAC Global Public Company Limited

Presented to

Shareholders of UAC Global Public Company Limited

Prepared by



Jaydee Partners Limited

16 February 2015

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

Content

	Page
Executive Summary	5
Part 1	The approval of the entire business transfer from Advance Polymers & Chemicals Co., Ltd.
1.1	Characteristics and Details of the Transaction 8
1.2	Reasonableness of the Transaction 18
1.3	Fairness of the Transaction Price and Condition 21
Part 2	Summary of effects of the transactions to the Company 30
Part 3	Summary of the opinions by the Independent Financial Advisor 32
Enclosure 1	General Information of UAC Global Public Company Limited 34
Enclosure 2	Summary of the asset appraisal report of Advance Polymers & Chemicals Co., Ltd. by the Independent appraiser 47

The opinions of IFA on the acquisition of asset
(For the purpose of translation only)

Glossary

The Company or UAC	UAC Global Public Company Limited
The Group	UAC Global Public Company Limited, its subsidiaries and its associated companies
APC	Advance Polymers & Chemicals Co., Ltd.
UAC – APC or the Subsidiary	UAC Advance Polymers & Chemicals Co., Ltd. which is the Company's subsidiary to be newly established for the purpose of entering the entire business transfer from Advance Polymers & Chemicals Co., Ltd.
The Major Shareholder of APC	Mr. Banchong Pattarathienchai and Mr. Suchot Sawatdirak
EBT	Entire business transfer
Pornsiam	Pornsiam Consultant and Service Co.,Ltd.
Independent Financial Advisor or IFA	Jaydee Partners Limited
SET	The Stock Exchange of Thailand
SEC	The Securities and Exchange Commission
Notification of the Acquisition and Disposition	Notification of Capital Market Supervisory Board TorChor. 20/2551 Re: Rules on Entering into Material Transactions Deemed as Acquisition or Disposal of Assets and Notification of the Board of Governors of the Stock Exchange of Thailand Re: Disclosure of Information and Other Acts of Listed Companies Concerning the Acquisition and Disposition of Asset, 2004 (as amended).

16 February 2015

To: The Shareholders
UAC Global Public Company Limited

Re: Independent Financial Advisor Report on the Acquisition of Asset Transaction

With reference to the resolution of the Board of Directors of UAC Global Public Company Limited ("the Company" or "UAC") No.1/2015 dated January 16, 2015, the Board of Directors passed significant resolutions as follows:

1. Approved to propose the shareholders' meeting to grant approval for a newly established subsidiary, in which the Company will hold 99.99%, to accept an entire business transfer ("EBT") from Advance Polymers & Chemicals Co., Ltd. ("APC") at a total sale and purchase price of not more than THB 730 million, whereby APC will sell and transfer the entire business including assets, liabilities, other agreements, employees, licenses and rights relating to business operation of APC, as well as all rights and benefits attached to such assets, under the EBT process and the Subsidiary will pay a consideration at the said sale and purchase price to APC wholly in cash.
2. Approved the establishment of UAC Advance Polymers & Chemicals Co., Ltd. ("UAC – APC" or "the Subsidiary") as a subsidiary in accordance with the Civil and Commercial Code to accept the entire business transfer from APC, with a registered capital of THB 50 million in which the Company will hold 99.99%, and the authorization of Chief Executive Officer or Managing Director to take any actions necessary for and/or relevant to the establishment of the Subsidiary in all respects, including but not limited to the appointment of directors of the Subsidiary and the contact, preparation or delivery of all documents necessary for and/or relevant to the establishment of the Subsidiary.
3. Approved the Subsidiary's entering into an EBT agreement (as a buyer or a transferee) with APC (as a seller or a transferor), whereby there shall be some conditions precedent stipulated therein one of which is for the Company to obtain approval from its shareholders' meeting before entering into the transaction.

The approval for UAC – APC, a newly established subsidiary of the Company, to accept an EBT from APC ("Transaction") is deemed as a purchase or acquisition of business of other companies pursuant to Section 107 of the Public Limited Companies Act B.E. 2535 (and the amendments thereto) and is also considered as an acquisition of assets pursuant to the Capital Market Supervisory Board No. TorChor. 20/2551 Re: Rules on Entering into Material Transactions Deemed as Acquisition or Disposal of Assets and Notification of the Board of Governors of the Stock Exchange of Thailand Re: Disclosure of Information and Other Acts of Listed Companies Concerning the Acquisition and Disposition of Asset, B.E. 2547 dated 29 October 2004 ("Notification of the Acquisition and Disposition"). The highest transaction value, on a net profit basis, is equal to 95.17%, calculated from net profit earned in the past 12 months up to September 30, 2014. Thus, the transaction is regarded as a Type 1 transaction (i.e. a transaction with value equal to 50% or more but less than 100%).

Taking into account value of other asset acquisition transactions occurring during the past six months, comprising a petroleum production project (PPP), a wood pallet fuel project and a solar PV rooftop project of Solar Energy Roof Power Co., Ltd. with a combined transaction size, on a total value of consideration basis, equal to 7.67%¹ of total assets of the Company and its subsidiaries and this Transaction as approved by the Board of Directors' meeting of the Company with respect to (1) the new subsidiary establishment and (2) the EBT from APC, the transaction value on total value of consideration basis, equal to 53.59%. The transaction value still has the highest value, on a net profit basis, equal to 95.17% as described above.

¹ (1) the transaction value of petroleum production project (PPP) which value of THB 63 million, is equal to 3.57% (2) the transaction value of wood pallet fuel project which value of THB 35 million, is equal to 2.06% and (3) the transaction value of solar PV rooftop project of Solar Energy Roof Power Co., Ltd. which value of THB 34.50 million, is equal to 2.04%

Therefore, the Company is obliged to disclose the information about the Transaction to the Stock Exchange of Thailand ("the SET") and to seek approval from the shareholders' meeting at the votes of not less than three-fourths of the total votes of the shareholders attending the meeting and having the rights to vote, excluding the votes of the interested shareholders. Also, the Company has to engage the Independent Financial Advisor to provide opinion regarding the reasonableness of the Transaction, the fairness of the Transactions price and conditions to the shareholders of the Company.

According to the Board of Directors Meeting No.1/2015 dated January 16, 2015, the Board of Directors has approved the appointment of JayDee Partners Limited ("independent financial advisor" or "the IFA"), as financial advisor approved by the Office of the Securities and Exchange Commission ("the SEC") and JayDee Partners Limited does not have any relationship with the Company, and is authorized to be an independent financial advisor of the Company to provide an opinion to shareholders as supporting information for their voting consideration with respect to the Transaction.

This IFA report was prepared based on the information gathered from interviews with the Company's management, documents provided by the Company, publicly available information as well as the IFA's assessment of current economic conditions. Any significant changes to this information in the future may alter the IFA's opinion on the Transaction accordingly. Information and documents used in preparing this report included but are not limited to the following:

- The Resolutions of the Company's Board of Director's Meetings relating to the transaction
- Information Memorandum on the Acquisition of Assets Transaction
- Information disclosure (Form 56-1) and Annual Report as of FY 2013 of the Company
- The Company's audited financial statements as of 31 December 2011 - 2013 and reviewed financial statements for the 9-month period ended September 30, 2014
- APC's audited financial statements as of 31 December 2011 - 2013 and the internal financial statements as of 31 December 2014
- The contracts related to the transactions.
- Information from interviews with the Company's managements and APC's managements
- Information and documents obtained from the Company and APC
- The appraisal reports on assets of APC which are prepared by the Independent appraiser

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

- All information and documents provided by the Company, APC and the interviews with management of the company and APC were valid and true. The opinion obtained was credible and close to the current situation.
- No past events or imminent events or impending events would create significant negative impacts on the Company's operating performance and APC's operating performance.
- All business contracts related to the Company and APC were legal and binding. There would not be any amendments, revocation nor cancellation of the laws related to the Transactions.

The IFA has prepared this report on January 19, 2015 and hereby certified that we have studied, analyzed and prudently performed our duties as an Independent Financial Advisor, complying with the generally accepted professional standard and rendered our opinion based on the unbiased analysis with regards to the best benefit of the shareholders. However, it is important to Remark that the IFA's opinions are based on the information and documents received from the Company and other publicly available information. The IFA assumes that such information is accurate and reliable at the time the IFA prepared this opinion report. However, if such information is found to be inaccurate and/or incomplete and/or unreliable and/or have any significant changes in the future, the opinion provided by the IFA may differ accordingly. As a result, the IFA is unable to be held responsible for any adverse impacts on the Company and its shareholders resulting from the Transaction. In addition, the objective of this report is merely to provide an opinion on the Transactions to the Company's shareholders only. Notwithstanding, the decision to vote is the sole discretion of the shareholders, which shall include the consideration of advantages, disadvantages, and risk associated with the Transaction as well as consideration of the attached documents submitted to the shareholders along with the invitation letter so as to make the most appropriate decision. In this regard, the opinion of the IFA does not certify the success of the Transaction as well as the possible impacts to the Company and/or to the Company's shareholders. The IFA does not hold any responsibilities for the impacts that might arise from such the Transaction both directly and indirectly.

The IFA has considered the reasonableness of the Transaction in detail described below:

Executive Summary

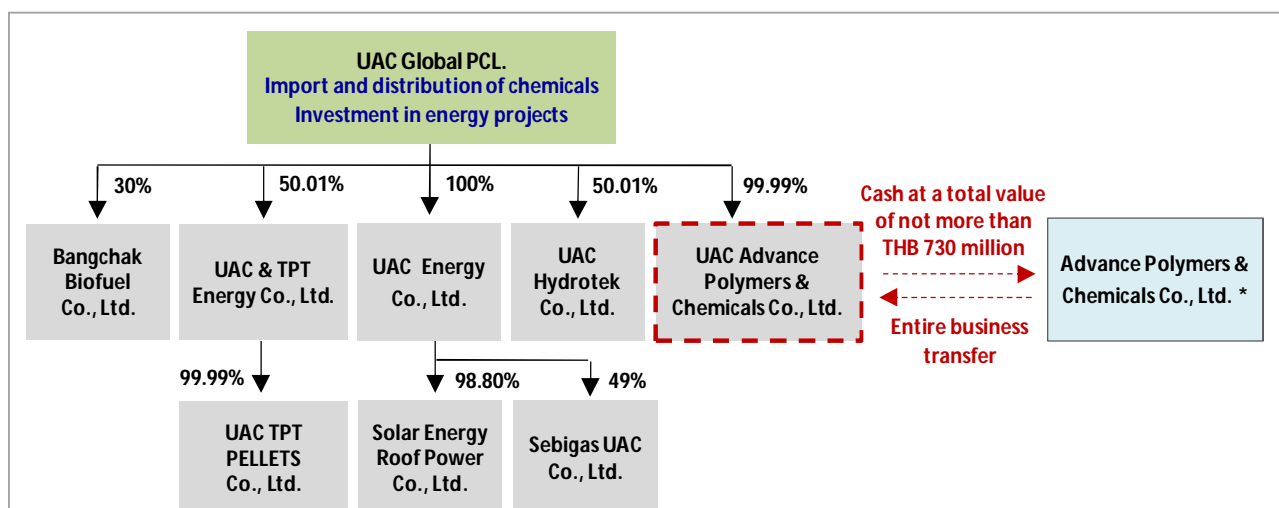
The meeting of the Board of Directors of UAC No. 1/2015 held on January 16, 2015 resolved to approve the establishment of a new subsidiary, namely UAC – APC with a registered capital of THB 50 million, in which the Company will hold 99.99% to accept a transfer of the entire business of APC (the company that manufactures and supplies chemicals, with latex emulsions and latex polymer as the main product for various industries), including assets, liabilities, other agreements, employees, licenses and rights relating to business operation of APC, as well as all rights and benefits attached to such assets, under the EBT process, at a total sale and purchase price of not more than THB 730 million. Subsequent to a complete EBT process, UAC – APC will continue to operate the business transferred from APC and APC will dissolve and liquidate its business.

APC's business, transferred to UAC-APC, will be purchased and transferred in this Transaction, included the whole business of APC with assets, debts, other contracts, employees, licenses, and rights related to APC's business, including the whole benefits in those assets. The details are as follow:

- Assets, including fixed assets, current assets, and other assets of APC, being used in the business operation. As of September 30, 2014, APC has net assets at THB 374.99 million, with current assets of THB 294.27 million (with major items of cash and cash equivalents at THB 108.78 million, account receivables at THB 88.49 million, inventories at 95.47 million) and non-current assets of THB 80.71 million including land, buildings, and equipments. The details of APC's assets according to financial statement are in item 1.1.3 (2) e) of this report and the details of land, buildings, and equipments of APC are in Enclosure 2 of this report.
- Liabilities include total liabilities of APC as stated in financial statements. As of September 30, 2014, according to APC's financial statement, the total liabilities is at THB 93.55 million. The details of liabilities are in item 1.1.3 (2) e) of this report.
- Rights and obligations include all contracts APC has been engaged in related to business operation such as employment contracts, service contracts, orders of products and services, which are still being effective and have not been completed or still go on, including insurances related to business of APC.
- All employees of APC before the acquisition as of September 30, 2014, with the total number of 71 employees.
- All formulas in Latex emulsion and Latex Polymer production, including production method documents, and process in detail.
- Customer's database and suppliers.
- Licenses such as factory license, and BOI cards, etc.

The structure of the Group after the Transaction is as follows:

Figure 1 Shareholding structure of UAC Group after the entering into the transaction



Remark * Subsequent to a complete EBT process, APC will dissolve and liquidate its business.

The approval for UAC – APC, a newly established subsidiary of the Company, to accept an EBT from APC is deemed as a purchase or acquisition of business of other companies pursuant to Section 107 of the Public Limited Companies Act B.E. 2535 (and the amendments there to) and is also considered as an acquisition of assets pursuant to the Notification of the Acquisition and Disposition. The highest transaction value, on a net profit basis, is equal to 95.17%, calculated from net profit earned in the past 12 months up to September 30, 2014. Taking into account value of other asset acquisition transactions occurring during the past six months, comprising a petroleum production project (PPP), a wood pallet fuel project and a solar PV rooftop project of Solar Energy Roof Power Co., Ltd. with a combined transaction size, on a total value of consideration basis, equal to 7.67% of total assets of the Company and its subsidiaries and this Transaction as approved by the Board of Directors' meeting of the Company with respect to (1) the new subsidiary establishment and (2) the EBT from APC, the transaction value on total value of consideration basis, equal to 53.59%. The transaction value still has the highest value, on a net profit basis, equal to 95.17%. The Transaction is regarded as a Type 1 transaction which is greater than 50.00% but less than 100.00%, thus, the Company is obliged to disclose the information about the transaction to the SET and to seek approval from the shareholders' meeting at the votes of not less than three-fourths of the total votes of the shareholders attending the meeting and having the rights to vote, excluding the votes of the interested shareholders. Also, the Company has to engage the Independent Financial Advisor to provide opinion regarding the reasonableness of the Transaction, the fairness of the Transactions price and conditions to the shareholders of the Company.

Based on our analysis in relation to the appropriateness of the Transaction including the fairness of price and conditions of the EBT from APC. The IFA considers that the Transaction is appropriate based on the following reasons:

1. It is an investment with potential and preparedness in business operation in assets, personnel, and customer base, together with the performance of APC in the previous period having the stability in revenue and continuously made profits, while having no debt from loans. Therefore, the purchase and business transfer of all business of APC would support UAC-APC to start being the producer and distributor of chemical products of Latex Emulsion and Latex Polymer in industrial sector promptly compared to starting its own business and it also increases the opportunity to get the positive compensation from having UAC-APC in the future (in case the performance of UAC-APC after the acquisition from APC being as planned.)
2. It is the creation of new business to increase revenue for the Group and to expand the business in production and distribution of chemical products of Latex Emulsion and Latex Polymer. It would increase the ratio of revenue from distribution of products in industrial sector, to make the structure of the Group's revenue in the future to gain balance more than the present where revenue ratio of energy and Petroleum products is at 71.02% of revenues from sales and services, while having revenues from the sales of products in industrial sector for 16.34% of revenues from sales and services. The main products of APC are chemical products of Latex Emulsion and Latex Polymer, not duplicated with the Company's chemical products that are being sold at the present.
3. To become the producer and distributor of chemical products from previously being only importer and distributor only, is the path to decrease the effects from risks of imports and distributions of chemical products such as cancellation of rights of imports and distributions from the original brand/ products owner.
4. The Group can take advantages from APC's transferred assets and/ or get involve in business cooperation to advance the ability in chemical products business of the Group such as the exchange of customers data, the use of APC's warehouse that didn't fully exploited, to be used as the production line and warehouse of the Group's chemical products in the future.
5. Price in the acquisition of APC is not more than THB 730 million, which is in the appropriate range deliberated by the independent Financial Advisor by Discounted Cash Flow Approach, equals to THB 700.32-748.55 million. (The details of valuation of APC by the independent Financial Advisor is in Part 1 item 1.3.1 of this report.)
6. Obligations of the EBT agreement are conditions and/ or requirements to obtain the advantage of UAC-APC to gain the assets as agreed by both parties before the acquisition and help UAC-APC manage and operate business of producing and distributing Latex Emulsion and Latex Polymer from APC, smoothly after the acquisition, including being conditions/ or requirements to reduce the risks helping the Company to be in the business operation as expected.

Hence, the shareholders should **approve** the entering into of this Transaction. However, there are **disadvantages and risks** that the shareholders should take into consideration before making the decision to approve the Transaction as follows:

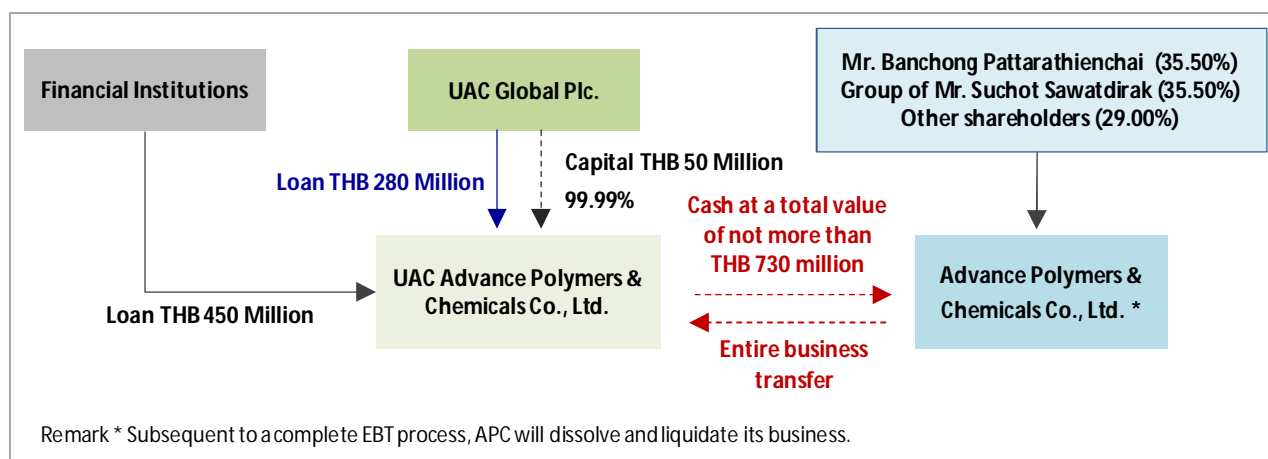
1. The acquisition may influence the operation of the Company due to the following reasons:
 - The Company and subsidiaries would gain liabilities and interests burden from loans from Financial institutions at THB 450 million as capital for acquisition. When considering on the capital from initial capital of UAC-APC at the present, it is accounted to THB 50 million, and cash and cash equivalents from the acquisition of APC (as of September 30, 2014, at THB 108.78 million). UAC-APC would have cash from operating activities after the acquisition of APC, which the independent financial advisor predicted that it would be enough to cover the interests payment and loans payment in time and the executives predicted that this acquisition wouldn't give a major impact on cash flows and financial situation of the Company in the future.
 - Influence from Goodwill in the condition where price in the acquisition of APC is higher than the fair value of assets and liabilities of APC at the acquisition date. (The Company will make the valuation of fair value of assets and liabilities of APC at the acquisition date.) If after the acquisition, the performance of APC is not as expected, it might affect in the assessing the impairment of goodwill later, which would affect the financial statements of the Company. The acquisition is not more than THB 730 million, as of September 30, 2014, the financial statements of APC after the update the list based on a review of accounting and taxation as a special case, the appearance of the Information Memorandum on the Transaction of the Company is accounted to THB 372.33 million (not included the addition from the assets valuation of THB 65.54 million), and debt at THB 102.50 million. (additional details in Part 1 item 1.2.2 of this report).
2. It is an investment in new business group, with limited experience in the business and may be at risk to get the return on investment not as anticipated, which may occur for several reasons, such as the increase in production costs, the downturn in the economy as a whole, to affect the production of the various industries. Anyhow, from the interview with the executives of the Company, the Company is hiring executives with knowledge, expertise, and experience in this business of Latex Emulsion and Latex Polymer for more than 35 years to manage the operation of UAC-APC after the acquisition from APC, including hiring management and employees from APC as advisors and employees of UAC-APC to make a continuous operation. Therefore, the executives of the Company expect that UAC-APC would continue the business operation after the acquisition.

Part 1: The approval of the entire business transfer from Advance Polymers & Chemicals Co., Ltd.

1.1 Characteristic and Details of the Transaction

The meeting of the Board of Directors of UAC No. 1/2015 held on January 16, 2015 resolved to approve the establishment of a new subsidiary, namely UAC – APC with a registered capital of THB 50 million, in which the Company will hold 99.99% to accept a transfer of the entire business of APC (the company that manufactures and supplies chemicals, with latex emulsions and latex polymer as the main product for various industries), including assets, liabilities, other agreements, employees, licenses and rights relating to business operation of APC, as well as all rights and benefits attached to such assets, under the EBT process, at a total sale and purchase price of not more than THB 730 million. Subsequent to a complete EBT process, UAC – APC will continue operate the business from APC and APC will dissolve and liquidate its business within the same accounting period in which the EBT takes place or no later than June 30, 2015.

Figure 2 Characteristics of the Transaction



1.1.1 Types and Size of the Transaction

The establishment of UAC – APC and the EBT from APC are considered as an acquisition of assets pursuant to the Notification of the Acquisition and Disposition. The highest transaction value of the establishment of UAC – APC, on total value of consideration basis is equal to 2.94% and The highest transaction value of the EBT from APC, on net profit basis is equal to 95.17%. Details of calculation in transaction size based on the Company's financial statements for the 9-month period ended September 30, 2014 as follows:

Details of calculation in acquisition of assets transaction size

1. Net tangible assets criteria = % NTA of business transaction/ NTA of listed company

	The establishment of UAC – APC	The EBT from APC	Total
Transaction Size	Not applicable	100% * THB 269.83 million / THB 909.51 million = 29.67%	29.67%

NTA = Total assets – Intangible Assets – Deferred Tax Assets – Total Liabilities – Non-controlling interests of the subsidiaries

NTA of APC*
(THB million) = 372.33 – 0 – 102.5 – 0
= 269.83

NTA of UAC
(THB million) = 1,698.27 – 0 – 772.23 – 16.53
= 909.51

Remark * Financial information of APC is based on its 2013 financial statements ended December 31, 2013 audited by APC's auditor, who is not an SEC-approved auditor, and the management's financial statements

ended September 30, 2014, after adjusted by items as per the special review report on accounting and taxes prepared by EY Corporate Services Ltd. ("EY"). From the pre-adjusted financial information as at September 30, 2014, APC had total assets of THB 374.99 million, total liabilities of THB 93.55 million, net asset value of THB 281.44 million and net profit in the past 12 months of THB 55.89 million.

2. Net profit from operation criteria = % Net profit of business transaction / Net profit of listed company

	The establishment of UAC – APC	The EBT from APC	Total
Transaction Size	Not applicable	100% * THB 64.01million / THB 67.26 million = 95.17%	95.17%

3. Total value of consideration criteria = amount of money payment / Total assets of listed company

	The establishment of UAC – APC	The EBT from APC	Total
Transaction Size	THB 50 million/ THB 1,698.27 million = 2.94%	THB 730.00 million / THB 1,698.27 million = 42.98%	45.92%

Remark * The transaction size is the result of the transaction size of the establishment of UAC-APC at THB 50 million (registered capital of UAC-APC) and the transaction size of the EBT of APC valued THB 730 million, totaling value of THB 780 million.

4. Value of securities issued criteria that listed company issued for assets payment = Amount of shares that listed company issued for assets payment / amount of paid shares of listed company

	The establishment of UAC – APC	The EBT from APC
Transaction Size	No issuance of shares for asset acquisition	No issuance of shares for asset acquisition

Taking into account value of other asset acquisition transactions occurring during the past six months, comprising a petroleum production project (PPP), a wood pallet fuel project and a solar PV rooftop project of Solar Energy Roof Power Co., Ltd. with a combined transaction size, on a total value of consideration basis, equal to 7.67%² of total assets of the Company and its subsidiaries and this Transaction as approved by the Board of Directors' meeting of the Company with respect to (1) the new subsidiary establishment and (2) the EBT from APC, the transaction value on total value of consideration basis, equal to 53.59%. The transaction value still has the highest value, on a net profit basis, equal to 95.17%. The Transaction is regarded as a Type 1 transaction which is greater than 50.00% but less than 100.00%, thus, the Company is obliged to disclose the information about the transaction to the SET and to seek approval from the shareholders' meeting at the votes of not less than three-fourths of the total votes of the shareholders attending the meeting and having the rights to vote, excluding the votes of the interested shareholders. However, there are no interested shareholders who have conflicts of interest and who are not entitled to vote under this Transaction.

1.1.2 Relevant parties, key condition of agreement

The EBT from APC

Relevant parties

Buyer	:	UAC Advance Polymers & Chemicals Co., Ltd. which is the Company's subsidiary in which the Company will hold 99.99% of shares with shared directors : Mr. Kitti Jivacate, Ms. Nilrat Jarumanopas and Mr. Chatchaphol Prasopchoke.
Seller	:	Advance Polymers & Chemicals Co., Ltd.
Relationship	:	APC have no relationship with the Company and/or are not connected persons with the Company in accordance with the Notification of the Capital Market Supervisory Board No. Tor Jor. 21/2551 Re: Rules on Connected Transaction and the Notification of the Stock Exchange of Thailand Re: Disclosure of Information and the Conducts of the Listed Company Concerning Connected Transaction B.E. 2546.

² (1) the transaction value of petroleum production project (PPP) which value of THB 63 million, is equal to 3.57% (2) the transaction value of wood pallet fuel project which value of THB 35 million, is equal to 2.06% and (3) the transaction value of solar PV rooftop project of Solar Energy Roof Power Co., Ltd. which value of THB 34.50 million, is equal to 2.04%

Summary of key condition of the EBT agreement

Counterparties	:	<ul style="list-style-type: none"> ▪ UAC Advance Polymers & Chemicals Co., Ltd. as " transferee" ▪ Advance Polymers & Chemicals Co., Ltd. as "transferor"
Contract date	:	January 21, 2015
Assets of the Transaction	:	The entire business of the transferor, including assets, account receivable, liabilities, rights and responsibility of other agreements, insurance, records, information and all employees at the present, including the ones occurring before the acquisition.
Purchase Price	:	<p>Not exceeding THB 730 million, under the conditions of no negative impact on the net tangible asset value as at the date of acquisition that significantly decreased more than 10% from those presented in the financial statements at THB 281.35 million except:</p> <ul style="list-style-type: none"> ▪ the decrease in assets arising from the usual business of the transferor and ▪ except for dividends under this agreement. The transferor will pay dividends to the shareholders up to THB 32 million for the shareholders to use some of the dividends as outgoings on this business transfer.
Acquisition Date	:	April 30, 2015, or other agreed date from the parties
Key Terms and Conditions		
Conditions Precedent	:	<ol style="list-style-type: none"> 1) All transactions under this contract have to be approved by the shareholders' meeting of UAC, to be occurred on March 12, 2015. 2) To enter into this Agreement, the whole business transfer must be approved by the shareholders of the transferor , to be occurred on March 27, 2015. 3) To enter into this Agreement, the whole business transfer must be approved by the shareholders of the transferor. 4) The transferor has undergone these conditions completely: <ul style="list-style-type: none"> ○ Transferring every formulation in the manufacturing the transferor is using in the business, including documents on manufacturing methods and processes in details, to the transferee at least 3 business days prior to the merger. ○ The management resigned from the transferor company to be the advisors or employees under the transferee, without continuing counting the working period under the transferee's employment ○ Making the transferor's employees to accept the change of employer to "the transferee" by continue counting the working period under the transferee ○ Conduct accounting and Financial Statements for the year ended December 31, 2014 , according to the form, content and conditions approved by the transferee and continue being checked and certified by the auditors of the transferor. ○ Notify and/ or obtain approval or consent in writing from an individual, agency, creditor, or related party.
A certification by the transferor's major shareholders	:	Major shareholders gave an assurance on not doing the same business with the transferor or transferee, or compete in business with them at least 5 years from the acquisition date, directly and indirectly. This also includes holding shares in the companies operating in the same field, or compete with the transferor and transferee more than 5% of the total paid up capital.
Operation after the business acquisition	:	Transferor must stop its business operations immediately on the acquisition date, register dissolution with the Department of Business Development of the Ministry of Commerce and complete business liquidation as soon as possible (within June 30, 2015).
Employees	:	Transferee will hire transferor's employees, effective on the date the acquisition is finished, under the terms and conditions not less than what they committed to the transferor.
Fee and charges	:	<ul style="list-style-type: none"> ▪ Each party is responsible for their own fee and charges according of transactions under this contract. ▪ The transferor is responsible for the tax according to, or from transactions under this contract that is not exempt as defined in the Revenue Code, the Land Code and/ or related laws and regulations. ▪ The transferor is responsible for the fee related to the transfer of land.

Value of the Consideration, Criteria for Determination of Consideration Value and Sources of Finance for the Entry into the Transaction.

UAC – APC will pay a consideration for the acquisition of APC's business at a total value of not more than THB 730 million by cashier cheques on the Closing date. UAC – APC will enter into the transaction after having obtained approval from the Company's Extraordinary General Meeting of Shareholders No. 1/2015, to be held on March 12, 2015, and after all conditions precedent to be specified in the relevant agreements have been fulfilled, or expected to be no later than April 2015.

The criteria used for determining value of the consideration is based partly on valuation of APC's business by a financial advisor under the discounted cash flow approach and partly on price negotiation between the Company and APC. Funding sources for the acquisition of APC's business will come from financial institutions in the amount of THB 450 million and partly from working capital of the Company. The executives of the Company notified that it is during the deliberation on conditions from the financial institution, where the Company presumed that it would initially be a loan for 5-7 years with the interest rate according to Minimum Loan Rate (MLR) – fixed rate

1.1.3 Details of Asset of the Transaction

- (1) **UAC Advance Polymers & Chemicals Co., Ltd.** The subsidiary to be newly established which will accept an EBT from APC. Details of the Subsidiary are as follows:

Company Name	:	UAC Advance Polymers & Chemicals Co., Ltd
Registered Capital	:	THB 50,000,000, divided into 500,000 shares at par value of THB 100
Directors	:	1. Mr. Kitti Jivacate 2. Ms. Nilrat Jarumanopas 3. Mr. Chatchaphol Prasopchoke Authorized signatory is one of the three directors, namely Mr. Kitti Jivacate or Ms. Nilrat Jarumanopas or Mr. Chatchaphol Prasopchoke with the Company's seal affixed. <u>Remark</u> : From the interview with the Company's executives, after the acquisition, none of APC's director are entering into the director position in UAC-APC and UAC.
Shareholding	:	1. UAC Global Public Company Limited 499,997 shares 2. Mr. Kitti Jivacate 1 share 3. Ms. Nilrat Jarumanopas 1 share 4. Mr. Chatchaphol Prasopchoke 1 share

- (2) **Entire business of Advance Polymers & Chemicals Co., Ltd.**

a) History and General information

APC was established on March 1, 1995 with registered capital of THB 4 million to manufacture and sell latex emulsions and latex polymer. APC has registered and paid-up capital of THB 30 million on January 5, 2015, divided into 300,000 shares of common stock with a par value of THB 100.

APC's head quarter is at No.9/81 Soi.Supaphong 3, Srinakarin Road, Bangborn, Pravate, Bangkok. The building is rented from the major shareholder of APC. There's a factory belongs to APC located at No.50 Moo 3, Sikhio-Chaiyaphum Road (Highway No. 201), Sikhio Sub-district, Sikhio District, Nakhon Ratchasima Province, with the total area of 14-3-80 Rai. Also, APC has a warehouse at No.998 Moo 2, BangPu Industrial Estate, Sukhumvit Sai Kao Road, Phraekkasu Sub-district, Mueang Samut Prakan District, Samut Prakan Province with the total area of 9-2-0 Rai. The stated assets (factory, machineries and warehouse) are free of any obligation.

Information from the interview with UAC executives indicated that after UAC-APC has completed the acquisition from APC, UAC has planned to move the head office to where the head quarter of UAC located at for convenience and flexibility in operation and management. The rental contract of APC would end on August 1, 2016.

**APC's factory located at Sikhio District, Nakhon Ratchasima Province and
warehouse located at BangPu Industrial Estate**



factory located at Sikhio District, Nakhon Ratchasima



warehouse located at BangPu Industrial Estate



b) Business Operations

APC is the manufacturer and seller of chemical products, with main products: latex emulsions and latex polymer used in industries such as ;

- Painting and coating
- Ink and printing
- Synthetic materials to be used as raw material in the production of textiles and apparel
- Adhesives and adhesive tape
- Paper and packaging

At the present, most of APC products, accounted to 99%, are sold domestically. These products are mostly related to painting and coating industry, accounted to 45% of all sales in the first nine months of 2014. APC's factory has net production capacity of 27,750 ton per year and is certified ISO 9001:2008 with total number of employees of 71 people (As of September 30, 2014).

Example of products which used chemical products, latex emulsions and latex polymer



Paint



Nonwoven



Roof tiles

Moreover, APC has received 3 benefits in the production of polymer emulsions and polymer solutions from the Board of Investment (BOI), which includes BOI support 1 for the first production line which expired in 2011, BOI support 2 for the second production line which expired on January 2, 2015, and BOI support 3 which the project is yet to be invested according to the conditions of the third support and APC must complete and give a notice on enforcement within June 19, 2015 (36 months from the date of support received on June 20, 2012). If the process cannot be completed according to the conditions, benefits might be revoked as a whole or partially. Anyhow, the information from the interview with the executives of UAC indicated that UAC has planned to invest more on new production line machineries at the factory in Sikiw, Nakorn Ratchasima province, to use the right according to BOI support 3, where the process of the use of rights from BOI would take place after the acquisition.

The details about the location and information of APC's asset, including factory, machines and equipments, warehouse, and vehicles, will be in Enclosure 2 of this report.

c) Shareholders

List of shareholders of APC as of January 5, 2015 are as follows:

Table 1 : List of shareholders of APC as of January 5, 2015

	Name	Number of Shares	% of Total
1.	Mr. Banchong Pattarathienchai	106,500	35.50
2.	Mr. Suchot Sawatdirak	85,500	28.50
3.	Richmond Chemical & Resin Syndireal Co., Ltd.*	45,000	15.00
4.	Mr. Surapong Watcharodomprasert	25,500	8.50
5.	Mrs. Jiraphan Paiboonwattanapong	16,500	5.50
6.	Mr. Suchat Sawatdirak	15,000	5.00
7.	Mrs. Mookda Sawatdirak	6,000	2.00
	Total	300,000	100.00

Remark: * A registered company established in Malaysia. Board of directors and shareholders of Richmond Chemical & Resin Syndireal Co., Ltd have not relations in any form with the shareholders and executives of APC.

Source : The Company

d) Board of Director

As of January 5, 2015, APC's directors are as follows:

Table 2 : Directors of APC as of January 5, 2015

	Name	Positions
1	Mr. Suchot Sawatdirak	Director
2	Mr. Banchong Pattarathienchai	Director
3	Mrs. Jiraphan Paiboonwattanapong	Director
4	Mr. Kwon Swi Kieng	Director
5	Mr. Surapong Watcharodomprasert	Director

Source : APC

Directors with signing authority on behalf of the company are Mr. Suchot Sawatdirak and Mr. Banchong Pattarathienchai co-signing on the document with a company's seal or Mr. Suchot Sawatdirak or Mr. Banchong Pattarathienchai and another one director co-signing on the document with a company's seal.

After the transaction, UAC – APC will acquire and accept a transfer of the entire business of APC including assets, liabilities, other agreements, employees, licenses and rights relating to business operation of APC, as well as all rights and benefits attached to such assets, under the EBT process. Subsequent to a complete EBT process, APC will dissolve and complete business liquidation within the same accounting period in which the EBT takes place.

e) Summary of Financial Statements and Operating Performance

The following table provides a summary of financial information in accordance with the financial statements for the years ended 31 December 2011 – 2013 of APC, audited by the auditor, Mrs. Laddawan Kovitulkrai, who is not an SEC-approved auditor, whereas the financial statements for the 9-month period ended September 30, 2014 were internal financial statements for use by the management and were neither audited nor reviewed by the auditor.

**Table 3 : Summary of Financial Statements and Operating Performance of APC
for the Fiscal Year 2011-2013 and the 9 Months ended 30 September 2014**

Advance Polymers & Chemicals Co., Ltd Balance Sheet (unit : THB million)	2011	2012	2013	30 Sep 14
Current assets				
Cash and cash equivalents	109.87	86.30	125.04	108.78
Temporary investment	-	25.20	-	-
Trade and other receivables	93.38	91.54	86.27	88.49
Inventories	50.72	95.45	72.28	95.47
Other current assets	0.83	0.76	0.43	1.53

The opinions of IFA on the acquisition of asset
(For the purpose of translation only)

Advance Polymers & Chemicals Co., Ltd Balance Sheet (unit : THB million)	2011	2012	2013	30 Sep 14
Total current assets	254.80	299.25	284.02	294.27
Non-current assets				
Property, plant and equipment - net	102.97	95.79	87.13	80.71
Other non-current assets	0.02	0.02	0.02	-
Total non-current assets	102.99	95.81	87.15	80.71
Total assets	357.79	395.06	371.17	374.99
Current liabilities				
Trade and other payables	73.40	91.73	55.05	90.97
Income tax payables	3.75	4.39	3.69	1.88
Leasing payables- ortion due within one year	2.74	3.01	0.78	-
Other current liabilities	2.98	1.36	2.09	0.70
Total current liabilities	82.87	100.49	61.62	93.55
Non-current liabilities				
Leasing payables - net	3.76	0.75	-	-
Total non-current liabilities	3.76	0.75	-	-
Total liabilities	86.63	101.24	61.62	93.55
Shareholders' equity				
Issued and fully paid	30.00	30.00	30.00	30.00
Retained earnings	241.16	263.82	279.55	251.44
Total shareholders' equity	271.16	293.82	309.55	281.44
Total liabilities and shareholders' equity	357.79	395.06	371.17	374.99

Advance Polymers & Chemicals Co., Ltd Income Statement (unit : THB million)	2011	2012	2013	Jan - Sep 14
Revenues from sales	434.55	404.68	393.45	334.72
Other income	2.60	5.32	3.49	2.44
Total revenues	437.15	410.00	396.95	337.15
Cost of sales and services	351.54	297.12	291.03	253.89
Selling and servicing expenses	8.87	9.40	10.18	7.36
Administrative expenses	17.69	19.64	19.58	14.14
Total expenses	378.10	326.16	320.79	275.39
Profit (loss) before finance cost and income tax expenses	59.05	83.84	76.16	61.77
Finance cost	0.77	0.44	0.20	-
Profit (loss) before finance cost and income tax expenses	58.28	83.40	75.96	61.77
Income tax expenses	5.67	9.74	8.03	5.88
Profit (loss) for the period	52.61	73.66	67.93	55.89

Advance Polymers & Chemicals Co., Ltd Financial Ratios	2011	201	2013	Jan - Sep 14
Liquidity Ratio				
Current ratio (times)	3.07	2.98	4.61	3.15
Quick ratio (times)	2.45	2.02	3.43	2.11
Account receivable turnover (times)	4.51	4.38	4.43	5.11
Average collection period (days)	79.90	82.25	81.34	70.48
Inventory turnover (times)	5.02	4.07	3.47	4.04
Day sales inventory (days)	71.75	88.55	103.74	89.20
Account payable turnover (times)	3.25	3.60	3.97	4.64
Average payment period (days)	110.64	100.04	90.78	77.64
Cash cycle (days)	41.01	70.77	94.30	82.04
Profitability Ratio				
Gross profit margin (%)	19.10%	26.58%	26.03%	24.15%
Operating profit margin (%)	12.99%	19.40%	18.47%	17.73%
Net profit margin (%)	12.04%	17.97%	17.11%	16.58%

The opinions of IFA on the acquisition of asset
(For the purpose of translation only)

Advance Polymers & Chemicals Co., Ltd Financial Ratios	2011	201	2013	Jan - Sep 14
Return on equity (%)	19.76%	26.07%	22.52%	25.22%
Efficiency Ratio				
Return on assets (%)	13.23%	19.57%	17.73%	19.97%
Asset turnover (times)	1.10	1.09	1.04	1.20
Financial Policy Ratio				
Debt to equity ratio (times)	0.32	0.34	0.20	0.33
Dividend payout ratio (%)	73.56%	69.24%	76.85%	N/A

Explanation and Assessment of Financial Statements and Overall Operating Performance of APC

Operating performance

Revenue

In 2011-2013, APC has sales revenues at THB 434.55 million, THB 404.68 million, and THB 393.45 million, respectively, included revenues from the production to sell and service of production at 86.17%, 86.84%, and 88.32% of sales revenues and revenues from trading at 13.83%, 13.16%, and 11.68% of sales revenues each year. The revenue from the production to sell and service of production in 2011-2013 more than 65.13-69.97% came from products in painting and coating industry such as paints, roof paints and planks paints. The revenues from sales in 2012-2013 has decreased compared to the previous year for 6.87% and 2.77% or THB 29.87 million and THB 11.23 million respectively. One reason is due to the decline in revenues from the production of goods and production services, as a result of the reduction in the price per kilogram at the market price volatility of raw materials used in production, while sales volumes are expected to increase steadily. Another reason is due to the decrease in sales volume of products sell to buy some items. As in previous years, APC has some import chemicals from overseas, orders for a particular customer.

For the nine months of 2014, APC revenues from sales is accounted to THB 334.72 million, with revenues from production to sales and production services of 91.28% and product revenues Merchandising 8.72% of the total sales, respectively. During April of 2014, APC has changed its policy of production service of goods to a customer to production to sales to that customer, making APC to get the recognition for more revenues instead of recognition only of the labor of production only.

Cost of sales and expenses

APC's major costs include raw materials in the production, costs of products in trading, electricity costs and costs of oil used, employees' salary and welfare, and depreciation costs. In 2011-2013, APC has the costs accounted to THB 351.54 million, THB 297.12 million, and THB 291.03 million respectively, or accounted to 80.90%, 73.42%, and 73.97% of revenues each year. The reason costs in 2012-2013 decreased from the previous year for 15.48% and 2.05%, or THB 54.42 million and THB 6.10 million respectively, is mainly due to the decrease of raw materials in production costs and the costs of products in trading, where APC ordered mainly raw materials from domestic sellers.

Major costs in sales and operation of APC include products delivery costs, salary and welfare for employees, depreciation costs, transportation costs and office rental costs, where in 2011-2013, APC has costs in sales and operation at THB 26.56 million, THB 29.04 million, and THB 29.76 million respectively, or accounted to 6.11%, 7.18%, and 7.56% of revenues each year, with costs of sales and services tend to increase, mainly from the higher outgoings related to employees, according to the Government's policy of adjustment of minimum wages.

For the nine months of 2014, APC has the sales costs at THB 253.89 million or 75.85% of the revenues from sales, while APC has the outgoings in sales and operation at THB 21.50 million or 6.42% of sales revenues.

Profits

APC has the net profits in 2011-2013, and the first nine months of 2014 at THB 52.61 million, THB 73.66 million, THB 67.93 million, and THB 55.89 million, or accounted to 12.04%, 17.97%, 17.11%, and 16.58% respectively. In 2012, APC has the higher net profits of 40.00%, or THB 21.05 million due to the sales costs has declined in the higher ratio than the decrease in sales revenue, while in 2013, APC has the lower net profits than 2012 for 7.78% or THB 5.73 million in line with the decrease in sales.

Financial Statements

Assets

The total assets of APC as of December 31, 2011-2013 is accounted to THB 357.79 million, THB 395.06 million, THB 371.17 million, respectively, including current assets at THB 254.80 million, THB 299.25 million, and THB 284.02 million, or accounted to 71.22%, 75.75%, and 76.52% of the total assets each year, respectively. The major current assets include cash and cash equivalents, and temporary investment capitals, accounted to 43.12%, 35.22%, and 44.03% of the total current assets in 2011-2013 respectively, and account receivables at 43.12%, 35.22%, and 44.03% of the total assets in each year. The reason current assets in 2012 increased from 2011 for 17.44% or THB 44.45 million, is mainly due to the increase in inventories at THB 44.73 million, mainly chemicals which is the major material in production. In 2013, current assets decreased from 2012 for 5.09% or THB 15.23 million from the decline in inventories at THB 23.17 million.

For non-current assets, in year 2011-2013, is accounted to THB 102.99 million, THB 95.81 million, and THB 87.15 million, or accounted to 28.78%, 24.25%, and 23.48% of total assets, respectively, which mainly decreased from the annual depreciation cost deduction. The major non-current assets include land, buildings, and equipments, accounted to 99.98% of non-current assets in 2011-2013.

As of September 30, 2014, total assets of APC is accounted to THB 374.99 million, including current assets accounted to THB 294.27 million, or 78.48% of total assets, while non-current assets accounted to THB 80.71 million or 21.52% of total assets. As of September 30, 2014, inventories increased for THB 23.19 million due to the increase of orders from major customer in September 2014, resulting in the increase of production to delivery in October 2014. Moreover, the executives of APC predicted that the global market price of major raw materials in the production tend to be higher to the end of 2014, resulting in the order of major raw materials to be stored, while cash and cash equivalents decreased for THB 16.26 million.

Liabilities

The total liabilities of APC as of December 31, 2011-2013 is accounted to THB 86.63 million, THB 101.24 million, THB 61.62 million, respectively. When deliberating on the total debt structure in 2011-2013, it is included current liabilities at THB 82.87 million, THB 100.49 million, and THB 61.62 million, or accounted to 95.66%, 99.26%, and 100.00% of the total liabilities each year. The major current liabilities include account payables, accounted to 84.73%, 90.61%, and 89.34% of the total current assets in 2011-2013, where mainly purchased raw materials domestically. The reason current liabilities in 2012 increased from 2011 for 16.85% or THB 14.60 million, is mainly due to the increase in account payables at THB 18.32 million, while leasing payables decreased for THB 2.74 million, in 2013, the total liabilities decreased from 2012 for 39.13% or THB 39.61 million mainly from the decline in account payables at THB 36.67 million.

As of September 30, 2014, total liabilities of APC is accounted to THB 93.55 million, which is all current liabilities. The reason total liabilities of APC as of the third quarter of 2014 increased for 51.81% or THB 31.93 million from the end of 2013 is due to the increase of account payables at THB 35.91 million, from the increase order of raw materials, stated before.

Shareholder's equity

The shareholders' equity of APC as of December 31, 2011-2013 and September 30, 2014 is accounted to THB 271.16 million, THB 293.82 million, THB 309.55 million, and THB 281.44 million respectively. In 2011-2013, shareholders' equity increased comparing to the previous year for 8.36% and 5.35%, or THB 22.66 million and THB 15.73 million respectively, as a result from the operation with net profits each year and paying dividend at 96.93%, 70.87%, and 141.33% of net profits in 2011-2013, respectively.

f) Industry Review

Since the customers of APC's latex emulsions and latex polymer product are industrial enterprises such as painting and coating industry, ink and printing industry, textiles and apparel industry, paper and packaging industry, the APC's business has a direct relationship with the economic growth and the growth of these industries. The details are as below;

Overall of Economic conditions and Industries

The information will be in item 6 "Industry conditions" in Enclosure 1 of this report.

APC's latex emulsions and latex polymer customers' industry conditions

Data from the Economic Report, prepared by the Office of Industrial Economics, Ministry of Industry, as of December, 2015 has summed up conditions of industries of APC's customers as follow;

- **Chemical products** The first 10 months of 2014, the export of chemical products had a total value of THB 220,053 million or increased for THB 21,514 million, with products with significant proportion in exports include chemical fertilizer, chemical misc. and organic chemicals at approximately 38.99%, 26.46%, and 19.20% respectively. In 2015, the exports of the industry tend to grow for 6.02% from the previous year because of the recovery of global economy, the clarity of the investment in the public sector, and accelerated approval of investment projects in the latter half of 2014, estimated to start in 2015, including the official opening of AEC in 2015. For painting (as downstream chemicals) , the export was at THB 17,475 million, which increased for 16.24% from the same period in the previous year. The significant export markets include China, Bangladesh, and Indonesia with 10.01%, 9.30%, and 9.15% respectively. The import of painting was amounted to THB 41,287 million, increased for 9.51% from the same period of the previous year with this year's significant markets of Japan, and China at 20.42% and 20.08% respectively.
- **Industries related to real estates and constructions**
 - Cement production: In 2014, it was expected that the amount of clinker produced was at 41.59 million ton, increased for 9.16% from the previous year, while the amount of cement production (not included clinker) was at 43.40 million ton, decreased for 0.89% from the previous year. Overall, the cement industry still grows though in 2014, the domestic demand of cement didn't grow as much as expected because Thai Economy continued to slow down all year long, together with the increase of price of land affecting real estate enterprises to hold the projects. Anyhow, the increase in export is the factor that helps Thai cement industry to continue growing. In 2015, it is expected that the industry still continues to grow because the domestic demand of cement tends to go up as a result of upward trend of investment plans from the Government, especially new metro lines project creating new construction area to boost up the investment from the private sector in the real estate industry.
 - Ceramic: In 2014, the production volume of floor tiles and wall tiles were amounted to 163.62 million square meters, and sanitary ware at 7.31 million units which decreased for 1.18% and 2.66% respectively. This might be the consequence of "First car" policy making consumers focused on purchasing vehicles instead of household renovations. Also, the political chaos from the previous year resulted in the real estate business downturn and the decrease of usage of ceramic products, as the continuation of industry. Anyhow, it is estimated that the production and sales of ceramic in 2015 would increase from government's policies to boost up the economy and expand the investment on government's basic structure plans such as metro lines, and the establishment of new special economic zones in 5 targeted border provinces, which are Tak, Mukdahan, Trad, Sa Kaeo, and Song Khla. Also, the opening of AEC in 2015 is likely to invite foreign investors into the country more. With these factors, the increased demand on real estates will also expand the ceramic industry.
- **Paper tissue, paper, and printing** The production of tissue paper and paper in 2014 has increased 9.77% from the previous year because short pulp and recycled paper pulp has been produced to replace some portions of imported products, accordingly with an increase in trends in exporting paper pulp. With paper, it includes cardboard, kraft paper, and corrugated paper. It is estimated to increase in amount at 6.58%, 5.12% and 0.01%, respectively, as the political situation is leading into a more definite direction since the second quarter of the fiscal year, assuring investors. Moreover, domestic stimulation for consumption helps recover the economy. In 2015, it is predicted that the export of paper pulp, paper, and paper products would increase as the trends of packaging as a continuation industry becomes larger, from the recovery of domestic economy and in the US, Europe, and China. Also, paper and packaging business in Thailand has been expanding its investment both domestically and abroad.
- **Textiles and apparel** In 2014, the overview of manufacturing of textiles and apparel in Thailand was growing, especially ready-to-wear garments. For example, sportswear manufacturers were likely supported by orders from sport leagues, making the value of export grew accordingly with demand in the main export market. For textile fibers and fabrics, the production was smaller. However, the existing

demand, especially in ASEAN market, and the growing market in the US and Japan, from the better global economy and the increase of market share in Japan after Japan decrease their orders with Chinese production to reduce risk of economic problem, could make the export grow. For the trend in 2015, it is predicted that this industry can still expand, both in production and export sector. Textiles sector will be the producer to distribute to, mostly, ASEAN markets. With ready-to-wear garments, the government supports the SME producers to expand the production base into overseas, in CLMV countries, to get the advantage on lower-rate labor, labor, and GSP from main export markets such as EU countries, and the US. There are also supporting factors to expand the industrial sector of textile fibers and fabrics production such as the growing of ASEAN's economy, affecting the demand of its population.

- **Plastic** Plastic export in 2014 was predicted to have a value of THB 120,525 million. The products with the increased amount of export were single Filament, sanitary ware and pipe tube or straw, adhesive film and conveyors or containers, at 101.13%, 24.85%, and 18.77% respectively. Comparing with the previous year, the trends in 2015 is likely to have export value of THB 132,577 million or increased for 10.01% because Thailand's major parties of commerce such as Japan and the US are having a better economic condition. Also, AEC is being more definite and concrete. Moreover, real estate business is predicted to grow accordingly with metro lines and the trends of expansion around the borders of Thailand, to support the opening of AEC, makes the use of plastic increased.

1.2 Reasonableness of the transaction

1.2.1 Objective and benefit of the transaction

The investment in the production and distribution of chemicals, latex emulsions and latex polymer, by establishing a new subsidiary, to purchase and EBT from APC, the company with potential in business and stability in revenues and continuous profits, would help the Group gain new revenue from new business field to help the Group's performance grow continuously in the future. Also, the Group can take advantage from APC's assets and/ or get involve in business cooperation to advance the ability in chemical products business of the Group such as the exchange of customers data, the use of APC's warehouse that didn't fully exploited, to be used as the production line and warehouse of the Group's chemical products in the future.

Moreover, this acquisition would also It would increase the ratio of revenue from distribution of products in industrial sector, to make the structure of the Group's revenue in the future to gain balance more than the present where revenue ratio of energy and Petroleum products is at 71.02% of revenues from sales and services, while the revenues from the sales of products in industrial sector is at 16.34% of the sales and services (referred to information of the first 9 months of 2014). To become the producer and distributor of chemical products from previously being only importer and distributor only, is the path to decrease the effects from risks of imports and distributions of chemical products such as cancellation of rights of imports and distributions from the original brand/ products owner and new competitions in the market.

1.2.2 Advantages and disadvantages of entering into the Transaction

Advantages of entering into the transaction

1. It is an investment in business with potential and opportunity to gain good compensation from investment. Due to the performance of APC in the previous period that has revenues and profits continuously in year 2011-2013 and the first nine months of 2014 with the revenues of THB 437.15 million, THB 410.00 million, THB 396.95 million, and THB 337.15 million respectively, with net profits at THB 52.61 million, THB 73.66 million, THB 67.93 million, and THB 55.89 million respectively, and as of September 30, 2014, APC's total liabilities is accounted to THB 93.55 million, as current liabilities (account payables at THB 90.96 million) and has no liabilities from loans. Together with potential and preparedness in business operation of APC such as:
 - Assets: APC has owned factory, machines and equipments, warehouse, and vehicles in delivery of products, which at the present have been continuously used in the business operation normally. Moreover, these assets also have enough potential to support the plan of business expansion in the future such as land, where the factory located in (Sikiw, Nakorn Ratchasima province), and warehouse (Bangpoo Industrial Estates). It is found

that the use of land is at 40-50% of the total area, similar with the production capacity that can expand from the present at 40% of the highest production capacity (maximum at 27,750 ton per year).

- Personnel: APC has executives and officers with knowledge, experience, and expertise in production and distribution of chemicals; Latex Emulsion and Latex Polymer, especially the executives with the experience in the field for more than 30 years, while the normal employees has the average working year of 3 years.
- Formula: Other than the existing formulas, APC has been doing research and development of formula and production technologies continuously to improve the quality of chemicals; Latex Emulsion and Latex Polymer to catch up with the changing technologies and support the demand of the customers in each industry who has different need of products' qualification. From the interview with executives, the specific research and development for some customers is a competitive advantage of APC.
- Customer's base: APC's customers at the present are business in industries such as paint industry, chemical products industry, construction industry, ink and printing industry, glue industry, which can reduce the risks of each industry slowdown of business operation.

After the acquisition, UAC - APC will be transferred all stated assets above from APC to continue the business, so the acquisition of UAC - APC, as a subsidiary of the Company, is an investment in the company with the viability of the business. As a result, the company has a chance to get a better return from the business of UAC - APC in the future (if the results of the implementation of UAC – APC, subsequent transfer of the APC, is as planned).

2. Increasing potential and ability in chemical business of the Group.

After the acquisition, the company can make use of the assets of UAC-APC from the transferred from APC involve in business cooperation to advance the ability in chemical products business of the Group such as:

- The exchange of customers data, creating opportunity to gain more sales from the party's customers data, where at the present the main products of APC are chemicals; Latex Emulsion and Latex Polymer, which is not the same with products of the company such as Chemicals & Solvent products, Base oil and Additives, and Emission & Waste management.
- The use of UAC-APC's assets such as factory and warehouse of UAC-APC that didn't fully exploited, to be used to support the expansion of the Company such as the production line and warehouse of the Group's chemical products in the future.

3. The creation of new business to increase revenue for the Group and to expand the business in the future.

The EBT from APC is the investment of the Group to expand its business in production and distribution of chemical products of Latex Emulsion and Latex Polymer, which would help creating new compensation for the Group in the future (in case the operation of UAC-APC after the acquisition is as planned) because products of Latex Emulsion and Latex Polymer tend to expand in the same direction with economic condition and industrial sector, where the data from Office of the National Economic and Social Development Board predicted that economy and industrial sector in 2015 would expand for 3.5-4.5% and 2-3% respectively, supported by the improvement in exports according with the recovery of economy and global trading in year 2015. The consumption in private sector and the investment of the private sector also grows according with the customers of products of Latex Emulsion and Latex Polymer of APC which include chemical products industry, real estate and construction industry, paper and prints industry, textile and apparel industry, where Office of the National Economic and Social Development Board predicted that these industries would grow in 2015 from the previous year due to the domestic economy and the trading parties with improved conditions, including the supports from the government's policies and AEC (details of industrial sector of target customers of Latex emulsion and Latex Polymer of APC in Part 1 item. 1.1.3 (2) f) of this report).

In addition, in 2011-2013, APC had income from sales abroad only 0.29-1.64% of the sales from production. From the interview with executives of APC, it is indicated that in the previous period, APC had the income from exports very in low amount due to the limited amount of oversea sales officers but with the preparedness of this section of the Company, together with APC's latex emulsion and Polymer Latex, the high demand from ASEAN countries, with expanded industrial and construction sector such as Myanmar, Laos, Cambodia, and Vietnam. APC hasn't yet been in the full capacity of production, thus the acquisition is a way to increase revenues from abroad sales of the chemical products of the Group in the future.

4. Support the Group to start new business in a short period of time
The expansion of the Group in Latex Emulsion and Latex Polymer business from the EBT from APC would make UAC-APC start the business and increase opportunities in more compensation of the investment faster compared to starting a new business itself, which is expected to use a long time. The company will recognized the result of operation of UAC-APC immediately after the acquisition.
5. Adjusting the Group's structure of revenue to be balanced
A portion of revenue from the sale of petroleum products in the energy business is about 60% of total revenue. Thus, the expansion of the Group in the production and distribution of chemicals, latex emulsions and latex polymer will increase the portion of the products in the industry which would help the structure of the Group in the future to be in balanced more than the present, which is a way to reduce the risks or effects with the Group if the performance of energy and petroleum sector is not as planned, with any reason. In 2011-2013 and the first nine months of 2014, the Group has the revenue from energy and petroleum sector at 71.77%, 56.73%, 52.91% and 71.02% of the revenues from sales and services respectively, while the revenues from sales in industrial sector is accounted to 22.74%, 29.88%, 20.15%, and 16.34% of the revenues from sales and services, respectively.

In addition, the expansion in investment in chemical products of the Group, from being only an importer and distributor, to be the producer and distributor, may help support the growth in the business to be sustainable and help reduce the risks of imports and distributions of chemical products such as cancellation of rights of imports and distributions from the original brand/ products owner and new competitions in the market.

Disadvantages and Risk of Entering into the Transaction

- 1) Adding the burden of loans and interests with financial institution
Since the source of fund for the Transaction is from bank loans of UAC – APC at THB 450 million, making the Group to be in debt and increasing interests burden after the Transaction. As of September 30, 2014, the net liabilities of the Company is accounted to THB 772.23 million, having debt with interests burden at THB 595.87 million and has debt to equity ratio at 0.83 times. After the acquisition the Company with have debt to equity ratio at 1.73 times (details on the calculation of the influence of the Transaction is in Part 2 of this report).

Anyhow, despite this acquisition of UAC-APC using capital from loans from financial institution accounted to THB 450 million, and capital from the Company accounted to THB 280 million, the initial capital of UAC-APC at the present is at THB 50 million, with cash and cash equivalents from the acquisition of APC as of September 30, 2014, at THB 108.78 million, together with cash flows from operating activities of UAC-APC after the acquisition of APC. The IFA predicted that it would be enough to cover the interest payment and loans payment in time and the executives of the Company predicted that this acquisition will not have a major impact on flow and financial situation of the Company in the future.

- 2) Effect from the recognition of goodwill in purchasing and the EBT of APC in the Company's financial statements.
In case the Transaction price is at higher rate than fair value of assets and debts of APC as of the acquisition date (the Company doing the valuation of fair value of assets and debts of APC on the acquisition date), if after the acquisition, the operating performance of APC is not as expected, it may affect on the valuation of the depreciation of good will afterward, which would affect in the Company's financial statements. This Transaction price is accounted to no more than THB 730 million, while as of September 30, 2014, the financial statements of APC after adjusted by items as per the special review report on accounting and taxes which are presented in information memorandum on the acquisition of asset of the Company, assets are accounted to THB 372.33 million (excluded the addition from valuation of assets at THB 65.54 million. The book value of land, buildings, and equipments of APC which are valued in addition as of September 30, 2014 equal to THB 80.30 million, while the valuation by independent valuer is at THB 145.84 million. The details of valuation of assets by independent appraiser is in Enclosure 2 of this report.) and with debts at THB 102.50 million. If calculating on the transaction at THB 730 million and value of assets and liabilities according to the account of APC, after the adjustment from the addition of assets valuation, the goodwill would be at THB 426.63 million. Due to the necessity of fair valuation of assets and liabilities of APC, both tangible and intangible as of the acquisition date, it may affect goodwill to be differ from the value above.

In addition, with the free cash flow to firm, APC expected to gain from the present operation, according to the estimation of the independent financial advisor, including synergy from the acquisition as stated in benefits section, the independent financial advisor's opinion is the amount of THB 730 million in the transaction was appropriate considering the amount of goodwill that may arise from the Transaction.

- 3) It is an investment in the new business field where the company has a limited experience in.
The Company has never invested in the production and distribution of chemical products of Latex Emulsion and Latex Polymer, with this limitation, UAC-APC may take time to study the business and rely on the experience and knowledge of the former executives of APC. Anyhow, from the interview with the executives of the Company, the Company is hiring executives with knowledge, expertise, and experience in this business of Latex Emulsion and Latex Polymer for more than 35 years to manage the operation of UAC-APC after the acquisition from APC, including hiring management and employees from APC as advisors and employees of UAC-APC to make a continuous operation.
- 4) The risk of the operating performance of UAC-APC after the acquisition is not as expected
It may happened from several reasons such as the slow-down in economy influencing the production of industrial sectors, the increase of costs of production, the higher competition of these kinds of products, etc. The stated situations might affect in the operating performance of UAC-APC to be not as expected, and resulting in the delay of compensation of the production and distribution of products of Latex Emulsion and Latex Polymer.
- 5) The risk of the conditions precedent cannot be fulfilled
Since the EBT agreement has the conditions precedent for both parties to complete before the acquisition such as having the approval from shareholders of both parties, approval with signatory of personal, organization, debtor, or related parties, etc, if any of the conditions precedent is not satisfied, UAC-APC will not be able to enter the Transaction, yet the Company would have to be responsible for the transaction costs without any benefits returned, such as due diligence fee, legal advisory fee, financial advisory in the acquisition fee, etc.

1.3 Fairness of the Transaction Price and Conditions

1.3.1 Fairness of the Transaction Price

To evaluate the appropriateness of the prices for this Transaction, the IFA has conducted the financial valuation of APC common shares by applying 4 financial valuation methodologies as follows:

- 1) Book Value Approach
- 2) Adjusted Book Value Approach
- 3) Market Comparable Approach
 - Price to Book Value Ratio Approach : P/E
 - Price to Earnings Ratio Approach : P/BV
- 4) Discounted Cash Flow Approach

Details of each valuation approach are shown as follows:

1) Book Value Approach

The Book Value Approach evaluates the value of shareholders' equity at a certain point of time as shown in the financial statement. In this case, the IFA used the management's financial statements ended September 30, 2014, after adjusted by items as per the special review report on accounting and taxes prepared by EY Corporate Services Ltd. ("EY") which are presented in information memorandum on the acquisition of asset of the Company, covering the adjustment of assets valuation and possible debts from the valuation of effects from accounting records that are not in line with the Company's policies and Publicly Accountable Entities (PAEs), such as the allowance for doubtful accounts, the allowance for diminution in value of inventories, and estimates of employee benefit obligations. On January 21, 2015, UAC-APC (subsidiary of the Company, newly established to purchase and transferred all business from APC) has signed in the EBT agreement with APC, with conditions in the EBT agreement that APC would pay the dividend to the

shareholders of APC not more than THB 32.00 million from October 1, 2014 to the acquisition date, with the condition influencing the book value of APC as of September 30, 2014. The details are as follow:

- a) Dividend payment amounted to THB 12.00 million: APC announced to pay the stated amount of dividend on December 5, 2014 and had completed the payment of dividend in cash to the shareholders on December 22, 2014.
- b) Dividend payment amounted to THB 20.00 million: APC is to pay the dividend in cash at the amount of THB 20.00 million to the shareholders of APC before the acquisition date to pay the fees in the acquisition such as transfer fees and the transfer of land, buildings, factories and warehouses. Including consulting fees and/ or other charges as stated in the EBT agreement.

Therefore, to reflect the value according to the book value of APC, after the dividend payment stated above, the independent Financial Advisor has done the adjustment of book value as of September 30, 2014 with the details as follow:

Table 4: The fair value of APC by using the book value of APC shareholder's equity as of September 30, 2014 before and after the dividend payment from October 1, 2014 to the Closing date

(Unit : THB million)	As of September 30, 2014	The dividend payment	After the dividend payment
Issued and Paid-up Capital	30.00	-	30.00
Add retained earnings	239.83	(32.00)	207.83
APC shareholder's equity as of September 30, 2014	269.83	(32.00)	237.83

Based on the above Table, The fair value of APC by using the book value of equity after the dividend payment is THB 237.83 million, which is lower than the transaction price at THB 730 million by 67.42% or THB 492.17 million

2) Adjusted Book Value Approach

Adjusted Book Value Approach evaluates the fair value of APC by using the book value of equity as appeared in the management's financial statements ended September 30, 2014, after adjusted by items as per the special review report on accounting and taxes prepared by EY and dividend payment to existing shareholders during October 1, 2014 to the Closing date (The details are presented in Book Value Approach). Then, adjusting with increase (decrease) of reappraised assets. The IFA has considered the assets appraisal report by Pornsiam Consultant and Service Co.,Ltd. ("Pornsiam"), which are appraisers approved by the SEC, the Thai Valuers Association and the Valuers' Association of Thailand. The asset appraisal report, which was produced as of November, 2014, intended for public use. Therefore, IFA views that information from such appraisal report is appropriate to be used for consideration under Adjusted Book Value Approach, which is shown as follow:

Table 5 : Increase (decrease) of value from asset appraisal

	Assets (Unit : THB)	Book value as at September 30, 2014	Value by independent appraisers	Valuation Approach
1.	Factory at Nakhon Ratchasima province - Land with 14-3-80 Rai (14.95 Rai) of area - 11 items of buildings and developments	4,641,495 8,073,706	14,950,000 22,147,800	Market comparison approach Replacement cost approach
2.	58 items of machines and equipments of the factory at Nakorn Ratchasima	8,335,937	28,000,000	Replacement cost approach
3.	Warehouse at Bangpoo Industrial Estates - Land with 9-2-0 Rai (3,800 sq.m.) of area - 4 items of buildings and developments	39,045,000 17,088,873	57,000,000 13,533,300	Market comparison approach Replacement cost approach
4.	10 items of automobiles	3,112,225	10,210,000	Market comparison approach
Total value		80,297,236	145,841,100	
Increase (decrease) from book value			65,543,864	

Remark : Details of the asset appraisal appears in the Enclosure 2

The opinions of IFA on the acquisition of asset
(For the purpose of translation only)

The IFA refers the appraised value in table above to adjust APC shareholder's equity after dividend payment. The calculations details for APC according to the adjusted book value are as follows:

Table 6 : Adjusted Book Value of APC

Item	Amount (THB million)
APC shareholder's equity after dividend paid to existing shareholders	237.83
Add: increase from asset appraisals	65.54
APC shareholder's equity after adjustments as of September 27, 2014	303.37

Based on the above Table, **fair value of APC according to Adjusted Book Value Approach is THB 303.37 million**, which is THB 426.63 million or 58.44% lower than the transaction price at THB 730 million.

3) Market Comparable Approach

The Market Comparable Approach determines the fair value of APC's share by using market ratios of comparable listed companies that operate similar business to APC with the underlying assumption that financial ratios such as Price to Book Value Ratio (P/BV) and Price to Earnings Ratio (PER), of companies within the same industry should possess comparable characteristics. The IFA has selected listed companies which are producers and distributors of chemicals, to reflect similar business characteristics to APC. At the present, APC's major revenues are from production of chemical products for sales and production service (equals to 90.62% of the total revenue in the first 9 months of 2014).

Details of the four reference companies are presented in the following Table.

Table 7 : List of comparable listed companies which operate similar business to APC

List of companies	Symbol	Business characteristics
1. Gratitude Infinite Public Company Limited	GIFT	The core business of providing, developing, and distributing of Specialty Chemical for use in industries such as cosmetics, plastic paints, packaging, and pharmaceuticals.
2. Golden Lime Public Company Limited	SUTHA	The core business of producing and distributing of chemical products of lime, calcium carbonate, and other sales and services, including the sales and services of installation of machines and equipments in lime production.
3. Sherwood Chemicals Public Company Limited	SWC	Business of producing and distributing of chemical houseware in households, industry, community health care, and chemical products for agriculture.
4. UBIS (Asia) Public Company Limited	UBIS	Business of producing and distributing of can sealing compounds, can coating lacquers, in packaging industry of metal can and cover in the packaging of food, beverage, and other products.

Source : 2013 Annual registration statement (Form 56-1)

Under Market Comparable Approach, the IFA uses the method of Price to Book Ratio Approach and Price to Earnings Ratio Approach in order to evaluate the fair price of APC share. Further details of the valuations are presented as follows:

a) Price to Book Value Ratio Approach

Based on the Price to Book Value Ratio Approach, the IFA has determined the cut-off date for the calculation of average historical P/BV to be on January 16, 2015 which is the last date before the Company's Board of Directors has passed the resolution to approve the Transaction. In this regards, the IFA has calculated the historical 15 – 360 business days average P/BV for comparable companies which can be summarized as follow.

The opinions of IFA on the acquisition of asset
(For the purpose of translation only)

Table 8 : Average historical P/BV of comparable companies

Comparable companies	Historical Period (Business Days)						
	15 days	30 days	60 days	90 days	180 days	240 days	360 days
GIFT	3.49	3.53	3.38	3.25	2.75	2.45	2.19
SUTHA	3.77	3.88	4.12	4.24	4.28	N/A	N/A
SWC	1.91	1.91	1.90	1.90	1.90	1.95	2.02
UBIS	3.78	3.77	3.69	3.65	3.46	3.54	3.66
Average P/BV	3.06	3.07	2.99	2.93	2.70	2.64	2.62

Source: Information as of January 16, 2015 from www.setsmart.com

Remark Not including the average of P/BV of SUTHA since SUTHA has just been listed in the SET on April 3, 2014, thus, it is unable to determine the average of P/BV retroactively to 240-360 operation days.

The IFA multiplied the average historical P/BV shown in the table with the book value per share of APC to derive fair price, based on the book value of shareholders' equity as of September 30, 2014 after adjusted by items as per the special review report on accounting and taxes prepared by EY and dividend payment at a total value of not more than THB 32 million, during October 1, 2014 to the Closing date (The details are presented in Book Value Approach). The details of APC valuation using the Price to Book Value Ratio Approach are presented as follow.

Table 9 : APC Valuation using average historical P/BV

Historical Period (Business Days)	Average P/BV (Times) (1)	Book Value (THB million) (2)	Fair Value (THB million) (3) = (1) x (2)
15 business days	3.06	237.83	727.16
30 business days	3.07		729.89
60 business days	2.99		710.94
90 business days	2.93		697.74
180 business days	2.70		642.94
240 business days	2.64		628.86
360 business days	2.62		623.93
Fair value of APC (THB million)		623.93 – 729.89	

Based on the calculation above, **the fair value of APC according to P/BV approach ranges between THB 623.93 – 729.89 million** which is lower than the transaction price at THB 730.00 million by 0.02% – 14.53% or THB 0.11 – 106.07 million.

b) Price to Earnings Ratio Approach

Based on the Price to Earnings Ratio Approach, the IFA has determined the cut-off date for the calculation of average historical price to earnings ratio ("PER") to be on January 16, 2015. In this regards, the IFA has calculated the historical 15 – 360 business days average PER for comparable companies which can be summarized as follows:

Table 10 : Average Historical P/BV of Peer Comparables for the Valuation of APC

Peer Companies	Historical Period (Business Days)						
	15 Days	30 Days	60 Days	90 Days	180 Days	240 Days	360 Days
GIFT	19.94	20.15	19.41	18.80	17.18	15.32	13.52
SUTHA	19.44	19.99	21.27	21.89	21.27	N/A	N/A
SWC	14.08	14.12	13.46	13.06	12.05	11.42	11.15
UBIS	16.95	16.91	16.05	15.53	14.88	14.88	15.18
Average PER	16.99	17.06	16.31	15.79	14.70	13.87	13.29

Source: information as of January 16, 2015 from www.setsmart.com

Remark Not including the average of P/BV of SUTHA since SUTHA has just been listed in the SET on April 3, 2014, thus, it is unable to determine the average of P/BV retroactively to 240-360 operation days.

The opinions of IFA on the acquisition of asset
(For the purpose of translation only)

The IFA multiplied the average historical PER of comparable companies by the net profit of APC, referring to 4 quarters in retroactive (October 1, 2013 to September 30, 2014) from the internal financial statement of APC after adjusted by items as per the special review report on accounting and taxes prepared by EY which are presented in information memorandum on the acquisition of asset of the Company at THB 64.01 million. The details of the valuation of APC business is as follow:

Table 11 : Valuation of APC using PER Approach

Historical Period (Business Days)	Average PER Times (1)	Earnings Per Share (THB million) (2)	Fair Value (THB million) (3) = (1) x (2)
15 business days	16.99	64.01	1,087.61
30 business days	17.06		1,092.12
60 business days	16.31		1,043.84
90 business days	15.79		1,010.85
180 business days	14.70		941.10
240 business days	13.87		887.77
360 business days	13.29		850.40
Fair value of APC (THB million)		850.40 – 1,092.12	

Based on the above Table, **the fair value of APC according to PER Approach between THB 850.40 – 1,092.12 million** which is higher than the Transaction price at THB 730.00 million by 16.49% – 49.61% or THB 120.40 – 362.12 million.

4) Discounted Cash Flow Approach

This valuation approach evaluates the fair value by taking into consideration APC's ability to generate future cash flow (Free Cash Flow to Firm). Such free cash flow which expected to generate under the financial projection will then be discounted with the weighted average cost of capital (WACC) to derive the present value of APC. In this regards, the IFA has performed the financial projection based on the projection conducted by APC's management while adjusted some assumptions to reflect the overall economic and industry situation on a conservative basis. The IFA has prepared the financial projection for a period started from 2015 to 2019. Such projection is based on the assumption that there will be no significant changes on the operation of APC. In event of material changes in the economic condition and operating environment of APC, there might be variations in the fair price of APC accordingly.

The underlying assumptions under this financial projection are as follows:

1) Revenues

- Revenues from the production and trading
The major revenues of APC come from the production of chemical products of Latex Emulsion and Latex Polymer in industrial use, including the revenues from trading of some chemicals such as UV resin Pigment. The executives of APC has established the policy of pricing these products by Cost-Plus Pricing, with the IFA estimating the costs of sales in 2 parts as follow:
 - 1) Revenues from production The IFA estimated the growth of sales from 2015 at 1.50% per year, based on the average of growth of sales in 2012-2014 and accordingly with the policy of APC and the sales in 2015 from the average of sale price per kg in 2012-2014, making the average of sales price per kg. in use of estimation of 2015 declined from sales price per kg. of 2014 for 6.14%, then marking the fix growth rate of 1.50% per annum throughout the projected period.
 - 2) Revenues from trading The IFA estimated the growth of sales from trading at 1.00% per year, based on the interview of APC's executives and the estimated sale price of 2015 by based on the average of sale price per kg in 2012-2014, making the average of sales price per kg. in use of estimation of 2015 declined from sales price per kg. of 2014 for 7.94%, then marking the fix growth rate of 1.00% per annum throughout the projected period.

▪ Other revenues

Most other revenues include revenues from the sales of bucket or packaging of used chemicals, rental income, revenue from interests. In 2015, the IFA estimated the revenues from the sales of bucket or packaging of used chemicals, in percentage of sales based on the average of this portion in 2012-2014, equally to 0.53% , and marked a fixed growth rate of 0.53% per annum throughout the projected period. For other revenues, the IFA estimated based on real income in 2014 at THB 1.18 million and marked a fixed rate throughout the projected period.

Table 12: APC's revenue estimation

Unit: THB million	2012A	2013A	2014E	2015F	2016F	2017F	2018F	2019F
Revenue from production	351.44	347.50	394.63	375.94	381.58	387.31	393.12	399.01
Revenue from trading	53.24	45.95	37.16	34.55	34.90	35.24	35.60	35.95
Other Revenue	5.32	3.49	2.73	3.35	3.38	3.41	3.45	3.48
Total	410.00	396.95	434.51	413.84	419.86	425.97	432.16	438.45

2) Cost of goods sold

The major costs of goods sold include raw material in production, trade products costs, electricity and oil fee, employees' related costs, other production costs, and depreciation costs. The IFA estimated raw material costs in ratio to revenues from each type of product (APC's produced products and trading products), based on the average of this portion in 2012-2014. In addition, the IFA estimated electricity and oil fee, including other costs of production as percentage from sales of APC's produced products and growth amount of costs related to employees for 6.00% per year throughout the projected period, based on the interview with APC's executives with policies to benefit employees. The details are as follow:

Table 13: APC's costs of goods sold estimation

Unit: THB million	2012A	2013A	2014E	2015F	2016F	2017F	2018F	2562F
Raw material in production costs	223.51	216.46	274.04	244.78	248.45	252.18	255.96	259.80
Trade products costs	45.53	38.28	32.05	29.38	29.67	29.97	30.27	30.57
Employees related costs	7.64	8.36	9.59	10.16	10.77	11.42	12.10	12.83
Electricity and oil fee	8.99	9.34	9.08	9.45	9.60	9.74	9.89	10.03
Depreciation costs and other production costs	11.46	18.59	8.32	13.69	14.23	11.71	11.77	12.31
Total	297.12	291.03	333.07	307.47	312.72	315.01	319.99	325.55

3) Selling and administrative expenses

Selling and administrative expenses include delivery costs, management and employees' wages and benefits, depreciation costs, costs in vehicles use, office rental. The IFA estimated the costs related to employees to have growth rate of 6.00% per year throughout the projected period, based on policies of APC's executives, with the estimation of delivery costs and petroleum use fee for vehicles and other costs that change with the sales, equal to 1.84% of the sales revenue each year, based on the average of the portion in 2012-2014. For other costs in management, which are fixed costs, the estimation is based on the real spending in 2014. The detail of costs of sales and services is as follow:

Table 14 : APC' selling and administrative expenses

Unit: THB million	2012A	2013A	2014E	2015F	2016F	2017F	2018F	2562F
Expenses related to employees	12.20	13.02	14.00	14.84	15.73	16.68	17.68	18.74
Delivery, oil of vehicles, and other flexible expenses	7.26	7.47	7.84	7.54	7.65	7.76	7.87	7.98
Other selling and administrative expenses	5.25	5.38	11.20*	5.06	5.07	5.07	5.07	5.08
Depreciation cost	4.33	3.89	3.87	2.97	0.55	0.38	0.64	0.70
Total	29.04	29.76	36.91	30.41	29.00	29.88	31.26	32.50

Remark * Estimated provisions of long-term benefits of the employees from the company's actuary at THB 6.15 million

4) Working Capital

The IFA estimated the correcting period of receivables, inventories turn-over, and average payment period by based on data in 2014, to reflect on the ability in working capital management of the business at the time close to the present.

Table 15: Estimation of working capital

Unit: Day	Until 2558
correcting period of receivables	74
inventories turn-over	81
average payment period	61

5) Investing capital (CAPEX)

The IFA estimated the investing capital based on APC's policy by the executives which is the investment to replace the depreciated asset. The estimation of investment for machines and equipments, an building and office equipments repairs, for THB 2.60 million per year throughout the projected period and estimation of investment in vehicles as an addition for THB 1.00 million in 2016 and 2018, accordingly with APC's plan by executives, which is in line with the previous investment in the years with no production capacity expansion.

6) Discount Rate

The IFA applied Weighted Average Cost of Capital (WACC) as a discount rate to calculate the present value of free cash flows to firm. WACC can be calculated based on the following equation.

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

Nonetheless, cost of equity ("K_e") is necessary in order to calculate WACC. K_e can be derived from Capital Asset Pricing Model (CAPM) based on the following equation.

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

Whereas

- R_f = The risk free rate based on the 30-year Government Bond Yield as of January 16, 2015 which is the date the IFA prepared this report, equals to 3.71% per annum (Source: www.thaibma.or.th)
- β = Beta co-efficient of comparable companies which were GIFT, SWC and UBIS over 3 consecutive years since January 16, 2015, which is 1.206, 0.595 and 0.602, respectively. In addition, the IFA has adjusted such beta by removing the impact of leverage which is the capital structure of the comparable companies according to this formula: Unleveraged beta = leverage beta / (1+(1-tax)*(D/E of comparable companies)), in which that unleveraged beta will be obtained. Later on, the IFA has adjusted the unleveraged beta with the capital structure of APC according to this formula: Leverage Beta = Unleveraged Beta * (1+(1-tax)*(D/E)APC in which such beta obtained from leverage formula equals to 0.627. (Source: Bloomberg and the calculation of the IFA)
- R_m = The market return in which the IFA estimated to be 13.50% per year based on the average return from investment in SET Index over 35 years during 1980 – 2014 (Source: www.set.or.th and the calculation of the IFA)

Based on the aforementioned assumptions, K_e can calculation as follows:

Table 16 : Calculation of the cost of equity of APC

Factors	Assumptions
Risk-free Rate (1)	3.71%
Risk Premium (R _m – R _f) (2)	10.04%
β (3)	0.627
Cost of Equity or K _e (4) = (1) + [(3)*(2)]	10.00%

7) Terminal Value

The IFA calculates the terminal value of free cash flows after the projected period by assuming that APC will continue its business as a going concern with perpetual growth rate at 0.00% so as to be conservative (conservation basis).

Summary of projected free cash flow were shown as follow:

Table 17: Summary of Projected free cash flow of APC

Unit: THB million	2015	2016	2017	2018	2019
Total revenue	413.84	419.86	425.97	432.16	438.45
Costs and expenses	337.88	341.71	344.90	351.25	358.05
Earnings before interest and taxes	75.97	78.15	81.07	80.91	80.40
Less tax	(15.19)	(15.63)	(16.21)	(16.18)	(16.08)
Add depreciation and amortization	8.86	6.86	4.05	4.26	4.73
Less payments of employees' long-term benefits	(5.93)	-	-	-	-
Less working capital	9.13	(1.52)	(1.37)	(1.54)	(1.59)
Less capital expenditure	(2.60)	(3.60)	(2.60)	(3.60)	(2.60)
Add Terminal Value					648.44
Free cash flow	70.24	64.26	64.94	63.85	713.30
Present value of free cash flow	652.18				
Add cash and cash equivalents as of December 31, 2014	92.25				
Less remaining dividend as in the contract of the whole business acquisition*	20.00				
Less interest-bearing debts as of December 31, 2012	-				
Present value of equity (THB million)	724.43				

Remark *The first portion of dividend at THB 12.00 million has been announced of payment as of December 5, 2014 and the dividend has been completely paid in cash to the shareholders on December 22, 2014.

According to the above calculation, the price of APC is THB 724.43 million. In addition, the IFA has conducted sensitivity analysis in order to analyze the impact from the variation of a certain factor from base case scenario as follows:

Table 18 : Sensitivity Analysis

Scenario	Value (THB million)
Scenario 1 Adjustment of sales price per kg of products from manufacturing up for 3.00% from the base	748.55
Base case	724.43
Scenario 2 Adjustment of sales price per kg of products from manufacturing down for 3.00% from the base	700.32

Based on the sensitivity analysis, **the fair value of APC according to Discounted Cash Flow Approach is between THB 700.32 – 748.55 million**, which is THB 29.68 million or 4.07% lower, and THB 18.55 million 2.54% higher than the transaction price of THB 730.00 million.

Table 19: Summary of fair value of APC and the transaction price

Valuation Approach	Fair value by IFA (THB million)	Transaction price (THB million)	Appropriateness of the approach	Fair Value by IFA Higher (Lower) than Transaction Price by (%)
1. Book Value approach	237.83	730.00	Inappropriate	(67.42)
2. Adjusted book value approach	303.37	730.00	Inappropriate	(58.44)
3. Market comparable approach				
- Price to Book Ratio Approach	623.93 – 729.89	730.00	Inappropriate	(0.02) – (14.53)
- Price to Earnings Ratio Approach	850.40 – 1,092.12	730.00	Inappropriate	16.49 – 49.61
4. Discounted cash flow approach	700.32 – 748.55	730.00	Appropriate	(4.07) – 2.54

Valuation methods have different advantages and disadvantages. The valuation by Book Value Approach, and Adjusted Book Value Approach, both considered the value of the business at any one time, without regard to the potential

growth and future operations of APC. Whereas Market Comparable Approach, including Price to Book Ratio Approach and Price to Earnings Ratio Approach, both have some limitations, such as the difference between peer companies, products available, management, and capital structure, including the listed companies with a similar business size to APC are quite limited. Therefore, the IFA consider that the valuation methods are inappropriate in the valuation of APC.

The IFA views that fair value of APC based on Discounted Cash Flow Approach is deem to be an appropriate method since it takes into consideration of potential and capability of APC to generate future cash flow. In the past, APC had the stability in revenues and had profits continuously. Also, this valuation method would determine the policies in management of executives in the future. **Hence, IFA considers the Discounted Cash Flow Approach the most appropriate in valuation of APC. The appropriate price ranges between THB 700.32 – 748.55 million** which is THB 29.68 million or 4.07% lower, and THB 18.55 million 2.54% higher, comparing to THB 730.00 million of the Transaction Price.

1.3.2 Fairness of the Transaction Conditions

Considering conditions of the transaction from the EBT agreement summarized in Part 1 Item 1.1.2 of this report, the IFA views that terms and/or conditions of the EBT agreement preserve the ultimate benefits of UAC-APC to such the extent that conditions of assets are being as previously agreed by both parties before entering into the transaction, support UAC-APC to promptly operate the business, transferred from APC and sell latex emulsions and latex polymer as a chemical product, after the execution of the transaction and achieve advantages from the business acquisition as purposed. Such those terms and conditions include:

- Condition of a consideration for the acquisition of APC's business at a total value of not more than THB 730 million under the condition of no negative effect to net value of tangible asset on the date of the whole business acquisition, changing significantly more than 10% from financial statement at THB 281.35 million, except the asset decreased from the normal operation of business or paying dividend at no more than THB 32 million, shareholders of APC can use some of the dividend in the charges in this business acquisition.
- Obligation before APC transfers the production formulas in the business operation, including documents on the production process in details, to UAC-APC on the date before business transfer. Including the process of transferring employees and managers to UAC-APC and notify and/ or get the consent in written from individual, organization, creditor or business parties of APC on the business acquisition.
- Major shareholders who are main directors of APC becoming advisors or employees of UAC-APC and prohibiting them from doing the similar business or compete with UAC-APC for 5 years from the acquisition date, including holding more than 5% of shares of capital with those alike businesses or competition of UAC-APC.

The IFA considers that the aforementioned terms and conditions could help mitigate risks arising from the transaction, for instance, APC entity is not exactly what the Company previously acknowledged and the risk that the performance of UAC - APC did not meet expectations after taking over the business.

With regard to other significant terms and conditions in the EBT agreement, i.e. the counterparties shall be responsible for their own transaction costs in activities of business transfer, condition of APC being responsible for fees associated with the transfer of land and a tax on transactions, under the transfer which is not exempt as defined in the Revenue Code, the Land Code and/ or laws and regulations, they are voluntary agreed by counterparties and shall not be disadvantage to the Company. Accordingly, the IFA considers that **terms and conditions for acquisition of APC shares are reasonable.**

Part 2 : Summary of effects of the transactions to the Company

The IFA has evaluated the impact of the transaction to the Company based on the Company's consolidated financial statements for the 9-month period ended September 30, 2014, and the internal financial statements of APC for the 9-month period ended September 30, 2014 after adjusted by items as per the special review report on accounting and taxes which are presented in information memorandum on the acquisition of asset of the Company under the hypothesis that there's no major change in financial position and performance of APC. Details are as follows:

**Table 20: The estimation on effects on Financial Statement and performance of the Company
As if the Company enters into a transaction on September 30, 2014**

Major items in financial statement (Unit: THB Million)	Financial Statement of APC	Financial Statement of UAC	
		Before the acquisition	After the acquisition
Statement of financial position			
Current assets			
Cash and Cash equivalents	108.78	107.10	183.88 ¹
Account receivables and other receivables	86.84	208.87	295.71
Inventories	94.47	145.58	240.05
Goodwill	-	-	426.63 ²
Total current assets	291.61	461.96	1,148.20 ³
Non-current assets			
Investments in associates	-	292.90	292.90
Land, buildings, and equipments	80.70	871.92	1,018.16 ⁴
Total non-current assets	80.71	1,236.31	1,382.56
Total assets	372.99	1,698.27	2,530.77
Liabilities and Shareholders' equity			
Current Liabilities			
Overdrafts and short-term loans from financial institutions	-	145.27	425.27 ⁵
Account payables and other payables	90.97	119.38	210.35
Long-term liabilities due within a year	-	114.64	114.64
Total current liabilities	93.55	379.29	761.79 ⁶
Non-current liabilities			
Long-term loans	-	157.21	607.21 ⁶
Financial leasing liabilities	-	178.75	178.75
Total non-current liabilities	-	392.93	842.93
Total liabilities	93.55	772.23	1,604.73
Shareholders' equity			
Issued and paid-up capital	30.00	277.11	277.11
Excess of common stock	-	364.00	364.00
Cumulative profits	251.44	268.41	268.41
Total company's equity	281.44	909.51	909.51
Non-controlling interests	-	16.53	16.53
Total shareholders' equity	281.44	926.05	926.05
Total liabilities and shareholders' equity	374.99	1,698.27	2,530.77
Interest-bearing debt to equity (times)	-	0.64	1.43
Debts to capital (times)	0.33	0.83	1.73
Performance of operations			
Sales revenue	334.72	818.74	1,153.46
Other revenue	2.44	13.34	15.78
Total revenue	337.15	832.08	1,169.24
Costs			
Costs of sales	253.89	731.27	985.16
Costs of sales and services	21.50	92.55	114.04
Total costs	275.39	823.82	1,099.21
Income before costs and taxes	61.77	8.27	70.03

The opinions of IFA on the acquisition of asset
(For the purpose of translation only)

Major items in financial statement (Unit: THB Million)	Financial Statement of APC	Financial Statement of UAC	
		Before the acquisition	After the acquisition
Financial costs	-	18.78	18.78
Dividend from investments in associates		44.81	44.82
Income before taxes	61.77	34.30	96.07
Profits (costs) of taxes	(5.88)	3.04	(2.85)
Net profit of the year	55.89	37.34	93.22

- Remarks
- ¹ Less dividend according to the EBT agreement for APC's shareholders at THB 32 million
 - ² Goodwill estimated by the independent financial advisor from the difference of the transaction price at THB 730 million and the value of assets and debts (after the adjustment with the addition from assets valuation) at THB 303.37 million (details displayed in Adjustment of account valuation Part 1 item. 1.3.1 2) of this report) with this acquisition, would be at THB 426.63 million. Anyhow, the Company would have assets and debts valued at fair value on the acquisition date, both tangible and intangible. Therefore, the value of assets and debts recognized in the total financial statements may differ by the fair value valuation on the acquisition date, and the Company must be acknowledged the difference of fair value of assets and debts, with this acquisition no more than THB 730 million as goodwill. Thus, after the valuation of APC's assets and debts at fair price, as the acquisition has been completed, the goodwill may differ from the stated amount.
 - ³ Due to the limitation of the objective of the special review report on accounting and taxes, the IFA has taken into consideration the adjustments to the total assets and total liabilities based on the internal financial statements of APC for the 9-month period ended September 30, 2014 as per the special review report on accounting and taxes which are presented in information memorandum on the acquisition of asset of the Company
 - ⁴ Include the addition from assets appraisal at THB 65.54 million.
 - ⁵ Include the short-term loans at THB 280 million of the company. Yet, on the acquisition date, the executives of the Company would have enough cash flows for the acquisition.
 - ⁶ Include loans from financial institutions of UAC-APC of THB 450 million as capital in the acquisition

From the preparation of the pro forma consolidated financial statements as of September 30, 2014 above, the Company's assets will increase by THB 832.50 million, representing an increase of 49.02%, from the recognition of APC's assets as well as goodwill arise from the difference between the purchase price and the fair value of assets and liabilities. Also, the Company's liabilities will increase by THB 832.50 million, through the recognition of APC's liabilities as well as the drawdown of loans to finance part of the acquisition price. Additionally, the Company's management views that as of the transaction date, the Company will have adequate liquidity and cash on hand to finance part of the purchase price at THB 280 million. In such case, the total liabilities of the Company will increase by only THB 552.50 million.

After the Transaction, the Company will have increase revenue from sales of around THB 334.72 million, representing an increase of 40.88% from the recognition of APC's revenue. Thus, the portion of income from energy and petroleum business sales decreased from 71.02% to 50.41%, of revenues from sales and services, while the portion of income from sales in the industrial sector increased from 16.34% to 40.62% of revenues from sales and services

Nevertheless, the IFA propose the above table as an estimate of the impacts to the Company's financial statement arising from the Transaction by combining total assets and total liabilities as well operating results of the Company and APC as of September 30, 2014, only to supplement the decision; it is not an indicator of the Company's future performance. Post-transaction financial statements of the Company might be varied due to the transaction period, relevant accounting standard, financial position and operating performance of both companies and the valuation of assets and debts at fair value. The IFA is unable to guarantee the impacts from the Transaction that may occur to the Company.

Part 3 : Summary of Independent Financial Advisor's Opinion

Based on our analysis in relation to the appropriateness of the Transaction including the fairness of price and conditions of the the EBT from APC. The IFA considers that the Transaction is **appropriate** based on the following reasons:

1. It is an investment with potential and preparedness in business operation in assets, personnel, and customer base, together with the performance of APC in the previous period having the stability in revenue and continuously made profits, while having no debt from loans. Therefore, the purchase and business transfer of all business of APC would support UAC-APC to start being the producer and distributor of chemical products of Latex Emulsion and Latex Polymer in industrial sector promptly compared to starting its own business and it also increases the opportunity to get the positive compensation from having UAC-APC in the future (in case the performance of UAC-APC after the acquisition from APC being as planned.)
2. It is the creation of new business to increase revenue for the Group and to expand the business in production and distribution of chemical products of Latex Emulsion and Latex Polymer. It would increase the ratio of revenue from distribution of products in industrial sector, to make the structure of the Group's revenue in the future to gain balance more than the present where revenue ratio of energy and Petroleum products is at 71.02% of revenues from sales and services, while having revenues from the sales of products in industrial sector for 16.34% of revenues from sales and services. The main products of APC are chemical products of Latex Emulsion and Latex Polymer, not duplicated with the Company's chemical products that are being sold at the present.
3. To become the producer and distributor of chemical products from previously being only importer and distributor only, is the path to decrease the effects from risks of imports and distributions of chemical products such as cancellation of rights of imports and distributions from the original brand/ products owner.
4. The Group can take advantages from APC's transferred assets and/ or get involve in business cooperation to advance the ability in chemical products business of the Group such as the exchange of customers data, the use of APC's warehouse that didn't fully exploited, to be used as the production line and warehouse of the Group's chemical products in the future.
5. Price in the acquisition of APC is not more than THB 730 million, which is in the appropriate range deliberated by the independent Financial Advisor by Discounted Cash Flow Approach, equals to THB 700.32-748.55 million. (The details of valuation of APC by the IFA is in Part 1 item 1.3.1 of this report.)
6. Obligations of the EBT agreement are conditions and/ or requirements to obtain the advantage of UAC-APC to gain the assets as agreed by both parties before the acquisition and help UAC-APC manage and operate business of producing and distributing Latex Emulsion and Latex Polymer from APC, smoothly after the acquisition, including being conditions/ or requirements to reduce the risks helping the Company to be in the business operation as expected.

Hence, the shareholders should **approve** the entering into of this Transaction. However, there are **disadvantages and risks** that the shareholders should take into consideration before making the decision to approve the Transaction as follows:

1. The acquisition may influence the operation of the Company due to the following reasons:
 - The Company and subsidiaries would gain liabilities and interests burden from loans from financial institutions at THB 450 million as capital for acquisition.
 - Influence from Goodwill in the condition where price in the acquisition of APC is higher than the fair value of assets and liabilities of APC at the acquisition date. (The Company will make the valuation of fair value of assets and liabilities of APC at the acquisition date.) If after the acquisition, the performance of APC is not as expected, it might affect in the assessing the impairment of goodwill later, which would affect the financial statements of the Company. The acquisition is not more than THB 730 million, as of September 30, 2014, the financial statements of APC after the update the list based on a review of accounting and taxation as a special case, the appearance of the Information Memorandum on the Transaction of the Company is accounted to THB 372.33 million (not included the addition from the assets valuation of THB 65.54 million), and debt at THB 102.50 million. (Additional details in Part 1 item 1.2.2 of this report).
2. It is an investment in new business group, with limited experience in the business and may be at risk to get the return on investment not as anticipated, which may occur for several reasons, such as the increase in production costs, the downturn in the economy as a whole, to affect the production of the various industries. Anyhow, from

The opinions of IFA on the acquisition of asset
(For the purpose of translation only)

the interview with the executives of the Company, the Company is hiring executives with knowledge, expertise, and experience in this business of Latex Emulsion and Latex Polymer for more than 35 years to manage the operation of UAC-APC after the acquisition from APC, including hiring management and employees from APC as advisors and employees of UAC-APC to make a continuous operation. Therefore, the executives of the Company expect that UAC-APC would continue the business operation after the acquisition.

The decision to vote is solely dependable on the consideration and discretion of the shareholders. The shareholders should take into consideration the advantages, disadvantages, risks, limitations, and opinions expressed on consideration items of the Transaction as well as carefully consider the attached documents submitted to the shareholders along with the invitation letter to shareholders' meeting so as to make the most appropriate decision.

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

The opinion of the IFA is based on the information which has been received from the Company as well as interviews with the Company's management, publicly available information and other relevant documents. The IFA assumes that all information received is truthful and correct. Therefore, if the said information is incorrect and/or is not truthful and/or has been significantly changed in the future, it will affect the opinion of the IFA. Therefore, the IFA is unable to certify or warrant the future impact that may arise to the Company and the shareholders. In addition, the opinion of the IFA is only to provide comments to the shareholders, and providing this opinion does not warrant the accomplishment of the transaction and any impact flowing from the transaction to the Company.

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

Yours Sincerely,

Mrs. Duangjai Lorlertwit

Ms. Jirayong Anuman-Rajadhon

(Mrs. Duangjai Lorlertwit)

(Ms. Jirayong Anuman-Rajadhon)

Executive Partner

Managing Partner / Operation Controller

Jaydee Partners Limited, the Independent Financial Advisor

Enclosure 1 : General Information of UAC Global Public Company Limited

1. History of the Company

UAC Global Public Company Limited was founded on April 1, 1985, as Jaknapa co., Ltd, with initial capital at THB 1 million, with none business operation. Later in 1995, there were changes in shareholdings and management, with Mr. Kitti Jivacate becoming the major shareholder and the management of the company, including the change in name to "Universal Adsorbent and Chemicals Public Company Limited" engaged in business of import and distribution of chemicals and equipment used in various industries, i.e. off-shore natural gas exploration and production, gas separation plant, oil re- finery, upstream petrochemicals, engine oil lubricant manufacturing plant, polymer and plastic manufacturing plant, chemical industrial plant, power and utilities plant.

From 1995 to the present, the Company has expanded its business continually and became a distributor of more products. The Company is a distributor of many products of the world's leading manufactures, i.e. UOP LLC and PALL Corporation since 1995-1996 and continually until present. The products supplied are adsorbent and molecular sieve products, filtration products and etc. The Company is also a distributor of many domestic manufacturers, i.e. TOC Glycol Company Limited by supplying Monoethylene Glycol (MEG) and Diethylene Glycol (DEG) to be used in painting industries and solvents in textiles industries, plastic pellet, bottle and resin production since 2006 including at present. Business of the Company has expanded into fuel industry by being the distributor of products from many manufacturers, i.e. basic oil, additive and base oil for lubricant, brake fluid and chemicals used in production of fuels used with vehicles, boat and engines. In addition, the Company has expanded its business by investing in the projects related to renewable and alternative energy, for instance production of compressed bio-methane gas ("CBG") and biodiesel plant.

In 2010, the company has approved the privatization increase registered capital from THB 120 million to THB 150 million THB by issuing 30 million common shares at par value of THB 1 for public offering for the first time as on October 11, 2010, trading activity of the Company's shares has begun in MAI Stock Market and the name has changed to "UAC Global Public Limited Company."

Significant developments and changes of the Company during the past 3 years:

2012	:	<ul style="list-style-type: none"> Resolution on capital increase in UAC Hydrotek Company Limited ("UAC HYDRO") from THB 5 million to THB 10 million to be used as working capital fund and for preparation for investment in tap water production project to one municipality and approval of Hydrotek Public Company Limited. to purchase shares accounting for shareholding proportion of 49.997%. The Extraordinary General Meeting of Shareholders has resolution to approve the investment in the Petroleum Production Project (PPP), consisting of compressed natural gas (CNG), liquefied petroleum gas (LPG) and natural gasoline (NGL). This project is located in Sukhothai Province and the total investment is approximately THB 620 million. Project of CBG production from swine drose to use as alternative fuel for cars, located in Mae Tang, Chiang Mai Province, has finished its system. The Company has submitted 20 proposals to request for the supporting fund from the Energy Conservation Promotion Fund (the "Fund") in the "5th Biogas Technology Promotion Project for the Industrial Plants for 2012 ("the Project")" of the Energy Policy and Planning Office, Ministry of Energy. 10 projects are Biogas projects of the Company approved for fund allocation, and 10 projects are Biogas projects of UAC and TPT Energy Co., Ltd, now under consideration of the Energy Policy and Planning
2013	:	<ul style="list-style-type: none"> CBG project was officially opened and was the first project in Thailand. The Board of Directors resolved to approve the additional investment in 3 more CBG Projects which were CBG2 at Mae Tang district, Chiang Mai, CBG3 at Doilor district, Chiang Mai, and CBG project at Poopaman district, Khon Kaen province. The Company has signed in Joint Venture Agreement with SEBIGAS S.p.A ("SEBIGAS"), Italian company. SEBIGAS engages in electrical energy and biogas production business. It also has

		<p>expertise in construction of biogas plant for more than 50 projects in Europe. The name of a newly joint venture is SEBIGAS UAC Co., Ltd. and it was established on October 4, 2013 with initial registered capital of THB 4 million to engage in business concerning construction of biogas plant and O&M services within the country and foreign countries in the South East Asia.</p> <ul style="list-style-type: none"> Offered from a subsidiary, UAC Energy Co., Ltd in Solar PV Rooftop project. Its 3 projects with total generating capacity of 1.3 MW have been selected by Metropolitan Electricity Authority.
2014	:	<ul style="list-style-type: none"> The shareholders' meeting approved to change the Company's name from "Universal Adsorbents & Chemicals Public Company Limited" to "UAC Global Public Company Limited". On April 18, 2014, the Company will register the change in the Company's name and address with the Ministry of Commerce. A subsidiary, UAC Energy Co., Ltd. has taken over Solar Energy Roof Power Co., Ltd., which received the concession of electricity from solar production with total generating capacity of 752.4 KW from Sun Edison Energy (Thailand) Co., Ltd. The company has established a new subsidiary which is UAC TPT PELLETS Co., LTD to produce and sell fuel briquettes.

On December 31, 2014, the company has the capital at the amount of THB 331,748,331 and paid-up capital at THB 277,111,038, divided to 554,222,076 shares at THB 0.50 per share and obtaining UAC-W1, unused warrant, equal to 91.00 million units³ (as on September 30, 2014). At the present, the Company has subsidiaries and associates as follow:

Company Name	Shareholding portion (%)	Type of Business
Subsidiaries		
UAC Hydrotek Company Limited Paid-up Capital: THB 10.00 million	50.01	Production and distribution water for household and industrial zone
UAC & TPT Energy Company Limited Paid-up Capital: THB 90.00 million	50.01	Investment in Biogas plant for transportation and general industry
UAC Energy Company Limited Paid-up Capital: THB 31.60 million	100.00	Investment in energy projects
Solar Energy Roof Power Co., Ltd. Paid-up Capital: THB 3.15 million (Shareholding via UAC Energy Company Limited)	98.80	Production and distribution of Solar energy
UAC TPT PELLETS CO., LTD Paid-up Capital: THB 0.25 million	99.99	Production and distribution of fuel briquettes
Associates		
Bangchak Biofuel Company Limited Paid-up Capital: THB 281.50 million	30.00	Production and distribution of biodiesel and by products
Sebigas UAC Company Limited Paid-up Capital: THB 14.00 million (Shareholding via UAC Energy Company Limited)	49.00	Engineering, Procurement and Construction of energy projects

³ On February 1, 2013, the Company has issued the Warrants to purchase ordinary shares of the Company in the amount of not 92.15 million units to existing shareholders of the Company without any charge. The use of right is, 1 unit of warrant to 1.2 new ordinary share (fractional share shall be deleted) with the price at 6.25 baht per share within 3 years, from the date issued with the usage on the final business day of every quarter. The first date of rights usage is on March 29, 2013, and the last on January 31, 2016.

2. Overall Business Operations

2.1) Import and supply of chemicals and equipment

The Company has been an authorized distributor of more than 30 world's leading manufacturers such as UOP LLC and PALL Corporation for a variety of products and equipment, including adsorbent and molecular sieve products, filtration products, etc., since 1995 up to the present time. The Company is also a distributor of many manufacturers in Thailand, i.e. TOC Glycol Co., Ltd., by supplying Monoethylene Glycol (MEG) and Diethylene Glycol (DEG) to be used in paint industry, solvents used in textiles industry, plastic pellets, bottles and resin since 2006 up to the present. At the same time, the Company acts as a distributor of fuel products from many manufacturers, i.e. basic motor oil, additive of lubricant of vehicles, brake oil and chemicals used in production of lubricant oils for various metal works.

2.2) Investment in alternative energy industry

- **Compressed Bio-methane Gas (CBG)**

The Company's CBG project is located in Mae Taeng District, Chiang Mai, on the leased land within a pig farm of Mongkol and Sons Farm Co., Ltd. (which is not a connected person of the Company) covering an area of 11 rai 1 ngan. CBG produced from waste from such pig farm is used as fuel for vehicles to replace NGV. The construction of this project has been completed and it can produce CBG which has qualification equivalent to NGV for vehicles pursuant to the notification of the Department of Energy Business. Its production capacity is approximately 6 tons per day or approximately 2,160 tons per year.

The Company supplies all of its CBG to PTT Plc. for further reselling at PTT gas stations which are located in areas close to the Company's plant. The Company has entered into a contract to produce CBG for delivery and sale to PTT for a period of 15 years, and has recognized revenue from sale of CBG at its plant in Mae Taeng District, Chiang Mai, since August 2013.

- **Petroleum Production Project (PPP)**

The Company invested in PPP in Sukhothai Province. The production process uses residue gas, which is a by-product from oil drilling from Burapa-A production platform of Siam Moeko Co., Ltd. (which is not a connected person of the Company) that obtains a petroleum concession for Burapa source in Kong Krailat District, Sukhothai Province, from the Ministry of Energy, for transforming into various petroleum products which can be used as fuels, such as 1) Compressed Natural Gas (CNG), 2) Liquefied Petroleum Gas (LPG) and 3) Natural Gasoline (NGL). The project has a combined production capacity of approximately 19,681 tons per year, comprising CNG for 12,036 tons per year, LPG for 6,300 tons per year and NGL for 1,345 tons per year. Investment in this project is approximately THB 620 million. The Company has realized sales income from January 2014 onwards.

- **Production and distribution of biodiesel**

Bangchak Biofuel Company Limited ("BBF"), the Company's associated company, is a producer and distributor of biodiesel, commencing its commercial operation in December 2009. Its plant is located close to Bangchak Petroleum Public Company Limited's ("BCP") Bang Pa-In Tank Farm in Phra Nakhon Si Ayutthaya Province. At present, the plant has a production capacity of 360,000 liters per production day, with a by-product, crude glycerin, of approximately 36,000 liters per production day which is used to produce products in upstream industry of other chemical products.

All of the biodiesel products produced by BBF are supplied within the country, primarily to BCP, its parent company, to mix with diesel oil at various ratios for further supply to oil users and the remaining portions are supplied to other oil traders. It is expected that demand for biodiesel will grow in the future which is in line with rising trend of biodiesel oil usage and accords with the public sector's policy to encourage usage of biodiesel and alternative energy on a continuous basis. Therefore, BBF has a plan to invest in the 2nd plant to be located in the same area as the 1st plant by increasing its generating capacity to 450,000 liters per production day. It is expected that the 2nd plant will be completed and begin to realize income in 2015.

The opinions of IFA on the acquisition of asset
(For the purpose of translation only)

- The production and distribution of electricity
UAC Energy Co., Ltd. (the Company's subsidiary) has revenue from electricity sales from solar production on roof of Metropolitan Electricity Authority, for 3 projects, with 2 being in process and production capacity at 292.35 kWp, has recognized the revenue on the third quarter of 2014, and the Company is under the process of one electricity production by Biogas project (Nepia grass).

The revenue structure of the Group in 2011-2013 and 9 months in 2014 is as follow:

Table 21: Revenue Structure of the Group in 2011-2013 and 9 months in 2014

Types of Revenue	Consolidated Financial Statement							
	2011		2012		2013		Jan-Sep 2014	
	THB Million	%	THB Million	%	THB Million	%	THB Million	%
Revenue from Sales and Services								
1. Products in Energy and Petroleum Sector	687.31	69.65	460.54	54.11	517.41	48.48	581.47	66.31
2. Products in Industrial Sector	217.71	22.06	242.58	28.50	197.06	18.45	133.81	15.26
3. Other products ¹	44.04	4.46	31.58	3.71	64.54	6.04	37.54	4.28
4. Services	8.53	0.86	64.60	7.59	47.82	4.48	27.00	3.08
5. EPC services ²	-	-	12.52	1.47	150.80	14.12	26.86	3.06
6. Revenue from CBG	-	-	-	-	0.30	0.03	0.99	0.11
7. Revenue from PPP	-	-	-	-	-	-	10.83	1.24
8. Revenue from Solar roof top	-	-	-	-	-	-	0.24	0.03
Revenue from Sales and Services	957.59	97.04	811.82	95.39	977.93	91.58	818.74	93.37
Other Income ³	6.95	0.70	8.91	1.05	12.22	1.14	13.34	1.52
Total Income	964.54	97.75	820.73	96.44	990.15	92.72	832.08	94.89
Share of Profit from Investment in Associate	22.21	2.25	30.31	3.56	77.75	7.28	44.82	5.11
Total Revenue	986.75	100.00	851.04	100.00	1,067.90	100.00	876.90	100.00

Remarks ¹ Including income from exporting Crude Glycerin and others.

² In 2012, revenue structure has changed by separating revenue from EPC Services from revenue from products in Energy and Petroleum Sector.

³ Including commission from sales and services, interest income, profit/loss from exchange rate, profit from selling assets and others. In 2012, Income Category was changed by separating Income from Services from Other Income. Consequently, the 2011 Incomes were categorized as same as 2012.

3. List of major shareholders

List of major shareholders as of February 3, 2015 (the latest closing date of shareholder register book), the Company had a registered capital of THB 331,748,331.00 and an issued and paid-up capital of THB 277,111,038.00, divided into 554,222,076 ordinary shares with a par value of THB 0.50 per share. Details of its shareholders are as follows:

Table 22 : List of major shareholders as of February 3, 2015

	Shareholders	Number of shares	% Holding
1	Mr. Kitti Jivacate	300,421,146	54.21
2	Jarumanopas Group*	38,143,652	6.88
	- Miss Nilrat Jarumanopas	24,861,158	4.48
	-Miss Niranuch Jarumanopas	13,282,494	2.40
3	Sareewiwatthana Group*	24,358,976	4.40
	-Mrs. Waranee Sareewiwatthana	17,831,576	3.22
	-Miss Pimsiri Sareewiwatthana	6,527,400	1.18

The opinions of IFA on the acquisition of asset
(For the purpose of translation only)

	Shareholders	Number of shares	% Holding
4	Mrs. Salaya Jarujinda	14,722,500	2.66
5	Lerdrachkul Group*	12,857,400	2.32
	-Mr. Chiaranai Lerdrachkul	10,833,360	1.95
	- Mrs. Ladda Lerdrachkul	2,024,040	0.37
6	Mr. Sutthipong Veswarut	11,726,007	2.12
7	Lumprasert Group *	10,345,170	1.87
	-Miss Kalaya Lumprasert	6,853,770	1.24
	-Miss Malee Lumprasert	3,491,400	0.63
8	Mr. Paniang Pongsatha	9,401,220	1.70
9	Koseeyarakwong Group*	8,120,500	1.47
	-Mr. Paitoon Koseeyarakwong	8,075,000	1.46
	-Miss Pailin Koseeyarakwong	45,500	0.01
10	Thai NVDR Co., Ltd.	5,831,396	1.05

Remark : * The above shareholder grouping is intended to reflect a combined shareholding by family only and does not mean that members of any such family group are related persons under Section 258 of the Securities and Exchange Act or are a concert party of each other.

Source: The Company

4. The Company's Board of Directors

The Company's Board of Directors as of January 16, 2015 are as follows:

Table 23 : The Company's Board of Directors as of January 16, 2015

	Name	Position
1.	Assoc. Prof. Dr. Paiboon Sareewiwatthana	Chairman of the Board of Director
2.	Mr. Kittti Jivacate	Director
3.	Miss Nilrat Jarumanopas	Director
4.	Mr. Chatchaphol Prasopchoke	Director
5.	Assoc. Prof. Dr. Aekkachai Nittayakasetwat	Chairman of Audit Committee/Independent Director
6.	Assoc. Prof. Dr. Paritud Bhandhubanyong	Member of Audit Committee/Independent Director
7.	Miss Jeerapan Jinda	Member of Audit Committee/Independent Director

Source: The Company

Directors with signing authority on behalf of the Company are Mr. Kittti Jivacate Miss Nilrat Jarumanopas Mr. Chatchaphol Prasopchoke, with 2 of these directors to sign with the company's seal required.

The Company's management of December 31, 2014 are as follows:

Table 24 : The Company's management of December 31, 2014

	Name	Position
1.	Mr.Kittti Jivacate	President& Chief Executive Officer
2.	Miss Nilrat Jarumanopas	Executive Vice President – Finance & Accounting
3.	Mr. Chatchaphol Prasopchoke	Executive Vice President - Sales, Marketing & Operation
4.	Miss Preeyaporn Thanaratset	Vice President – Sales and Marketing
5.	Mrs. Jarunee Boonmangmee	Vice President - Finance
6.	Mrs. Aree Pleekhun	Vice President - Accounting
7.	Miss Sajjaporn Romyaprayoon	Manager of financial planning and the Company's secretary

Source: The Company

5. Summary of Financial Statements and Operating performance

The following table provides a summary of financial information in accordance with the Company's financial statements, audited or reviewed by DIA International Auditing Co., Ltd, for the years ended 31 December 2011 – 2013 and for the 9-month period ended 30 September 2014.

**Table 25 : Summary of Financial Statements and operating Performance
for the Fiscal Year 2011-2013 and the 9 Months Ended 30 September 2014**

UAC Global Public Company Limited	2011	2012	2013	Sep 30,
Statements of Financial Position (Unit : THB Million)	(Restated)	(Restated)		2014
Assets				
Current Assets				
Cash and Cash Equivalents	70.60	32.45	98.77	107.10
Temporary investing capital	28.02	-	-	-
Trades and other receivables	110.58	185.99	211.62	208.87
Prepayment for wages and goods acquisition	5.96	25.94	4.21	0.41
Inventories	92.52	117.78	237.59	145.58
Total Current Assets	307.68	362.16	552.19	461.96
Non-Current Assets				
Pledged bank deposits	12.56	-	-	-
Investments in associates	168.47	198.78	270.04	292.90
Property, plant and equipment	25.32	425.21	802.77	871.92
Deferred tax assets	2.25	2.26	4.66	13.02
Prepayment for fixed assets acquisition	-	28.59	0.78	54.90
Other non-current assets	4.04	4.22	4.14	3.57
Total non-current assets	212.65	659.06	1,082.39	1,236.31
Total Assets	520.33	1,021.22	1,634.58	1,698.27
Liabilities and shareholders' equity				
Current liabilities				
Bank overdraft and short-term loans from financial institutions	16.79	170.65	212.59	145.27
Trade and other payables	64.16	115.74	271.34	119.38
Current portion of long-term debts	0.82	9.67	27.02	114.64
Other current liabilities	11.51	30.75	4.31	-
Total current liabilities	93.28	326.81	515.26	379.29
Non-current liabilities				
Long-term loans	-	42.23	130.14	157.21
Financial lease liabilities	1.55	4.36	5.13	178.75
Contingent in deconstruction liabilities	-	-	-	30.63
Other non-current liabilities	5.69	6.15	17.27	26.35
Total non-current liabilities	7.24	52.74	152.54	392.94
Total liabilities	100.52	379.55	667.80	772.23
Shareholders' equity				
Registered and paid-up capital	172.50	218.22	277.10	277.11
Premium on ordinary shares	83.27	181.83	363.82	364.00
Amount received in advance for ordinary shares	-	-	0.09	-
Retained earnings	163.88	237.72	317.71	268.41
Total owners of the Company	419.65	637.77	958.71	909.51
Non-controlling interests	0.16	3.90	8.07	16.53
Total Shareholders' equity	419.81	641.67	966.78	926.04
Total Liabilities and shareholders' equity	520.33	1,021.22	1,634.58	1,698.27

UAC Global Public Company Limited	2011	2012	2013	Jan - Sep.
Statements of Comprehensive income (Unit : THB Million)	(Restated)	(Restated)		2014
Sales and services revenue	957.59	811.82	977.93	818.74

The opinions of IFA on the acquisition of asset
(For the purpose of translation only)

UAC Global Public Company Limited				
Statements of Comprehensive income (Unit : THB Million)	2011 (Restated)	2012 (Restated)	2013	Jan - Sep. 2014
Other income	6.95	8.91	12.21	13.34
Total income	964.54	820.73	990.14	832.08
Seles and services expenses	797.32	617.67	804.49	731.27
Selling expenses	26.09	27.26	32.07	24.47
Administrative expenses	55.21	61.17	82.49	68.07
Total expenses	878.62	706.11	919.06	823.82
Profit (loss) before financial expenses	85.92	114.62	71.10	8.27
Finance costs	5.49	2.74	3.75	18.78
Share of profit from investment in associate	22.20	30.30	77.75	44.81
Profit before taxes	102.63	142.19	145.09	34.30
Income tax expenses	22.41	26.49	14.23	(3.04)
Profit for the year	80.22	115.70	130.86	37.34

UAC Global Public Company Limited				
Statements of Cash Flows (Unit : THB Million)	2011 (Restated)	2012 (Restated)	2013	Jan - Sep. 2014
Cash flows from operating activities	80.72	(22.70)	85.30	14.18
Cash flows from investing activities	81.19	(324.35)	(354.78)	(148.52)
Cash flows from financing activities	(148.95)	308.90	333.27	142.58
Effects from the change in foreign currency exchange for cash and cash equivalent	-	-	2.53	0.09
Increase (decrease) in cash and cash equivalents	12.96	(38.15)	66.32	8.33

UAC Global Public Company Limited				
Financial Ratio	2011 (Restated)	2012 (Restated)	2013	Jan - Sep. 2014
Liquidity Ratio				
Current ratio (times)	3.30	1.11	1.07	1.22
Quick ratio (times)	2.31	0.75	0.61	0.83
Operating cash flow ratio (times)	0.50	(0.11)	0.20	0.04
Account receivable turnover (times)	8.54	6.31	7.18	8.20
Account receivable days (days)	42.16	57.04	50.13	43.88
Inventory turnover (times)	8.21	6.66	7.66	8.01
Inventory days (days)	43.83	54.05	47.01	44.95
Account payable turnover (times)	14.19	14.04	6.57	6.83
Account payable days (days)	25.36	25.64	54.77	52.72
Cash Cycle (days)	60.63	85.45	42.37	36.11
Profitability Ratio				
Gross profit margin (%)	16.74%	23.92%	17.74%	10.68%
Operating profit margin (%)	8.25%	13.02%	6.02%	-0.62%
Cash earnings ratio (%)	102.22%	-21.47%	144.87%	-279.68%
Net profit margin (%)	8.32%	14.10%	13.22%	4.49%
Return on equity (%)	20.40%	21.88%	16.39%	5.33%
Efficiency Ratio				
Return on assets (%)	14.30%	15.01%	9.85%	2.99%
Return on fixed assets (%)	443.25%	52.99%	22.85%	12.39%
Asset turnover (%)	1.72	1.06	0.75	0.70
Financial Policy Ratio				
Debt to equity (times)	0.24	0.59	0.69	0.83
Cash interest coverage ratio (times)	19.79	2.38	27.54	1.59
Dividend payout ratio (%)	84.93%	43.78%	67.59%	0.00%

Explanation and Assessment of Financial Statements and Overall Operating performance

Operating performance

Revenue

In 2011-2013, the Company has the total income of THB 964.54 million, 820.73 million, and THB 990.14 million, respectively. The income accounted from sales and services at THB 957.59 million, THB 811.82 million, and THB 977.93 million respectively, or 99.28%, 98.91%, and 98.77% of each year's total income. The reason income from sales and services of 2012 relatively to 2011 decreased for 15.22% or THB 145.77 million, is mostly because sales related to energy and petroleum, especially in parts of the catalyst and the equipment used in the production of natural gas accounted to THB 214.25 million, decreased, while, the income from services has increased for THB 56.07 million. In 2013, the Company's income from sales and services has increased from 2012 for 20.46% or THB 166.12 million because income from projects increased for THB 138.29 million, as the Company got water project and dust filter for plants project (new product).

For the first 9 months of 2014, the Company has the total income of THB 832.08 million from sales and services for THB 818.74 million, increased for 5.34%, or THB 41.48 million baht comparing to the same period of 2013. This was because the Company started to notice the income from the investment on CBG at Mae Tang, Chiang Mai and PPP plant project at Sukhothai. Thus, the first stage of the projects, the Company would notice its income from the increase of production capacity, yet it's still lower than the projects' fund.

Cost of sales and expenses

In 2011-2013, the Company has cost of sales and expenses accounted to THB 797.32 million, THB 617.67 million and THB 804.49 million respectively, or 83.26%, 76.08%, and 82.26% of income from sales and services in each year. The decrease in cost in 2012 from 2011 was in line with the decrease in sales, while 2013 this has increased from sale increasing and the competition in the industrial market.

Sales and administrative expenses of the Company consist of the cost of the purchase and the contractors, expenses of administration part of the executive and compensation committee. In 2011-2013, the Company's sales and administrative expenses accounted to THB 81.30 million, THB 88.44 million and THB 114.56 million, respectively, equivalent to 8.49%, 10.89% and 11.71% of revenue from sale of goods and services each year. The cost of sales and management tends to increase as there is an increasing trend in the Company's business expansion.

For the first 9 months of 2014, the cost of sales and expenses amounted to THB 731.27 million or 89.32% of its revenue from sales and services. Increased by Baht 105.00 million or 16.77% compared to the same period of 2013, mainly due to the cost of the CBG project and the PPP projects. The Company's cost of sales and expenses of THB 92.55 million, increased 8.37% or THB 7.15 million compared with the same period of the previous year.

Profits

The Company's net profit for the years 2011-2013 of THB 80.22 million, THB 115.70 million and THB 130.86 million, representing a net profit margin of 8.32%, 14.10% and 13.22% respectively in the years 2011 to 2012, the Company's net profit increased 44.22% and 13.11%, or THB 35.48 million and THB 15.16 million, compared with the previous year, due to the Company increased net profit over the last 3 years, mainly as a result of the recognition of income from investments in associates.

For the first 9 months of the year 2014, the Company had a net profit of THB 37.34 million, decreased 63.93% or THB 66.18 million compared to the same period in 2013, due mainly to the increase in depreciation and financing costs of CBG projects and the PPP projects of THB 34.99 million and THB 16.06 million, compared with the same period of the previous year, respectively.

Share of profit from investment in associate

The Company's share of profit from associated companies, Bangchak Biofuel Company Limited ("BBF"), which is invested with Bangchak Petroleum Public Company Limited by the year 2011 to 2013 and the first 9 months of 2014, the Company recognized gains on stake of 30% in the amount of THB 22.20 million, THB 30.30 million, THB 77.75 million and THB 44.81 million respectively. BBF is a manufacturer and distributor of the Biodiesel, which is a liquid fuel that used as an ingredient in some renewable fuel made from petroleum process to get types of diesel.

Financial Statements

Assets

As of December 31, 2011- 2013, the total assets of the Company accounted to THB 520.33 million, THB 1,021.22 million, and 1,634.58 million, respectively. This includes current assets of THB 307.68 million, and THB 552.19 million, or 59.13%, 35.46%, and 33.78% of the total assets each year. The major current assets are account receivables and other receivables, accounted to 35.94%, 51.35%, and 38.32% of total current assets of 2011-2013 respectively, and inventories accounted to 30.07%, 32.52%, and 43.03% of total current assets in each year. The reason making current assets in 2011-2013 increased from the previous year for 17.70%, and 52.47%, or THB 54.48 million and THB 190.04 million, respectively. The main reason was from the increase of account receivable and other receivables in 2012, mostly account receivables that hadn't been due and passed due less than 3 months, and the increase of goods in transit.

Non-current assets in 2011-2013 was accounted to THB 212.65 million, THB 659.06 million, and THB 1,082.39 million or 40.87%, 64.54%, and 66.22% of total assets respectively. The major non-current assets includes investments in stated associates for 79.23%, 30.16%, and 24.95% of non-current assets in 2011-2013 respectively with buildings and equipments of 11.91%, 64.52% and 74.17% of non-current assets each year. The reason the buildings and equipments have a drastic increased proportion in 2011-2013 at THB 399.90 million, and THB 377.55 million respectively due to the increase in assets during construction of CBG plant and PPP plant on rented land in 2011-2013.

As of September, 2014, the Company has the total assets of THB 1,698.27 million, included current assets of THB 461.96 million, accounted to 27.20% of the total assets, and non-current assets of THB 1,236.31 million or 72.80% of the total assets. The reason the value of total assets as of the third quarter of 2014 increased from the end of 2013, due to the increase of land, buildings, and equipments, and advance payment for fixed assets purchase at THB 69.15 million and THB 54.13 million respectively, while the inventories decreased for 92.01 million.

Liabilities

As of December 31, 2011- 2013, the total liabilities of the Company accounted to THB 100.52 million, THB 379.55 million, and THB 667.80 million respectively. With overview of debt structure in 2011-2013, the current liabilities of THB 93.28 million, THB 326.81 million, and 515.26 million or 92.79%, 86.11%, and 77.16% of total liabilities each year. Non-current accounted to THB 7.24 million, THB 52.74 million, and THB 152.54 million or 7.21%, 13.89%, and 22.84% of total liabilities each year. The reason total liabilities increased in 2013 from 2012 for 277.57% and 75.95% or THB 279.03 million and THB 288.25 million, mainly due to bank overdrafts and short-term loans from financial institutions, liabilities from fixed assets purchase, and long-term loans.

The major items in liabilities include overdrafts and short-term loans from financial institution, and account payables and other payables. The details are as follow:

- The Company has overdrafts and short-term loans from financial institution as of December 31, 2011-2013 accounted to THB 16.79 million, THB 170.65 million, and THB 212.59 million respectively, increased for 916.18%, and 24.57% or THB 153.86 million and THB 41.94 million in 2012 and 2013 respectively, mostly due to the increase of trust receipt bank payables and short-term loans from banks.
- The Company has account payables and other payables from financial institution as of December 31, 2011-2013 accounted to THB 64.16 million, THB 115.74 million, and THB 271.34 million, increased for 80.41%, and 134.44% or THB 51.59 million and THB 155.60 million in 2012 and 2013 respectively. The main reason account payables and other payables in 2013 increased from 2012 is the increase of the Company's account payables accounted to THB 163.25 million, while the fixed asset liability which classified in other payables decreased by THB 15.60 million.

As of September 30, 2014, the Company has total liabilities accounted to THB 772.23 million, include current liabilities of THB 379.29 million, or 49.12% of total liabilities, while non-current liabilities accounted to THB 392.93 million, or 50.88% of total liabilities. The reason the total liabilities of the Company at the end of the third quarter of 2014 increased from the end of 2013 is due to the increase of finance lease liabilities at THB 173.62 million, from equipments lease payment.

Shareholders' Equity

As of December 31, 2011- 2013, the shareholders' equities of the main company is accounted to THB 419.64 million, THB 637.77 million, and THB 958.71 million respectively. The shareholders' equities as of 2012-2013 have increased from the previous year by 51.98% and 50.32%, or THB 218.13 million and THB 320.94 million respectively, mainly due to the increase of the paid-in capital and the premium on common stock from rights offering issuance and from performance with net profit each year, while the Company pays dividend in cash and common shares to shareholders.

As of September 30, 2014, the Company has shareholders' equities of THB 909.51 million, decreased by 5.13% or THB 49.19 million, compared to shareholders' equity as of the end of 2013, mainly due to the decrease in retained earnings of THB 49.30 million.

Liquidity

As of December 31, 2011- 2013, the Company has net cash liquidity from operation accounted to THB 80.72 million, and THB 85.30 million, mainly from income before taxes in 2011 and 2013 at THB 102.64 million and THB 145.09 million, while 2012 has the net cash flows in operating activities at THB 22.70 million from the change in assets in operating such as the increase of account payables and other payables at THB 76.91 million, increase of inventories at THB 25.64 million.

The company has net cash flows from investing activities in 2011 at THB 81.19 million, mainly from the decrease in restricted bank deposits for THB 85.73 million and cash dividend from associates at THB 35.97 million, while the Company has net cash flows from investing activities in 2012-2013 at THB 324.35 million and THB 354.78 million respectively, mainly cash used in the purchase of fixed assets at THB 365.41 million, and THB 361.27 million each year.

The company's cash flows from financing activities in 2011 is THB 148.95 million from the payback of overdrafts and short-term loans accounted to THB 122.65 million and dividend of THB 25.01 million, while having net cash flow from financing activities in 2012-2013 at THB 308.90 million and THB 333.27 million respectively, mainly from cash received from the increase of capital at THB 118.41 million and 193.76 million each year. The increase of overdrafts and short-term loans from financial institution in 2012 is at THB 153.79 million and long-term loans in 2013 is at THB 104.24 million.

6. Industry Review

Since the main income of the Company comes from import and distribution of chemicals and equipments in industry plants, which the products mainly sold to customers in the oil refining industry, natural gas exploration and production industry, and upstream petrochemical industry, with the Company's operation and investment in energy business such as Compressed Bio-methane Gas (CBG), Petroleum Production Project (PPP), biodiesel production, solar energy production on roof, thus the Company's operation has a direct relationship with the growth of industry and the overall energy situation of the country. The details are as follow:

Overall economic and industry

▪ Conditions of Economy and Industry in 2014

Information from Economic report, made by the office of Industrial economy by the Ministry of Industry as of December 2014, indicates that GDP in the third quarter of 2014 grows 0.6%, increased from the second quarter of 2014 that grew 0.4%, with the supporting factor of the increase in domestic demand. The household consumption of non-durable goods and service improved after the political situation became more stable. Also, revenues other than agricultural sector being in the satisfactory range, together with the decline in inflation, affects the trust of consumers, causing the increase in purchase. In addition, private investment grows in machinery tools. However, net exports and net imports of goods and services decreased. Since exports of goods and services declined over the import of goods and services for the industrial sector in GDP Q3 2014 was 0.7%, having an improvement compared to the previous quarter that has contraction of 1.6%. The shrink of GDP in industrial sector is from the decrease in production of automobile industry, together with the maintenance shutdown of oil refining plant but the electronic products production industry expanded according with the exports, while food and drinks industry and apparel declined according with the domestic demand. The raw materials contracted because of the oil refinery industry's maintenance

shutdown. Metal industry contracted from construction sector condition. For the investment approved by BOI, finds that in January-October of 2014, it is accounted of 1,326 projects with the investment capital of THB 526,500 million, decreased from the same period of the previous year, accounted to 1,794 projects. Anyhow, it is possible to increase from the first half of the year since foreign investors gain trust with the situation in the country.

▪ Conditions of Economy and Industry trend in 2015

The office of Industrial economy by the Ministry of Industry predicted that Thai Economy in 2014 would expand 1.0%, slow down from 2013, that expanded 2.9%, and the economy in 2015 would expand for 3.5-4.5%, supported by (1) the improvement of export condition from economic recovery of world trading amount in 2015 (2) the recovery of tourism sector and investments after the political situation became more stable (3) Government's policy to optimize the national budget in 2015 and (4) the decrease in global oil price giving more buying power of the population and business, and decrease the pressure of inflation. These support a loose monetary policy to continue. However, Thailand's economy in 2015, there are risks that need to keep track of which are the volatility of capital flows and exchange rates. Thus, with the global economy, there are risks that growth would be lower than forecast. Households with incomes in the agricultural sector is likely to be weaken since prices for agricultural products are in the downturn and it is the end of short-term measures to help farmers.

For the overview of Thai's industrial sector in 2015, the growth would improve to 2-3% and Manufacturing Production Index would improved for 3-4%, from the supporting factors of the recovery of economy and the amount of global trading would give a good effect on Thai exports, private consumption, and private investment to improve. The change of automobile industry to the normal condition in 2014 and decline in global oil price have the risks to keep track of, which is the risk of global economy downturn.

Energy Situations

▪ Demand in consumption

Information from the Department of Alternative Energy Development and Efficiency, the Ministry of Energy, stated that within 11 months in 2014, Thailand had final energy consumption amounted to 69,923 thousand ton equally to crude oil, increased from the same period of the previous year for 1.4%, as the value of energy use accounted for THB 1,665 thousand million, mostly were commercial usage of petroleum products at 33,257 ton equals to crude oil, increased for 0.4% from the same period of the previous year. The usage of Petroleum products is accounted to 47.6% of the final energy consumption. The lesser consumption was electricity at 19.0%, natural Gas at 7.2%, and coal or Lignite at 6.5%, respectively. For other consumption it includes renewable energy (included solar energy, logs, husk wastes, agricultural wastes, wastes, and biogas) at the amount of 5,918 thousand ton equally to crude oil, increased from the same period of the previous year for 9.7% and traditional renewable energy (including Firewood, charcoal and agricultural residues) accounted to 7,846 thousand tons equal crude oil, increased for 7.0% from the same period of the previous year.

Table 26: Usage Amount of the Final Energy Consumption Distinguished by Energy Type

Energy type	Amount (thousand ton equals crude oil)			Growth (%)	
	Jan- Nov 2012	Jan- Nov 2013	Jan- Nov 2014 ^P	Jan- Nov 2013	Jan- Nov 2014 ^P
Final energy consumption	67,088	68,935	69,923	2.8	1.4
▪ Commercial Energy	54,904	56,207	56,159	2.4	(0.1)
- Petroleum product	32,266	33,134	33,257	2.7	0.4
- Electricity	12,669	12,998	13,266	2.6	2.1
- Coal/ Lignite	5,297	5,162	4,581	(2.5)	(11.3)
- Natural Gas	4,672	4,913	5,055	5.2	2.9
▪ Renewable Energy	5,117	5,395	5,918	5.4	9.7
▪ Traditional Renewable Energy	7,067	7,333	7,846	3.8	7.0

Remark : ^P Preliminary figures

Source : the Department of Alternative Energy Development and Efficiency, the Ministry of Energy

Within 11 months of 2014, the demand of all energy usage has increased compared to the same period of the year before. The industrial sector is the sector with the most energy consumption with 25,920 thousand ton equally to

crude oil, accounted to 37.1% of the whole final energy consumption, following by transportation sector at 24,738 thousand ton equally to crude oil, or 35.4%, household sector at 10,568 thousand ton equally to crude oil, or 15.1%, business sector at 5,046 thousand ton equally to crude oil, or 7.2%, and agricultural sector at 3,651 thousand ton equally to crude oil, or 5.2%.

▪ Energy production

The amount of energy production within 11 months of 2014 is at 72,700 thousand ton equally to crude oil, increased for 12.8% from the same period of the previous year to support the increased demand of energy consumption. The production for commercial equals to 48,641 thousand ton thousand ton equally to crude oil, decreased for 0.7% and equals to 66.9% of the whole energy production, while renewable energy and other energy and traditional renewable energy have the percentage of 15.0% and 18.1% respectively.

Table 27: Amount of Energy Production Distinguished by Energy Type as of Jan-Nov 2014

Energy type	Amount (thousand ton equals crude oil)			Growth (%)	
	Jan- Nov 2012	Jan- Nov 2013	Jan- Nov 2014 ^P	Jan- Nov 2013	Jan- Nov 2014 ^P
Total energy consumption	71,944	64,469	72,700	(10.4)	12.8
▪ Commercial Energy	48,996	48,974	48,641	0.0	(0.7)
- Crude oil	6,793	6,750	6,286	(0.6)	(6.9)
- Lignite	4,611	4,278	4,264	(7.2)	(0.3)
- Natural Gas	32,851	33,362	33,685	1.6	1.0
- Condensate	4,061	4,135	3,978	1.8	(3.8)
- Hydro electricity and others*	680	449	428	(34.0)	(4.7)
▪ Renewable Energy and other energy**	10,670	7,754	10,938	(27.3)	41.1
▪ Traditional Renewable Energy	12,278	7,741	13,121	(37.0)	69.5

Remark : *Composed of geothermal energy, solar energy and wind energy

** Renewable energy and other energy consists husk, bagasse, wood waste , agricultural waste , biogas, biofuels, battery lock Liquors and gas waste from the production process

Source : the Department of Alternative Energy Development and Efficiency, the Ministry of Energy

Thailand has relied mainly on energy imports. Within 11 months in 2014, the amount of energy imports equal to 64,195 thousand ton equally to crude oil, decreased for 2.3% for the same period of the previous year. The imports commercially equal to 99.9%, and the imports of traditional RE equal to 0.1% of the whole energy imports. For commercial matters, it equals to 64,098 thousand ton equally to crude oil, decreased for 2.3%, mainly is the import of crude oil at 57.7% of the whole energy imports, following by coals, natural gas, petroleum products, electricity, condensate, respectively, while the imports of traditional renewable energy equal to 0.1% of the whole energy imports, increased for 27.6%.

Table 28: Import of Energy Distinguished by Energy Type as of Jan-Nov 2014

Energy type	Amount (thousand ton equals crude oil)			Growth (%)	
	Jan-Nov 2012	Jan- Nov 2013	Jan- Nov 2014 ^P	Jan- Nov 2013	Jan- Nov 2014 ^P
Final energy consumption	64,529	65,700	64,195	1.8	(2.3)
▪ Commercial Energy	64,434	65,624	64,098	1.8	(2.3)
- Crude oil	39,411	39,815	37,013	1.0	(7.0)
- Condensate	1,373	992	902	(27.7)	(9.1)
- Coal	10,997	9,948	12,089	(9.5)	21.5
- Petroleum product	3,753	4,180	4,023	11.4	(3.8)
- Natural Gas	8,044	9,639	9,097	19.8	(5.6)
- Electricity	856	1,050	974	22.7	(7.2)
▪ Renewable Energy and other energy *	0	0	0	-	-
▪ Traditional Renewable Energy	95	76	97	(20.0)	27.6

Source : the Department of Alternative Energy Development and Efficiency, the Ministry of Energy

Alternative energy usage situations

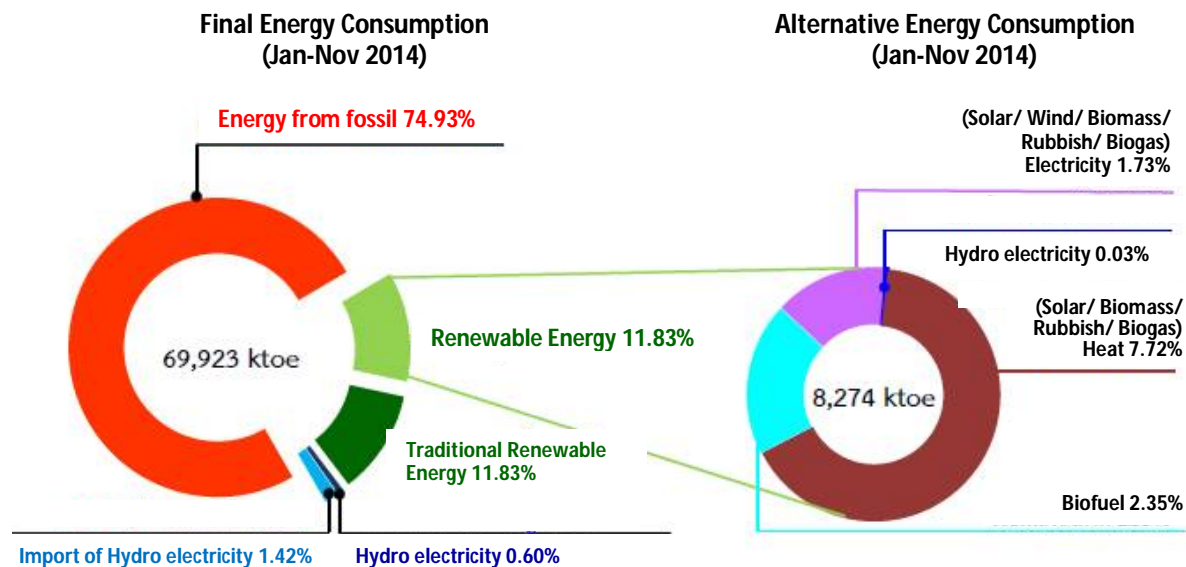
The government has policy supporting the continuous use of alternative energy especially domestic produced alternative energy such as solar energy, wind energy, hydro energy, biomass, biogas, waste, and biofuels (Ethanol and Biodiesel) to be used as alternative energy for imported oil, and relying the volatility of price. The government has the

plan for this matter to get it to have increased amount at 25.00% of the whole energy usage within 10 years (year 2012-2021). Within 11 months of 2014, the use of alternative energy equals to 8,274 thousand ton thousand ton equally to crude oil, increased for 10.4% from the same period of the previous year, with the total alternative energy equals to 11.8% of the domestic use of final energy, with heat energy the most at 5,395 thousand ton thousand ton equally to crude oil, increased for 11.8%, following by electricity, Biodiesel, and Ethanol at 14.9%, 10.3%, and 9.6% respectively.

Table 29: Alternative Energy Usage Distinguished by Energy Type

Energy Consumption	Quantity (ktoe)			Growth (%) Jan-May 2014
	Jan-May 2012	Jan-May 2014 ^P	Jan-May 2014 ^P	
1. Electricity	984	1,209	1,233	2.0
2. Heat	4,557	4,826	5,395	11.8
3. Biofuel				
- Ethanol	332	640	798	24.7
- Biodiesel	692	820	848	3.4
Total	6,565	7,495	8,274	10.4

Source : the Department of Alternative Energy Development and Efficiency, the Ministry of Energy



Energy situation trend

The ministry of energy predicted that the total demand in energy consumption in 2015 would increase for 2.9% from 2014. The reason is due to the increase in demand of commercial use such as petroleum products, that tends to have an increase demand in Bensin and Diesel at 3.5% and 2.2% from 2014 respectively., while the use of LPG, Propane, and Butane would increase 3.7% from 2014 and the use of electricity in 2015 tends to increase 4.8%.

Enclosure 2 : Summary of the asset appraisal report of Advance Polymers & Chemicals Co., Ltd. by the Independent appraiser

The Company has assigned Pornsiam Consultant and Service Company Limited ("Pornsiam"), an independent appraisal approved by the SEC, Thai valuers Association and the Valuers Association of Thailand, to appraise the value of 4 assets of APC as follows:

1. Land and buildings at the amount of 11 items, and development on land, located at No. 50 Mhoo 3 Sikiw-Chaiyapoom road (Highway 201) Sikiw District, Nakhon Ratchasima province. ("Nakhon Ratchasima Factory"). The appraisal report dated November 27, 2014, appraised on November 21, 2014 with the public purpose.
2. Machinery and equipment of 58 items, which is located at located at No. 50 Mhoo 3 Sikiw-Chaiyapoom road (Highway 201) Sikiw District, Nakhon Ratchasima province. ("Equipment Factory at Nakhon Ratchasima"), the appraisal report dated November 4, 2014, appraised on November 21, 2014 with the public purpose.
3. Land and buildings of 4 items, located at 998 Moo 2 BANGPOO Old Sukhumvit Road, Praeksa, Samut Prakan province ("Bangpoo Warehouse"), the appraisal report dated November 26, 2014, appraised on November 24, 2014 with the public purpose.
4. 10 items of automobile, the appraisal report dated November 4, 2014, appraised on November 21, 2014 with the public purpose.

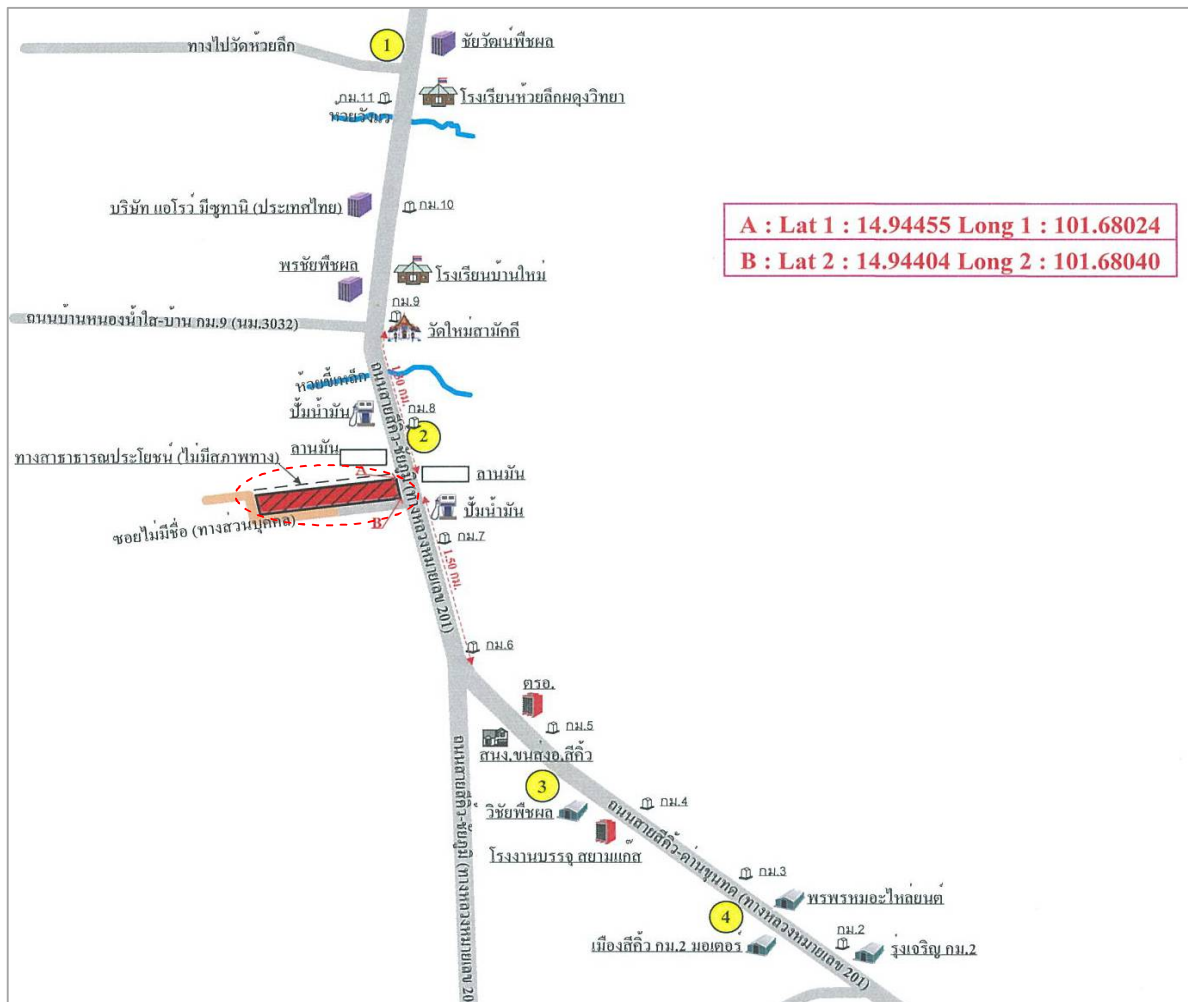
The asset appraisal of APC by Pornsiam, the details are as follows:

1. Summary of the appraisal of the Nakhon Ratchasima Factory

Assets information	:	1) 3 plots of land, deed no. 25121 25864 and 25865 with the total area of 14-3-80 Rai		
	:	2) 11 items of buildings, and developments on land		
			Buildings	Area (Sq.m.)
				Year of Building (Years)
		1	Three-story office building	384
		2	One-story Reinforced concrete building	450
		3	Building for maintenance	88
		4	One-story Reinforced concrete building	240
		5	Four-story Reinforced concrete building	845
		6	Four-story Reinforced concrete building	668
		7	Covered outdoor space	250
		8	One-story Reinforced concrete building	480
		9	One-story Reinforced concrete building	900
		10	Guardhouse	4
		11	Storage building	9
Location of Assets	:	No. 50 Mhoo 3 Sikiw-Chaiyapoom road (Highway 201) Sikiw District, Nakhon Ratchasima province		
Condition of Assets	:	<ul style="list-style-type: none"> Land: reclaimed, same height with the road Buildings and developments on land: Moderate condition 		
Ownership	:	Advance Polymer and Chemicals Company Limited		
Obligation	:	None		

The opinions of IFA on the acquisition of asset
(For the purpose of translation only)

Location of Nakhon Ratchasima Factory



Source : Appraisal report of Pornsiam dated November 27, 2014.

Pornsiam has done the appraisal of the Nakhon Ratchasima Factory with Cost Approach method, with the market price equals to the aggregate of 1) market price of land, using Market Approach and the value of buildings equals to net replacement cost (replacement cost subtracted with depreciation). The result of appraisal is as follow:

1.1 Land

Pornsiam has done the appraisal by market approach. Pornsiam has chosen 4 items of market information that has similar ability with the assets to analyze and as comparison with the valuating assets, then analyzed the assets' value by deliberating on affecting factors such as location, environment, infrastructures, size, and the shape of land with Adjustment Grid Sales Analysis. The result is as follow:

Table 30: Market information and the market comparison approach of land of the Nakhon Ratchasima Factory

	Influencing factor	Assets	Data 1	Data 2	Data 3	Data 4
1	Assets category	Land with buildings	Empty land	Empty land	Empty land	Empty land
2	Location	Next to Sikiw-Chaiyapoom road, between Km. 7-8	Next to Sikiw-Chaiyapoom road, between Km. 11-12	Next to Sikiw-Chaiyapoom road, between Km. 7-8	Next to Sikiw-Dan Khuntod road, between Km. 4-5	Next to Sikiw-Dan Khuntod road, between Km. 2-3

The opinions of IFA on the acquisition of asset
(For the purpose of translation only)

	Influencing factor	Assets	Data 1	Data 2	Data 3	Data 4
3	Environment	Agricultural and Industrial	Agricultural	Agricultural and Industrial	Households and Industrial	Households and Industrial
4	Infrastructure	electric power/ running water/ telephone	electric power/ telephone	electric power/ running water/ telephone		
5	Town planning	Out of Town plan				
6	Condition/ Entrance road	Pavement 6 m. wide				Pavement 8 m. wide
7	Area (Rai)	14-3-80	11-2-0	15-3-0	13-0-55	22-2-21
8	Shape	Rectangular	Similar to Rectangle	Polygon	Similar to Trapezoid	Similar to Rectangle
9	Width	~65 m.	~124 m.	~90 m.	~210 m.	~70 m.
10	Land level/ Land filling	Land filled, equal to road height	Not filled, lower than road height			
11	Present use	Industrial	None			
12	Offering price (THB/ Rai)		1,000,000	1,000,000	2,725,024	1,500,000
Fixed database:						
	Offering price/ Trading (THB/ Rai)		1,000,000	1,000,000	2,725,024	1,500,000
	Negotiation/ Selling-Trading period		-10%	-10%	-20%	-20%
	Fixed price (THB/ Rai)		900,000	900,000	2,180,019	1,200,000
	Land filling cost (THB/Rai)*		100,000	100,000	100,000	0
	Net fixed price (THB/ Rai)		1,000,000	1,000,000	2,280,019	1,200,000
Price fixing analysis:						
1	Location		10%	0%	-20%	-20%
2	Environment		10%	0%	-20%	-20%
3	Infrastructure		5%	0%	0%	0%
4	Town planning		0%	0%	0%	0%
5	Condition/ Entrance Road		0%	0%	0%	0%
6	Area		0%	0%	0%	5%
7	Shape		0%	5%	0%	0%
8	Width		-5%	0%	-10%	0%
Total modifying cost			20%	5%	-50%	-35%
Modified value			1,200,000	1,050,000	1,140,010	780,000
Analysis and weighing of data:						
Total modification		130.00	30.00	5.00	50.00	45.00
Modification ratio		1.00	0.2308	0.0385	0.3846	0.3462
Conversion (Inverse)		35.82	4.3333	26.000	2.6000	2.8889
Data weight		1.00	0.1210	0.7258	0.0726	0.0806
Final modification (THB/ Rai)		1,052,904	145,161	762,097	82,743	62,903
Fair Market price (THB/ Rai)(Round to)		1,000,000				

Remark * Land filling cost is THB 200,000 per Rai or THB 500 per sq.wah. for 1 m. depth

The opinions of IFA on the acquisition of asset
(For the purpose of translation only)

1.2 Buildings and Developments on the Land

Pornsiam has done the appraisal on buildings and developments on the land by Net Replacement Cost method. Pornsiam has estimated the initial capital in replacement building construction with the present pricing and deduct the depreciation cost. The summary of appraisal is as follow:

Table 31: Result of the appraisal of Buildings and Developments on the Land of the Nakhon Ratchasima Factory

	List	Area (Square meter)	Price (THB/ Sq.m.)	Replacement cost (THB)*	Building year (years)	Depreciation cost **		New Net Replacement Cost (THB)
						Per Year (%)	Total (%)	
1	Three-story office building							
	- Indoor area	320	9,000	2,880,000				
	- Balcony area	64	3,500	224,000				
			Total	3,104,000	16	2	32	2,110,720
2	One-story Reinforced concrete building	450	6,000	2,700,000	16	2	32	1,836,000
3	Building for maintenance							
	- Indoor area	72	7,000	504,000				
	- Roof-covered space	16	3,000	48,000				
			Total	552,000	16	2	32	375,360
4	One-story Reinforced concrete building							
	- Indoor area	116	6,000	696,000				
	- Roof-covered space	124	3,000	372,000				
			Total	1,068,000	16	2	32	726,240
5	Four-story Reinforced concrete building	845	7,000	5,915,000	16	2	32	4,022,200
6	Four-story Reinforced concrete building							
	- Indoor area	570	7,000	3,990,000				
	- Balcony area	20	3,000	60,000				
	- Roof-covered space	78	3,000	234,000				
			Total	4,284,000	16	2	32	2,913,120
7	Covered outdoor space	250	4,000	1,000,000	16	2	32	680,000
8	One-story Reinforced concrete building	480	6,000	2,880,000	7	2	14	2,476,800
9	One-story Reinforced concrete building	900	6,000	5,400,000	5	2	10	4,860,000
10	Guardhouse	4	8,000	32,000	5	2	10	28,800
11	Storage building	9	8,000	72,000	16	2	32	48,960
	Developments on the land							
	- fences area	620	1,200	744,000	16	3	48	386,880
	- Gate area	24	1,500	36,000	16	3	48	18,720
	- Roads and concrete field	4,000	800	3,200,000	16	3	48	1,664,000
Total Value								22,147,800

Remark * Based on standard cost of building construction Year 2013 of the Thai Valuers Association of Thailand, and the revised cost of construction is according to the materials.

** Depreciation cost of buildings and developments on the land (age 5, 7, and 16 years, deliberation of depreciation at 2%-3%) with Pornsiam revising the rate of each item during the observation period

Table 32: Summary of the appraisal of the Nakhon Ratchasima Factory

	List	Appraised price (THB)
1.	Land with 14-3-80 Rai (14.95 Rai) of area	14,950,000*
2.	11 items of building and developments on land	22,147,800
	Total	37,097,800
	Total in Rounded number	37,100,000

Remark * Government's land appraisal at THB 1,620,600

2. Summary of the appraisal of machines and equipments of the Nakhon Ratchasima Factory

Assets detail	:	58 items of machines and equipments in the production of APC's chemical products (latex emulsions and latex polymer) at the present, with the major items such as Reactor Unit, Hoist, Mixing Machine, Cooling Tower, Water Chiller, Water Softener System, Air Compressor, Generator, Boiler, wastewater treatment systems, Forklift Truck, and Laboratory Equipment.
Location	:	No. 50 Mhoo 3 Sikiw-Chaiyapoom road(Highway 201) Sikiw District, Nakhon Ratchasima province
Condition	:	Moderate level of condition
Ownership	:	Advance Polymer and Chemicals Company Limited
Obligation	:	None

Pornsiam has done the appraisal on 58 items of machines and equipments of the Nakhon Ratchasima Factory by Cost Approach method, with the market price of the assets equals to the new replacement cost deducted by depreciation cost. Pornsiam has deliberate on the new replacement cost of machines and equipments based on prices from the manufacturers, distributors, customers' information, and APC's information for the depreciation cost, including Physical Deterioration, Functional Obsolescence, and Economic or External Obsolescence. The result is as follow:

Table 33: Result of the appraisal of machines and equipments of the Nakhon Ratchasima Factory

List	New Replacement Cost (THB)	New Replacement Cost deducted by Depreciation Cost (THB)
58 items of machines and equipments of the Nakhon Ratchasima Factory	67,100,000	28,000,000

3. Summary of the appraisal of the warehouse at Bangpoo Industrial Estates

Assets detail	:	1) 2 plots of land, deed no. 75854 and 290328 with the total area of 9-2-0 Rai		
		2) 4 buildings and a development on land		
			Buildings	Area (Sq. m.)
				Year(s) of Building (Years)
		1	Factory building and warehouse	1,778
		2	First-aid building	18
		3	Guardhouse	9
		4	Parking lot	192
Location	:	998 Moo 2 Bangpoo Old Sukhumvit Road, Praeksa, Samut Prakan province		
Condition	:	<ul style="list-style-type: none"> Land: reclaimed, same height with the road Buildings and developments on land: Good and Moderate condition 		
Ownership	:	Advance Polymer and Chemicals Company Limited		
Obligation	:	None		

Location of the warehouse at Bangpoo Industrial Estates



Source : Appraisal report of Pornsiam dated November 26, 2014.

Pornsiam has done the appraisal of the warehouse at Bangpoo Industrial Estates with Cost Approach method, with the market price equals to the aggregate of 1) market price of, using Market Approach and the value of buildings equals to net replacement cost (replacement cost subtracted with depreciation). The result of appraisal is as follow:

3.1 land

Pornsiam has done the appraisal by market approach. Pornsiam has chosen 4 items of market information that has similar ability with the assets to analyze and as comparison with the valuating assets, then analyzed the assets' value by deliberating on influencing factors such as location, environment, infrastructures, size, and the shape of land with Adjustment Grid Sales Analysis. The result is as follow:

Table 34: Market information and the market comparison approach of land of the warehouse at Bangpoo Industrial Estates

	Influencing Factor	Assets	Data 1	Data 2	Data 3	Data 4
1	Assets category	Land with buildings	Blank Land	Blank Land	Blank Land	Blank Land
2	Location	In Bangpoo Industrial Estates site next to 1C alley, far from Old Sukhumvit Road for ~ 2.7 km.	In Bangpoo Industrial Estates site next to 1B alley, far from Old Sukhumvit Road for ~ 1.2 km.	In Bangpoo Industrial Estates site next to 1C alley, far from Old Sukhumvit Road for ~ 2.5 km.	In Bangpoo Industrial Estates site next to 3C alley, far from Old Sukhumvit Road for ~ 3.1 km.	In Bangpoo Industrial Estates site next to 1C alley, far from Old Sukhumvit Road for ~ 2.5 km.

The opinions of IFA on the acquisition of asset
(For the purpose of translation only)

	Influencing Factor	Assets	Data 1	Data 2	Data 3	Data 4
3	Environment	Industrial area and moderate commercial area				
4	Infrastructure	electric power/ running water/ telephone/ Aqueduct/ Street lights				
5	Town planning	Industrial, warehouse				
6	Condition/ Entrance road	Reinforced concrete of ~8 m. width				
7	Area (sq.wah)	3,800	3,600	4,400	1,400	800
8	Shape	Polygon	Rectangular	Rectangular	Rectangular	Rectangular
9	Width	~ 150 m.	~ 110 m.	~ 200 m.	~ 40 m.	~ 30 m.
10	Land level/ Land filling	Land filled, equal to road height				
11	Present use		none			
12	Offering price (THB/ sq.wah)		0	18,000	0	20,000
	Selling price (THB/ sq.wah.)		20,000	0	15,000	0
Fixed database:						
	Offering / Trading price (THB/ sq.wah.)		20,000	18,000	15,000	20,000
	Negotiation/ Selling- Trading period		0%	-10%	0%	-15%
	Fixed price (THB/sq.wah.)		20,000	16,200	15,000	17,000
	Land filling cost (THB/ sq.wah.)		0	0	0	0
	Net fixed price (THB/ sq.wah.)		20,000	16,200	15,000	17,000
Price fixing analysis:						
1	Location		-5%	0%	0%	0%
2	Environment		-5%	0%	0%	0%
3	Infrastructure		0%	0%	0%	0%
4	Town planning		0%	0%	0%	0%
5	Condition/ Entrance Road		0%	0%	0%	0%
6	Area		0%	5%	-10%	-15%
7	Shape		-5%	-5%	-5%	-5%
8	Width		0%	0%	0%	0%
Total Modifying Cost			-15%	0%	-15%	-20%
Modified value(THB/sq.wah.)			17,000	16,200	12,750	13,600
Analysis and weighing of data:						
Total modification		60.00	15.00	10.00	15.00	20.00
Modification ratio		1.00	0.2500	0.1667	0.2500	0.3333
Conversion (Inverse)		17.00	4.0000	6.0000	4.0000	3.0000
Data weight		1.00	0.2353	0.3529	0.2353	0.1765
Final modification (THB/ sq.wah.)		15,118	4,000	5,718	3,000	2,400
Fair Market price (THB/ sq.wah.) (Round to)		15,000				

3.2 Buildings and Developments on the Land

Pornsiam has done the appraisal on buildings and developments on the land by Net Replacement Cost method. Pornsiam has estimated the initial capital in replacement building construction with the present pricing and deduct the depreciation cost. The summary of appraisal is as follow:

Table 35: Result of appraisal of buildings and developments on the land of the warehouse at Bangpoo Industrial Estates site

	List	Area (Sq.m.)	Price (THB/ Sq.m.)	Replacement cost (THB)*	Building year (years)	Depreciation cost **		New Net Replacement Cost (THB)
						Per Year(%)	Total (%)	
1	Factory building and warehouse							
	- Indoor area	250	12,000	3,000,000	5	2	10	2,700,000
	- veranda area	15	3,500	52,500	5	2	10	47,250
	- Balcony area	13	3,500	45,500	5	2	10	40,950
	- warehouse area	1,500	6,500	9,750,000	5	2	10	8,775,000
2	First-aid building	18	10,000	180,000	5	2	10	162,000
3	Guardhouse	9	10,000	90,000	5	2	10	81,000
4	Parking lot	192	3,000	576,000	5	2	10	518,400
	On-land Developments							
	- Concrete space	1,272	1,000	1,017,600	5	3	15	1,081,200
	- Fences and gate	50m.	3,000/m.	150,000	5	3	15	127,500
Total Value (THB)								13,533,300

Remark * Based on standard cost of building construction Year 2013 of the Thai Valuers Association of Thailand, and the revised cost of construction is according to the materials.

** Depreciation cost of buildings and developments on the land (age 5 years, deliberation of depreciation at 2%-3%) with Pornsiam revising the rate of each item during the observation period

Table 36: Summary of the appraisal of the warehouse at Bangpoo Industrial Estates

	List	Appraised price (THB)
1.	Land with 9-2-0 Rai (3,800 sq.wah.) of area	57,000,000*
2.	4 items of buildings and developments	13,533,300
	Total	70,533,300
	Total in Rounded number	70,530,000

Remark * Government's land appraisal at THB 47,500,000

4. Summary of Automobile valuation

Assets detail	:	10 items of automobile, including 2 cars, 2 vans, 4 pick-up trucks, and 2 trucks
Location	:	<ul style="list-style-type: none"> No. 9/81 , Suphaphong 3 Srinakarin Road, BangBon Prawet Bangkok No. 50 Mhoo 3 Sikiw-Chaiyapoom road(Highway 201) Sikiw District, Nakhon Ratchasima province 998 Moo 2 Bangpoo Old Sukhumvit Road, Praeksa, Samut Prakan province
Condition	:	2-18 years of use
Ownership	:	Advance Polymer and Chemicals Company Limited
Obligation	:	None

Pornsiam has done the appraisal of 10 items of automobiles by Market Approach method, deliberating from the market price of the similar or comparable assets and fixing the price by deliberating on the difference of valuating items and market information. The result of appraisal is as follow:

Table 37: Result of the appraisal of APC's automobiles

List	Appraised price (THB)
10 items of automobile	10,210,000

Summary of the appraisal of APC's assets by an independent appraiser

Table 38: Summary of the appraisal of APC's assets by an independent appraiser

	List	Valuating method	Appraised price (THB)
1.	Nakhon Ratchasima Factory - Land with 14-3-80 Rai (14.95 Rai) of area - 11 items of buildings and developments on land	Market Approach Net Replacement cost Total Total in rounded number	14,950,000 22,147,800 37,097,800 37,100,000
2.	58 items of machines and equipments of the factory at Nakorn Ratchasima	Net Replacement cost	28,000,000
3.	warehouse at Bangpoo Industrial Estates - Land with 9-2-0 Rai (3,800 sq.wah) of area - 4 items of buildings and developments	Market Approach Net Replacement cost Total Total in rounded number	57,000,000 13,533,300 70,533,300 70,530,000
4.	10 items of automobiles	Market Approach	10,210,000
Total			146,000,000

Opinion of the IFA on the appraisal of APC's assets valued by an independent appraiser

The IFA's opinion is that the appraisal of land and automobiles by the market approach is appropriate since the appraisal from the comparison of market prices between the APC's assets and other assets which are similar potential as the APC's assets in about the same period of time, will accurately reflect the current prices and values of the assets.

With the appraisal of buildings and developments on land, including machines and equipments, by net replacement cost method (replacement cost subtracted with depreciation), the opinion is that it is also appropriate since net replacement cost method indicates the value of items that has been used continuously and made enough income, in line with factory's condition, machines and equipments, and warehouse of APC at the present, thus the IFA uses the stated valued price by the independent appraiser to help value the fair value of APC's properties at the amount of THB 146,000,000.