

This English translation has been prepared solely for the convenience of foreign shareholders of Grande Asset Development Public Company Limited and should not be relied upon as the definitive and official opinions of the Company and of the Independent Financial Advisor on the tender offer. The Thai language version of the opinions of the Company and of the Independent Financial Advisor is the definitive and official document of the advisor and shall prevail in all respects in the event of any inconsistency with this English translation.

Form 250-2

(Translation)

Opinion on the Tender Offer

Dated 26 July 2006

To The Shareholders

On 12 July 2006, Grande Asset Development Public Company Limited (hereinafter referred to as the “Company” or “Grande”) received the tender offer for its securities from Giant Mauritius Holdings (hereinafter referred to as “Giant”) and Hotel and Property Development Company Limited (hereinafter referred to as “Hotel”) (together hereinafter referred to as the “Tender Offeror”), to purchase the Company’s securities. Details of which are as follows:

Type of Securities	Amount of tender offer securities		Percentage of the tender offer securities		Offering price per unit ^{1/} (THB)	Offering value (THB)
	Shares/ Unit	Voting Rights	To the total issued securities of the Company	To the total voting rights of the Company		
Ordinary shares	624,348,800	624,348,800	49.90	49.90	4.85	3,028,091,680
Preferred shares						
Warrants						
Convertible Debentures						
Other securities (if any)						
			Total	49.90	Total	3,028,091,680

^{1/} The Tender Offerees will have an obligation to pay a brokerage fee of 0.25 percent of the offering price and 7 percent of Value Added Tax (VAT) on such fee, totaling 0.2675 percent of the Tender Offer price. The net proceed to the Tender Offerees is THB 4.837 per share.

The tender offer period is 25 business days from 13 July 2006 to 17 August 2006 from 9.00 a.m. to 4.00 p.m. The tender offer period is the final offer that will not be extended unless the Tender Offeror may reduce the offering price or extend the tender offer period in case any event or action having a material adverse effect on the status or assets of Grande occurs during the tender offer period. The Tender Offeror may change the tender offer conditions or extend the tender offer period to compete with another party who make the tender offer to purchase the Company’s securities during this tender offer period.

The Company has considered the tender offer statement on the basis of the interests of the shareholders, and the Company would like to express the opinion for consideration as follows:

1. The status of the Company in respect to its past and future operating results together with assumptions

Background

Grande Asset Development Public Company Limited was established in 1988 under the name of “Sukhumvit Center Company Limited” by Mr. Pongphan Sampawakooop to operate the hotel business and was renamed to “P.S. Development Group of Companies Limited”. Subsequently, in August 1993, the Company started the hotel business under the name “Grand Pacific Hotel”. In September 1993, the Pongphan Sampawakooop’s group sold its shares total of 49 percent of the paid-up capital to Lai Sun Development Ltd, Hong Kong and appointed Delta Hotels & Resorts Company Limited, Canada to manage the hotel business and renamed it to “Delta Grand Pacific Hotel”. In 2002, Mr. Pongphan Sampawakooop advised Narula family to purchase shares from the Hong Kong shareholder. Then, the Company signed the agreement to appoint Westin Asia Management Co. Ltd. to manage the hotel business under the brand “Westin” and changed the name to “The Westin Grande Sukhumvit”. In addition, in 2003, the Company changed its name to “Grande Asset Development Company Limited” and converted to be public company limited with the Ministry of Commerce under the name “Grande Asset Development Public Company Limited”. On 10 February 2004, the Company received permission from The Stock Exchange of Thailand to be listed company and traded under the symbol of “GRAND”. Currently, aside from the hotel business, the Company rent portion of the space to Robinson Department Store and is developing other property projects by focusing on good and convenience location. The Company has registered capital and paid-up capital of THB 1,251.20 million comprising of 1,251.20 million shares at a par value of THB 1 per share. Moreover, the Company held 99.99 percent in its two subsidiaries companies which are as follows:

1. Honor Business Co., Ltd. (hereinafter referred to as “Honor Business”) with a registered and paid-up capital of THB 150.00 million to operate the hotel business and property development business.
2. Grande Equity Development Co., Ltd. (hereinafter referred to as “Grande Equity”) with a registered and paid-up capital of THB 250.00 million to operate the hotel business and property development business.

Summary of projects operated by the Company and its subsidiaries are as follows:

Project Name	Location	Progress
Operated by Grande Asset Development Public Company Limited		
1.The Westin Grande Sukhumvit Hotel	At the corner of Sukhumvit 19	Being operated
2.Crown Plaza Sukhumvit Hotel	At the corner of Sukhumvit 27	To be operated on August 2007
3.The Regent Bangkok Hotel	At the corner of Sukhumvit 13	To be operated on July 2008
4.The Trendy Condominium (Residential Condominium, Office Condominium and Shopping Plaza)	In Sukhumvit 13	To be operated on September 2006
5.The Regent Residence (Residential Condominium)	In Sukhumvit 13	To be operated on December 2007
6.Hua Hin Blue Lagoon Resort (Residential Condominium and Resort)	Hua Hin Beach	Completed and being transferred

Project Name	Location	Progress
Operated by Grande Equity Development Company Limited		
1. Le Meridien Pattaya Resort	Jomtien Beach, Pattaya	To be operated on June 2008
2. The Sails Condominium Pattaya (Residential Condominium)	Jomtien Beach, Pattaya	To be operated on June 2008

Summary of financial performance and results of business operations for the year 2003 – 2005 and the first three months of 2006

(Unit: THB thousand)

Items	Year Ended 31 December			The First Three Months
	2003	2004	2005	2006
Total assets	3,987,636	6,895,071	8,253,198	8,564,853
Property, plant and equipment	3,832,155	4,457,024	5,016,998	5,076,774
Total liabilities	2,381,861	4,631,352	5,757,297	5,835,587
Shareholders' equity	1,605,775	2,263,719	2,495,901	2,729,266
Paid up capital	450,800	600,800	901,200	1,001,200
Par value (THB)	1	1	1	1
Revenue				
Revenue from hotel operations	346,449	508,125	597,345	169,248
Revenue from sales of real estate	0	353,699	1,056,565	547,284
Rental income	13,906	16,026	17,549	4,126
Other income	28,351	16,055	25,036	16,411
Total Revenue	388,707	893,905	1,696,496	737,069
Expense				
Cost of hotel operations	115,279	147,444	159,787	42,894
Cost of sales of real estate	0	184,889	837,512	495,396
Selling and administrative expense	163,516	245,888	419,117	136,248
Profit (loss) before interest and tax	56,434	227,664	169,806	35,844
Interest	82,905	97,515	120,405	27,451
Tax	0	0	2,057	6,532
Net profit (loss)	(26,471)	130,148	47,344	1,861
Net profit (loss) per share (THB)	(0.06)	0.22	0.07	0.002
Dividend per share (THB)	0	0	0	0

Remarks: The financial statements of the Company can be downloaded from the SEC's website (www.sec.or.th) and from the SET's website (www.set.or.th).

Key financial ratio for the year 2003 – 2005 and the first three months of 2006

Item	Year Ended 31 December			The First Three Months
	2003	2004	2005	2006
Liquidity ratio				
Current ratio (Times)	0.28	1.63	0.70	0.76
Quick ratio (Times)	0.18	0.19	0.21	0.30
Cash ratio (Times)	0.24	-2.00	0.05	-0.06
Receivables turnover (Times)	22.15	7.83	3.43	3.08
Average collection period (Days)	16.26	46.00	105.09	117.07
Profitability ratio				
Gross profit margin (%)	68.01%	62.14%	40.33%	25.31%
Net profit margin (%)	-6.81%	14.56%	2.79%	0.25%
Return on equity (%)	-1.58%	6.73%	1.99%	0.28%
Efficiency Ratio				
Return on total assets (%)	-0.73%	2.39%	0.63%	0.09%
Return on fixed assets (%)	0.75%	5.00%	3.74%	2.12%
Asset turnover (Times)	0.11	0.16	0.22	0.35
Financial Policy Ratio				
Debt to equity (Times)	1.48	2.05	2.31	2.14
Interest coverage ratio (Times)	1.59	-15.13	0.95	-2.38
Debt coverage ratio (Times)	0.08	-1.36	0.07	-0.80
Dividend payout ratio (%)	0	0	0	0

Operating Results

The operating results of the Company has been consistently growing in both the hotel business and the property development business according to the supported environment of economic expansion, low interest rate, and government policy to promote the tourism industry. The revenue of the Company and its subsidiaries increased from THB 893.90 million in 2004 to THB 1,696.49 million in 2005 or an increase of 89.79 percent from the previous year. Total revenue for the first three months of 2006 was THB 737.06 million or amounted of 43.45 percent from the total revenue in 2005.

1) Revenue from hotel business and property development

In 2005, the Company had revenue of THB 1,696.49 million that derived from revenue from hotel operations of THB 597.34 Million, revenue from sales of real estate of THB 1,056.56 million, and other incomes of THB 42.58 million or 35.21 percent, 62.28 percent and 2.51 percent of total revenue, respectively. The operating performance in 2005 increased 89.78 percent from the previous year as a result of increasing rental fee of hotel room and starting realizing income from 2 projects of the property development; Hua Hin Blue Lagoon resort of THB 509.9 million and the Trendy Condominium of THB 546.6 million.

For the first quarter of 2006, the Company had total revenue of THB 737.06 that comprised of revenue from hotel operations of THB 169.24 million, revenue from sales of real estate of THB 547.28 million, which started realized income from The Regent Residence project, and other incomes of THB 20.53 million or were 22.96 percent, 74.25 percent, and 2.79 percent of total revenue, respectively.

2) Cost of sales and selling and administrative expenses

For the year 2005 and the first three months performance of 2006, the cost of hotel operations was THB 159.78 million and THB 42.89 million or 26.75 percent and 25.34 percent of total revenue from hotel business, respectively. Cost of sales of real estate recorded as a percentage of completion, which complies with the accounting policy. For the year 2005 and the first quarter of 2006, the Company had total cost of THB 837.51 million and THB 495.39 million, respectively.

Total selling and administrative expense in the year 2005 was THB 419.11 million, which rose from THB 245.88 million or an increase of 70.45 percent from the previous year as a result of business expansion. However, the proportion of the expense to total revenue reduced from 27.51 percent in 2004 to 24.70 percent in 2005. For the first three months of 2006, total selling and administrative expenses was THB136.25 million or accounted of 18.49 percent of total revenue, which decreased as a result of low promotion expense.

3) Operating profit

Net profit before interest expense and tax to total revenue in 2005 and the first three months of 2006 was 10.01 percent and 4.86 percent, respectively, while net profit to total revenue was 2.79 percent and 0.25 percent, accordingly. This was due to high interest expense. Earning per share was THB 0.07 in 2005 and THB 0.002 in 1Q06, respectively.

Total Assets

Total assets of the Company as of 31 December 2005 was THB 8,253.19 million, which increased 19.70 percent from total assets in 2004 at THB 6,895.07 million as a result of the increased investment in hotel business (Le Meridien Pattaya Resort) and property development (The Sails Condominium Pattaya). For the first three months of 2006, the Company had total assets of THB 8,564.85 million, which increased THB 311.66 million as a result of the expansion of the existing property projects.

Total Liabilities

As of 2005, total liabilities of the Company increased from THB 4,631.35 million in 2004 to THB 5,757.29 million or an increase of THB 1,125.94 million with growth rate of 24.31 percent from the previous year. In the first quarter of 2006, total liabilities were 5,835.58 million, an increase of 1.36 percent from the year end of 2005 that equal to THB 78.29 million. The source of fund mainly stemmed from long-term borrowing from the banks to sustain the expansion of the business and developing projects.

Shareholders' Equity

Total shareholders' equity as of 31 December 2005 was THB 2,495.90 million, which increased THB 232.19 million or 10.26 percent from 2004. The significant changing item from the previous year was the issued and paid-up capital that increased from THB 600.80 million to THB 901.20 million as a result of the right offering total of 300.40 million shares at THB 1 per share with the par value of THB 1 per share at the end of 2005. Moreover, the retained loss of the Company as of 2005 reduced to THB 292.61 million as a result of an improvement of the operating performance in 2005 with net profit of THB 47.34 million. For the first three months of 2006, the Company received fund from the issued share with private placement of 100 million shares at THB 2.60 per share that rose paid-up capital to THB 1,001.20 million and shareholders' equity to THB 2,729.26 million.

Liquidity

Liquidity ratio of the Company at the end of 2005 was 0.70 times which decreased from 2004 at 1.63 times as a consequence of an increasing of current liabilities from the expansion of property development projects. For the first three months 2006, the liquidity ratio was at 0.76 times.

Source of fund

The capital structure of the Company derives from shareholders' equity and borrowing from financial institutions. As of 31 December 2005 and 31 March 2006, the Company had total liabilities of THB 5,757.29 million and THB 5,835.58 million and had shareholders' equity of THB 2,495.90 million and THB 2,729.26 million, respectively. It demonstrated that the main source of fund of the Company is derived from the borrowing from financial institutions.

Industry Outlook and Competition

- Industry and competition of hotel business

It is expected that the hotel business and tourism industry will expand continuously due to the appropriate factors of Thailand such as the commence of the Suwannaphum Airport, liberalization of low cost airline, good location of Thailand as the central of business in South East Asia, numerous attractions places, and the supported policy of tourism by government. According to the estimation from Tourism Authorities of Thailand, tourists were expected to be 94.4 million people in 2006. They can be classified into domestic tourist of 79.3 million people and foreign tourist of 15.1 million people.

Table 1: Number of Tourist and Revenues from Tourism

Year	No. of Tourist (Million)			Revenues from Tourism (Million THB)			Growth Rate of No. of Tourist (Percent)		
	Local	Foreign	Total	Local	Foreign	Total	Local	Foreign	Total
1997	52.1	7.2	59.3	180,388	220,754	401,142	-0.8%	0.0%	-0.7%
1998	51.7	7.8	59.4	187,898	242,177	430,075	-0.8%	8.3%	0.2%
1999	53.6	8.6	62.2	203,179	253,018	456,197	3.7%	10.3%	4.7%
2000	54.7	9.5	64.3	210,516	185,272	395,788	2.1%	10.5%	3.4%
2001	58.6	10.1	68.7	223,732	299,047	522,779	7.1%	6.3%	6.8%
2002	61.8	10.8	72.6	235,337	323,484	558,821	5.5%	6.9%	5.7%
2003	69.4	10.0	79.4	289,987	309,269	599,256	12.3%	-7.4%	9.4%
2004	74.8	11.6	86.4	317,225	384,360	701,585	7.8%	16.0%	8.8%
2005 ^F	76.2	13.4	89.6	347,300	450,000	797,300	1.9%	15.5%	3.7%
2006 ^F	79.3	15.1	94.4	378,000	533,000	911,000	4.1%	12.7%	5.4%

Source: Tourism Authority of Thailand

Remarks: F is the number forecasted by Tourism Authority of Thailand

- Industry and competition of Property development

1) Office space

Office space still has a consistent improvement as a result of the economic expansion especially in the central business district such as Silom Road, Sathorn Road, Asoke Road, Pleonchit Road, and Rama IV Road located nearby the BTS or the MRT. These are the major factors in selecting the office space.

2) Condominium

Condominium with well decoration, safety, and convenience facilities such as tennis court, swimming pool, fitness center is required by the customers who would like to have the second house especially in the central business district adjacent to the BTS and the MRT. The company's project concerns all these important factors that increase comparative advantage over the others. However, the Company views the increasing trend of interest rate in the future will have less impact on medium to high-end customers.

Future Outlook

The Company plans to build and open projects for the year 2006 as follows:

1. Le Meridien Pattaya Resort, Chonburi

Le Meridien Pattaya Resort is the premium resort with 4.5 stars level beyond the brand of "Le meridien" of Starwood's group with Panoramic View in every room. The room had the space of 50 Square Metre which had total of 250 rooms. The shape of the building looks like sailing with the height of 39 floors and locates at the Jomtien beach, Najomtien, Sattaheep, Chonburi Province. The front side of the hotel is adjacent to wide and long beach. Currently, the project is under construction and expected to be completed in 2008.

2. The Sails Condominium Pattaya

The Sails Condominium Pattaya is the premium condominium along the Jomtien Beach with the area of 27 rais which is far away from the southern Pattaya. The project locates nearby the Sunshine Beach Condominium and approximately 400 meters by the south of the Ambassador City Jomtien. Every room will have Panoramic View. Single room, double room, triple room, and Penthouse have the space of 74 square meters, 110 square meters, 182 square meters, and 267 square meters, respectively, with total rooms of 151. The shape of the building looks like sailing with the height of 43 floors and locates at the Jomtien beach, Najomtien, Sattaheep, Chonburi Province. Currently, it is under construction and projected to be completed in 2008.

The Company has forecasted that business will grow rapidly during 2006-2007. Total revenue will increase from THB 3,000 - 4,500 million in 2006 to THB 4,000 - 5,500 million in 2007 due to the revenue from sales of real estate. Subsequently, total revenue will remain at THB 2,000 - 3,000 million per year, which mainly come from the revenue of hotel operations. The Company has also expected that the total revenue will increase by 3 - 6 percent per annum.

However, the Company will have no significant impact from tender offering on the business policy for the next 12 months period. The Tender Offeror may restructure the organization, management, capital structure, investment plan, and dividend policy in the future for an appropriation which will have no significant impact for normal business operation.

2. Opinion on the accuracy of the Company information as stated in the tender offer statement

The Board of Directors with no conflict of interest (Independent Director and Audit Committee) is of the opinion that all information as stated in the tender offer statement (Form 247-4) is accurate.

3. Relationship or any agreements between the Company's director(s), either on his/her own behalf of in his/her capacity as the Company's director(s) or as representative(s) of the Tender Offeror, and the Tender Offeror, including the shareholding by the director(s) in the Tender Offeror's juristic person and any contracts or agreements made or to be made between them (in such matters as administration, etc.)

Prior to the tender offering date, the Tender Offeror acquired shares of the Company from other shareholders of the Company in total of 376,851,200 shares or accounted of 30.12 percent of total paid-up shares of the Company at the price of THB 4.85 per share. The group of former

shareholders assigned Mr. Pongphan Sampawakooop and Mr. Suradej Narula as a representative to sign share purchase agreement with the Tender Offeror under the condition on 26 April 2006 and amended on 27 June 2006 with the following details;

- 1) Former shareholders agreed to maintain proportion of 25.00 percent of total paid-up shares of the Company for three years since 30 June 2006.
- 2) Former shareholders had the right to purchase the shares from this tender offering within 7 days after finished the tender offering at the same offering price. Though, the former shareholders will have the right to purchase the shares from this offering, the Tender Offeror must have the proportion of the holding not lower than 50.10 percent of total paid up shares of the Company.
- 3) Directors of the Company will appoint 5 management directors which three of them came from the Tender Offeror's side and the other two were Mr. Pongphan Sampawakooop and Mr. Suradej Narula.

In additional, as of 30 June 2006, the Company raised capital total of 250,000,000 shares or accounted of 19.98 percent of total paid-up common shares of the Company to offer to the Tender Offeror at the price of THB 4.85 per share which eventually increased the holding of the Tender Offeror to 50.10 percent.

Company's Shareholding Structure

- (1) Top ten shareholders list as of 12 July 2006

No.	Shareholders	No. of Shares	Percent of paid-up share capital
1	Giant Mauritius Holdings	538,683,193	43.05
2	Mr. Pongphan Sampawakooop	179,423,995	14.34
3	Hotel and Property Development Company Limited	88,168,007	7.05
4	Mr. Suradej Narula	66,321,723	5.30
5	Mr. Luk Narula	24,000,000	1.92
6	Mr. Rajwin Narula	21,000,000	1.68
7	Mr. Varin Narula	19,068,540	1.52
8	Mr. Amarin Narula	16,000,000	1.28
9	Mrs. Puangchan Sampawakooop	13,957,500	1.12
10	Mrs. Sunisa Narula	9,871,115	0.79
	Total	976,494,073	78.05

Source: Grande Asset Development Public Company Limited

- (2) Shareholding Structure Expected after the Tender Offer

Prior to the tender offer date, the Tender Offeror acquired shares of the Company through Private Placement and major shareholders in total of 626,851,200 shares or 50.10 percent of paid-up share capital. Aside from 25.00 percent of paid-up share capital which the group of former shareholders agreed to reserve, if all shares from other existing shareholders were rendered, the Tender Offeror would have held shares in the amount of 938,400,000 or 75.00 percent of the paid-up share capital. But if no one renders the shares, the Tender Offeror would have held shares in total of 626,851,200 shares or 50.10 percent of paid-up share capital. The remaining 624,348,800 shares or 49.90 percent of total paid up share capital would have been held by the group of former shareholders and other shareholders.

After the Tender Offeror became the major shareholders with 50.10 percent stake, the Company has changed the members of the Board of Directors with details shown as follows:

List of Directors of the Company as of 30 June 2006

1. Mr. Pongphan Sampawakooop	Chairman of the Board and Executive Director
2. Mr. Amarin Narula	Director and Executive Director
3. Mr. Hendrik Louis Van Keulen	Director and Executive Director
4. Mr. Keith Greengrove	Director and Executive Director
5. Mr. Kenneth Burd	Director and Executive Director
6. Mr. Bingwu Xie	Director
7. Mr. Jason Dunn	Director
8. Mr. Douglas Morss	Director
9. Mr. Mark Newman	Director
10. Mr. Suradej Narula	Director
11. Mr. Amarit Pansiri	Independent Director and Chairman of the Audit Committee
12. Mr. Apinan Na Ranong	Independent Director and Audit Committee
13. Mr. Chalit Satidthong	Independent Director and Audit Committee

The list of directors subsequent to the tender offering is expected to be the same as prior.

However, the number of the director may change according to the structure of the shareholders. Moreover, if there is any change such as resignation or complete the term of the position, the Tender Offeror will consider to appoint new person on any appropriation in order to meet the covenant of the corporation and/or related regulation and/or along the resolution of shareholders' meeting.

3.1 Relationships between the Company's directors with the Tender Offeror

After the Tender Offeror became a major shareholder of the Company with a 50.10 percent stake, directors of the Company have been changed with seven directors representing the Tender Offeror as follows:

1. Mr. Hendrik Louis Van Keulen	Director and Executive Director
2. Mr. Keith Greengrove	Director and Executive Director
3. Mr. Kenneth Burd	Director and Executive Director
4. Mr. Bingwu Xie	Director
5. Mr. Jason Dunn	Director
6. Mr. Douglas Morss	Director
7. Mr. Mark Newman	Director

3.2 Shareholding by the Company's directors

-None -

3.3 Connected transactions between the Company and the Tender Offeror

-None -

3.4 Any contracts or agreements made or to be made between the Company and the Tender Offeror

As of 26 April 2006, the group of former shareholders of the Company appointed Mr. Pongphan Sampawakooop and Mr. Suradej Narula as their representative to sign sell and purchase agreement with the Tender Offeror subject to certain terms and conditions with details already described earlier.

4. Opinion of the Company's Board of Directors on the Tender Offer to the Securities Holders

Please see Attachment A

5. The opinion of Independent Financial Advisor on the Tender Offer

Please see Attachment B

4. Opinion of the Board of Directors on the Tender Offer to the Securities Holders

The Board of Directors of the Company (“the Board”) held the meeting on 26 July 2006 to prepare its opinion to the shareholders on the tender offer made by the Tender Offeror. There were seven directors attending the meeting, whose names are as follows:

- | | |
|---------------------------------|--|
| 1. Mr. Pongphan Sampawakooop | Chairman of the Board and Executive Director |
| 2. Mr. Amarin Narula | Director and Executive Director |
| 3. Mr. Hendrik Louis Van Keulen | Director and Executive Director |
| 4. Mr. Kenneth Burd | Director and Executive Director |
| 5. Mr. Suradej Narula | Director |
| 6. Mr. Amarit Pansiri | Independent Director and Chairman of the Audit Committee |
| 7. Mr. Chalit Satidthong | Independent Director and Audit Committee |

The directors with conflict of interest are: 1) Mr. Hendrik Louis and Mr. Kenneth Burd who are representatives from the Tender Offeror; 2) Mr. Pongphan Sampawakooop, Mr. Suradej Narula, and Mr. Amarin Narula who are a group of existing major shareholders. The conflicting directors do not have voting right on this issue. The non-conflicting directors have considered and unanimously rendered their opinion as follows:

4.1 Reasons for the acceptance and/or the rejection of the tender offer.

After considering the tender offer document and independent financial advisor’s opinion on the tender offer, the directors who do not have direct interest unanimously resolved their opinions to the shareholders that the tender offer price of THB 4.85 is appropriate and that the shareholders ought to accept the tender offer because the tender offer price exceeds the theoretical price derived from the most suitable valuation methodology presented by the independent financial advisor.

However, to make a decision whether to take or reject the tender offer, the shareholders should consider the potential and the future of the Company’s business together with the independent financial advisor report on the tender offer. The final decision is at the discretionary of the shareholders.

4.2 Opinion and reason of each director and the number of shares in the Company held by him or her (only if the opinion of the Board of Directors of the Company in 4.1 is not an unanimous opinion)

- None -

4.3 Benefits and impacts from the plan and policy of the Tender Offeror specified in the tender offer document including the feasibility of the said plan and policy

The directors who do not have direct interest are of the opinion that the Company would not be materially impacted by Tender Offeror’s future plans and policies because the Tender Offeror does not plan to significantly change exiting business plans and policies and that the Tender Offeror is in fund management business with main objectives to seek return on invested capital. However, the Tender Offeror may change organizational and management structure, capital structure, investment plan, and dividend payout policy to be suitable for the Company’s operation going forward. Such changes are not expected to significantly impact the Company’s on-going operation.

Furthermore, directors who do not have direct interest are of the opinion that Lehman Brothers group, who is the shareholders of the Tender Offeror, would bring in experience and expertise to help improve the Company’s operation going forward.

4.4 Additional opinion from the Board of Directors (In an event that the tender offer is for delisting purposes).

- None -

The Company hereby certifies that the above content is accurate, complete and true. It neither contains information that may mislead other persons in material aspects nor conceals material information that should be disclosed.

Grande Asset Development Public Company Limited

Pongphan Sampawakoop
(Mr. Pongphan Sampawakoop)
Director

Hendrik Louis Van Keulen
(Mr. Hendrik Louis Van Keulen)
Director

Dated 24 July 2006

5. The opinion of Independent Financial Advisor on the Tender Offer

Giant Mauritius Holdings (“Giant”) and Hotel and Property Development Company Limited (“Hotel”) (hereinafter referred to as the “Tender Offeror”) had submitted a Tender Offer for securities of Grande Asset Development Public Company Limited (hereinafter referred to as the “Company” or “Grand”) on 12 July, 2006. For the purpose of proceeding with this transaction as stated and stipulated by the rules and regulations of the Securities Exchange Commission (hereinafter referred to as the “SEC”), the Board of Directors resolved to appoint IV Global Securities Public Company Limited as the Independent Financial Advisor (hereinafter referred to as the “Financial Advisor”) to provide its opinion to the shareholders regarding the proposed tender offer. For the purpose of this proceeding, IV Global Securities Public Company Limited has carefully studied and reviewed the completeness and accuracy of the information contained in the tender offer (Form 247-4), the Company’s information and documentation, including the interview of executive management and related working officers and any public information as the basis for the valuation. The opinion of the Financial Advisor is based upon the following assumptions.

- The information that is disclosed in the tender offer and any other information received from the Company are correct and accurate.
- The opinion is based upon the current position of the Company and in the case where any significant changes take place; it may affect the business operation and the Company’s financial position, as well as the shareholders’ decision on the tender offer.

5.1 The appropriateness of the offer price in comparison to the intrinsic price as valued by various valuation methods

The appropriateness of the tender offer price

The Financial Advisor has evaluated the value of the Company’s securities by using offering price of THB 4.85 per share and employing several valuation methodologies as follows:

- 5.1.1 Historical Pricing Method
- 5.1.2 Book Value Method
- 5.1.3 Adjusted Book Value Method
- 5.1.4 Market Multiples Method
 - 5.1.4.1 Price to Book Multiples– P/B
 - 5.1.4.2 Price to Earnings Multiple– P/E
 - 5.1.4.3 Price to Sales Multiple– P/S
- 5.1.5 Discounted Cash Flow Method

The key assumptions underlying the valuation methodologies are: (i) the comparison of the companies is on a per share basis and (ii) the theoretical or intrinsic value of the Company is being compared to the value offered by the Tender Offeror for the shares; (iii) the valuation date is as of 12 July 2006, the date prior to disclosing the Tender Offeror’s intention to purchase the Company’s securities (applicable to 5.1.1) (iv) based on the most recent financial statements of the selected companies in hotel and leisure sector as of 31 March 2006 (applicable to 5.1.2, 5.1.3, and 5.1.4).

5.1.1 Historical Pricing Method

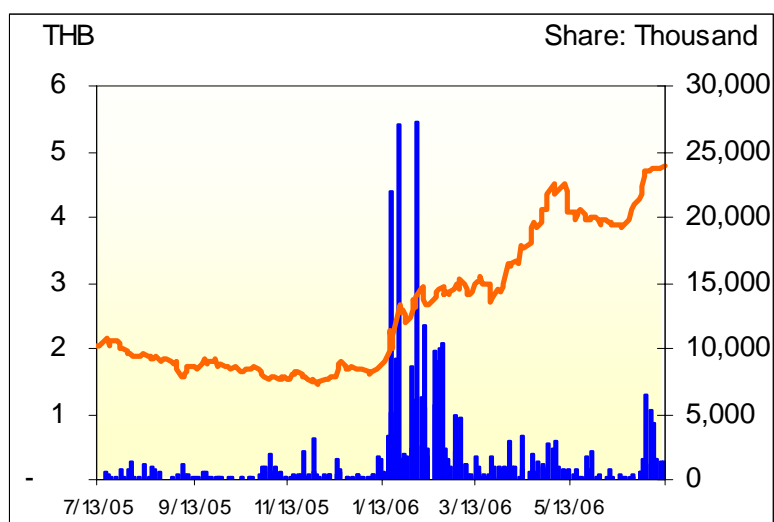
The historical pricing method is calculated by using the Company's historical price listed on the SET. The historical prices of the Company listed on the SET up to 12 July 2006 (the date prior to disclosing the Tender Offeror's intention to purchase the Company's securities) are as follows:

Range of date used in calculation		Closing Price (THB Per Share)			Avg. Daily Trading Volume (No. of shares)	Percentage of Avg. Trading Volume to Total No. of Ordinary Shares
		High	Low	Avg.		
6 July 06 -12 July 06	5 Trading Days	4.78	4.76	4.76	1,347,640	0.10771%
29 May 06 -12 July 06	30 Days	4.82	3.56	4.60	1,018,687	0.08142%
7 April 06 -12 July 06	60 Days	4.82	3.28	4.32	1,042,837	0.08335%
23 February 06 -12 July 06	90 Days	4.82	2.70	3.83	1,096,654	0.08765%
13 October 05 -12 July 06	180 Days	4.82	1.42	2.95	1,827,222	0.14604%
13 July 05 -12 July 06	360 Days	4.82	1.42	2.89	1,417,074	0.11326%

Source: www.setsmart.set

In comparing the share price by using the historical pricing method, the average share price ranges from THB 2.89 per share to THB 4.76 per share. The lowest historical price is lower than the tender offer price of THB 4.85 per share by THB 1.96 or by 40.41 percent. The highest historical price is lower than the Tender Offer price of THB 4.85 per share by THB 0.09 or 1.86 by percent.

Figure 1: Daily Closing Price and Trading Volume
From 13 July 2005 to 12 July 2006



When taking the average daily trading volume during the calculated period into consideration, the floating shares of the Company are relatively illiquid. There were less than 0.11 percent of the Company's total ordinary shares traded on a daily basis. The valuation price under this method depends on demand and supply of shares under a specific point of time. In this case, the trading volume in the past has been relatively illiquid. Thus, the trading price on the Exchange may not reflect actual value based on fundamental of the Company. Additionally, such trading price at any point of time in the past may not be appropriate to be used as a benchmark of the Company's valuation.

5.1.2 Book Value Method

The book value method is calculated by using the Company's reviewed financial statement as of 31 March 2006. The Company's book value per share is as follows:

(Unit: THB in million)	Amount
Issued and paid-up share capital	1,001.20
Additional paid in (discount on) capital	160.00
Additional premium from assets appraisal	1,858.81
Retained earnings	(290.75)
Total shareholders' equity	<u>2,729.27</u>
Weighted average number of ordinary shares (million shares)	<u>1,001.20</u>
Book value per share (THB per share)	<u>2.73</u>

The theoretical share price using the Book Value Method is THB 2.73 per share. This price is lower than the tender offer price of THB 4.85 per share by THB 2.12 per share or by 43.71 percent.

5.1.3 Adjusted Book Value Method

The Adjusted Book Value Method is calculated by using the Company's total assets, as of 31 March 2006, included total liabilities as well as commitments and contingent liabilities, adjusted with the revaluation of assets based on the independent appraisal of particular fixed assets by the Independent Property Appraiser, and divided by the Company's weighted average number of ordinary shares.

The valuation process is as follows:

(5.1.3.1) Commitment and contingent liabilities

As of 31 March 2006, the Company had commitments and contingent liabilities in the amount of THB 132.67 million.

Item (Unit: THB in million)	Amount
Commitments	
1) Commitment from long-term lease of land	73.66
2) Commitment from maintenance contract	5.20
3) Commitment from loan guarantee	10.25
4) Commitment from sell and purchase agreement of land	24.10
Contingent liabilities	
1) Letter of guarantee	6.60
2) Lawsuit	12.86
Total	<u>132.67</u>

(5.1.3.2) The revaluation of assets based on independent appraisal of particular fixed assets

In December 2005, the Company did the revaluation of land, hotel buildings, rental properties, and furniture and equipments performed by an independent appraiser, who is approved by the Securities and Exchange Commission, using Income Approach as indicated on the appraisal report

(Including projected revenue to be generated from the Westin Hotel). Such appraisal results in THB 2,933 million open market value of the appraised property compared to net book asset value of THB 2,912 million as of 30 December 2005. Hence, the Financial Advisor revised the value of appraised assets up by THB 21 million.

Moreover, the Company plans to open more hotels in Bangkok's central business district area such as the Crown Plaza near Soi Sukhumwit 27, the Regent Bangkok near Soi Sukhumwit 13. The Company also plans to open more hotels in popular tourist destination, for example, the Sheraton Hua Hin Resort on Hua Hin beach and the Le Meridien Pattaya on Chom Tien beach. Such hotels are being developed at the moment. As for the real estate development projects, the Company has a policy to invest in properties located on good locations with easy access to major transportation. The Company is in the process of transferring unit property right of the Hua Hin Blue Lagoon resort to the buyers during fiscal year 2006. The Trendy condominium, office, and shopping plaza project is expected to be completed in the second quarter of 2006. The Regent Resident located near Soi Sukhumwit 13 and the Sails Pattaya condominiums near Chom Tien beach are both under construction. The Company has a policy to buy land that is ready for development. The Company does not accumulate land blank because it does not want to bear the cost of carrying non-income generating assets. Besides, the Company from time to time purchases unfinished, old buildings for redevelopment such as the Trendy condominium project to avoid the rising cost of basic material and also to be able to develop and complete the project in a timely manner, which yields quick return on investment.

The Financial Advisor does not adjust value of the projects under development because costs of developing the projects as shown on the financial statement already reflect actual cost during development period. Thus, the Financial Advisor is of the opinion that lacks of appraisal of developing projects would not have a significant impact on the Company's valuation.

(5.1.3.3) Event after the statement date

As of 4 May 2006, the Board of Directors passed a resolution to increase registered share capital from THB 1,001.20 million to THB 1,251.20 million by issuing additional common stocks in the amount of 250 million shares with THB 1 par value selling to specific investors at the price of THB 4.85 per share. The company is able to sell all 250 million shares and receive a proceed of THB 1,212.50 million. The Company's net asset increases by THB 1,212.50 million as a result of the capital increase.

The Financial Advisor adjusted commitments and contingent liabilities and accounted for event after the statement date from the Company's audited consolidated financial statement as of 31 March 2006. The adjusted book value for the Company is summarized as follows:

(Unit: THB in million)	Amount
Total assets as of 31 March 2006	8,564.65
<u>Less</u> Total liabilities as of 31 March 2006	5,835.59
<u>Less</u> Commitments and contingent liabilities	132.67
<u>Adjusted</u> Increased in value of net assets	1,212.50
<u>Adjusted</u> Increased in value of appraised assets as of 30 June 2006	<u>21.00</u>
Total net assets	3,830.09
Number of ordinary share after capital increase as of 30 June 2006 (million shares)*	<u>1,251.20</u>
Adjusted book value per share (THB per share)	<u>3.06</u>

Note: *Use the number of ordinary share after capital increase in the calculation to reflect event after statement date

The theoretical share price using the adjusted book value method is THB 3.06 per share. This theoretical share price is lower than the Tender Offer price of THB 4.85 per share by THB 1.79 per share or by 36.91 percent.

5.1.4 Market Multiples Method

The market multiples method is calculated using various price multiples of a selection of listed companies in travel and leisure sector conducting business similar to that of Grand, which comprises of (1) Central Plaza Hotel Public Company Limited (“CENTEL”) (2) Laguna Resorts & Hotels Public Company Limited (“LRH”) (3) The Oriental Hotel Public Company Limited (“OHTL”) (4) Shangri-la Hotel Public Company Limited (“SHANG”) (5) Dusit Thani Public Company limited (“DTC”) (6) Royal Orchid Hotel Public Company Limited (“ROH”) (7) Rajadamri Hotel Public Company Limited (“RHC”) (8) The Mandarin Hotel Public Company Limited (“MANRIN”) (9) The Erawan Group Public Company Limited (“ERAWAN”) (10) Pacific Assets Public Company Limited (“PA”) (11) Asia Hotel Public Company Limited*.

	Closing Price (THB per share)	Price to Earnings Ratios (times)	Price to Sales Ratios (times)	Price to Book Ratios (times)
1 Central Plaza Hotel Public Company Limited	6.20	15.65	1.28	2.24
2 Laguna Resorts & Hotels Public Company Li	85.00	17.14	1.75	1.01
3 The Oriental Hotel Public Company Limited	350.00	14.32	2.61	3.71
4 Shangri-la Hotel Public Company Limited	39.00	10.06	2.50	0.93
5 Dusit Thani Public Company Limited	53.00	17.58	1.61	1.16
6 Royal Orchid Hotel Public Company Limited	34.25	10.43	2.63	2.15
7 Rajdamri Hotel Public Company Limited	47.25	9.47	2.17	1.90
8 The Mandarin Hotel Public Company Limitec	22.60	9.73	2.37	0.80
9 The Erawan Group Public Company Limited	4.00	22.05	2.25	1.83
10 Pacific Assets Public Company Limited	6.80	N/A	4.63	0.96
	<i>Average</i>	14.05	2.38	1.67
	<i>Median</i>	14.32	2.31	1.50
	<i>High</i>	22.05	4.63	3.71
	<i>Low</i>	9.47	1.28	0.80

Note: Source from Bloomberg as of 18 July 29, 2006

* Information of Asia Hotel Public Company Limited is not included because it is in the debt restructuring process.

The Financial Advisor uses median as a basis for calculations of the Market Multiples Methods in Section 5.1.4.1 to 5.1.4.3 because the median is not deviated by the highest and lowest figures.

5.1.4.1 Price to Book Multiples– P/B

The price to book multiple is calculated by multiplying the Company's book value per share as of 31 March 2006 with the selected companies' median P/B ratio of 1.50 times as follows:

	Amount
Total shareholders' equity (THB in millions)	2,729.27
Weighted average no. of ordinary shares (million shares)	1,001.20
Book value per share (THB)	2.73
Median Price-to-Book Ratio (Times)	1.50
Price per Share (THB)	4.10

The theoretical share price using the price to book method is THB 4.10 per share. This theoretical share price is lower than the Tender Offer price of THB 4.85 per share by THB 0.75 per share or by 15.46 percent.

5.1.4.2 Price to Earning Multiples– P/E

The price to earning multiples is based on the ability to generate profit and can be used for only companies with net profit. It is calculated by multiplying the Company's last 12 months earning (1 April 2005 to 31 March 2006) with the selected companies' median P/E ratio of 14.32 times as follows:

	Amount
Profit (loss) trailing 12 months (THB in million)	26.62
Weight average no. of ordinary shares (million shares)	1,001.20
Trailing 12 months earnings per shares (THB)	0.03
Median Price-to-Earnings Ratio (Times)	14.32
Price per Share (THB)	0.43

The theoretical share price using the price to earnings method is THB 0.43 per share. This theoretical share price is lower than the Tender Offer price of THB 4.85 per share by THB 4.42 per share or by 91.13 percent.

5.1.4.3 Price to Sales Multiples– P/S

The price to sales multiple is based on the ability to generate revenue but not on the ability to generate profit. It is calculated by multiplying the Company's last 12 months sales (1 April 2005 to 31 March 2006) with the selected companies' median P/S ratio of 2.31 times as follows:

	Amount
Trailing 12 months sales (THB in millions)	2,172.65
Weighted average no. of ordinary shares (million shares)	1,001.20
Trailing 12 months sales per shares (THB)	2.17
Median Price-to-Sales Ratio (Times)	2.31
Price per Share (THB)	5.01

The theoretical share price using the price to earnings method is THB 5.01 per share. This price is higher than the Tender Offer price of THB 4.85 per share by THB 0.16 per share or by 3.30 percent.

5.1.5 Discounted Cash Flow Method

The discounted cash flow method considers the Company's ability to generate future profit by calculating net present value of projected operating cash flow over the next ten years (2006-2015). This method is based under the assumption that the Company will operate its business on a going concern basis.

The above-mentioned method is done with an objective to evaluate the fair value of the Company under the current status and conditions of the economy as a whole as well as use as a comparative methodology in this tender offer. However, in the case of any change in the economy or other factors considered significant that may affect the operating result of the Company; the above valuation methodology may change and therefore, should not be used as a comparative methodology in this tender offer other than the above mentioned objectives.

Major assumptions used in this discounted cash flow model are based on the projections done by the management of the Company. The Financial Advisor has reviewed the assumptions and made appropriate adjustments to the projections based on the interview with the management on the current and future operation of the Company. Major assumptions can be summarized as follows:

- **Revenue**

The main source of revenue is derived from hotel operation and sales of real estate properties.

Revenue from hotel operation

Main source of revenue from hotel operation includes room rental, food and beverage sales, and other services such as telephone service, spa service, laundry service, etc. So far, revenue from hotel operation is mainly from the Westin Grand Sukhumwit. However, the Company plans to open more hotels in Bangkok namely the Crown Plaza and the Regent Bangkok and also open more hotels in popular tourist destination including the Sheraton Hua Hin and Le Meridien Pattaya. These hotels are under construction and being developed. The Crown Plaza is expected to be open in the third quarter of 2007, the Regent Bangkok in the third quarter of 2008, Sheraton Hua Hin and Le Meridien Pattaya toward the end of 2006 and the middle of 2008 respectively.

Revenue from room rental

Room rental revenue is dependent on the following assumptions: (1) room rental rate is in the range of THB 3,497 – 5,105 per room depending on level and location of the hotel; (2) rate of growth of room rental rate is approximately 3% per annum; (3) occupancy rate is in the range of 54% - 80% depending on level and location of the hotel; (4) the number of room is in the range of 244 – 364 rooms per hotel depending on the size of the hotel.

Revenue from food, beverage, and other services

Revenue from food, beverage, and other services as a percentage of total revenue is in the range of 30% - 43%.

Revenue from real estate development business

Main source of revenue from real estate development business is from sales of condominium, villa, and office spaces. The Company has a policy of investing in good location with easy access to major transportation. The Company is in the process of transferring unit property right to the buyers of Hua Hin Blue Lagoon project in 2006 and the Trendy project in the second quarter of 2006. The Regent Resident project is under construction and is expected to be completed by the end of 2007. Average revenue per square meter is in the range of THB 48,799 – 93,770 depending on level and location of each project.

- ***Cost of Services***

Cost from hotel operation

Cost of hotel room is in the range of 10% - 18.90% of total room rate depending on level and location of the hotel. If combining cost of food, beverage, and other services with cost of hotel room, cost of hotel operation is in the range of 21% - 41% of total revenue from hotel operation depending on level and location of the hotel.

Cost from real estate development business

Cost per square meter from real estate development business depends on level and location of each project.

- ***Selling, general, and administrative expense***

Selling, general, and administrative expense is in the range of 13% - 14% of total revenue from 2006 to 2007 since the Company recognizes revenue from real estate development business, which is a one-time revenue item, during the period. Afterward, the Company has a policy to control selling, general, and administrative expense in the range of 34% - 35% of total revenue, which mostly will consist of revenue from hotel operation.

- ***Long-term loan***

As of 31 March 2006, the Company used long-term loan from financial institutions totaling in the amount of THB 4,513 million to finance construction and development of the projects using MLR interest rate through out the period.

- ***Other information***

Due to expansion into the real estate development business, the Company cannot maintain debt coverage ratio as indicated on a long-term loan agreement with a financial institution with total debt outstanding as of 31 March 2006 in the amount of THB 1,103 million. Under the loan agreement, the lender can request immediate payment of the outstanding loan. As of the time this report is being written, the Company has not received a notice from the financial institution demanding the payment. The Company continues to service its debt and interest as usual. Nevertheless, the Company classifies such loan from long-term loan to short-term liability.

- ***Discount rate***

The discount rate that is used in calculating the discounted cash flow for the Company is its Weighted Average Cost of Capital (WACC).

$$WACC = \frac{(1-T) \cdot (r_d) \cdot d}{d+e} + \frac{(r_e) \cdot e}{d+e}$$

r_d = The Company's cost of debt, which is 7.25 %.

r_e = The Company's cost of equity, which is 12.30 %.

T = Effective tax rate estimated by the Financial Advisor, which is 30 %.

d = Interest bearing debts portion, which is 62.81 %.

e = Market value of equity portion, which is 37.19 %.

$$\begin{aligned} \text{WACC} &= \frac{(1-0.30)*(7.25)(62.81)}{(100.00)} + \frac{(12.30)(37.19)}{(100.00)} \\ &= 7.76 \% \approx 8.00 \% \end{aligned}$$

The Cost of Equity (r_e)

The Capital Asset Pricing Model (CAPM) theory is applied to calculate the Company's cost of equity. The details are shown as follows:

$$r_e = r_f + \beta (r_m - r_f)$$

r_f = Risk Free Rate (RFR) refers to the government 5-year Treasury Bonds, average for the week ending 18 July 2006 which is 5.50%.

The rate for the government 3-year Treasury Bonds is average at 5.43 % while those of 7-year Treasury Bonds is average at 5.54 %. (Source: The Thai Bond Market Association)

β = Beta of the Company is 0.66
(Source: Bloomberg, 18 July 2006)

r_m- r_f = Market risk premium is calculated from market less risk Free Rate (RFR). At 18 July 2006, market risk premium is 10.30%. (Source: Bloomberg, 18 July 2006, past two years average).

$$\begin{aligned} r_e &= 5.50 + (0.66)*(10.30) \\ &= 12.30 \% \end{aligned}$$

▪ **Post Year 10 Terminal Growth Rate**

The Financial Advisor uses post year 10 terminal growth rate of 0.00 % to be conservative.

Based on projected future cash flow using 8.00 % weight average cost of capital and 0.00 % post year 10 terminal growth rate, the Company's valuation derived from the discounted cash flow model is THB 3.84 per share.

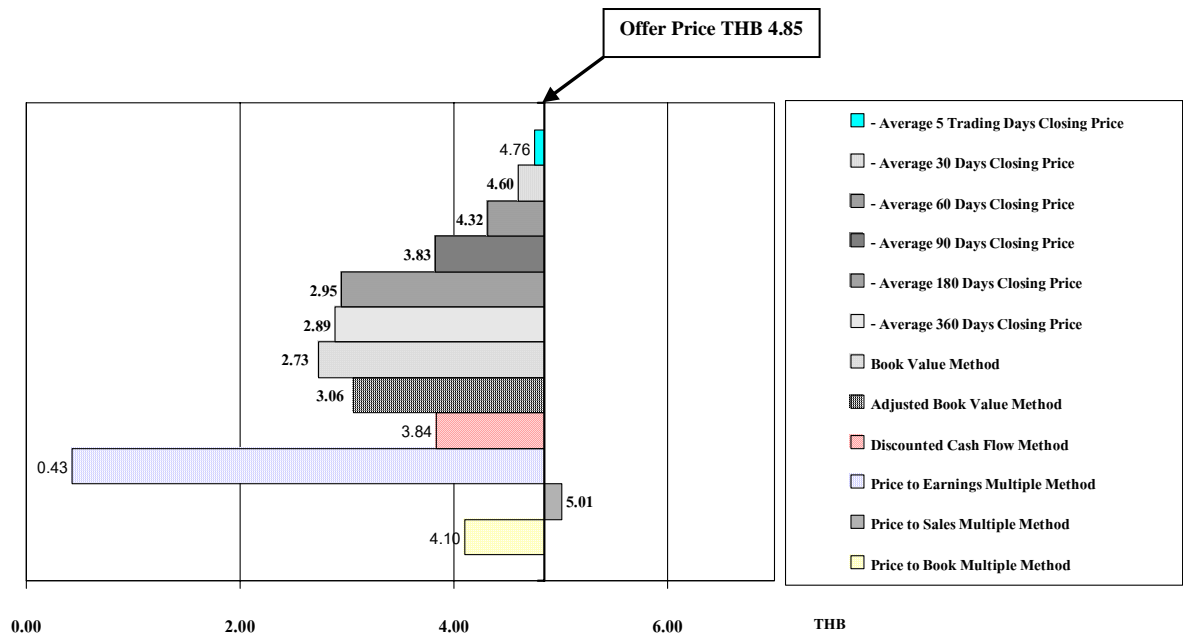
In addition, the Financial Advisor has done sensitivity analysis to calculate per-share value of the Company using discounted rates in the range of 7.00 % to 9.00 % and post year 10 terminal growth rates in the range of (1.00 %) to 1.00 % with results shown on the following table.

Discount Rate Percent	Post Year 10 Terminal Growth Rate				
	-2.0%	-1.0%	0.0%	1.0%	2.0%
10.0%	2.29	2.40	2.53	2.69	2.89
9.0%	2.62	2.76	2.93	3.15	3.43
8.0%	3.01	3.20	3.84	3.74	4.15
7.0%	3.49	3.75	4.08	4.53	5.16
6.0%	4.09	4.46	4.95	5.64	6.67

Based on the discounted cash flow model, the value of the Company is in the range of THB 2.76 – 4.53 per share. The lowest value of THB 2.76 per share is lower than the tender offer price of THB 4.85 per share by THB 2.09 per share or by 43.09 %. The highest value of THB 4.53 per share is lower than the tender offer price of THB 4.85 per share by THB 0.32 per share or by 6.60 %.

Summary of the Results of the Different Valuation Methodologies

Valuation Method	Valuation (THB)	Higher (lower) than offering price (%)
5.1 Historical Pricing Method		
- Average 5 Trading Days Closing Price	4.76	(1.86)
- Average 30 Days Closing Price	4.60	(5.15)
- Average 60 Days Closing Price	4.32	(10.93)
- Average 90 Days Closing Price	3.83	(21.03)
- Average 180 Days Closing Price	2.95	(39.18)
- Average 360 Days Closing Price	2.89	(40.41)
5.2 Book Value Method	2.73	(43.71)
5.3 Adjusted Book Value Method	3.06	(36.91)
5.4 Market Multiples Method		
5.4.1 Price to Book Multiple Method	4.10	(15.46)
5.4.2 Price to Earnings Multiple Method	0.43	(91.13)
5.4.3 Price to Sales Multiple Method	5.01	3.30
5.5 Discounted Cash Flow Method	3.84	(20.82)



5.2 *The rationales for accept or reject this Tender Offer*

5.2.1 The Tender Offer Price is appropriate.

The Financial Advisor is of the opinion that the valuation methodologies using historical pricing method, book value method, adjusted book value method, and market comparable analysis may not be suitable for this valuation context.

Historical pricing method may not reflect actual value of the Company because the floating shares of the Company are relatively illiquid during the past one year. The valuation price under this method depends on demand and supply of shares under a specific point of time, which may not reflect actual value based on fundamental of the Company.

The book value methodology is based on historic costs, which may not reflect present value of the business. With respect to adjusted book value method, it reflects net asset value of the Company at present time but does not reflect the Company's ability to generate future revenue and profit, which includes revenue from various hotels that will be opening in the foreseeable future.

Market multiples methodologies do not reflect actual value of the Company because the Company's financial performance is significantly different from other listed companies under Tourism and leisure sector in that the comparable companies have mostly operated only hotel business. On the contrary, the Company has operated both hotel and real estate development business. Also, the market multiples methodologies reflect the Company's value at a specific point of time in the past but do not reflect the Company's ability to generate future revenue and profit.

The Financial Advisor is of the opinion that the most appropriate methodology to value the Company is the discounted cash flow method because the discounted cash flow method is the only method that reflects the Company's ability to generate future revenue and profit including revenue from new hotels that will be opening from year 2006 onward.

In accordance with the stated rationale, the Financial Advisor is of the opinion that the most appropriate valuation methodology is to use the discounted cash flow, where the value of the Company is THB 3.84 per share, which is lower than the tender offer price of THB 4.85 per share. Therefore, the Financial Advisor is of the opinion that the tender offer price is an appropriate price.

5.2.2 Impact on shareholders.

- *Impact from uncertainty of future operating performance.* The Financial Advisor is of the opinion that the future of the company is unclear. Even if the Tender Offeror and the new Board of Directors have knowledge and extensive experience in the business, the minority shareholders still entail risk from new hotels and real estate development projects that will be opening in the near future.
- *Impact from possible share selling by major shareholders in the future.* Minority shareholders may have to entail risk from the possible share selling by major shareholders in the future. As stated on the tender offer document, the Tender Offeror may elect to sell or transfer shares they receive either before or after the tender offer in substantial amount if such action is beneficial to the Tender Offeror.
- *Impact from lack of liquidity of the shares.* The shares of the Company have been historically illiquid. After the tender offer, the portion of shares own by minority shareholders may decrease. As a consequence, minority shareholders may be impacted by illiquidity of the shares.
- *Impact from the Company's ability to pay dividend.* The Company's financial performance in the past has been uncertain. It still had retained loss of THB (291) million as of 31 March 2006. Its debt to equity ratio remains quite high and its liquidity is quite low. Consequently, shareholders may face risk from the Company's ability to pay dividend.

5.3 *Benefits and/or effects from the policies and plans of business operations as proposed by the tender offeror, including the likelihood of the said policies and plans.*

- *Objectives of the tender offer.* The objective of the Tender Offer is to be in compliance with the Securities and Exchange Commission's Notification Kor.Jor. 53/2545 concerning rules, conditions, and acquisitions method, which the Tender Offeror stated on the tender offer document that the Tender Offeror plans to invest in hotels and property development business in Thailand. The Tender Offeror believes that such businesses are important to Thailand and have potential to generate sustainable growth in the future. It is the Financial Advisor's opinion that such investment should be beneficial to the Company since the Tender Offeror has funds ready to be invested in the Company, which would provide additional liquidity and strengthen the Company's financial status.
- *Shareholder agreement.* The Tender Offeror has entered into a shareholder agreement with Mr. Pongphan Sampawakoo, Mr. Suradej Narula, and several other sellers (collectively the "Sellers"), the group of major shareholders agrees to maintain their holding percentage in Grand at a ratio of 25% of Grand's total issued shares for a period of 3 years from June 30, 2006. The group of major shareholders has been granted a call option for an exercisable period of 7 days from the completion of the tender offer to purchase Grand shares, which are sold in the tender offer, at the same price as they agreed to sell such shares in the share purchase agreement. However, such share buy back must not result in the final holding of the Tender Offeror in Grand being less than 50.10% of Grand's issued shares. As a result of this agreement, minority shareholders may not be able to collectively come up with at least 25% of Grand's total issued shares to have enough rights to vote against or bring about material change at the shareholders' meetings. Some of the significant issues include capital increase or decrease, and dividend payment policy.
- *Directors' appointment.* Grand's board of directors shall appoint a board of executive directors of Grand consisting of 5 members, being the 3 directors nominated by the Tender Offeror and Mr. Pongphan Sampawakoo and Mr. Amarin Narula. The Financial Advisor is of the opinion that the co-management should be beneficial to the Company in that representatives from the Tender Offeror could bring in their knowledge and experience to help improve the operation and management efficiency whereby existing management could use its knowledge and experience in hotel and real estate development business.
- *Share selling by the Tender Offeror.* The Tender Offeror may sell or transfer shares it receives either before or after the tender offer to third parties in substantial amount if such action is to benefit the Tender Offeror. Hence, minority shareholders may entail risk from the shares selling or transferring of the Tender Offeror, which could result in share price volatility.
- *Listing status maintenance.* The Tender Offer has no plan to de-list the Company from the Stock Exchange of Thailand, which means that minority shareholders can continue to trade its shares on the Exchange. It is the Financial Advisor's opinion that the Company may benefit from the decision to keep its status as a listed company given that hotel and real estate development are capital intensive by nature and that, as a listed company, the Company can raise funds from the capital market. However, the Tender Offeror, who is in a fund management business, already has huge amount of capital to employ. The Company may elect to raise funding from the Tender Offeror for future expansion.

5.4 Benefits and/or effects from the policies plans of business operations as proposed by the tender offeror in case the shareholders reject the tender offer

Shareholders who do not take this tender offer might be facing these possible issues:

- *Lack of liquidity of the shares.* Those shareholders who do not take this tender offer might be facing with the lack of liquidity of the Company's shares and may not be able to sell their shares at their preferred timing in the near future. It is shown that the Company's shares were historically trading at a very low trading volume.
- *Minority shareholders' rights.* After the tender offer, the Tender Offeror will have at least 51.01 % of Grand's total issued shares in its possession. Furthermore, the group of major shareholders agrees to maintain their holding percentage in Grand at a ratio of 25 % of Grand's total issued shares. Consequently, minority shareholders as a group will not be able to collectively come up with at least 25 % of Grand's total issued shares to have enough rights to vote against or bring about material change at the shareholders' meetings. Some of the significant issues include capital increase or decrease, and dividend payment policy, which require at least 75 % of Grand's total issued shares for approval. Nevertheless, the minority shareholder currently retains the 10 percent veto in case the Company decides to de-list itself from the SET.
- *Risk from investment in new projects.* Minority shareholders will have to entail risk associated with new projects that will be opening in the near future. At present time, the chance of success of new projects is still unclear.
- *Risk from the capital injection.* The minority shareholders may face risk of seeing their control being diluted after the new capital increase that might be happening in the future.
- *Risk from the Tender Offeror selling additional shares in substantial amount within 12 months from the tender offer date.* The minority shareholders may entail risk of decreasing share price on the Exchange if the Tender Offeror sells shares in significant amount on the Exchange.

Conclusion of the Opinion by Independent Financial Advisor

From consideration of the information and reasons mentioned above, the Financial Advisor views that the tender offer price of THB 4.85 per share is appropriate and that the shareholders should accept the tender offer.

The decision to accept or reject this tender offer depends upon the shareholders' views and judgments base on the aforementioned reasons and opinion as provided by the Financial Advisor. The final decision, therefore, is at the discretionary of shareholders.

I V Global Securities Public Company Limited hereby warrants that this report is prudently and professionally evaluated for the beneficiaries of the Company's shareholders.

Independent Financial Advisor
I V Global Securities Public Company Limited

Sriporn Suthipongse
(Sriporn Suthipongse)
President and Chief Executive Officer