

Opinion of the Company Regarding the Tender Offer

25 January 2011

To Securities Holders
Grande Asset Hotels and Property Public Company Limited

On 4 January 2011, Grande Asset Hotels and Property Public Company Limited (hereinafter referred to as "GRAND" or the "Company") received a copy of a Tender Offer for all securities from Siam Metro Premier Holding Co., Ltd. ("Metro Premier), a subsidiary of Thai Property Public Company Limited ("TPROP") and Ms. Saranya Chaichutaporn (hereinafter refer to together as the "Tender Offerors"), as follows:

Type Of Securities	Number of Offered Securities		Percentage of Offered Securities		Offering Price per Share (Baht) ¹⁾	Offering Value (Baht)
	Share / Unit	Voting Right	Of the Total Issued Securities	Of the Total Voting Right		
Ordinary Shares ²⁾	84,848,111	84,848,111	6.78	6.78	0.57	48,363,423.27
Preferred Shares	-	-	-	-	-	-
Warrants	-	-	-	-	-	-
Convertible	-	-	-	-	-	-
Other Securities (if any)	-	-	-	-	-	-
			Total	6.78	Total	48,363,423.27

- 1) The shareholders who intend to sell their shares (the "Offerees") will be subjected to a brokerage commission of 0.25% of the offering price plus 7% of the Value Added Tax (VAT) on such brokerage commission. Thus, the net proceeds to the Offerees is Baht 0.5685 (zero point five six eight five Baht) per share.
- 2) There are 15 shareholders who collectively hold 254,319,103 shares of the Company or 20.33% of the Company's paid-up shares have shown their intentions not to sell their shares in this Tender Offer. Each shareholder also issued 15 Letters of Intent stating that they will not sell their shares in this Tender Offer as stated in Form 247-4. Nonetheless, In case that all remaining shareholders tender all of their shares totaling of 339,167,214 shares or 27.11% of the Company's paid-up shares, total fund for the Tender Offer of Baht 193,325,311.98 will be required.

Offering Price and Tender Offer Period

Tender Offerors declare to tender the Company's shares at Baht 0.57 per share ("Offering Price") in forms of cash payment. However, the shareholders tendering their shares (the "Offerees") will be subjected to a brokerage commission of 0.25% of the Offering Price and 7% of the Value Added Tax (VAT) on such brokerage commission. Thus, the net proceeds to the Offerees is Baht 0.5685 per share. The Tender Offer period is during hours of 9.00 a.m. to 4.00 p.m. of each of the 25 business days from 7 January 2011 to 10 February 2011. Such Offering Price is a final offer which is subject not be changed and the Tender Offer period is the final period, which will not be extended (unless falling within the conditions as stated below)

- The Tender Offerors may reduce the Offering Price and/or extend the Tender Offer period if any event or action having a material adverse effect on the Company's status or assets occurs during the Tender Offer period.
- The Tender Offerors may change the offer and/or extend the Tender Offer period to complete with another person if that person has submitted a Tender Offer for securities of the Company during the Tender Offer period.

The Tender Offerors may cancel the Tender Offer upon the occurrence of one or more of the following events;

- Any event or action occurring after the submission of the Tender Offer to the Securities and Exchange Commission ("SEC") during the Tender Offer period, which have or shall have a material adverse effect on the Company's status or assets of the Company. Where such

events or actions are not the results from the acts of the Tender Offerors or any acts for which the Tender Offerors are responsible, or

- Any action after the submission of the Tender Offer to the SEC but before the end of the Tender Offer period, which causes a material decrease in the value of the Company's shares

Tender Offer period that the Offerees can revoke their acceptance of Tender Offer

The Offerees can revoke their acceptance of Tender Offer from 7 January 2011 to 3 February 2011, collectively 20 business days, during the hours of 9.00 a.m. to 4.00 p.m. on every business day.

Summary of time schedule regarding the Tender Offer and Opinion of the Company

7 January 2011	:	First day of Tender Offer
27 January 2011	:	Opinion of the Company regarding the Tender Offer (Form 250-2)
3 February 2011	:	Final day that the Offerees can revoke their acceptance of Tender Offer
10 February 2011	:	Final day of Tender Offer

After consideration the Tender Offer with due regard to the benefit of the securities holders, the Company would like to express its opinion for your consideration as follows:

1. Status of the Company relating to the past and forecasted operating results, including assumptions used in its forecasting.

1.1 Information of the Company

1.1.1 Summary of the Company's business

Grande Asset Hotels & Property Public Company Limited ("GRAND") is located on unit 3203-4, 32nd floor, Exchange Tower 388, Sukhumvit Road, Klongtoey, Bangkok 10110. The Company was established on 21 April 1988. Its current registered and paid-up capital is Baht 1,251.20 million divided into 1,251.20 million common shares at par value of Baht 1 per share. The Company engages in two main businesses which are Hotel Business and Property Development Business.

1) Hotel Business

The Company's policy is to select prime locations in tourism area which are convenient for traveling. Moreover, the Company has been choosing world famous hotel management chains that have experiences managing 4-5 star hotels in many countries, such as Starwood, InterContinental, and Carlson Hotel, etc. Such hotel management chains will support in seeking customers, suggesting internal management, and internal refurbishing hotel. Details are as follows;

▪ **The Westin Grande Sukhumvit Hotel**

The hotel is 5-star high-rise hotel with 25-storey and 363 rooms, located on Soi Sukhumvit 19 closed to Asoke BTS station. It were built with full facilities such as meeting rooms, restaurants, business centers, Westin workout gym, and Vareena spa, etc. The Westin Grande Sukhumvit Hotel is managed under "Westin®" brand by Starwood Hotels & Resorts Worldwide, Inc. who experiences in managing 5-star hotel and owns hotel in Starwood Hotels & Resorts chain.

The Company has leased out some area to Robinson Department Store including B1 floor – 4th floor together with car park area from 1st floor - 4th floor for 30 years of which currently 11 years remaining.

▪ **Sheraton Hua Hin Resort and Spa**

The hotel is 5-star 2-storey hotel surrounding with garden and swimming pool located along Hua-Hin beach in Prachuab Khiri Khan province. The hotel has 240 rooms with full facilities including meeting rooms, restaurants, grocery store, kid's star club, and Aspa Deva spa, etc. Sheraton Hua Hin Resort and Spa is under brand "Sheraton Hotels & Resorts" of Starwood chain

▪ **Crowne Plaza Sukhumvit Hotel**

The hotel is at the beginning of Soi Sukhumvit 27 between Asoke and Promphong BTS stations. InterContinental, the owner of 4-5-star chain hotel experienced in managing hotels and owned more than 3,800 hotels in 100 countries across the world is contracted to manage Crowne Plaza Sukhumvit Hotel

under brand "Crowne Plaza". This 5-star, 32-storey, 342-room hotel is constructed with full facilities such as seminar rooms, restaurants, and spa, etc. Hotel construction is expected to be completed approximately 15 months after its construction resume.

▪ **The Regent Bangkok Hotel**

The hotel is located on Sukhumvit 13, 100 meters away from Nana BTS station. Carlson Hotels Worldwide who experiences in managing 955 hotels in 71 countries across the world is contracted to manage The Regent Bangkok Hotel under brand "Regent International Hotels". This 5-star, 30-storey, 327-room hotel is built with full facilities such as restaurant, swimming pool, fitness room, etc. Hotel construction is expected to be completed approximately 24 months after its construction resume.

▪ **Le Meridien Pattaya Resort**

The hotel is located on Jomthien beach in Pattaya, Chonburi province. This 5-star, 41-storey, 239-room hotel was designed into a sail shape under brand "Le Meridien" of Starwood group and is built with full facilities such as banquet rooms, meeting rooms, restaurants, etc. Hotel construction is expected to be completed approximately 30 months after its construction resume.

2) Property Development Business

The Company has a policy to develop only projects in community center or Central Business District (CBD) where they are convenient for traveling. Its 4 projects are as follows;

▪ **Hua Hin Blue Lagoon Resort**

The resort, located in Prachuab Khiri Khan province, is divided into 2 parts which are Blue Lagoon Condominium Project and Island Villas Project, next to Sheraton Hua Hin Resort and Spa. Such project provides Swimming Lagoon ambient where swimming pool is imitated large lake surrounded every single condominium and villa. Details of each project are as follows;

- Blue Lagoon Condominium
Total 18 condominium buildings, situated on 17 rai area, are now fully completed. Each 3-storey condominium building contains only 6 units which each unit has 148 or 150 sq. m. with 2 bedrooms. From total of 108 sellable units, only 23 units are available for sales.
- Island Villas
Total 37 single-detached houses on islands, situated on 20 rai area, are now fully completed. Each 2-storey house has 3 bedrooms with 237 or 267 sq. m. usage area. Now only 4 houses are available for sale.

▪ **The Trendy Condominium**

The project, located in Soi Sukhumvit 13, 70 meters away from Sukhumvit Road, consists of 3 parts which are condominium, office, and shopping plaza as follows. Its construction was completed in August 2007.

- Trendy Office: A 32-storey office building with area of 29,850 sq. m. is now sold out.
- Trendy Plaza: A 3-storey plaza consists of restaurants and retail shops within area of 10,387 sq. m.
- Trendy Residence: An 18-storey and 530 units condominium with total area of 25,375 sq. m., designed to be 1-bedroom studio unit and 2-bedroom unit. All units are now sold out.

Moreover, its facilities include swimming pool, sauna, fitness room, and laundry room, etc. Currently, the project is completed and ready to move in. Only 3 units are available for sales

▪ **The Regent Residences**

The project, situated on 990 sq. wah area in Soi Sukhumvit 13, nearby The Regent Bangkok Hotel, is under construction. It consists of two 37-storey and 20-storey condominiums with total sellable area of 34,490 sq. m. and total of 346 units. There are 3 unit types which are 1 bedroom, 2 bedrooms, and 3 bedrooms. Its facilities include swimming pool and Jacuzzi, sauna room, fitness room, and garden, etc. Total selling project value is Baht 4,000 million. Currently, there are 202 units available for sales.

▪ **The Sails Condominium**

The project is located on Sukhumvit Main Road at kilometer 156.5 in Jomtien Beach, Pattaya, Chonburi province. These two buildings were constructed in sail shape. The south building is 43-storey

condominium with total of 151 units and only 4 units per each floor. 3 unit types are available which are 1 bedroom, 2 bedrooms, and 3 bedrooms. Its facilities are swimming pool, fitness room, etc. Total selling project value is Baht 1,500 million. The construction work was completed only 8% and it was currently suspended temporarily.

Two subsidiaries of the Company are as follows;

1) **Honor Business Company Limited**

Honor Business Company Limited, wholly owned by the Company, operates the development of land in Hua Hin for Sheraton Hua Hin Resort and Spa Hotel Project. Its current registered and paid-up capital is Baht 500 million.

2) **Grande Equity Development Company Limited**

Grande Equity Development Company Limited, wholly owned by the Company, operates the development of land in Pattaya for Le Meridien Pattaya Resort and The Sails Condominium Projects. Its current registered and paid-up capital is Baht 250 million.

1.1.2 Shareholding Structure of the Company

Top 10 shareholders as per the latest book closing date of the Company as of 27 July 2010 prior to the acquisition of the Company's shares by the Tender Offerors are as follows:

Name	As of 27 July 2010		
	Number of Shares	Percentage of shares compared to total paid-up shares	Percentage of shares compared to total voting rights
1. Giant Mauritius Holdings	540,873,487	43.23	43.23
2. Hotel and Property Development Co., Ltd.	340,987,525	27.25	27.25
3. Mr. Suradej Narula	66,321,723	5.30	5.30
4. CREDIT SUISSE SINGAPORE BRANCH	33,436,469	2.67	2.67
5. HSBC PRIVATE BANK (SUISSE) SA	31,544,594	2.52	2.52
6. Mr. Kirin Narula	25,600,000	2.05	2.05
7. Mr. Luck Narula	24,000,000	1.92	1.92
8. Mr. Surin Narula	24,000,000	1.92	1.92
9. Mr. Narin Narula	21,910,815	1.75	1.75
10. Mr. Ratchawin Narula	21,000,000	1.68	1.68
Total	1,129,674,613	90.29	90.29

Source: the Company's share register book

Top 10 shareholders as of 21 December 2010 after the acquisition of the Company's shares by the Tender Offerors are as follows:

Name	As of 21 December 2010		
	Number of Shares	Percentage of shares compared to total paid-up shares	Percentage of shares compared to total voting rights
1. Giant Mauritius Holdings	793,674,912	63.43	63.43
2. Ms. Saranya Chaichutaporn*	99,289,334	7.94	7.94
3. Mr. Suradej Narula	66,321,723	5.30	5.30
4. CREDIT SUISSE SINGAPORE BRANCH	33,436,469	2.67	2.67
5. HSBC PRIVATE BANK (SUISSE) SA	31,544,594	2.52	2.52
6. Mr. Kirin Narula	25,600,000	2.05	2.05
7. Mr. Luck Narula	24,000,000	1.92	1.92
8. Mr. Surin Narula	24,000,000	1.92	1.92
9. Mr. Narin Narula	21,910,815	1.75	1.75
10. Mr. Ratchawin Narula	21,000,000	1.68	1.68
Total	1,140,777,847	91.17	91.17

Note: * Mr. Warin Narula, a Concert Party of Ms. Saranya Chaichutaporn, holds 19,068,540 shares or 1.52% of the Company's paid-up shares (total collectively holding with Ms. Saranya Chaichutaporn of 118,357,874 shares or 9.46% of the Company's paid-up shares)

1.1.3 List of Board of Directors as shown in its latest register of directors

Pursuant to the Board of Directors' meeting No. 6/2010 and No. 7/2010 held on 7 December 2010 and the Board of Director's meeting No. 9/2010 and No. 10/2010 held on 21 December 2010 has resolved to appoint 8 directors to replace those who resigned and assign the new director positions as follows:

Position	Board of Directors	
	As of 19 November 2010	As of 21 December 2010 ³⁾
1. Chairman of the Board	Mrs. Nancy Ferguson ²⁾	Mr. Watcharakiti Watcharothai
2. Director	Mr. Amarin Narula	Mr. Amarin Narula
3. Director	Mr. Suradej Narula	Mr. Suradej Narula
4. Director	Mr. Mark Newman ²⁾	Mr. Vitavas Vibhagool
5. Director	Mr. Kevin William Dinnie ²⁾	Mr. Asawin Rakmanusa
6. Director	Mr. Yuichi Ohata ²⁾	Mr. Praween Benjasamityothin
7. Director	Mr. Todd James Rhodes ²⁾	Mr. Chaipipat Nimwattana
8. Director	Mr. Warwick Reginald Kneale ¹⁾	Mr. Wichai Thongtang
9. Chairman of the Audit Committee and Independent Director	Mr. Amarit Pansiri	Mr. Bunlue Chantadisai
10. Audit Committee and Independent Director	Ms. Somsri Dhanyacheevee ¹⁾	Mr. Khanit Sangsuphan
11. Audit Committee and Independent Director	Mr. Tanongsak Arthakan ¹⁾	Mr. Amarit Phansiri

- Note:
- 1) The Board of Directors' meeting No. 6/2010 and No. 7/2010 held on 7 December 2010 has resolved to appoint 1) Mr. Bunlue Chantadisai, 2) Mr. Khanit Sangsuphan, and 3) Mr. Chaipipat Nimwattana to replace those resigned directors, namely 1) Ms. Somsri Dhanyacheevee, 2) Mr. Tanongsak Arthakan, and 3) Mr. Warwick Reginald Kneale. The resignation is effective from 7 December 2010
 - 2) The Board of Directors' meeting No. 9/2010 held on 21 December 2010 has resolved to appoint 1) Mr. Watcharakiti Watcharothai, 2) Mr. Wichai Thongtang, 3) Mr. Vitavas Vibhagool, 4) Mr. Asawin Rakmanusa, and 5) Mr. Praween Benjasamityothin replace those resigned directors, namely 1) Mrs. Nancy Ferguson, 2) Mr. Todd James Rhodes, 3) Mr. Kevin William Dinnie, 4) Mr. Yuichi Ohata, and 5) Mr. Mark Newman. The resignation is effective from 21 December 2010
 - 3) The Board of Directors' meeting No. 10/2010 held on 21 December 2010 has resolved to appoint new directors, independent directors, and audit committee of the Company.

The Tender Offerors appointed 6 representatives to become directors of the Company as follows; 1) Mr. Watcharakiti Watcharothai, 2) Mr. Wichai Thongtang, 3) Mr. Vitavas Vibhagool, 4) Mr. Asawin Rakmanusa, 5) Mr. Praween Banjasamityothin, and 6) Mr. Chaipipat Nimwattana. The Tender Offerors have no plan to change directors within 12 months after the end of the Tender Offer period. However, after 12 months after the end of the Tender Offer period, directors and number of directors may be changed as appropriate.

1.1.4 Summary of Financial Status and Operating Performance of the Company

Summary table of the Company's consolidated financial statements for the year ended 31 December 2007-2009 and for the 9-months period ended 30 September 2010.

(Unit: Baht million)

	2007	2008	2009	For the 9 months period of 2010
	Consolidated	Consolidated	Consolidated	Consolidated
Financial Status				
Total assets	8,358.39	7,340.53	6,863.22	6,610.29
Total liabilities	7,404.80	6,639.49	6,706.44	6,884.61
Shareholders' equity	953.59	701.03	156.79	(274.32)
Registered and paid-up capital	1,251.20	1,251.20	1,251.20	1,251.20
Operating Performance				
Total revenues	860.00	1,869.02	632.72	506.60
Total expenses	1,875.11	2,121.58	1,176.97	937.71
Net loss	(1,015.11)	(252.56)	(544.25)	(431.10)
Loss per share (Baht)	(0.81)	(0.20)	(0.43)	(0.34)

	2007	2008	2009	For the 9 months period of 2010
	Consolidated	Consolidated	Consolidated	Consolidated
Dividend per share (Baht)	-	-	-	-
Book value per share (Baht)	0.76	0.56	0.13	(0.22)
Cash Flow				
Net cash flow from operating activities	447.76	1,105.55	(297.09)	(60.82)
Net cash flow from investing activities	(707.33)	(315.40)	(34.90)	(20.19)
Net cash flow from financing activities	630.97	(755.55)	(2.60)	(2.16)
Financial Ratio				
Liquidity ratio (times)	1.32	1.85	1.48	1.19
Gross margin (%)	(11.96)%	43.40%	77.94%	62.95%
Net profit margin (%)	(118.04)%	(13.51)%	(86.02)%	(85.10)%
Returns on shareholders' equity (%)	(43.25)%	(30.53)%	(126.89)%	N/A*
Debt-to-equity ratio (times)	7.77	9.47	42.77	N/A*

Source: The Company's audited financial statement for the year ended 31 December 2007-2009 and the Company's reviewed financial statement for the 9 months period ended 30 September 2010

Note: Securities holders can be loaded the financial statements and other public information from websites of the Securities and Exchange Commission (www.sec.or.th) or the Stock Exchange of Thailand (www.set.or.th)

* Not applicable to be calculated due to the negative shareholder's equity

Analysis of the Company's Operating Performance and Financial Status

▪ **Operating Performance**

Revenues

For the first 9 months period of 2010, GRAND had total revenues of Baht 506.60 million, increased of Baht 108.51 million or increased by 27.26% from the same period of 2009. Major revenues of GRAND, accounting for 94.50% of total revenues were from the revenues from hotel operations which generated Baht 478.75 million during the first 9 months period of 2010, increased of Baht 5.64 million or increased by 1.19% from the same period of 2009 which had total revenues from hotel operations of Baht 473.11 million or 118.84% of total revenues. The increase of total revenues was mainly resulted from the slight recovery of Thai tourism industry in the first 9 months period of 2010, despite given the impact from the political turmoil during the mid year. GRAND had total revenues from the property sales of Baht 67.58 million, however with the reversal transaction of Baht (65.87) million thus GRAND had total net revenues from the property sales of Baht 1.71 million, increased of Baht 109.50 million or increased by 101.58% from the same period of 2009 which had total revenues from sales of real estate of Baht (107.80) million. The figure of real estate revenues were negative due to a significant number of condominium buyers of projects have returned the units purchase and requested for their deposit refunds since 2009 until present as a consequence of the Company had temporarily suspended constructions and sales of several property projects from the situation that its sole debenture purchaser, overseas related company, was subject to bankruptcy administration in September 2008, resulting in the Company was unable to draw down the debenture of Baht 5 billion to finance the project.

In 2009, GRAND had total revenues of Baht 632.72 million, decreased of Baht 1,236.30 million or decreased by 66.15% from 2008. This was mainly due to the revenues from hotel operations of Baht 671.33 million or 106.10% of total revenues, decreased of Baht 181.97 million or decreased by 21.33% from 2008. Such decrease was largely attributed to the domestic political instability as well as the global economic slowdown, resulting in lower occupancy rates of foreign tourists visiting Thailand. In addition, the revenues from sales of real estate of Baht (79.91) million, decreased of Baht 1,039.93 million or decreased by 108.32% from 2008 due to the Company's suspension of several construction projects regarding the aforementioned reasons, resulting in a significant number of condominium buyers of projects have returned the units purchase and requested for their deposit refunds.

In 2008, GRAND had total revenue of Baht 1,869.02 million, increased of Baht 1,009.02 million or increased by 117.33% from 2007, which had total revenues of Baht 860.00 million. This was mainly due to the revenues from hotel operations of Baht 853.30 million, increased of Baht 172.65 million or increased by 25.37% from 2007, which had total revenues from hotel operations of Baht 680.85 million. Such increase of total revenues from hotel operations was due to the opening of new hotel in the mid of August 2007 namely, "Sheraton Hua-hin Resort and Spa", which was a subsidiary of the Company. In addition, the revenues from sales of real estate of Baht 960.02 million, increased of Baht 839.41 million or

dramatically increased by 696.00% from 2008, which had total revenues from sales of real estate of Baht 120.61 million, as a result of more revenue recognitions after the revision for budget reduction of construction costs, resulting in savings in 2 property projects namely, "The Trendy Condominium" and "Hua-hin Blue Lagoon", which had been completed in the second quarter of 2008.

Expenses and Costs of Hotel Operations and Costs of Sales of Real Estate

For the first 9 months period of 2010, GRAND had total expenses of Baht 656.19 million, increased of Baht 101.13 million or increased by 18.22% from the same period of 2009. Total expenses were mainly comprised of costs of hotel operations of Baht 187.75 million, which decreased of Baht 1.67 million or slightly decreased by 0.88% from the same period of 2009, which had total costs of hotel operations of Baht 189.41 million as benefited from the recovery of Thai tourism industry and the global economy. In addition, total expenses were also comprised of costs of sales of real estate of Baht (4.63) million, increased of Baht 104.47 million or increased by 95.76% from the same period of 2009, which had total costs of sales of real estate of Baht (109.09) million. The negative figure was due to the reversal of cost of real estate from a significant number of condominium buyers of projects have returned the units purchase.

In 2009, GRAND had total expenses of Baht 778.87 million, decreased of Baht 1,061.55 million baht or decreased by 57.68% from 2008. Total expenses were mainly comprised of costs of hotel operations of Baht 260.52 million, which decreased of Baht 34.02 million or decreased by 11.55% from 2008 in relation to the revenue decrease impacted by the domestic political instability and economic slowdown. In addition, total expenses were also comprised of costs of sales of real estate of Baht (126.31) million, which decreased of Baht 867.62 million or decreased by 117.04% from 2008 due to the reversal of cost of real estate from a significant number of condominium buyers of projects have returned the units purchase as a consequence of the Company's suspension of several construction projects.

In 2008, GRAND had total expenses of Baht 1,840.42 million, increased of Baht 186.32 million or increased by 11.26% from 2007, which had total expenses of Baht 1,654.10 million. Total expenses were mainly comprised of costs of hotel operations of Baht 294.54 million, which increased of Baht 77.37 million or increased by 35.63% from 2007, which had total costs of hotel operations of Baht 217.17 million. The additional costs of hotel operations in 2008 were mainly driven by the opening of a new hotel of the company's subsidiary. In addition, the increase of total expenses were partly attributable to the costs of sales of real estate of Baht 741.31 million, which increased of Baht 44.32 million or increased by 6.36% from 2007, which had total costs of sales of real estate of Baht 696.99 million in relations to more revenues recognition as mentioned above.

Selling and Administrative expenses

For the first nine months period of 2010, GRAND had total selling and administrative expenses of Baht 300.29 million, slightly increased of Baht 0.94 million or increased by 0.31% from the same period of 2009, mainly due to the Company had suspended construction works and sales of several property projects and relied primarily on its hotel businesses.

In 2009, GRAND had total selling and administrative expenses of Baht 408.72 million, decreased of Baht 372.14 million or decreased by 47.66% from 2008. The was mainly due to the decrease of expenses relating to the decreased revenue from sales of real estate, as impacted by a temporary suspension of constructions and sales i.e. the decrease of average central charge of the condominiums, the decrease of provision for compensation paid to the unit buyers who returned the units purchase, etc.

In 2008, GRAND had total selling and administrative expenses of Baht 780.86 million, increased of Baht 40.93 million or increased by 5.53% from 2007, which had total selling and administrative expenses of Baht 793.93 million, mainly due to the opening of a new hotel by the company's subsidiary.

Net Profit

For the first nine months period of 2010, GRAND had total net loss of Baht (431.10) million, decreased of Baht 30.21 million or decreased by 6.55% from the same period of 2009, which had total net loss of Baht (461.31) million. Such decrease of net loss was mainly due to the improved hotel industry and the decrease of net realizable loss from several condominium buyers of projects have returned the units purchase (due to a significant number of unit buyers already returned their units purchase in the prior period)

In 2009, GRAND had total net loss of Baht (544.25) million, increased of Baht 291.69 million or increased by 115.19% from 2008. This is mainly due to the global economic recession and political instability which had continued to have negative impact on Thailand's tourism industry along with the temporary suspension of construction projects from the event that its sole debenture purchaser was

subject to bankruptcy administration in September 2008, resulting in the Company was unable to draw down the debenture of Baht 5 billion to finance the project and leading to the significant number of condominium buyers of projects have returned the units purchase and requested for their deposit refunds.

In 2008, GRAND had total net loss of Baht (252.56) million, decreased of Baht 762.54 million or decreased by 75.12% from 2007, which had total net loss of Baht (1,015.11) million. This improved performance was benefited from the opening of a new hotel by the Company's subsidiary and the amendment of the Company's policy regarding the pricing and the target market in responsive to the economic recession and political instability. In addition, the Company also recognized more revenues after the revision for budget reduction of construction costs, resulting in saving 2 property projects that had been completed in the second quarter of 2008, as stated above.

Financial status

Assets

As of 30 September 2010, GRAND had total assets of Baht 6,610.29 million, decreased of Baht 252.93 million or decreased by 3.22% from at the end of 2009 due to the decrease of current assets of Baht 111.72 million or decreased by 6.39%. This was mainly due to the decrease of cash and cash equivalent of Baht 83.17 million or decreased by 46.83%, which was used to repay the deposits back to unit buyers who requested to return their units purchase as mentioned above. Total non-currents assets decreased of Baht 141.21 million or decreased by 2.76% from at the end of 2009, mainly due to the decrease of fixed assets of Baht 132.21 million or decreased by 2.86% as a result of the increased depreciation expense.

At the end of 2009, GRAND had total assets of Baht 6,863.22 million, decreased of Baht 477.31 million or decreased by 6.5% from at the end of 2008 due to the decrease of current assets of Baht 293.84 million or decreased by 14.40%. This was mainly due to the decrease of cash and cash equivalent of Baht 334.58 million or decreased by 65.32%, which was used to repay the deposits back to unit buyers who requested to return their units purchase as mentioned above. Total non-current assets decreased of Baht 183.47 million or decreased by 3.46% from at the end of 2009, mainly due to the decrease of fixed assets as a result of the increased depreciation expense.

At the end of 2008, GRAND had total assets of Baht 7,340.53 million, decreased of Baht 1,017.86 million or decreased by 12.18% from at the end of 2007, which had total assets of Baht 8,358.39 million due to the decrease of current assets of Baht 1,223.71 million. This was mainly due to the decrease of unbilled completed projects of Baht 809.18 million or decreased by 87.45% (in particular, "The Trendy", and "Hua-hin Blue lagoon" project) and the decrease of costs of sales of real estate of Baht 385.80 million as a result of the Company had transferred right of ownership to most of its condominium owners since the third quarter of 2008 as well as realization of the budget cost reduction for 2 projects that had been completed in the second quarter of 2008, as stated above. On the other hand, total non-current assets increased of Baht 205.85 million or increased by 4.04% from at the end of 2007. This was mainly due to an increase of fixed assets of Baht 219.42 million or increased by 4.50% as the Company was under the development process of "Crown Plaza Sukhumvit", "The Regent Bangkok" and "Le Meridien Pattaya Resort", including interest payables and related expenses, which were incurred from loans proceeds, were also part of costs of development.

Liabilities

As of 30 September 2010, GRAND had total liabilities of Baht 6,884.61 million, increased of Baht 178.17 million baht or increased by 2.66% from at the end of 2009 due to the increase of current liabilities of Baht 188.97 million. This was mainly due to the increase of interest payable of debentures to the related company of Baht 280.81 million and the decrease of warranty provisions for real estate projects of Baht 26.89 million or decreased by 0.2% from at the end of 2009

At the end of 2009, GRAND had total liabilities of Baht 6,706.44 million, increased of Baht 66.94 million or increased by 1.01% from at the end of 2008 due to the increase of current liabilities of Baht 77.11 million. This was mainly due to the decrease of account payables – other of Baht 173.91 million, the decrease of deposits received – hotel of Baht 88.45 million, and the decrease of construction payable of Baht 71.79 million, respectively was largely offset by the increase of interest payable of debentures to the related company of Baht 396.91 million from additional loan drawdown. Total non-current liabilities decreased slightly of Baht 10.17 million or decreased by 0.18% from at the end of 2008.

At the end of 2008, GRAND had total liabilities of Baht 6,639.49 million, decreased of Baht 765.31 million or decreased by 10.34% decrease from at the end of 2007 due to the decrease of current liabilities of Baht 1,365.89 million. This was mainly due to the decrease of long-term loans that was due in

1 year which had been repaid in full amount of Baht 837.90 million and the decrease of deposit received – real estate of Baht 462.46 million. Total non-current liabilities as of 31 December 2008, increased of Baht 600.6 million or increased by 12.17% from at the end of 2007 were resulted from additional loan drawdown of Baht 612.36 million by the Company's debenture purchaser. However, since the third quarter of 2008, the Company's debenture purchaser, which is the overseas related company, has been facing business problem and is now under court protection of the overseas law. This causes the Company's loan drawdown to be temporarily suspended. As of 31 December 2008, the Company's outstanding debenture credit facility was Baht 4,997 million.

Shareholder's equity

As of 30 September 2010, GRAND had total shareholder's equity of Baht (274.32) million, decreased of Baht 431.10 million or decreased by 274.97% from at the end of 2009 as a result of the net loss of the first nine months period of 2010, as stated above under the operating performance part.

At the end of 2009, GRAND had total shareholder's equity of Baht 156.79 million, decreased of Baht 544.25 million or decreased by 77.64% from at the end of 2008 as a result of the net loss for the year 2009, as stated above under the operating performance part. The dramatic decrease of GRAND's total shareholders' equity in 2008 resulted in the significant increase in debt-to-equity ratio from 9.47 times at the end of 2008 to 42.77 times at the end of 2009.

At the end of 2008, GRAND had total shareholder's equity of Baht 701.03 million, decreased of Baht 252.56 million or decreased by 26.48% from at the end of 2007 as a result of the net loss for the year 2008, as stated above under the operating performance part.

Liquidity

As of 30 September 2010, GRAND had net decrease in cash and cash equivalents of Baht 83.17 million, of which representing net cash flows used in operating activities of Baht 60.82 million (mainly used for hotel business operations and repayment of deposit refunds to unit buyers who requested to return their units purchase), net cash flows used in investing activities of Baht 20.19 million, and net cash flows used in financing activities of Baht 2.16 million.

At the end of 2009, GRAND had net decrease in cash and cash equivalents of Baht 334.58 million, of which representing net cash flows used in operating activities of Baht 297.09 million (mainly used for hotel business operations and repayment of deposit refunds to unit buyers who requested to return their units purchase), net cash flows used in investing activities of Baht 34.90 million, and net cash flows used in financing activities of Baht 2.60 million.

At the end of 2008, GRAND had a net increase in cash and cash equivalents of Baht 34.60, of which representing net cash flows from operating activities of Baht 1,105.55 million from the newly open hotel, net cash flows used in investing activities of Baht 315.40 million, and net cash flows used in financing activities of Baht 755.55 million for loan repayment.

Industry Outlook

Hotel and Tourism Business

The tourism industry in Thailand had been negatively impacted from the financial crisis in USA, the world economic slowdown and the prolonged political instability in Thailand, resulting in the decreasing number of tourists visiting in Thailand during the past year 2008 – 2009. Although the government has implemented the Stimulus Packages to assist Thai economy by having the tourism campaigns, the political turmoil, which is the major tourist destiny in Thailand, had resulted in lack of confidence and safety of the tourists visiting to Thailand.

During the 6-month period of 2010, tourism industry had improved, which resulted in the minor increase of occupancy rate from 2009 (Source: Hotelworks, Asset Management and Hospitality Consulting) as a result of the world economic recovery, despite some effects from the political conflicts and the demonstration of the anti-government protestors which later elevated and led to the closing of Rachaprasong areas. Subsequently, it led to the military operations and the burn down of private properties which finally caused a lot of injured and death. Such serious situations have made many countries issued announcement to prohibit their citizen traveling into Thailand.

Accordingly, the Company expected the recovery of domestic tourism industry to start in 2011 onwards, given the condition that there will be no political protest as occurred in 2010

Property Sales Business

The property sales business has been performed well since 2009 from the continued growing volume of

condominium or unit sales, following a launch of plenty new projects. The Housing Business Association expects the sales growth of property sales business in 2011 will be the same as 2010 due to the negative impact from the world economic slowdown and the prolonged political will probably deteriorate the investment atmosphere and lessen the confidence of condominium or unit buyers. However, from the survey of the Housing Business Association, it is shown that the demand for Bangkok condominium has been increased from previously 10% in 2010 to 40%. In addition, the positive impact from signing AFTA, which benefited from the migrated middle-income foreigners in 2011, will cause a higher demand of house, condo, and apartment in the next 4-5 years. On the other hand, the possible trend of rising interest rate will be another key factor of which buyer should carefully consider before making a decision to buy a property. Consequently, from all aforementioned factors, the Company is growing more confident regarding the positive trend of property sales business to expect a consecutive growth of not less than 2-3 years.

2. Opinions concerning the accuracy of the information of the Company disclosed in the Tender Offer

The Company's Board of Directors is of the opinion that all material information relevant to the Company as disclosed in the Tender Offer Statement (Form 247-4) is accurate.

3. Any relationship or agreement between the directors of the Company and the Tender Offerors, whether done personally or in accordance with the status of directors or the agent of Tender Offerors, which includes the holding of shares in the Tender Offerors' juristic person and any contract or understanding or agreement between each other in such transaction (such as management etc.)

3.1. Relationship between the directors of the Company and the Tender Offerors

3.1.1 Relationship between Metro Premier, a Tender Offeror

- As of 21 December 2010, Metro Premier acquired the Company's shares and became a major shareholder of the Company, holding 793,674,912 shares or 63.43% of the Company's paid-up shares.
- After the acquisition of shares, Metro Premier had appointed representatives to be the Company's Board of Directors. Pursuant to the Board of Directors' meeting No. 6/2010 and 7/2010 held on 7 December 2010 and No. 9/2010 and 10/2010 held on 21 December 2010 resolved to appoint 8 new directors to replace those who resigned. As a result, on 21 December 2010, the Company has common directors with a Tender Offeror as follows;

Name	Position		
	GRAND	Metro Premier	TPROP
1. Mr. Watcharakiti Watcharothai	Chairman of the Board	- None -	Chairman of the Board
2. Mr. Vitavas Vibhagool	Director	Director	Managing Director
3. Mr. Asawin Rakmanusa	Director	Director	Director

3.1.2 Relationship between Ms. Saranya Chaichutaporn, a Tender Offeror

- As of 21 December 2010, Ms. Saranya Chaichutaporn and Mr. Warin Narula, her Concert Party collectively held 118,357,874 shares of the Company or 9.46% of the Company's paid-up shares.
- Mr. Warin Narula, her Concert Party, is a husband of Ms. Saranya Chaichutaporn and is a son of Mr. Suradej Narula who is a Company's shareholder and director

3.2. Shareholding of the directors of the Company in the Tender Offeror's juristic person

- None -

3.3. Existing or perspective mutual contracts or agreements between the Company and the Tender Offerors

- 3.3.1** On 21 December 2010, both Tender Offerors have signed the agreement to pledge recently-acquired shares of the Company in total of 881,861,012 shares or 70.48% of the Company's paid-up shares with CIMB Thai Bank Public Company Limited and

Government Saving Bank as a collateral for loan proceeds in accordance with the Syndicate Loan Agreement that the Company had already signed with those 2 banks.

3.3.2 The Company's Board of Directors' meeting No. 11/2010 held on 21 December 2010 has resolved to approve the loans borrowing from TPROP, a major shareholder of Metro Premier, totaling of Baht 170 million at interest rate of 12% per annum to be used as working capital of the Company.

4. Opinion of the Board of Directors of the Company, given to the securities holders

The Board of Director's meeting No. 1/2011 held on 24 January, 2011. There were 9 directors attending the meeting as follows:

Name	Position
1. Mr. Watcharakiti Watcharothai*	Chairman of the Board
2. Mr. Amarin Narula **	Director
3. Mr. Vitavas Vibhagool*	Director
4. Mr. Asawin Rakmanusa*	Director
5. Mr. Praween Benjasamityothin*	Director
6. Mr. Chaipipat Nimwattana*	Director
7. Mr. Wichai Thongtang*	Director
8. Mr. Khanit Sangsuphan	Audit Committee and Independent Director
9. Mr. Amarit Phansiri	Audit Committee and Independent Director

Note: * Directors who have a conflict of interest since they are appointed by the Tender Offerors

** 1 Directors had no opinion on this agenda

Two members of the Board of Directors who attended the meeting and have no conflict of interest, namely 1) Mr. Khanit Sangsuphan, and 2) Mr. Amarit Phansiri. Those directors considered the Tender Offer Statement (Form 247-4) and the opinion of Silom Advisory Co., Ltd., the Independent Financial Advisor ("IFA") to the Company's shareholders and unanimously resolved to recommend to the shareholders as follows:

4.1. Reasons to accept or reject the Tender Offer

The Company's Board of Directors, exclusive of the directors with a conflict of interest, considered the Tender Offer and the opinion of IFA to the Company's shareholders on the Tender Offer. The IFA to the Company's shareholders studied the appropriateness of the offering price in details by comparing the offering price with the share prices of the Company via various valuation methods. The Company's Board of Directors are of the opinion that the Tender Offer price of Baht 0.57 per share is considerably inappropriate due to it is lower than the fair value of Baht 0.90 per share derived from the Adjusted Book Value Approach based on the IFA's opinion report. Besides, such offering price is lower than the market price of the Company within the past 360 days prior to the days that Tender Offerors declare the offering price or from 30 June 2009 to 7 January 2011

Thus, the Company's Board of Directors, exclusive of the directors with a conflict of interest, therefore unanimously resolved to recommend the shareholders to **REJECT** the Tender Offer. However, when considering the Tender Offer, the shareholders shall study the opinion of the IFA to the Company's shareholders in details as well as any other relevant information. The decision to accept or reject the Tender Offer must be made at the sole discretion of each shareholder

4.2. The opinions and reasons of each director and the number of share held by each director (only if the opinions of the Board of Directors in 4.1 are not unanimous)

- None -

4.3. Benefit or impact from the plans and policies indicated in the Tender Offer and the possibility of such plan and policies

The Company's Board of Directors, exclusive of the directors with a conflict of interest, viewed that the possibility of plans and policies set out in the Tender Offer is high and may impact the Company as follows:

- The Tender Offerors will maintain listing status of the Company and have no plan to delist the Company's securities from the SET except the case that the Company is unable to meet the

The Company's Board of Directors, exclusive of the directors with a conflict of interest, viewed that the possibility of plans and policies set out in the Tender Offer is high and may impact the Company as follows:

- The Tender Offerors will maintain listing status of the Company and have no plan to delist the Company's securities from the SET except the case that the Company is unable to meet the listing requirements under the relevant SET's regulations and the SET delists the Company's securities from the SET.
- Within 12 months after the end of the Tender Offer period, the Tender Offerors have no policy to change the Company's business objectives. It will still focus on the 4-5 stars hotels and investments in property development projects which generate a rapid return. The Tender Offerors have also no plan to invest in new projects or increase production or change its business plan significantly. The Company's and its subsidiaries' projects which were completed and have been in operation will continue their normal operations and may made additional investment for renovation and maintenance to maintain the efficient operations. The Tender Offerors planned to apply for additional credit facilities to complete the other unfinished projects. However, if some projects could not obtain credit facilities from the financial institution, the Company might consider the capital increase to complete the projects or sell such project to the potential investor(s) to develop and complete them
- Within 12 months after the end of the Tender Offer period, the Tender Offerors have no plan to sell the Company's and its subsidiaries' core assets, except the uncompleted projects which are unable to capture the financing to complete such projects. Then, the Company may consider selling those projects to outside parties.

On 21 December 2010, the Tender Offerors has signed in the share purchase agreement, the Company has entered into the debt restructuring agreement with the debenture holder and a long-term syndicated loan agreement as follows:

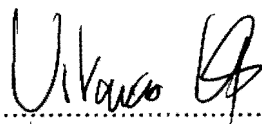
- Under the debt restructuring agreement with Trade Victor Investments Limited ("TVI") who is the major creditor of the Company, the Company's indebtedness will be forgiven for the amount at least Baht 2,364 million, of which the Company will recognize such gains from debt restructuring as a profit within 2011. In addition, within 6 months after the signing date of the debt restructuring agreement, the Company agrees to convert the partial debt principal in the amount of Baht 1,000 million to equity by issuing newly-issued shares to TVI under the Private Placement scheme.
- On 21 December 2010, the Company entered into a long-term syndicated loan agreement (called Credit Agreement) with CIMB Thai Bank Public Company Limited and Government Saving Bank with total credit line of Baht 4,400 million and used the Company's assets, the Company's total of 881,861,012 shares that the Tender Offerors have acquired from the existing shareholders, the subsidiaries' assets and shares as a collateral. The amount of Baht 2,500 million will be used to repay TVI under the aforementioned debt restructuring agreement and the remaining of Baht 1,900 million will be used to complete develop projects of hotel and real estate with the conditions that require the Company to issue right offering share at least Baht 400.

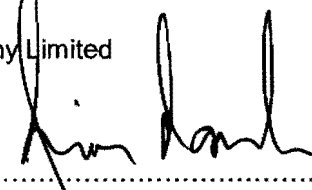
4.4. Additional opinions of the Board of Directors of the Company (only in case of a delisting Tender Offer)

- None, as this is not a delisting Tender Offer -

The Company hereby certifies that the above information is correct and without misleading information, and no concealment is made on any material information which should be disclosed

Grande Asset Hotels and Property Public Company Limited

Signature 
 (.....)
 Director

Signature 
 (.....)
 Director

5. The Opinion of Independent Financial Advisor

19 January 2011

Subject: The Opinion of Independent Financial Advisor on the Tender Offer for Securities of Grande Asset Hotels and Property Public Company Limited

To The Shareholders of Grande Asset Hotels and Property Public Company Limited

Pursuant to the resolution of the Board of Director's meeting of Thai Property Public Company Limited ("TPROP") No. 16/2010 held on 21 December 2010, Metro Premier Holding Co., Ltd. ("Metro Premier), a subsidiary of TPROP, acquired 881,861,012 shares of Grande Asset Hotels and Property Public Company Limited ("GRAND" or the "Company") which operates the hotel business and property development or equivalent to 70.48% of the Company's paid-up shares at the total consideration of Baht 500,000,000 from the Company's 2 major shareholders whose their shares are held by Lehman Brothers Real Estate Pension Partners II (hereinafter refer to together as "Lehman Group") namely, (1) Giant Mauritius Holdings in total of 540,873,487 shares at a par value of Baht 1 per share or 43.23% of the Company's paid-up shares at the total consideration of Baht 306,665,948.28 and (2) Hotel & Property Development Co., Ltd in total of 340,987,525 shares at a par value of Baht 1 per share or 27.25% of the Company's paid-up shares at the total consideration of Baht 193,334,051.72.

After the acquisition of 881,861,012 GRAND's shares, Metro Premier had sold 88,186,100 shares of the Company at a par value of Baht 1 per share or 7.05% of the Company's paid-up shares for the amount of Baht 50,000,000 to Ms. Saranya Chaichutaporn. As a consequence, the remaining shares of the Company held by Metro Premier are 793,674,912 shares or 63.43% of the Company's paid-up shares.

After such share acquisition, Metro Premier and Ms. Saranya Chaichutaporn (hereinafter refer to together as the "Tender Offerors") and her Concert Party of Tender Offerors collectively held 912,032,786 shares of the Company or 72.89% of the Company's paid-up shares, which is higher than 50% of the Company's paid-up shares. Therefore, the Tender Offerors are required to conduct a mandatory Tender Offer pursuant to the Notification of the Securities and Exchange Commission No. Gor Jor. 53/2545 re: Rules, Conditions and Procedures for the Acquisition of Securities for Business Takeovers. On 23 December 2010, the Tender Offerors submitted Form of Statement of Firm Intention to Make a Tender Offer (Form 247-3) and on 4 January 2011, GRAND received the Tender Offer Statement (Form 247-4) from the Tender Offerors.

Silom Advisory Company Limited (the "IFA" or "SILOM"), an approved financial advisor by the Securities and Exchange Commission ("SEC"), has been appointed by the Company as the independent financial advisor to provide an opinion to its shareholders regarding the Tender Offer. In preparation of this report, the Advisor has studied the information on the Tender Offer Statement (Form 247-4) dated 4 January 2011, Information Memorandum of TPROP concerning the Shares Acquisition of GRAND dated 22 December 2010 ("Info Memo"), the interview with the management and relevant parties, the information and documents given by the Company, such as the financial statements, business plan, financial plan prepared by the management of the Company, shares sales and purchase agreements, debt restructuring agreements, including other publicly disclosed information, such as the annual registration statement (56-1 Report), other statistics data provided on the Company, the Stock Exchange of Thailand ("SET") and the SEC's websites.

The IFA does not warrant the accuracy and completeness of all information provided by the Company and/or the Company's management. The IFA has based its opinion on the assumptions that the aforementioned information is full, complete, and correct. The rendering opinion rests on the consideration of the currently perceivable information. Any significant changes in the economic conditions as well as other external factors that may affect the Company in the future or any change of information by the Tender Offerors other than disclosed in Form 247-4 after our rendering opinion might significantly affect the Company's business operation and the financial projection as well as the shareholder' decision.

In rendering this opinion for the shareholders, we have considered the appropriateness of the Tender Offer price and other relevant factors to accept or reject the Tender Offer which are summarized as follows:

5.1 The appropriateness of the Tender Offer price

In order to provide the opinion, SILOM thoroughly considered the reasonableness and appropriateness on the Tender Offer price by relying on the information as stated in the Tender Offer Statement (Form 247-4), the additional amendment on Form 247-4, Info Memo of TPROP concerning the shares acquisition, the interview with the Company's management, the information and documents given by the Company as well as the publicly disclosed information such as Form 56-1, financial statements, information from the SET, etc.

However, SILOM provides the opinion based mainly on the truth and completeness of those information and documents at present. Therefore, any changes of such information may significantly affect the Company's business operation, future forecast as well as the shareholder's decision.

In considering the appropriateness of Tender Offer price, the Advisor has conducted the share valuation by applying 4 approaches as follows:

1. Book Value Approach
2. Adjusted Book Value Approach
3. Market Value Approach
4. Discounted Cash Flow Approach

SILOM did not evaluate the share value of GRAND by using Price to Earnings Ratio Approach (P/E Ratio) and Price to Book Value Ratio Approach (P/BV Ratio) since the Company had net loss over the past 4 consecutive quarters (as shown in the financial statement as of 30 September 2009 to 30 September 2010) and the Company's shareholder's equity was negative. In addition, SILOM did not apply Dividend Discount Model (DDM) to evaluate the share valuation of GRAND as well due to the Company had net consecutive loss over the past 5 years and therefore there was no historical record for dividend payment as a reference.

After studying all information and documents of the Company as well as all other relevant information, SILOM would like to summarize our opinion as follows.

1. **Book Value Approach**

The Book Value approach reveals the value of the Company at a certain period of time. The share value is calculated from the Company's book value shown in the financial statements as of 30 September 2009, which was reviewed by the auditor approved by the SEC. The Company's book value can be calculated as follows

	(Unit: Baht million)
Paid-up capital	1,251.20
Share premium (discount)	717.50
Retained earnings (deficit)	(2,243.02)
Total Shareholders' Equity (capital deficit)	(274.32)
Total Paid-up Shares (million shares)	1,251.20
Book value per share (Baht/share)	(0.22)

By using this approach, the value of the GRAND's share is **Baht (0.22) per share, lower than the offering price by Baht 0.79 per share or 138.60% lower than the offering price.**

2. **Adjusted Book Value Approach**

By using this method, the share value is derived from deducting the total assets by the total liabilities, including commitments and contingent liabilities shown in the financial statements as of 30 September 2010, and adjusted by the items occurred after the end of accounting period or the items that may reflect the actual value of GRAND until 7 January 2011. Then, divide the result by the total number of issued shares.

In determining the adjusted book value of the Company, SILOM has reviewed the following major transactions, comprised of 1) Impacts on Debt Restructuring Agreements with Trade Victor Investments Limited ("TVI"), who is the Company's a major creditor 2) Provision for liability or compensation which may be incurred from filed lawsuits, and 3) Comparison of land value appraised by government agency.

However, in December 2010, the Company appointed Sallmaans (Far East) Limited ("Sallmaans"), which is the independent property appraiser approved by Thai Valuers Association (TVA) and the Valuers Association of Thailand (VAT) to appraise the assets of The Westin Grande Sukhumvit Hotel and Sheraton Hua Hin Resort and Spa. Nonetheless, due to the objective of preparation of assets appraisal report by Sallmaans is for accounting and internal use only and it is not authorized to be publicly disclosed. Thus, SILOM shall not use the assets appraisal report in considering the adjustment of the GRAND's shares.

The summary of adjustment items are summarized as follow:

2.1 Debt Restructuring Agreements with TVI

Board of Directors' meeting of the Company No. 11/2010 on 21 December 2010 resolved to approve debt restructuring between the Company and Trade Victor Investments Limited (TVI), who is a holder of floating rate secured debenture No. 1/2550 due 2010. The outstanding principal and interest are approximately Baht 6,364 million. The following is significant details of debt restructuring;

- (1) The Company repays Baht 2,500 million principal to TVI by using loan proceeds from CIMB Thai Bank Public Company Limited and Government Saving Bank. Then, TVI will immediately release all collateral pledged with debenture.
- (2) The Company repays Baht 470 million principal by endorsing Baht 400 million bill of exchange issued by Honor Business Co., Ltd. to TVI as a result, TVI will be a creditor of Honor Business Co., Ltd. in accordance with Baht 400 million bill of exchange. Then, Baht 470 million principal of Honor Business Co., Ltd. will be forgiven, and Baht 930 million accrued interest of the Company will also be forgiven.
- (3) Baht 2,464 million remaining debt after repayments according to (1) and (2) will be transformed into Unsecured and Subordinated Term Loan Repayable on Demand at interest rate of 3.0% per annum.
- (4) Within 6 months after the signing date of the debt restructuring agreement, TVI and the Company agree to convert the partial principal in (3) for the amount of Baht 1,000 million to equity by issuing newly-issued shares to TVI under the Private Placement scheme. Conversion price of debt to equity will be mutually-agreed between the Company and TVI which must not lower than the par value and must be approved by the Company's shareholders meeting.
- (5) After the debt to equity conversion, the Company still has the Unsecured and Subordinated Term Loan Repayable on Demand with TVI approximately Baht 1,464 million. Then, all outstanding principal and accrued interest totaling of Baht 964 million and accrued interest from the Unsecured and Subordinated Term Loan Repayable on Demand in (3) until the Discharge Date will be forgiven for the Company before or after debt to equity conversion but not later than 31 December 2011. As a consequence, after debt forgiven in (5), the remaining debt of the Company with TVI will be equal to Baht 500 million

Referred to aforementioned debt restructuring agreements, resulting in:

- The Company will have gains from restructuring in 2010 in the amount of Baht 1,400 million, resulting in an increase in the Company's shareholder's equity with the same amount.
- Within 6 months after the signing date of the debt restructuring agreement on 21 December 2010, the Company will issue newly-issued shares to TVI under the Private Placement scheme in the amount of Baht 1,000 million by conversion of debt to equity, resulting in an increase in the Company's shareholder's equity of Baht 1,000 million. Besides, the debt amount of Baht 964 million will be forgiven by TVI, which is expected to recognize as profit within 2011. However, the number of newly-issued shares will depend on its offering price (Conversion price of debt to equity)

Nonetheless, the conversion of debt to equity will be occurred after this share valuation. Thus, SILOM will take into account only gains from restructuring in the first period of Baht 1,400 million in considering the adjustment of GRAND's book value.

2.2 Filed lawsuits in relations to the default of hire-of-work contract in the amount of Baht 60 million (Black case No.785/2552)

In March 2009, Pacific Window Co., Ltd. and Eurosia Mercantile Co., Ltd. filed a complaint against the Company. The Plaintiffs have claimed for compensation relating to an alleged default by the Company of its obligations under a hire-of-work contract. The Plaintiffs are claiming damages in the

amount of Baht 69 million. The Company's management believes that the Company has no obligation to pay this amount as compensation, if any, to the plaintiffs. Therefore, no provision for liability has been set aside in the accounts. The Court scheduled an appointment to take place in December 2010 and further postponed into 2011.

Due to the case is currently under the court proceedings and the judgment regarding time schedule and the obligations to compensate the plaintiffs cannot be determined exactly. Thus, SILOM shall not consider this transaction in the adjustment of GRAND's shares.

2.3 Filed lawsuits in relations to the breach of the land lease agreement (Black case No.1110/2551)

In October 2008, Ms. Ampushanee Ratanakanok, one of the landlords of The Westin Grande Sukhumvit Hotel filed a complaint against the Company, claiming that the Company had breached the land lease agreement made with the plaintiff, resulting in damage to the plaintiff. Under this lawsuit, the plaintiff petitioned for termination of the land lease agreement and sued for total compensation of Baht 79 million. On 6 August 2010, the Phrakhanong Provincial Court announced its judgment on the lawsuit, holding that the Company had breached the terms of the land lease agreement, thereby entitling the plaintiff to legally terminate the land lease agreement, with the hotel building to become the property of the plaintiff pursuant to the agreement. However, the Court found that the Company was not obliged to pay compensation of Baht 79 million to the plaintiff. Furthermore, the Company was ordered to deregister the land lease under the agreement and to release the hotel building from mortgage with a local bank.

Subsequently, on 2 September 2010, the Company submitted to the Court of Appeal an appeal against the said judgment of the Court of First Instance and a petition for stay of execution requesting a stay of execution in accordance with the said judgment until a final judgment of the Court of Appeal or the Supreme Court shall have been reached. Subsequently, the Plaintiff filed an answer to the appeal on 26 October 2010. In addition, on 1 October 2010 the Plaintiff also filed an appeal against the judgment of the Court of First Instance in relation to damages by asking the Court of Appeal to award damages to the Plaintiff at the rate of Baht 500,000 per day commencing from the date following the date of judgment of the Court of First Instance until the date of the Company delivers the hotel building to the Plaintiff. The appeal is currently pending the consideration of the Court of Appeal. As for the petition for stay of execution, the Company's management believes that the Court of Appeal will consider and reach the decision within January 2011.

Due to the case is currently under the court proceedings and the final result regarding time schedule and the obligations to compensate the plaintiffs cannot be determined exactly. Thus, SILOM shall not consider this transaction in the adjustment of the GRAND's shares.

2.4 Filed lawsuits by debenture holder's representative (Black Case No.1911/2552)

In December 2009, The Hongkong and Shanghai Banking Corporation Limited ("HSBC"), acting in its capacity as debenture holders' representative filed a complaint against the Company and its subsidiaries. In the complaint, the plaintiff alleges that the Company has breached certain of its obligations under the debenture. The plaintiff seeks damages in the amount of Baht 6,445 million, which is comprised primarily of principal and interest owing under the debentures. Of such amount, the amount of Baht 5,996 million had already been recorded in the Company's accounts, while the remaining Baht 449 million was a difference incurred from a calculation of interests between using the normal rate and a default interest rate as stipulated in the agreement. However, on 21 December 2010 HSBC has withdrawn this case from the Court after the Company entered into the debt restructuring agreement and the case is deemed to be final. Thus, SILOM shall not consider this transaction in the adjustment of GRAND's shares.

2.5 Comparison of land value appraised by government agency

Due to the Company has property development projects, of which some plots of land are classified as cost of real estate development. As a result, the land plots of each project can be divided into 2 groups as follows:

2.5.1 Summary of land plots classified as fixed assets

	Project	Title Deed No.	Government Appraised Value (Baht/sq. wah)	Area Size (sq. wah)	Total Government Appraised Value* (Baht million)
1.	The Westin Grande Sukhumvit Hotel *	4868, 233315, 233316	350,000	40.70	14.25
2.	Sheraton Hua Hin Resort and Spa **	5838, 6098, 62245, 62248, 62249, 62251, 58936	25,000	13,766.60	344.17
3.	Crowne Plaza Sukhumvit Hotel	3582	260,000	825.10	214.53
		3692	110,000	209.20	23.01
4.	The Regent Bangkok Hotel	915	295,000	129.00	38.06
		916	260,000	67.00	17.42
		1187	140,000	1,198.50	167.79
5.	Le Meridien Pattaya Resort ***	4025, 5031	9,000	7,231.50	65.08
Total					884.30

Source: Appraised value by Department of land, revised 2008 – 2011

Note: * Land of The Westin for the land deeds owned by the Company. Other land areas are under long-term lease.

** Appraised value by Department of land, Prachuab Khiri Khan province

*** Appraised value by Department of land, Chonburi province

2.5.2 Summary of land plots classified as cost of real estate development

	Project	Title Deed No.	Government Appraised Value (Baht/sq. wah)	Area Size (sq. wah)	Total Government Appraised Value* (Baht million)
1.	Hua Hin Blue Lagoon Resort*	66967, 66984, 66992	25,000	467.30	11.68
2.	The Regent Residences	917	200,000	876.50	175.30
3.	The Sails Condominium **	4025, 4026, 4025, 46277,	6,400	11,052	70.73
		46278, 46542			
Total					257.72

Source: Appraised value by Department of land, revised 2008 – 2011

Note: * Appraised value by Department of land, Prachuab Khiri Khan province, of which Hua Hin Blue Lagoon Resort project will consider only the appraised land value of unsold 3 villas

** Appraised value by Department of land, Chonburi province

The difference between the book value of the Company's land as of 30 September 2010 and the appraised value of government agency can be summarized as follows:

(Unit: Baht million)	Book Value as of 30 September 2010	Appraised Value	Over / (Under) Book Value
Land plots classified as fixed assets	1,334.67	884.30	(450.37)
Land plots classified as cost of real estate development	516.30	257.72	(258.58)
Total	1,850.97	1,142.02	(708.95)

The land appraised value by government agency is lower than the book value of the Company (the cost value) as of 30 September 2010 of Baht 708.95 million. Due to the cost value or the purchase price of the Company's land is the market price which the seller determined its selling price based on the land utilized criteria. In addition, the land value appraised by the Department of land in urban area i.e. Prachuab Khiri Khan province or Chonburi province is relatively low since there are rarely revalued. As a result, the land value appraised by those government agencies is considerably inappropriate to adjust the book value of the Company's land.

Thus, SILOM shall not consider this transaction in the adjustment of GRAND's shares.

Other than the aforementioned adjusted items, SILOM also reviewed other relevant information of the Company until 7 January 2011 and found that the transactions that might possibly impact adversely

on the Company's financial statement were properly recorded. However, the Company did not appraise assets value for public purpose as well as there were no other material transactions can be made in the adjustment of the book value the Company in this case.

The adjusted book value of GRAND can be calculated as follows:

	(Unit: Baht million)
Paid-up capital	1,251.20
Share premium (discount)	717.50
Adjustment items on:	
1.1 Debt Restructuring Agreements with TVI	1,400.00
1.2 Filed lawsuits in relations to the default of hire-of-work contract in the amount of Baht 60 million (Black case No.785/2552)	-
1.3 Filed lawsuits in relations to the breach of the land lease agreement (Black case No.1110/2551)	-
1.4 Filed lawsuits by debenture holder's representative (Black Case No.1911/2552)	-
1.5 Comparison of land value appraised by government agency	
Retained earnings (deficit)	(2,243.02)
Total Shareholders' Equity (capital deficit)	1,125.68
Total Paid-up Shares (million shares)	1,251.20
Adjusted Book value per share (Baht/share)	0.90

By using this approach, the value of GRAND's shares is **Baht 0.90 per share, higher than the offering price by Baht 0.33 per share or 57.84% higher than the offering price.**

In case the Company can meet all conditions stated in the aforementioned debt restructuring agreements, which is to increase the capital by a conversion of debt to equity of Baht 1,000 million and to be forgiven debt amount of Baht 964 million (Hair-Cut) by the creditors, then it will result in an increase of the Company's shareholder's equity of Baht 1,000 million. In addition, the Company is required to increase capital at least Baht 400 million under the conditions in the credit agreement, resulting in an increase of the Company's shareholder's equity or the Company's book value approximately of Baht 2,364 million. The value of the Company's share after taking into account all aforementioned transactions and based on the financial statement as of 30 September 2010 is in the range of Baht 1.17 - 1.63 per share as summarized below:

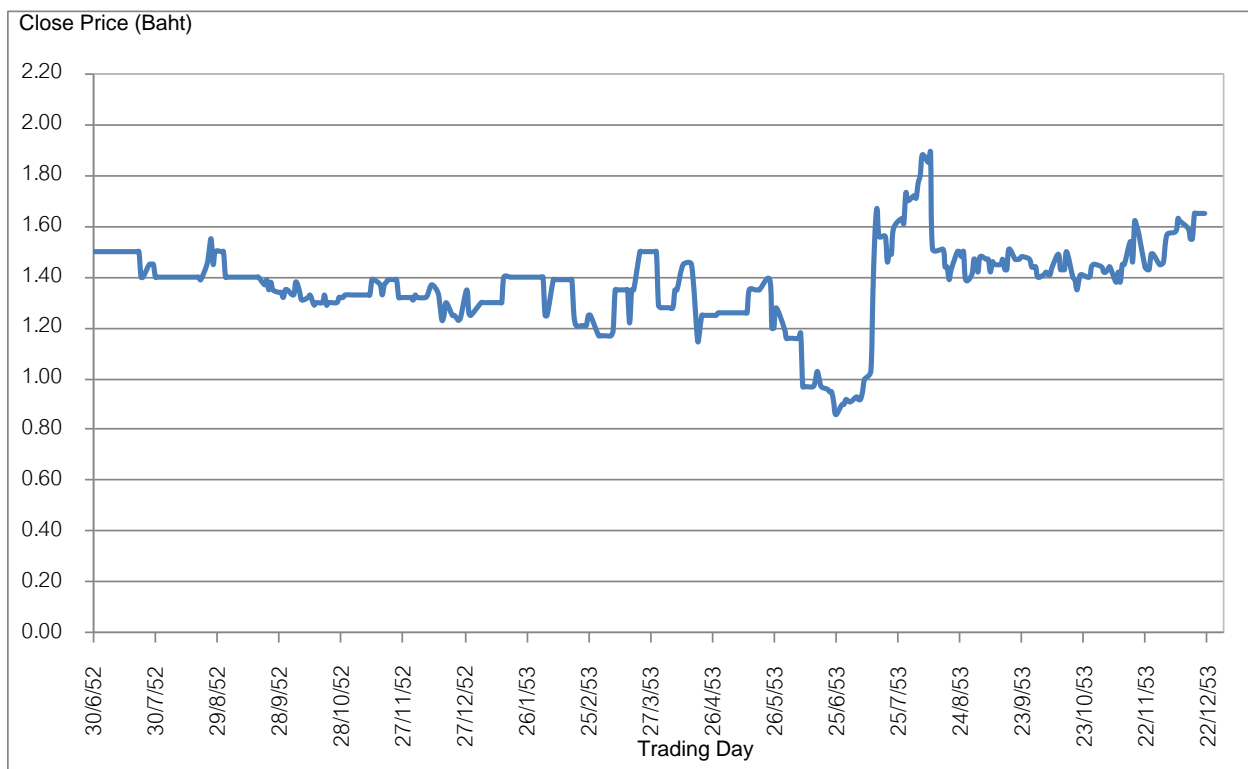
	Offering price of newly-issued shares (Baht/share)			
	1.00	2.00	3.00	4.00
Total newly-issued shares from a conversion of debt to equity (million shares)	1,000.00	500.00	333.33	250.00
Total Paid-up Shares* (million shares)	2,651.20	2,151.20	1,984.53	1,901.20
Book value per share (Baht/share)	1.17	1.44	1.56	1.63

Note: * Including 400 million newly-issued shares under the conditions in the credit agreement

3. Market Value Approach

Market price as defined by the SEC is "the weighted average closing price of common shares in the SET or MAI which is not less than the past 7 consecutive business days but not exceeding 15 consecutive business days prior to the date determining of selling price". For the share valuation of GRAND by using Market Value approach, SILOM considered information until 21 March 2010 which was the date prior to the date the Tender Offerors announced the Offering Price publicly. Therefore, the value of the Company's share under the Market Value approach is in the range of **Baht 1.58 – 1.61 per share, which is higher than the offering price by Baht 1.01 – 1.04 per share or 177.19% – 182.46% higher than the offering price.**

As for information to the shareholders, within the past 360 days until 21 December 2010 or from 30 June 2009 to 21 December 2010, the highest closing price of GRAND's shares was Baht 1.89 per share and the lowest closing price was Baht 0.86 per share, which was higher than the offering price by Baht 1.32 per share and Baht 0.29 per share, respectively. In addition, after consideration of the closing price of GRAND's shares after 21 December 2010 until 7 January 2011, it showed that the closing price of GRAND's shares was in the range of Baht 2.14 - 2.32 per share.



Source: www.setsmart.com

4. Discounted Cash Flow Approach

This valuation approach takes into account GRAND's future operating performance by deriving present value of future cash flow stream using an appropriate discount rate. The IFA calculated the Weighted Average Cost of Capital (WACC) to be used as the discount rate and constructed a 10-year forecast of GRAND's cash flow (2011 – 2020), based on an assumption that GRAND's operation is on an on-going basis without any significant changes under the current economic conditions and circumstances.

SILOM has considered all information and assumptions provided by the Company, the Tender Offer Statement (Form 247-4), the Info Memo of TPROP concerning the shares acquisition, information from interviewing with the Company's management and relevant officers and found the uncertainty of assumptions which may materially affect to the financial forecast. Summary of uncertainty can be summarized as follows:

- 1) Referred to the latest update reviewed financial statement and information of the Company, a lawsuit in relations to the breach of the land lease agreement of The Westin Grande Sukhumvit Hotel as stated in 2.3 Adjusted Book Value Approach was filed against the Company. The Court announced its judgment on the lawsuit, holding that the Company had breached the terms of the land lease agreement, thereby entitling the plaintiff to legally terminate the land lease agreement, with the hotel building to become the property of the plaintiff pursuant to the agreement. Furthermore, the Company was ordered to deregister the land lease under the agreement and to release the hotel building from mortgage with a local bank. The appeal is currently pending the consideration of the Court of Appeal. As for the petition for stay of execution, the Company's management believes that the Court of Appeal will consider and reach the decision within January 2011. At the present, the Company still has not obtained any information from the Court as well as the judgment, the compensation obligations, and the case duration cannot be determined exactly.

SILOM is of the opinion that this lawsuit has materially affected the future operation of the Westin Grande Sukhumvit Hotel since the book value of hotel buildings on the financial statement of the Company as of 30 September 2010 is Baht 628.78 million. In case of the Company loses a case, the hotel will be removed and it will cause a material effect to the

Company's operating performance and cash flow. In 2008-2009 and for the first 9-month periods of 2010, the revenues of the Westin Grande Sukhumvit Hotel accounts for 20.76%, 44.16%, and 35.53% of total revenue of the Company, respectively.

- 2) In the past 2 years, the Company postponed all property development projects as a result of insufficient funding, impacted by the bankruptcy issue of the Company's debenture purchaser. This resulted in the significant number of unit buyers of such projects requested to return their units purchase. Thus, the historical negative image of the Company shall reflect their future sales competency, resulting in the misleading forecasted volume sales and the revenue from real estate.
- 3) The long-term syndicated loan agreement with CIMB Thai Bank Public Company Limited and Government Saving Bank dated on 21 December 2010 with total credit line of Baht 4,400 million, of which Baht 2,500 million used repay debenture to TVI and the remaining Baht 1,900 million used to complete The Regent Residences and The Crowne Plaza Sukhumvit Hotel. However, the Company has estimated the budgets for projects development of Baht 3,700 million. Therefore, after adding with borrowing from TPROP of Baht 170 million and the capital increase of Baht 400 million, the Company will have no sufficient fund to develop other property projects namely, 1) The Regent Hotel Bangkok 2) Le Meridien Pattaya Resort and 3) The Sail Condominium since it requires more fund of Baht 6,000 million to finance the projects

However, the Tender Offerors and the Company has not specified clearly regarding how to obtain source of fund to finance such 3 projects. The tender Offerors only claimed that in case of some projects under construction which could not obtain credit facilities from the financial institution, the Company might consider the capital increase to complete the projects or sell such project to the potential investor(s). However the Company has not yet determined the selling price of the projects as well as the timeframe to be operated, resulting in the uncertain assumptions of such projects operation. Thus, if there are any operations to such projects, they will materially affect to the financial status of the Company.

- 4) Referred to the long-term loan agreement which stated that prior to the loan proceeds to develop 2 projects as mentioned above of Baht 1,900 million, the Company is required to increase capital at least Baht 400 million to the existing shareholders. However, the Board of Directors has not currently determined the amount of increased capital, resulting in the uncertain amount of increased capital and relevant cash flow.
- 5) The Tender Offerors stated in the Tender Offer Statement (Form 247-4) that the Company would operate the existing business within 12 months after the end of Tender Offer period however the business plan after such period have not been determined. Thus, there is a possibility that any significant changes occurred after 2011 will result in a misleading of the financial forecast.

SILOM constructed a 10-year financial forecast for GRAND (2011-2020) based on historical assumptions and information received from the Company and interviews with the management which can be summarized as follows:

Assumptions for construction of projects

In 2011, the Company will continue developing 2 main projects under construction include 1) Crowne Plaza Sukhumvit Hotel and 2) The Regent Residences which have been temporarily suspended due to insufficient funds as a result of the Company's debenture purchaser was subject to bankruptcy administration in September 2008, resulting in the Company was unable to draw down the debenture of Baht 5 billion to finance the projects.

As per information of Crowne Plaza Sukhumvit Hotel and The Regent Residences, it requires budget of Baht 1,558 million and Baht 2,219 million, respectively to complete the project. The Company will use bank loans signed agreement on 21 December 2010 of Baht 1,900 million (from total loan proceeds of Baht 4,400 million), the capital increase from right offering shares of Baht 400 million, and borrowing from TPROP of Baht 170 million as the source of funding.

Financial assumptions

1) Revenues

1.1) Revenues from Hotel Operations

The Company currently operates 2 main hotels business namely, The Westin Grande Sukhumvit Hotel (“The Westin Hotel”) and Sheraton Hua Hin Resort and Spa (“Sheraton Hua Hin”) and is developing new hotel construction, Crowne Plaza Sukhumvit Hotel (“Crowne Plaza”) in 2011 after obtaining loan proceeds from the financial institutions. Currently, the construction of Crowne Plaza Sukhumvit Hotel has been completed by 33% and is expected to be completed approximately 15 months after its construction resume. Based on assumptions provided by the Company, the construction is expected to start in March 2011 and its full operation will be started in the fourth quarter of 2012. Details of revenues from hotel operations can be summarized as followed.

- Occupancy Rate

(1) The Westin Hotel

The average historical occupancy rate of 2007 - 2009 was 69%, 67% and 56%, respectively. The global economic downturn over the past 2 years originated from the US sub-prime mortgage crisis and resulting in the prolonged global recession until it peaked in the middle of 2009. The global financial meltdown was worsen by the political demonstrations during 2008 - 2009, therefore resulting in a decline in the number of foreign tourist arrivals in Thailand and low occupancy rate over the past 2 years. For the occupancy rate of the first 9 month periods of 2010, it has been decreased to 49% as a result of the demonstration of the anti-government protestors in Rachaprasong areas during the second quarter. However, given the condition that situation will be improved gradually, SILOM therefore assumes the average occupancy rate of 2010 at 56% (which is equal to the average of the occupancy rate of 2009 and the occupancy rate of first 9-month periods of 2010 at 52%). After year 2012 and throughout the forecasting period, the occupancy rate is assumed to be constant at 68% (which is equal to the average occupancy rate of 2007-2008), which is in line with the average occupancy rate of hotels in Thailand for the year 2010 at 70% regarding to the information from Thai Hotels Association.

(2) Sheraton Hua Hin

Sheraton Hua Hin started to operate in the third quarter of 2010. Due to the global economic slowdown during 2008 - 2009, it resulted in the low occupancy rate. In 2007 - 2009 and for the first 9-month periods of 2010, the average occupancy rate was at 42%, 54%, and 55%, respectively. However, the Company expects the average occupancy rate of Sheraton Hua Hin will be improved gradually in response to the recovery of tourism industry. Thus, SILOM assumes the average occupancy rate of 2010 to be equal to the average occupancy rate of the first 9-month periods of 2010. For the occupancy rate of 2011, it is assumed at 60%, then increases to 70% in 2012 and remained constant at 70% throughout the projection period, which is equal to the average occupancy rate of hotels in Thailand for the year 2010 at 70% regarding to the information from Thai Hotels Association.

(3) Crowne Plaza

Due to Crowne Plaza is the new 5-star hotel under construction located on Sukhumvit Road, closed to The Westin Hotel. As a result, SILOM assumes the occupancy rate of Crowne Plaza after the hotel starts to operate by the fourth quarter of 2012, similar to rate of The Westin Hotel which is at 50%, 55%, and 60% in 2012 - 2013 and 68% in 2014, respectively.

The occupancy rate of the above 3 hotels can be summarized as follows:

	2007A	2008A	2009A	9-month periods of 2010A	2010F	2011F	2012F	2013F	2014F	2015-2020F
The Westin Hotel	69%	67%	56%	49%	52%	56%	68%	68%	68%	68%
Sheraton Hua Hin	42%	54%	54%	55%	55%	60%	70%	70%	70%	70%
Crowne Plaza							50%	55%	60%	68%

- Average Room Rate

In 2008-2010, Thai tourism and hotel industry was severely impacted by the global economic slowdown and the political instability, resulting in the continued declining occupancy rate and the lower average room rates from discounts offered by the hotel in a highly competitive market. However, the Company expects the recovery of Thai tourism industry by the end of 2010 and improved situation in 2011 onwards. Thus, SILOM assumes the growth rate of the average room rate of The Westin Hotel and Sheraton Hua Hin at 3% p.a. since 2011 onwards (which is equal to the inflation rate forecasted by the Bank of Thailand) and remained constant throughout the forecasting period. For Crowne Plaza, SILOM assumes the growth rate of the average room rate at 3% p.a. since 2013 onwards and remained constant throughout the forecasting period.

(Unit: Baht)	2007A	2008A	2009A	9-month periods of 2010A	2010F	2011F	2012F	2013F	2014F	2015F
The Westin Hotel	4,541	4,384	3,767	3,716	3,716	3,827	3,942	4,060	4,182	4,307
Growth rate (%)	N/A	-3%	-14%	-1%	0%	3%	3%	3%	3%	3%
Sheraton Hua Hin	4,012	3,941	3,522	3,603	3,603	3,711	3,822	3,937	4,055	4,177
Growth rate (%)	N/A	-2%	-11%	2%	0%	3%	3%	3%	3%	3%
Crowne Plaza							4,400	4,532	4,667	4,808
Growth rate (%)							3%	3%	3%	3%

(Unit: Baht)	2016F	2017F	2018F	2019F	2020F
The Westin Hotel	4,437	4,570	4,707	4,848	4,993
Growth rate (%)	3%	3%	3%	3%	3%
Sheraton Hua Hin	4,302	4,431	4,564	4,701	4,842
Growth rate (%)	3%	3%	3%	3%	3%
Crowne Plaza	4,952	5,101	5,254	5,412	5,574
Growth rate (%)	3%	3%	3%	3%	3%

- Food & Beverage Revenues

The forecast of food & beverage (F&B) revenues is calculated from its proportion to total room revenues. In 2010, the proportion of F&B revenues of The Westin Hotel and Sheraton Hua Hin is assumed to be the same as its proportion to total revenue during the first 9-month periods of 2010. Since 2011 onwards, the proportion of F& B revenues of those 2 hotels will be equal to the average of 2008-2009 and the first 9-month period of 2010. For the proportion of F&B revenues of Crowne Plaza is assumed to be equal to The Westin Hotel since it is the same level of 5-star hotel and located in the same area.

(Unit: Baht million)	2008A	2009A	9-month periods of 2010A	2010F	2011F	2012F	2013F	2014F	2015F
F&B revenues									
The Westin Hotel	142.31	111.80	76.65	109.77	112.85	141.47	145.72	150.09	154.59
% of room revenues	37%	40%	43%	43%	40%	40%	40%	40%	40%
Sheraton Hua Hin	101.20	84.50	68.70	91.60	102.19	122.80	126.48	130.28	134.18
% of room revenues	54%	51%	53%	53%	52%	52%	52%	52%	52%
Crowne Plaza						27.30	123.70	139.00	162.58
% of room revenues						40%	40%	40%	40%

(Unit: Baht million)	2016F	2017F	2018F	2019F	2020F
F&B revenues					
The Westin Hotel	159.67	164.90	170.31	175.90	181.67
% of room revenues	40%	40%	40%	40%	40%
Sheraton Hua Hin	138.21	142.36	146.63	151.03	155.56
% of room revenues	52%	52%	52%	52%	52%
Crowne Plaza	167.92	173.43	179.11	184.99	191.06
% of room revenues	40%	40%	40%	40%	40%

1.2) Revenue from Sales of Real Estate

- The Regent Residences

Since 2009 onwards, the Company has been facing the financial problems, resulting in the suspension of construction and sales of property projects. However, after the change of

shareholding structure in December 2010, the Company has entered into the loan agreements with CIMB Thai Bank Public Company Limited and Government Saving Bank by which the Tender Offerors and the Company plan to complete The Regent Residences project with such loan proceeds. The project construction has been completed by 25% and is expected to be completed approximately 24 months after its construction resume in March 2011, which is expected to be finished within March 2013.

In accordance with the new accounting standard (revised 2010), the policy concerning the project's revenue recognition is whenever transferring right of ownership to condominium owners. Prior to the third quarter of 2010, the Company has recognized revenue from sales of condominium as a percentage of completion of construction in the amount of Baht 341.53 million. Consequently, the Company made the reversal on revenues in the financial statement of the fourth quarter of 2010 and adding back the revenues when completing transferring right of ownership. The Regent Residences project has total sellable area of 34,502 sq.m. with the average selling project value is Baht 126,125 per sq.m.

As of 30 September 2010, 144 units were sold from total 346 units, with the average selling price of Baht 10.36 million per room. The remaining 202 units available for sales, the Company determines the average selling price of Baht 14.15 million per room. The Company plans to sell 80% of total condominium units within the completion year of this project (2013) and this is also in line with the average condominium sales ratio of 2010 for the projects of developers listed in the SET at 76%(Source: Real Estate Information Center). As a result, the Company will have revenues from 80% sales of total condominium units or from sales of 277 units, totaling of Baht 3,374.93 million.

However, the Company also plans to sell the remaining 69 units or 20% of total condominium units within 2014 by offering with discount. SILOM assumes the selling price with discounts at 10% lower than the standard selling price, or decreased from the average selling price of Baht 14.15 million per room to Baht 12.74 million per room. As a result, the Company will be able to recognize revenues of Baht 878.97 million in 2014

- Hua Hin Blue Lagoon Resort

The Company's property in Hua Hin Blue Lagoon Resort are comprised of 1) the condominium units of Blue Lagoon Condominium project, only 23 units available for sales from total 108 units 2) the houses on islands in Island Villas project, only 3 houses are available for sales from total 37 houses. During the prior period, the Company is unable to sell these projects as a result of being pledged as collateral with financial institutions regarding the debenture issues. Nevertheless, after the Company has entered into the debt restructuring agreement, all condominium units and houses on islands will be released and able to be sold out. The Company offers 10% discount as a promotion plan to sell all units and villas within 2011. Thus, the average selling price of condominium units will be lower to Baht 10.50 million per room from the standard price of Baht 11.67 million per room and the average selling price of villas will be lower to Baht 18.34 million per house from the standard price of Baht 20.38 million per house, resulting in the revenue recognition of Baht 296.52 million.

- Other Project

Due to the Tender Offerors and the Company have no clear policy to operate the Sails Condominium project, including there is currently no source of fund to finance the project under construction with 8% completion. Thus, SILOM shall not take into account the revenue forecasts from this project.

1.3) Rental Revenues

The Company has leased out some area to Robinson Department Store. The rental revenues for the year 2010 will be based on the rental revenues for the first 9-months of 2010 on yearly basis. In addition, SILOM assumes the growth rate of the rental revenues at 3% p.a. since 2011 and throughout the forecasting period (which is equal to the inflation rate forecasted by the Bank of Thailand).

1.4) Other Revenues

Other revenues comprise of revenues from spa, telephone revenues, laundry revenues, guest activities revenues, and revenues from other operations. Other revenues are

calculated as a percentage of total revenues from hotel operations and rental, which is assumed to be equal to the average of 2007-2009 and the first 9-month periods of 2010

The summary of forecasted rental revenues and other revenues figures are as follows:

(Unit: Baht million)	2007A	2008A	2009A	9-month periods of 2010A	2010F	2011F	2012F	2013F	2014F
Rental revenues	16.97	16.98	13.81	18.41	17.40	17.93	18.46	19.02	19.59
Other revenues	38.74	24.32	12.34	16.46	26.05	35.46	48.83	51.84	55.90
% of revenues from hotels and rental	4.5%	3.5%	2.5%	2.4%	3.5%	3.5%	3.5%	3.5%	3.5%

(Unit: Baht million)	2016F	2017F	2018F	2019F	2020F
Rental revenues	20.18	20.78	21.40	22.05	22.71
Other revenues	57.69	59.54	61.45	63.42	65.45
% of revenues from hotels and rental	3.5%	3.5%	3.5%	3.5%	3.5%

2) Cost of Sales and Services

2.1) Cost of Hotel Operations

Cost of Hotel Operations comprise of 3 main costs which are (1) cost of room revenues, as a percentage of room revenues (2) cost of food & beverages (F&B), as a percentage of cost of F&B and (3) cost of other revenues, as a percentage of other revenues, respectively. The percentage of cost of hotel operations for the year 2010 is assumed to be equal to the cost percentage of the first 9-month periods of 2010. Since 2011 and throughout the forecasting period, the percentage of cost of hotel operations are assumed to be equal to the average of 2007-2009 and the first 9-month periods of 2010. For the percentage of cost of Crowne Plaza, it is assumed to be equal to The Westin Hotel.

(1) The Westin Hotel

(Unit: Baht million)	2008A	2009A	9-month periods of 2010A	2010F	2011F	2012F	2013F	2014F	2015F
- Cost of room revenues	63.80	56.20	38.20	54.71	54.67	68.53	70.59	72.71	74.89
% of room revenues	16%	20%	21%	21%	19%	19%	19%	19%	19%
- Cost of F&B	104.60	94.00	65.90	94.37	91.62	114.86	118.30	121.85	125.51
% of F&B revenues	74%	84%	86%	86%	81%	81%	81%	81%	81%
- Other cost	8.40	7.30	5.90	8.45	7.59	9.51	9.80	10.09	10.39
% of other revenues	34%	42%	46%	46%	41%	41%	41%	41%	41%

(Unit: Baht million)	2016F	2017F	2018F	2019F	2020F
- Cost of room revenues	77.35	79.89	82.51	85.21	88.01
% of room revenues	19%	19%	19%	19%	19%
- Cost of F&B	129.63	133.88	138.27	142.81	147.49
% of F&B revenues	81%	81%	81%	81%	81%
- Other cost	10.73	11.09	11.45	11.83	12.21
% of other revenues	41%	41%	41%	41%	41%

(2) Sheraton Hua Hin

(Unit: Baht million)	2008A	2009A	9-month periods of 2010A	2010F	2011F	2012F	2013F	2014F	2015F
- Cost of room revenues	32.00	29.80	22.90	30.53	34.10	40.97	42.20	43.47	44.77
% of room revenues	17%	18%	18%	18%	17%	17%	17%	17%	17%
- Cost of F&B	76.10	65.50	48.60	64.80	76.12	91.47	94.21	97.04	99.95
% of F&B revenues	75%	78%	71%	71%	74%	74%	74%	74%	74%
- Other cost	9.60	7.60	6.40	8.53	9.47	11.38	11.72	12.07	12.43
% of other revenues	65%	62%	63%	63%	64%	64%	64%	64%	64%

(Unit: Baht million)	2016F	2017F	2018F	2019F	2020F
- Cost of room revenues	46.11	47.50	48.92	50.39	51.90
% of room revenues	17%	17%	17%	17%	17%
- Cost of F&B	102.95	106.03	109.21	112.49	115.87
% of F&B revenues	74%	74%	74%	74%	74%
- Other cost	12.81	13.19	13.59	13.99	14.41
% of other revenues	64%	64%	64%	64%	64%

(3) Crowne Plaza

(Unit: Baht million)	2012F	2013F	2014F	2015F	2016F	2017F	2018F	2019F	2020F
- Cost of room revenues	13.22	59.93	67.34	78.76	81.34	84.01	86.77	89.62	92.55
% of room revenues*	19%	19%	19%	19%	19%	19%	19%	19%	19%
- Cost of F&B	22.16	100.43	112.85	131.99	136.33	140.80	145.42	150.19	155.11
% of F&B revenues*	81%	81%	81%	81%	81%	81%	81%	81%	81%
- Other cost	1.84	8.32	9.95	11.64	12.02	12.42	12.83	13.25	13.68
% of other revenues*	41%	41%	41%	41%	41%	41%	41%	41%	41%

Note: * The cost percentage of each transaction is referred from the information of The Westin Hotel

2.2) Cost of Real Estate

- **The Regent Residences**

Referred to the revised accounting standard concerning the revenue and cost recognition of real estate business, the Company had made the reversal of cost of sales of real estates in the fourth quarter of 2010 financial statement of Baht 308.12 million. Regarding to the new accounting policy, the project cost will be recognized whenever right of ownership to condominium owners. The project construction is expected to be completed and ready to transfer to condominium owners within 2013. As per information of the Company reported to the SET, The Regent Residences project has cost of sales totaling of Baht 3,109.50 million. Thus, from the units sales assumption at 80% or 277 units sold, the Company will record cost of sales of real estate of Baht 2,526.27 million. For the remaining 20% units sales assumption or 69 units sold, the Company will record cost of sales of real estate of Baht 583.23 million within 2014.

- **Hua Hin Blue Lagoon Resort**

Hua Hin Blue Lagoon Resort is divided into 1) the condominium units of Blue Lagoon Condominium project, only 23 units available for sales from total 108 units 2) the houses on islands in Island Villas project, only 3 houses are available for sales from total 37 houses. The project has total cost of sales totaling of Baht 170.30 million. The Company expects all units and villas will be sold out and able to recognize as cost of sales of real estate within 2011.

(4) Selling Expenses

The selling expenses such as employee salary, salesperson salary, sales commission, utility expense, and other expenses which can be divided into selling expenses of (1) hotel operations and (2) sales of real estate and center

- Selling expenses of hotel operations is calculated as a percentage of total revenues from hotel operations and based on the average of expenses percentage of 2008-2009 and the first 9-month periods of 2010, which is equal to 10.53%
- Selling expenses of sales of real estate and center is comprised of marketing staff salary and salesperson salary, which is assumed to be increased by 3% p.a. in 2010 and throughout the forecasting period (equal to the inflation rate forecasted by the Bank of Thailand). The sales commission is paid at 2% of total revenues from sales real estate when recognition. The utility expense of real estate project prior to sales is assumed to be equal to the average of 2008-2009 and the first 9-month periods of 2010. During the project is under construction period, the utility expense is approximately of Baht 14 million per year. Other than those periods, the utility expense is approximately of Baht 5 million per year.

(Unit: Baht million)	2008A	2009A	9-month periods of 2010A	2010F	2011F	2012F	2013F	2014F	2015F
Selling expenses of hotel operations	77.60	72.77	55.75	74.33	76.58	104.87	145.05	154.05	166.21
Selling expenses of real estate and center	80.44	43.07	12.90	14.52	34.12	28.27	86.63	36.80	19.32

(Unit: Baht million)	2016F	2017F	2018F	2019F	2020F
Selling expenses of hotel operations	171.54	177.05	182.73	188.59	194.64
Selling expenses of real estate and center	19.42	19.52	19.62	19.73	19.84

(5) Administrative Expenses

The administrative expenses such as employee salary, office utility expenses, etc. which can be divided into the administrative expenses of (1) hotel operations and (2) sales of real estate and center

- Administrative expense of hotel operations is calculated as a percentage of total revenues from hotel operations and based on the average of expenses percentage of 2008-2009 and the first 9-month periods of 2010, which is equal to 30% for 2011-2012 and decreased to 25% in 2013 and throughout the forecasting period. The decreased percentage was attributable to the higher revenues from the opening of Crowne Plaza as well as the central charge efficiency management.
- Administrative expense of real estate and center can be divided into 1) employee salary, which is assumed to be increased by 3% p.a. (equal to the inflation rate forecasted by the Bank of Thailand) and 2) other expenses as a percentage of total revenues, which is based on the average of 2008-2009 and the first 9-month periods of 2010.

(Unit: Baht million)	2008A	2009A	9-month periods of 2010A	2010F	2011F	2012F	2013F	2014F	2015F
Administrative expenses of hotel operations	229.60	209.40	158.84	211.79	218.25	298.88	344.49	365.86	394.75
Administrative expenses of real estate and center	123.72	83.48	72.81	97.08	73.72	82.42	98.00	99.11	102.99

(Unit: Baht million)	2016F	2017F	2018F	2019F	2020F
Administrative expenses of hotel operations	407.42	420.49	433.98	447.90	462.26
Administrative expenses of real estate and center	106.14	109.39	112.75	116.20	119.76

(6) Capital Expenditure

Capital expenditure is mostly for office equipments, fixtures, and room renovation, which is projected around Baht 40 million per year during 2011 - 2013 (based on the historical data) and around Baht 50 million per year in 2014 and remained constant throughout the projection period due to full operation of Crowne Plaza.

(7) Corporate Income Tax

The Corporate income tax of GRAND is equal to 30% of accounting profit after adding back adjustments according to the Revenue Code. As a result of continued deficit over the past years, at the end of 2009 GRAND had accumulated deficit of Baht 1,812 million, of which Baht 1,015 million was the deficit of 2007, Baht 253 million was the deficit of 2008, and Baht 544 million was the deficit of 2009, respectively. The deficit of each year can be used to offset with profits before income tax within 5 years, counting from the first year of deficit.

(8) Current Asset and Current Liability Turnover Ratio

The ratios are estimated from the historical data of 2007 – 2009 and the first 9-month periods of 2010 which is assumed to be constant throughout the projection period as follows:

Trade Accounts Receivable - Hotel	25 days on average
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Trade Accounts Payable

30 days on average

(9) Debt Restructuring Agreement with TVI

In pursuant to the debt restructuring agreement with TVT as details summarized in 2) Adjusted Book Value Approach, the Company will have gains from restructuring of Baht 1,400 million in 2010 and Baht 964 million in 2011. In addition, the Company will have a conversion of debt to equity of Baht 1,000 million in 2011 however the number and price of newly-issued shares are unknown. Thus, in 2011 as a result of debt conversion, the Company will have no longer any long-term debenture from related company and will have unsecured and subordinated term loan payable on demand of Baht 500 million at interest rate of 3% p.a. Nevertheless, due to the loan maturity is undetermined, SILOM assumes no loan repayment throughout the forecasting period in order to reserve as cash for operation.

(10) Loans and interest expense

- Bank loans

The Company signed the long-term syndicated loan agreements for 2 main purposes, of which their significant terms and conditions can be summarized as follows:

(A) The loan proceeds of Baht 2,500 million will be used to repay debt to TVI, which can be divided into 4 sub-facilities. The interest rate is MLR+1.50% p.a. and rises to MLR+0.75% p.a. after Facility B is drawn down by using the current MLR of CIMB at 6.75% p.a. However, SILOM assumes an increase of MLR interest rate by 0.25% p.a. in 2011-2012 and after that remaining constant throughout the forecasting period. Repayment schedule of Facility A is as follows:

- Facility A-1 to be repaid within 2.5 years after draw down of Facility A.
- Facility A-2 to be repaid within 3.0 years after draw down of Facility A.
- Facility A-3 to be repaid within 2.5 years after draw down of Facility A.
- Facility A-4 to be monthly repaid in total of 120 months within 10.0 years after draw down of Facility A.

(B) The loan proceeds of Baht 1,900 million will be used to construct Crowne Plaza Sukhumvit Hotel and The Regent Residences. The interest rate is MLR+0.75% p.a. Prior to draw down Facility B, the Company is required to increase capital at least Baht 400 million plus cost overrun of the project. However, SILOM assumes the Company to increase capital of Baht 400 million in 2011 and the repayment schedule of Facility B is as follows:

- Facility B-1 to be repaid within 2.5 years after draw down of Facility B.
- Facility B-2 to be repaid within 3.0 years after draw down of Facility B.

- Borrowing from TPROP

The Company borrowed Baht 170 million from TPROP with interest rate of 12 % p.a. to be used as working capital, to be repaid within 3 month. However, based on the financial forecast, SILOM found that the Company might face with liquidity problems, SILOM therefore assumes no loan repayment throughout the forecasting period.

Regarding to above financial assumptions, the summary of financial forecast for the year 2011 - 2020 are as follows:

(Unit: Baht million)	2011F	2012F	2013F	2014F	2015F
Total Revenues	1,067.46	1,049.65	4,820.20	2,413.27	1,654.49
Total Expenses	1,082.80	1,133.45	4,054.24	2,108.02	1,578.55
Income (loss) before finance cost and tax	(15.34)	(83.80)	765.96	305.25	75.93
Gain from debt restructuring *	964.00	-	-	-	-
Finance Cost	(368.28)	(384.84)	(289.48)	(108.83)	(83.22)
Corporate Income Tax	-	-	-	-	-
Net Profit (loss)	580.38	(468.63)	476.48	196.42	(7.29)

Remark: * Gain from debt restructuring of Baht 1,400 million will be recognized in 2010

(Unit: Baht million)	2016F	2017F	2018F	2019F	2020F
Total Revenues	1,707.53	1,762.28	1,818.77	1,877.06	1,937.22
Total Expenses	1,594.10	1,610.95	1,629.16	1,673.94	1,717.81
Income (loss) before finance cost and tax	113.44	151.32	189.61	203.12	219.41

(Unit: Baht million)	2016F	2017F	2018F	2019F	2020F
Gain from restructuring	-	-	-	-	-
Finance Cost	(76.98)	(70.59)	(64.03)	(57.15)	(44.51)
Corporate Income Tax	(8.75)	(24.22)	(37.67)	(43.79)	(52.47)
Net Profit (loss)	27.70	56.51	87.90	102.18	122.43

The summary of projected cash flow as follows:

(Unit: Baht million)	2011F	2012F	2013F	2014F	2015F
Net increase (decrease) in cash and cash equivalents	1,305.21	(1,322.02)	(754.91)	(204.14)	82.35
Cash and cash equivalents at beginning of period	169.63	1,474.84	152.82	(602.10)	(806.24)
Cash and cash equivalents at end of period	1,474.84	152.82	(602.10)	(806.24)	(723.89)

(Unit: Baht million)	2016F	2017F	2018F	2019F	2020F
Net increase (decrease) in cash and cash equivalents	144.12	145.08	148.57	160.66	38.99
Cash and cash equivalents at beginning of period	(723.89)	(579.77)	(434.69)	(286.12)	(125.46)
Cash and cash equivalents at end of period	(579.77)	(434.69)	(286.12)	(125.46)	(86.47)

From the above projected cash flow table, it is found that the Company has a negative cash and cash equivalent at end of period since 2013 and the highest negative amount of Baht (806.24) million is shown in 2014. The negative amount of cash and cash equivalents at end of period is continually lower as a result of improved operating performance. However, the reasons why the Company has a negative ending cash is caused by the gradual repayment of bank loans amount of Baht 4,400 million, of which the highest amount of Baht 2,652 million will be repaid in 2013. As a result, the financial forecast prepared under the assumption received from the Tender offerors and the Company (without consideration of the uncertainty and unclear of assumptions as stated in the earlier part) shall not truly reflect the future operating performance due to insufficient cash flow to run the business. Moreover, in case the Company could not sell property projects as the assumptions, the Company's cash flow from operation will reduce accordingly.

However, the Company may consider adjusting the following assumptions and financial forecast in order to truly reflect the operating performance, which may alter the financial forecast from those prepared by SILOM such as

- The significant issue of newly-issued share by the existing shareholders or new shareholders
- The negotiation to extend repayment period of loans from CIMB Thai Bank Public Company Limited and Government Saving Bank shall result in the alter conditions of future borrowing
- The additional borrowing from TPROP, which is the major shareholder
- The change of business plan with aims to increase the Company's future cash flow
- The consideration to dispose partial assets such as lands of cancelled or non-operated projects

Regarding to the uncertainty and unclear of various assumptions as explained earlier, it may significantly alter the assumptions and financial forecast from the future incidents. However, if there are any changes that will materially affect the uncertain assumptions used herein, the fair value derived from the financial projection may also change accordingly. In addition, in perspective of the financial forecast prepared from the aforementioned assumptions, it is found that the Company will have negative cash flow and negative cash and cash equivalent at year end. As a result, such financial forecast shall not truly reflect the future operating performance of the Company.

Thus, SILOM is of the opinion that the share valuation under the Discounted Cash Flow Approach is considerably not applicable.

Summary of Opinion of the Independent Financial Advisor on the Appropriateness of the Tender Offer price

The share value of GRAND derived from various valuation approaches can be summarized in the table below;

Valuation Approach	Fair Value of GRAND share (Bath per Share)	Offering Price (Baht)	Higher (Lower) than Offering Price (Baht)	% Higher (Lower) than Offering Price (Baht)
Book Value Approach	(0.22)	0.57	(0.79)	(138.60)
Adjusted Book Value Approach	0.90	0.57	0.33	57.84
Market Value Approach	1.58 – 1.61	0.57	1.01 – 1.04	177.19 – 182.46
Discounted Cash Flow Approach	N/A	0.57	N/A	N/A

From the summary table above, the fair value of GRAND's shares is in the range of Baht (0.22) – 1.61 per share using various approaches.

By considering 4 approaches of valuation which are 1) Book Value Approach 2) Adjusted Book Value Approach 3) Market Value Approach, and 4) Discounted Cash Flow Approach

The Book Value Approach is the method that reflects the operating result and status of the Company at any given period of time based on the Company's past performance, but without taking into account its future profitability, as well as the overall economic and industry outlook. Thus, the valuation by this approach did not reflect the real value of GRAND's shares.

The Market Value Approach is determined from the trading market price of the Company which shall reflect value of GRAND's shares. The market price reflects the demand and supply of investors in the stock market, taking into account all publicly available information and expected operating performance in the future of investors. However, market prices after the acknowledgement of the tender offer should not be considered in the valuation.

However, since the GRAND's shares were illiquid in trading with the number of shares traded on the SET on average 7 – 360 days until 21 December 2010 (prior to 22 December 2010 which is the submission date of Form of Statement of Firm Intention to Make a Tender Offer (Form 247-3)), of only 27,560 – 327,608 per days or 0.0022% – 0.026% of total GRAND's paid-up shares which can be summarized below:

No. of past consecutive trading days	Average trading value per day (Baht)	Average trading volume per day (shares)	Percentage of trading volume of total paid-up shares
7 days	31,367	50,396	0.0025%
15 days	27,560	35,500	0.0022%
30 days	57,576	71,044	0.0046%
60 days	33,533	41,273	0.0027%
90 days	55,784	69,453	0.0045%
120 days	327,608	407,939	0.0262%
180 days	287,747	350,436	0.0230%
360 days	172,097	246,624	0.0138%

Thus, the valuation by this approach did not reflect the real value of GRAND.

The Discounted Cash Flow Approach is the method that considers the future cash flow of GRAND, which also takes into account the future growth prospects.

SILOM constructed a financial forecast for GRAND's future cash flow based on information and assumptions from GRAND under the current economic conditions and circumstances. However, if there is any change regarding the uncertainty and unclear of assumptions as mentioned in the earlier part, it may significantly alter the assumptions and financial forecast from the future incidents and the fair value derived from the financial forecast may be inappropriate. In addition, in perspective of the financial forecast prepared from the aforementioned assumptions, it is found that the Company will have negative cash flow and negative cash and cash equivalent at year end. As a result, such financial forecast shall not

truly reflect the future operating performance of the Company and the valuation by this approach is not applicable.

SLIOM views that the Adjusted Book Value Approach is the most appropriate valuation method for GRAND shares and shall result in highest benefit for shareholders. This is due to the Adjusted Book Value Approach reflects the current market value of the Company's assets after deducting all liabilities by taking into account the impacts on debt restructuring which materially affect the value of GRAND's share as of the date of valuation. In addition, the valuation by this approach will also reflect the fundamental value of GRAND's shares.

In conclusion, the fair value of GRAND's shares is **Baht 0.90 per share, which is higher than the offering price by Baht 0.33 per share or 57.84% higher than the offering price. Therefore, the Tender Offer price at Baht 0.57 per share is considerably inappropriate.**

5.2 Reasons to accept or reject the Tender Offer

SILOM has considered the Tender Offer Statement (Form 247-4), Info Memo of the Tender Offerors as well as other information relevant to the Company and recommends that shareholders should **reject the Tender Offer** based on the following reasons;

5.2.1 Reasonable Tender Offer price

SILOM has conducted valuations of GRAND's shares using various theoretical valuation approaches including 1) Book Value Approach 2) Adjusted Book Value Approach 3) Market Value Approach and 4) Discounted Cash flow Approach. SILOM views that the Adjusted Book Value Approach is the appropriate valuation approach for determining share price of the Company. Based on such approach, the fair value of the Company's share is Baht **0.90** per share, which is Baht **0.33** per share higher than the Tender Offer price at Baht **0.57** per share or 57.84% higher than the Tender Offer price. Thus, the Tender Offer price at Baht **0.57** per share is accordingly considered inappropriate. (the details as shown in clause 5.1)

5.2.2 The Company's financial status of the Company after the Tender Offer

After the change of the shareholding structure, on 21 December 2010 the Company entered into debt restructuring between the Company and Trade Victor Investments Limited (TVI) who is a holder of floating rate secured debenture No. 1/2550 due 2010. The outstanding principal and interest are approximately Baht 6,364 million. The following is significant details of debt restructuring;

- (1) The Company repays Baht 2,500 million principal to TVI by using loan proceeds from CIMB Thai Bank Public Company Limited and Government Saving Bank. Then, TVI will immediately release all collateral pledged with debenture.
- (2) The Company repays Baht 470 million principal by endorsing Baht 400 million bill of exchange issued by Honor Business Co., Ltd. to TVI, as a result, TVI will be a creditor of Honor Business Co., Ltd. in accordance with Baht 400 million bill of exchange. Then, Baht 470 million principal of Honor Business Co., Ltd. will be forgiven, and Baht 930 million accrued interest of the Company will also be forgiven.
- (3) Baht 2,464 million remaining debt after repayments according to (1) and (2) will be transformed into Unsecured and Subordinated Term Loan Repayable on Demand at interest rate of 3.0% per annum.
- (4) Within 6 months after the signing date of the debt restructuring agreement, TVI and the Company agree to convert the partial principal in (3) for the amount of Baht 1,000 million to equity by issuing newly-issued shares to TVI under the Private Placement scheme. Conversion price of debt to equity will be mutually-agreed between the Company and TVI which must not lower than the par value and must be approved by the Company's shareholders meeting.
- (5) After the debt to equity conversion, the Company still has the Unsecured and Subordinated Term Loan Repayable on Demand with TVI approximately Baht 1,464 million. Then, all outstanding principal and accrued interest totaling of Baht 964 million and accrued interest from the Unsecured and Subordinated Term Loan Repayable on Demand in (3) until the Discharge Date will be forgiven for the Company before or after debt to equity conversion but not later than 31 December 2011. As a consequence, after debt forgiven in (5), the remaining debt of the Company with TVI will be equal to Baht 500 million.

In case the Company can meet all conditions stated in the aforementioned debt restructuring agreements, resulting in:

- The Company will have gains from restructuring in 2010 in the amount of Baht 1,400 million, resulting in the Company's shareholder's equity is positive.
- Within 6 months after the signing date of the debt restructuring agreement, the Company will issue newly-issued shares to TVI under the Private Placement scheme in the amount of Baht 1,000 million by conversion of debt to equity, resulting in an increase in the Company's shareholder's equity of Baht 1,000 million. Besides, the debt amount of Baht 964 million will be forgiven (Hair-Cut) by TVI within 2011, which will be recognized as gains from restructuring within the same year.

In addition, the Company entered into a long-term syndicated loan agreement with CIMB Thai Bank Public Company Limited and Government Saving Bank with total credit line of Baht 4,400 million, of

which Baht 2,500 million used repay debenture under the debt restructuring agreement and the remaining Baht 1,900 million used to complete the condominium project.

In pursuant to the conditions of loan agreement, it required the Company to increase capital of Baht 400 million, resulting in an increase of the Company's registered and paid-up capital. Besides, the Company also had borrowing from TPROP, who is 100% holding in Metro Premier, of Baht 170 million to be used as the working capital of the Company. Thus, it will result the Company in having a sufficient working capital and higher liquidity to be used to develop other projects.

Under the debt restructuring agreement and loan agreement, it would result in a significant decrease in D/E ratio. In according to the Company's latest financial statement as of 30 September 2010, the D/E ratio calculated by considering the effect from debt restructuring will decreased from 42.77 times at the end of 2009 to 1.67 times. In regards of improved D/E ratio, it will result in an improvement in the Company's financial status. However, the D/E ratio as of 30 September 2010 cannot be calculated since total shareholders' equity is negative. SILOM has an opinion that after the Tender Offer, the Company's financial status shall be better significantly. The shareholders of the Company will have benefits accordingly.

5.2.3 Possibility to sell securities in the future at a higher price than this Tender Offer

After consideration of the historical trading volume of the Company's share within the past 360 days until 21 December 2010 or from 30 June 2009 to 21 December 2010, the highest closing price of GRAND's shares was in the range of Baht 0.89 - 1.89 per share, which is higher than the offering price by Baht 0.29 - 1.32 per share. In addition, the closing price of GRAND's shares after 21 December 2010 until 7 January 2011 was in the range of Baht 2.14 - 2.32 per share, which is higher than the offering price by Baht 1.57 - 3.25 per share or 275.44% - 570.88% higher than the offering price.

Since the Tender Offerors have no plan to either delist the Company's securities from the SET or change in the business plan thus, the shareholders who are not involved in this Tender Offer will probably be able to sell securities at a higher price than this Tender Offer price.

However, since the GRAND's shares were illiquid in trading with the number of shares traded on the SET on average 7 – 360 days until 21 December 2010 (prior to 22 December 2010 which is the submission date of Form of Statement of Firm Intention to Make a Tender Offer (Form 247-3)), of only 27,560 – 327,608 per days or 0.0022% – 0.026% of total GRAND's paid-up shares which can be summarized below:

No. of past consecutive trading days	Average trading value per day (Baht)	Average trading volume per day (shares)	Percentage of trading volume of total paid-up shares
7 days	31,367	50,396	0.0025%
15 days	27,560	35,500	0.0022%
30 days	57,576	71,044	0.0046%
60 days	33,533	41,273	0.0027%
90 days	55,784	69,453	0.0045%
120 days	327,608	407,939	0.0262%
180 days	287,747	350,436	0.0230%
360 days	172,097	246,624	0.0138%

As a result, the shareholders will have opportunities to sell GRAND's shares at the higher price than offering price. However, they may encounter the difficulty in selling securities in the stock market at the required amount and time.

5.2.4 Other important factors to be considered

▪ Balance of control of the Company

According to the share registration as of 21 December 2010 and after the shares acquisition by the Tender Offerors, the Tender Offerors and Concert Party together held 72.89% of total paid-up shares of GRAND. The second largest shareholder was Narula group (excluding Ms. Saranya Chaichutaporn and Mr. Warin Narula, who was the Tender Offer and Concert Party, respectively) altogether held 20.33% of total paid-up shares of GRAND. The minority shareholders held only 6.78% of total paid-up shares of GRAND therefore they lost their right of objection for the important resolutions in the shareholders' meeting which required not less than three-fourth of votes of shareholders who attend and eligible to vote such as capital increase or decrease, merger and acquisition, acquisition or disposal of assets, and delisting, etc., except to combine votes with Narula group.

In addition, in case the minority shareholders sell their shares in this Tender Offer exceeding 2.11% of total paid-up shares of GRAND, it will result in the shareholding percentage of the Tender Offerors exceeding three-fourth (75%) of total paid-up shares of GRAND. Consequently, the Tender Offerors will have the majority control in the shareholder's meeting and the minority shareholders will have the risk of losing right in auditing, balance of control, and objection as stated by law.

▪ Impacts from capital increase on loan agreement

On 21 December 2010, the Company entered into the loan agreement with CIMB Thai Bank Public Company Limited and Government Saving Bank. In pursuant to such loan agreement, the Company is required to increase capital at least Baht 400 million plus cost overrun of the project to be used to complete Crowne Plaza and Regent Residences project. Thus, the Company is planning to request for a resolution from the shareholders' meeting within 2011 to approve the capital increase by right offering shares. In regards to such capital increase, in case the existing shareholders waive the rights to subscribe the right offering shares, therefore they will have a control dilution effect.

In addition, the Company also has a limitation in dividend payment. In according to the loan agreement with CIMB Thai Bank Public Company Limited and Government Saving Bank, the Company might not be able to payout dividend without consents from Co-Lending Banks.

▪ Impacts from capital increase on debt restructuring agreement

The Company has entered into the debt restructuring agreement on 21 December as mentioned earlier. Within 6 months of the signing date of debt restructuring agreement, the Company requires Baht 1,000 million a conversion of debt to equity via Private Placement of newly-issued shares of the Company to TVI, resulting in an increase of total shareholders' equity of Baht 1,000 million and will directly affect the existing shareholders of the Company in aspect of Control Dilution Effect and Price Dilution Effect by the number of increased newly-issued shares. However, the Price Dilution Effect is still uncertain due to the undetermined conversion price and unknown future market price of the Company's shares at the time of debt to equity conversion. As a result, Price Dilution Effect may not occur if the conversion price is higher than the market price at the conversion period.

However, in case of Control Dilution Effect and Price Dilution Effect is calculated based on assumptions of comparison of several conversion prices to the close price of the Company's share as of 27 December 2010 which was equal to Baht 3.82 per share, together with consideration of capital increase to the existing shareholders of Baht 400 million in accordance with the loan agreement, the impacts on various assumptions are calculated and shown below.

Control Dilution Effect & Price Dilution Effect	Present	Baht 400 mn Capital Increase ²	Debt to Equity Conversion to TVI as Debenture Holder as per the Debt Restructuring Agreement			
			1.00 ⁶	2.00 ⁶	3.00 ⁶	4.00 ⁶
Offering price of newly-issued shares (Baht/share)		2.00 ³	1.00 ⁶	2.00 ⁶	3.00 ⁶	4.00 ⁶
Total value of debt to equity to TVI (Baht mn)			1,000.00	1,000.00	1,000.00	1,000.00
Increased paid-up shares (mn shares)		400.00	1,000.00	500.00	333.33	250.00
Total paid-up shares (mn shares)	1,251.20	1,651.20 ⁴	2,651.20	2,151.20	1,984.53	1,901.20
% shareholding of existing shareholders	100%	100% ⁴	62.28%	76.76%	83.20%	86.85%
Control Dilution Effect		None⁴	37.72%	23.24%	16.80%	13.15%
Market price of the Company's share (Baht/share)	3.82 ¹	3.38 ⁵	2.48 ⁵	3.06 ⁵	3.32 ⁵	3.46 ⁵
Price Dilution Effect		11.54%	26.56%⁷	9.49%⁷	1.88%⁷	None

- Note:
- 1/ Close price of the Company's share as of 27 December 2010 in accordance with the information disclosed by the Tender Offerors in Form 247-4
 - 2/ Right Offering at least Baht 400 million under the conditions in the loan agreement with 2 commercial banks. Estimated Cost Overrun of Crowne Plaza and Regent Residences Projects have not taken into account.
 - 3/ Assume the Right Offering Price is Baht 2.00 per share in accordance with the information disclosed by the Tender Offerors in Form 247-4
 - 4/ Assume all existing shareholders of the Company subscribe the right offering in full amount, therefore there is no Control Dilution Effect.
 - 5/ Theoretical calculated market price without taking operational profit or profit from debt restructuring into account.
 - 6/ Assume Conversion Price of debt to equity from Baht 1.00 – 4.00 per share.
 - 7/ Calculated from the market price after Right Offering.

▪ Maintaining a listing status of the Company

As per information of the Company as of 15 March 2010 as disclosed in the website of SET, the trading volume of the Company was relatively low and the number of Free Float of minority shareholders was quite low, only 13.96% of total paid-up shares of GRAND or only 282 minority shareholders.

However, after this Tender Offer, it is expected that the number of Free Float of minority shareholders will be lower, therefore the Company will have a risk having a percentage holding of minority shareholders less than the requirement of maintaining a listing status in pursuant to the Notification of the SET concerning maintaining the status of Listed Companies in SET, 2001 regarding the minority shareholder shall hold not less than 15% of a company's paid-up capital. However, the Company will further resolve the distribution issues of minority shareholdings in order to meet the requirement of the SET.

▪ **Sources of Funds for the Tender Offer**

As disclosed in Form 247-4, the Tender Offerors stated that there are 15 shareholders who collectively hold 254.32 million shares of the Company or 20.33% of total paid-up shares of GRAND have shown their intentions not to sell their shares in this Tender Offer. Each shareholder also issued 15 Letters of Intent stating that they will not sell their shares in this Tender Offer as stated in Form 247-4. Thus, total fund required for this Tender Offer (excluding shares held by 15 shareholders as mentioned above) is Baht 48.36 million.

However, in the case those 15 shareholders, who have declared their intentions not to sell their shares, do not comply with their declarations by selling all of their shares in this Tender Offer, the additional fund of Baht 144.96 million will be required to pay such 15 shareholders. As a result, total fund required for the Tender Offer will be Baht 193.33 million.

In such case, the supplement source of fund to support the payment of this Tender Offer will come from additional borrowing from a commercial bank. The loan application with Baht 350 million credit line has already been approved by the bank's credit committee and now under the process of signing loan agreement, however no guaranteed signature as an evidence. As a result, SILOM views that without approved loan agreements, the Company will have a risk of not obtaining loan proceeds and shall have insufficient cash for this Tender Offer

5.3 Benefit or impact from plans and policies as disclosed in Tender Offer Statement, including the possibility of such plans and policies

SILOM has considered the plans and policies as stated in the Tender Offer statement (Form 247-4) dated 4 January 2011, the Info Memo of TPROP dated 22 December 2010, information from interviewing with the Company's management, and found that the possibility of such plans and policies is considerably high. The impact on GRAND may be as follows;

5.3.1 The Company's Status

The Tender Offerors will maintain listing status of the Company and have no plan to delist the Company's securities from the Stock Exchange of Thailand ("SET") except the case that the Company is unable to meet the listing requirements under the relevant SET's regulations and the SET delists the Company's securities from the SET.

5.3.2 Policy and Business Plan

Within 12 months after the end of the tender offer period, the Tender Offerors has no policy to change the Company's business objectives. It will still focus on the 4-5 stars hotels which are managed by well-known chains and on investments in property development projects in business area and in convenient transportable area which generate rapid return. The Company has also no plan to invest in new projects or increase production or change its business plan significantly.

Besides that, the Company entered into a long-term syndicated loan agreement with CIMB Thai Bank Public Company Limited and Government Saving Bank with total credit line of Baht 4,400 million, of which Baht 1,900 million used to complete The Regent Residences and The Crowne Plaza Sukhumvit Hotel. In addition, the Tender Offerors plan to apply for additional credit facilities to complete the other unfinished projects. However, if some projects under construction could not obtain credit facilities from the financial institution, the Company might consider the capital increase to complete the projects or sell such project to the potential investor(s) to develop and complete them. Such projects are comprised of 1) The Regent Hotel Bangkok 2) Le Meridien Pattaya Resort and 3) The Sail Condominium.

However, SILOM does not see any possibility of the Company to obtain source of fund to finance those 3 projects under construction since the Tender Offerors did not state clearly regarding the source of fund.

5.3.3 Financial Status

Under the debt restructuring agreement and loan agreements with CIMB Thai Bank Public Company Limited and Government Saving Bank on 21 December 2010, the Company will have gains from restructuring in the amount of Baht 2,364 million, resulting in the positive of the Company's shareholder's equity and the decrease in D/E ratio in pursuant to the loan agreements which requires the Company to increase capital of Baht 400 million for cash flow liquidity in order to have sufficient fund to develop future projects. This will benefit to the Company and shareholders in the future.

However, within 6 months after the signing date of the debt restructuring agreement, the Company shall issue newly-issued shares to TVI of Baht 1,000 million by conversion of debt to equity, affecting the existing shareholders in perspective of Control Dilution Effect and Price Dilution Effect from the amount of newly-issue shares based on the future conversion price.

SILOM views that after the Tender Offer, the Company's financial status shall be better significantly. The shareholders of the Company will have benefits accordingly. However, whether the Company will successfully comply with the debt restructuring agreement or not depending on the resolution of shareholder's meeting regarding to debt to equity conversion as mentioned earlier.

5.3.4 Dividend Payout Policy

Within 12 months from the end of the tender offer period, the Tender Offerors have no plan to change the dividend policy which indicates that the Company will payout not less than 50% of the net profit after corporate tax. Nevertheless, the Company may decide to pay dividend less than aforementioned level if it deems necessary to set aside fund from its net profit to complete the construction of projects or to expand its business.

However, according to loan agreement with financial institutions, the Company might not be able to payout dividend without consents from Co-Lending Banks. In the case that the consents from Co-Lending Banks have been given, the annual dividend payment must be approved by the Board of Directors and approved by the shareholders whereas interim payment can be approved only by the Board of Directors and notified to the shareholders later in the next shareholders' meeting.

SILOM is of opinion regarding to the Company's status that the requirement of additional investment and a burden to repay a substantial amount of bank loans may change focus of the Company to consider setting aside of cash flow for such aforementioned purpose before making a decision to pay future dividends.

5.3.5 Connected Transaction

On 21 December 2010, Tender Offerors signed in the ordinary share pledge agreement with Co-Lending Banks as collateral under the syndicated loan agreement that the Company signed with Co-Lending Banks. Additionally, on 21 December 2010, Board of Directors' meeting No.11/2010 of the Company resolved to approve Baht 170 million borrowing from TPROP, major shareholder of Metro Premier, with interest rate of 12% per annum to be use as working capital of the Company.

However, after this Tender Offer, the Tender Offerors may have additional connected transactions with the Company such as loans lending to the Company, co-project development, and/or purchase-sales transfer-acquire of assets, etc. However, the Company will set conditions to be the normal business transactions and/or at the market price which is comparable to the transactions with outside parties for maximum benefits to the Company and the shareholders as if it is conducted with outside parties under general business conditions (Arm's Length Basis). Additionally, the audit committee meeting shall be arranged to consider and provide opinions on the necessity and appropriateness of the transactions as well as comply with the SEC's and SET's regulations and the good corporate governance principles to increase the transparency and efficiency of the Company's business operations.

5.4 The benefit and impact to the shareholders if the shareholders reject the tender offer (in case of delisting tender offer)

None, as this transaction is not a delisting tender offer.

5.5 Conclusion of Independent Financial Advisor's Opinion

SILOM has considered the Tender Offer Statement (Form 247-4), the Info Memo of the Tender Offerors, information from interviewing with the Company's management, and other information relevant to the Company and the Tender Offerors. Thus, SILOM recommends that shareholders should **reject** the

tender offer since the Tender Offer price at Baht **0.57** per share is considerably inappropriate due to it is lower than the fair value determined by the Adjusted Book Value Approach of Baht **0.90** per share based on the IFA's opinion report. Besides, such offering price is lower than the market price of the Company within the past 360 days prior to the days that Tender Offerors declare the offering price or lower than the close price of GRAND's share until 7 January 2011.

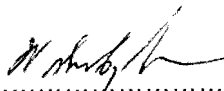
In addition, shareholders should also take other factors in consideration other than the appropriateness of Tender Offer such as:

- 1) The improved financial status of the Company after the Tender Offer
- 2) Possibility to sell securities in the future at a higher price than this Tender Offer
- 3) Other important factors to be considered
 - Balance of control of the Company due to the shareholding percentage of minority shareholders (excluding Narula group) together holds 6.78% of total paid-up shares of GRAND, resulting losing their rights in auditing, balance of control, and objection as stated by law Impacts from loan agreement regarding to the capital increase and dividend payment policy
 - Impacts from debt restructuring agreement regarding to Control Dilution Effect and Price Dilution Effect from the increasing number of newly-issued shares by debt to equity conversion to TVI
 - Maintaining a listing status of the Company due to the number of Free Float of minority shareholders is relatively low
 - Sources of Funds for the Tender Offer

Shareholders may consider information, rationale, and opinions on various issues stated herein the independent financial report in consideration to accept or reject this tender offer. However, shareholders should use their own judgments with their discretion over their decisions regarding this tender offer.

Silom Advisory Company Limited hereby certifies that we have provided the above opinion cautiously in accordance with professional standard for the benefit of the shareholders.

Sincerely yours,



(Mr. Pitak Kittiakarastien)
Managing Director
Silom Advisory Co., Ltd.
Independent Financial Advisor

