

Independent Financial Advisor's Opinion

On

**The Connected Transaction: Providing Financial Assistance to
Thanulux Public Company Limited**

Presented to shareholders of



I.C.C. International Public Company Limited

By



Silom Advisory Company Limited

16 March 2023

Date 16 March 2023

To Shareholders of I.C.C. International Public Company Limited

Subject Independent Financial Advisor's Opinion on the Connected Transaction of Providing Financial Assistance to Thanulux Public Company Limited

The Board of Directors Meeting of I.C.C. International Public Company Limited ("ICC" or "the Company") No. 13/2022 held on 13 March 2023 resolved to approve and propose to the Annual General Meeting of Shareholders to consider and approve the loan to Thanulux Public Company Limited ("TNL"), which is connected person of the Company while TNL has major shareholder, Saha Pathana Inter-Holding Public Company Limited ("SPI"), holding 41.09% of the issued and sold ordinary shares of TNL, which SPI is a connected person of the Company while SPI is major shareholder of the Company holding 24.81% of paid up capital of the Company. Financial assistance with a juristic person with common major shareholders is considered connected transaction of the Company

Providing financial assistance to connected person with joint major shareholders is considered connected transaction as specified in the Notification of the Capital Market Supervisory Board TorJor. 21/2551 Re: Rules for Connected Transactions dated 31 August 2008 (as amended) and the Board of Director's Notification of the Stock Exchange of Thailand Re: Disclosure of Information and Other Acts of Listed Companies Concerning Connected Transactions, 2003 dated 19 November 2003 (including the No. amended) ("Notification of the Connected Transaction") because providing financial assistance to related company which connected person holds more shares than the Company, transaction size must be considered according to the criteria of 100 million baht or 3% of NTA, whichever is lower. The transaction size is calculated from value of financial assistance in the amount not over 500.00 million baht at interest rate of 6.00% or MLR - 1%, whichever is higher (MLR as of 13 March 2023 was 6.3833, source: Bank of Thailand) whereby the Company will receive minimum interest rate of 6.00 percent per year. However, lending to TNL may receive interest higher than 6.00 if TNL receives loan in the future, MLR. - 1% may be higher than 6.00% if MLR interest rate is over 7.00%. IFA cannot be projected MLR interest rate in the future, so IFA calculated the transaction size from highest interest rate using the interest rate as of 13 March 2023, which is worth no more than 60 million baht throughout loan term. Total transaction value is not more than 560.00 million baht, representing the highest transaction size equal to 1.97 percent of the Company's net tangible assets (NTA) which is 28,418.39 million baht according to consolidated financial statements as of 31 December 2022. Incidentally, there are no other connected transactions with connected persons or related persons of such connected persons within past six months prior Board of Directors' Meeting of the Company No. 13/2022, while value of such transactions exceeds 100 million baht or exceeds 3% of NTA of the Company, whichever is lower according to consolidated financial statements as of 31 December 2022. the Company has duty to disclose information on the Company's connected transactions to SET and have to appoint an independent financial advisor that approved by Securities and Exchange Commission ("SEC") to give an opinion on the transactions to shareholders' meeting of the Company with vote not less than three-fourths of total number of shareholders attending the meeting without counting votes on part of shareholders who have interest.

In this regard, the Company has appointed Silom Advisory Co., Ltd. (“IFA” or “the Advisor”) as the Independent Financial Advisor to provide opinion on the Asset Acquisition and Connected Transaction to shareholders of the Company as information for their consideration.

In order to calculate the number in this report, some figures and values are typically rounded up by two or three digits (as the case may be) in which the derived numbers may not equal to such figure and value appeared in this report.

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Glossary

Abbreviation	Definition
ICC or the Company	: I.C.C. International Public Company Limited
TNL	: Thanulux Public Company Limited
SPI	: Saha Pathana Inter-Holding Public Company Limited
OA	: Oxygen Asset Company Limited
MLR	: Average minimum loan interest rate of Bangkok Bank PLC and Krung Thai Bank PLC and Siam Commercial Bank PLC which are collected from large and good customers.
7JVs	: Joint venture with Nobel Development Public Company Limited to operate real estate business for sale. Type of residence altogether 7 companies
Lender	: I.C.C. International Public Company Limited
Borrower	: Thanulux Public Company Limited
Highly liquid assets	: Asset list of I.C.C. International Public Company Limited, which includes 1. Cash and cash equivalents 2. Temporary investment Total value 3,283 Million Baht Referring to the financial statements for the year 2022 of I.C.C. International Public Company Limited
The Transaction	: Financial assistance transaction to Thanulux PLC in amount not exceeding 500 Million Baht within 2 years from the date that TNL receives loan each time in the form of a long-term loan agreement with interest or return at the rate of Percent 6 or MLR – 1.00% per year, whichever is higher on the date that TNL receives the loan each time.
SEC	: Securities and Exchange Commission
SET	: the Stock Exchange of Thailand
IFA or the Advisor	: Silom Advisory Co., Ltd.
IFA's Opinion	: Independent Financial Advisor's Opinion on Connected Transaction of I.C.C. International Public Company Limited
Notifications on Connected Transaction	: The Notification of the Capital Market Supervisory Board No. TorJor. 21/2551 Re: Rules on Connected Transaction dated 31 August 2008 and (as amended), and the Notification of Securities and Exchange Commission Re: Disclosure of Information and Other Acts of Listed Companies Concerning Connected Transactions B.E. 2546 dated 19 November 2003 (as amended)
Public Limited Companies Act	: Public Limited Companies Act, B.E.2535 (as amended)
Securities and Exchange Act	: Securities and Exchange Act B.E.2535 (as amended)

Section 1: Executive Summary

1.1 Characteristics of the Transaction

The Board of Directors Meeting of I.C.C. International Public Company Limited (“ICC” or “the Company”) No. 13/2022 held on 13 March 2023 resolved to approve and propose to the Annual General Meeting of Shareholders to consider and approve loan to Thanulux Public Company. Limited (“TNL”), which is connected person of the Company while TNL has major shareholder, Saha Pathana Inter-Holding Public Company Limited (“SPI”), holding 41.09% of the issued and sold ordinary shares. of TNL, which SPI is a connected person of the Company while SPI is major shareholder of the Company holding 24.81% of paid up capital of the Company. Financial assistance with a juristic person with common major shareholders is considered connected transaction of the Company with details of financial assistance as follows:

Title	Description
Lender	I.C.C. International Public Company Limited
Borrower	Thanulux Public Company Limited
Objective	To manage the Company's cash flow by receiving a return at an interest rate of not less than 6 percent per year, which is better than depositing with financial institutions.
Category	long-term loan agreement
Amount	not more than 500.00 million baht
Period	not more than 2 years from the date TNL receives loan each time. The Company will make loan agreements with TNL within 2023 and all agreements will expire within 2025.
Interest rate	not exceed average minimum loan interest rate of Bangkok Bank Public Company Limited (“BBL”) and Krung Thai Bank Public Company Limited (“KTB”) and The Siam Commercial Bank Public Company Limited (“SCB”) collected from high-level large customers (hereinafter referred to as the average loan of 3 banks as “MLR”) - 1% per annum or fixed interest rate of 6 per cent per year, whichever is higher, from the date that TNL receives loan each time
Collateral	-
Conditions precedent	1. ICC requires approval from shareholders of ICC to enter into this transaction. 2. TNL must obtain approval from TNL's Board of Directors to receive financial assistance from the ICC. 3. Must receive complete documents according to loan agreement (details in 3.5)
Terms	1. The lender must obtain other documents and evidence according to loan agreement in full 2. The borrower proceeds to apply for a loan drawdown to the lender. Not less than 15 (fifteen) business days in advance. 3. There is no event of default as specified in loan agreement. 4. No significant negative effects occurred. 5. The borrower provides evidence that the debt to equity (D/E) ratio of the borrower's consolidated financial statements is maintained at no more than 1:1 (one to one).

Title	Description
Payment	Principal: The borrower has to repays the entire amount of loan disbursed to the lender at the end of period of 2 (two) years from the date of receiving each loan Interest: The borrower has to pay interest on loan. At the end of every 3 (three) months from the date of receiving each loan

While the Company is not financial institution that specializes in considering and verifying to lending for third parties. Therefore, the Company consider benefits and risks of lending for high benefit of shareholders according to the Fiduciary Duty principle that the Company's used to considered debt securities investment without going against regulations and objectives of the Company.

Providing financial assistance to connected person with joint major shareholders is considered connected transaction as specified in the Notification of the Capital Market Supervisory Board TorJor. 21/2551 Re: Rules for Connected Transactions dated 31 August 2008 (as amended) and the Board of Director's Notification of the Stock Exchange of Thailand Re: Disclosure of Information and Other Acts of Listed Companies Concerning Connected Transactions, 2003 dated 19 November 2003 (including the No. amended) ("Notification of the Connected Transaction") because providing financial assistance to related company which connected person holds more shares than the Company, transaction size must be considered according to the criteria of 100 million baht or 3% of NTA, whichever is lower. The transaction size is calculated from value of financial assistance in the amount not over 500.00 million baht at interest rate of 6.00% or MLR - 1%, whichever is higher (MLR as of 13 March 2023 was 6.3833, source: Bank of Thailand) whereby the Company will receive minimum interest rate of 6.00 percent per year. However, lending to TNL may receive interest higher than 6.00 if TNL receives loan in the future, MLR. - 1% may be higher than 6.00% if MLR interest rate is over 7.00%. IFA cannot be projected MLR interest rate in the future, so IFA calculated the transaction size from highest interest rate using the interest rate as of 13 March 2023, which is worth no more than 60 million baht throughout loan term. Total transaction value is not more than 560.00 million baht, representing the highest transaction size equal to 1.97 percent of the Company's net tangible assets (NTA) which is 28,418.39 million baht according to consolidated financial statements as of 31 December 2022. Incidentally, there are no other connected transactions with connected persons or related persons of such connected persons within past six months prior Board of Directors' Meeting of the Company No. 13/2022, while value of such transactions exceeds 100 million baht or exceeds 3% of NTA of the Company, whichever is lower according to consolidated financial statements as of 31 December 2022. the Company has duty to disclose information on the Company's connected transactions to SET and have to appoint an independent financial advisor that approved by Securities and Exchange Commission ("SEC") to give an opinion on the transactions to shareholders' meeting of the Company with vote not less than three-fourths of total number of shareholders attending the meeting without counting votes on part of shareholders who have interest.

Based on the above criteria, the Company has appointed Silom Advisory Company Limited ("IFA" or "Advisor") as an independent financial advisor that approved by the Securities and Exchange Commission ("SEC") to give opinions on the connected transactions to the shareholders of the Company as information for considering making a resolution, Advantages and disadvantages of entering into the transaction, Advantages and disadvantages of entering into transactions with connected persons compared to third parties, risk of

entering into the transaction Including the appropriateness of the transaction. The opinion of the advisor can be summarized as follows:

1.2 Appropriateness of entering into the transaction

1.2.1 Appropriateness of setting interest rates

IFA compares the rate of return from this financial assistance with the rate of return and cost of finance of the Company for liquidity management. to the rate of return from short-term investments in financial instruments and other forms of debt instruments.

Deposit interest rates and returns on current investments of the Company

As of 31 December 2022, the Company has highly liquid assets: Cash and cash balance times with 702.60 million baht and current investments of 2,580.40 million baht (current investments mean deposits at commercial banks with a maturity of more than 90 days) totaling 3,283.00 million baht (hereinafter referred to as that "Highly liquid assets"), with the average savings deposit interest rate as of 10 March 2022 times with 0.38% per year and the average 2-year fixed deposit interest rate with 1.39% per year.

Interest rates for loans from financial institutions of the Company and debentures

As of 31 December 2022, the Company has no long-term loans from financial institutions. However, the consultant has examined loan amount and interest rate information received from financial institutions It was found that the Company's short-term loan interest rates were between 0.85 - 4.10 percent per year, according to the conditions that the Company received from financial institutions.

Comparison of the interest rate of return on investment and cost of finance of the Company

No.	Category	Interest rate		Compared to rate of return from TNL
		Average	Min – Max	
1	Compensation of Financial Assistance to TNL	6.00 or MLR-1% =5.38 (As of March 10, 2023, MLR = 6.3833)		
2	Returns from other investment			
2.1	Interest rates for 2-year fixed deposits of BBL KTB SCB ^{/1}	1.57	1.50 – 1.65	higher
2.2	2-year Fixed Deposit Interest Rates of Commercial Banks ^{/1}	1.39	0.20 – 1.75	higher
2.3	government bond interest rates 0 - 2 years ^{/2}	1.07	0.50 – 1.89	higher
2.4	Private debt securities 0-2 years ^{/2}			
	2.4.1 Investment Grade ^{/2} (Credit rating higher than BBB)	3.02	0.86 - 6.20	higher
	2.4.2 High Yield ^{/2} (Credit rating Lower than BB)	6.41	4.00 - 7.50	nearby

No.	Category	Interest rate		Compared to rate of return from TNL
		Average	Min – Max	
	2.4.3 Unrated Bond ²	5.84	0.72 - 7.60	nearby
2.5	Interest rates for MLR loans of financial institutions ¹	6.38	6.35 - 6.45	lower
3	ข้อมูลที่สำคัญของthe Company			
3.1	Return of deposits with financial institutions of the Company ³		0.125 – 1.30	higher
3.2	Return of short-term loans of the Company ³	1.76		higher
3.3	loans interest rate from financial institutions of the Company ³		0.85 – 4.10	higher
3.4	Cost of Equity of ICC (Percent)	5.27		higher

Source: 1. Bank of Thailand as of 10 March 2023

2. ThaiBMA as of 10 March 2023

3. Information received from the Company

This financial assistance to TNL has higher rate of return than rate of return that the Company received from investing in long-term corporate debt securities. 0-2 years at the Investment grade level and is close to 0-2 year corporate bonds with a high yield level and higher interest rates. ICC's expected return on equity (Cost of Equity) and the cost of financing from short-term borrowings from financial institutions of the Company.

However, providing financial assistance to TNL is lower than the rate of return that the Company will receive from interest rate of debt securities with credit rating lower than BB, referring to as of 10 March 2023, which is ICC understands the business. the Company receive interest rates lower than the MLR of financial institutions that provide loans to prime large customers at 0.35 - 0.45 percent.

Due to the terms of the drawdown period of loan is 2 years and the fluctuation of market interest rates in the current state which causes the financial costs received from financial institutions and the money market to fluctuate. As a result, the Company's current expected return on equity is used for comparison to set fixed interest rate that is reasonable and beneficial to the Company in the long term is difficult to do. Therefore, the Company chooses to use the method of determining the interest on loan between interest rate of 6.00 percent or MLR – 1%, whichever is higher.

IFA is opined that **the interest rate for this financial assistance is appropriate and beneficial to the Company**, whereby the Company can lend for the benefit of the Company's excess working capital management.

1.2.2 Appropriateness of loan conditions

the Company will provide financial assistance to TNL under loan agreement for period not exceeding 2 years from the date TNL receives loan at interest rate of 6.00 percent or MLR – 1% per annum, whichever is higher. which is higher than the interest rate that the Company receives from financial institutions as of 10

March 2023, with the principal repayment due on the end of loan agreement And repay the interest within 3 months from the date of receiving loan, which the Company will use the source of funds from the company's excess working capital within the year 2023. IFA has opinions on the terms of loan as follows:

Subject	Description	IFA's Opinion
Category	long-term loan agreement	Appropriate as issuance of debt instruments as required by law in accordance with the Ministry of Finance's standards.
Amount	Not over 500 Million Baht Non-renewable (Non-Revolving Loan)	Appropriate as the Company has sufficient excess liquidity. However, IFA has examined investment plans, reserve funds, working capital for business operations from 10 March 2023 until the end of loan agreement in 2025, it was found that the Company's liquidity was sufficient for lending to TNL.
Period	not more than 2 years by drawing. Borrower can choose to take out the entire loan amount at once or draw down loan several times until the full credit limit is reached by the year 2023	Appropriate because the Company can be used to manage short-term liquidity in order to obtain increased returns.
Collateral	None	Inappropriate because if borrower has insufficient cash to pay, the company will lose the benefit of receiving principal and returns and may negatively affect the liquidity of the company. However, as of 31 December 2022, TNL has cash 2,384.41 Million Baht and increased capital by 3,051.77 Million Baht, thus giving TNL enough liquidity to pay off loan in full and considering interest coverage ratio at 23.78 times, debt service coverage ratio at 0.06 times and TNL's payment history since 2020, it was found that TNL has never defaulted on debt. Therefore, IFA opined that risk of default payment is low.
Condition Precedent	1. ICC requires approval from shareholders of ICC to enter into this transaction.	Appropriate as the Company and TNL must comply with requirements of listed

Subject	Description	IFA's Opinion
	<p>2. TNL must obtain approval from TNL's Board of Directors to receive financial assistance from the ICC.</p> <p>3. Must receive complete documents according to loan agreement (details in 3.5)</p>	<p>companies on SET and obtaining documents according to loan agreement that are appropriate to be used as evidence in loan agreement according to the standards of the Ministry of Finance</p> <p>(Opinions on contract conditions according to item 3.5)</p>
Terms	<p>1. The lender must obtain other documents and evidence according to loan agreement in full</p> <p>2. The borrower proceeds to apply for a loan drawdown to the lender. Not less than 15 (fifteen) business days in advance.</p> <p>3. There is no event of default as specified in loan agreement.</p> <p>4. No significant negative effects occurred.</p> <p>5. The borrower provides evidence that the debt to equity (D/E) ratio of the borrower's consolidated financial statements is maintained at no more than 1:1 (one to one).</p>	<p>Appropriate as it is a condition that is beneficial to liquidity management plan of excess working capital and reduces the likelihood of default and negative impacts on the Company</p>
Principle Payment	<p>The borrower is responsible for repaying the entire amount of loan drawn back to the lender. At the expiration of 2 (two) years from the date of loan agreement</p>	<p>Appropriate, clearly defined payments thus allowing the company to plan investments and manage liquidity more efficiently</p>
repayment before the end of the contract	<p>borrower has the right to repay loan in full or in part to the lender before loan repayment date. There is no charge for early repayment of loan, provided that the borrower must give written notice to the lender not less than 45 (forty-five) days before the date on which the borrower repays loan and the borrower must repay. Loan in the amount specified in the above notice on the date that the borrower repays loan</p>	<p>Appropriate, Receiving loan payments before the end of the contract can help the Company reduce the risk of default and increase investment opportunities for the utmost benefit of the Company</p>

Subject	Description	IFA's Opinion
interest payment	The borrower must pay interest on loan. At the end of every 3 (three) months from the date of receiving each loan	Appropriate, the company will get a faster return on lending.
Interest on default	The borrower shall immediately repay the entire loan amount with the interest on such amount to the lender.	Appropriate, it is condition that results in the company being paid back in full with compensation and reduce the risk of being in bad debt

IFA is opined that the overall loan conditions are beneficial to the Company and are **reasonable** in that the Company can manage liquidity to be more flexible and efficient.

1.2.3 Appropriateness of compliance with related party transaction policy

For Financial Assistance to companies which connected persons hold more than the Company's shares, the Company has complied with the Company's related-party transaction policy under the rules set forth in the Notification of the Capital Market Supervisory Board No. Tor Jor. 21. /2008 Re: Rules for Connected Transactions dated 31 August 2008 (including amendments) and the Notification of the Board of Governors of the Stock Exchange of Thailand 2546 dated November 19, 2003 (as amended), which has taken the following steps:

1. Consider transaction partners Characteristics of connected transactions and item size
2. Through the executive committee for consideration
3. Through the Audit Committee for consideration
4. Through the Board of Directors for consideration
5. Present to the shareholders for consideration.

From the above steps, IFA opined that the aforementioned procedures are appropriate. According to the regulations of listed companies on SET according to transaction size considered

1.3 Advantages and disadvantages of entering into the transaction

1.3.1 Advantages of entering into the transaction

1 the Company receives returns at higher rate than the Company's current returns

Providing financial assistance to TNL, the Company will receive interest at rate of 6.00% or MLR – 1% per annum, whichever is higher. Loan period is not more than 2 years from the date of signing loan agreement. This rate of return is higher than the return that the Company receives from managing excess working capital in savings accounts, temporary investments, cost of equity and financial costs of the Company (please see details in section 4.5 Appropriateness of Interest Rates and Loan Conditions), which will enable the Company to receive greater returns from liquidity management from operations.

2 the Company can effectively manage cash flow

Providing financial assistance to TNL, the Company will use funding sources from excess working capital. As of 31 December 2022, the Company has highly liquid assets worth 3,283.00 million baht. Therefore, it is one option of the Company to manage cash flow that the Company will be able to manage cash flow that does not have a plan to use money efficiently and generate higher returns.

1.3.2 Disadvantages of entering into the transaction

1 The Company may lose opportunity to invest higher yielding assets or liabilities.

Financial assistance to TNL has maximum amount not over 500.00 million baht within 2 years which may cause the Company to lose investment opportunities that may have better returns during that period.

However, the Company has plans to invest in business expansion with objective of investing in machinery, office supplies, system for operation to be used for improving operational efficiency and creating added value for the Company in the long run and jointly investing in businesses that complement the businesses that the Company and companies in the group operate or expects to operate in the future for profit potential. the Company will not use the cash flow for investment to provide financial assistance to TNL but will use the excess working capital to provide assistance in order to benefit liquidity management maximum by consultant has examined above investment plan and compared it with the Company's highly liquid assets as of 31 December 2022 (every loan). IFA found that the Company will have more than 1,000 million baht in excess of high-liquid assets after assisting to TNL.

2 The Company's liquidity ratio may decrease while providing financial assistance to TNL.

While the financial assistance amount is not more than 500 million baht, accounting for 15.23 of the highly liquid assets or 1.46% of the Company's total assets. The Company's liquidity ratio decreased from 3.82% to 3.57%. However, the Company's liquidity ratio after the transaction is still in high segment ratio which shows that the Company has sufficient liquidity for entering into the transaction.

1.4 Advantages and disadvantages of entering into a transaction with a connected person compared to a transaction with third party

1.4.1 Advantages of entering into a transaction with a connected person

1 Flexibility in negotiations and coordination in determining the terms of loan

While TNL has common shareholders and directors, it is more flexible than negotiating with outsiders, so the Company can follow up on loan repayment. and asking for necessary information about financial status and debt repayment ability is more convenient than making a transaction with third party.

In addition, the transaction with connected person also allows the Company to negotiate terms such as determining the repayment date or premature repayment of the loan in case the Company needs to use money, etc., which gives the Company flexibility in liquidity management. It also benefits from a higher rate of return than transactions with third parties that the Company provides financial assistance. The average interest

rate for short-term loans was 3.73% and the average interest rate for long-term loans was 3.37% as of 31 December 2022

1.4.2 Disadvantages of entering into the transaction with a connected person

1 the Company has more expenses for entering into the transaction

As financial assistance to TNL is considered large connected transaction, the Company has a duty according to the Connected Transaction Notifications to propose to the shareholders' meeting to consider and approve the transaction, resulting for the Company to incur additional operating expenses, including the cost of hiring independent financial advisors to provide opinions to shareholders and disclosure of transaction information to the Stock Exchange of Thailand and shareholders. It is part of good corporate governance which demonstrates transparency in the management of the Company.

1.5 Risk from entering into the transaction

1.5.1 Lack of liquidity

In 2020 – 2022, the Company has a high level of liquidity with a liquidity ratio of 4.27, 4.05 and 3.82 times respectively, with the Company's liquidity decreasing each year due to lower sales revenue from the outbreak of the Coronavirus 2019 and investments in equity instruments. Investments in Associated Companies purchase of the Company's assets, therefore providing financial assistance to TNL will result in the Company's liquidity ratio decreasing from 3.82% to 3.57%.

However, from the management interview, it was found that the Company has sufficient liquidity for investment according to the Company's investment plan and reserve funds. The Company's surplus working capital has no plans to use or invest in any way. In providing financial assistance to TNL, management will consider the best interests of the Company.

1.5.2 Default of payment

At the end of 2022, TNL had debt to equity ratio of 0.50 times while TNL has plan to expand business line through receiving financial assistance from connected persons 2,080 million baht (including the financial assistance value of the company 500 million baht) according to resolution of Board of directors of TNL No. 3/2023 on 10 March 2023 which will result in debt to equity ratio of TNL after receiving all financial assistance equal to 0.79, which can maintain debt to equity ratio under the terms of loan agreement between the Company and TNL and interest coverage ratio of 23.78 times and debt service coverage ratio of 14.19 times, indicating that TNL had revenues from Business operations are sufficient to pay interest payments. Although TNL's liquidity ratio in 2022 was 1.87 times, and TNL's cash cycle decreased from 148 days to 84.48, which shows better end-to-end operating ability. However, in 2022, TNL has invested in a variety of businesses, requiring a large amount of capital investment and resulting in operating risks of new businesses. As a result, it may affect the ability to repay the loan.

However, TNL is large company with asset size as of 31 December 2022 is 10,600.20 Million Baht, it can generate consistently positive profits and TNL's debt repayment history since 2020 found that there has never been a default in payment. Including the fact that TNL must maintain a debt to equity ratio of less than 1.00 times according to the loan agreement. In order to prevent the debt ratio from being lower than the capital and having the ability to repay debt, the IFA views that the risk of default of TNL is low.

1.5.3 Risk from being controlled by contract terms by major shareholders

While SPI is a major shareholder of the Company who has the power to control part of the business through the sending of representatives to participate in the management and some decisions of the Company are subject to risk that the Company may be controlled in entering into transactions for providing and receiving financial assistance which does not create the best interest for the Company.

However, due to the tight financial assistance conditions both in terms of interest rates for providing financial assistance that is not lower than the interest rate that the Company receives from financial institutions and establishing procedure for reporting such transactions to the Company's board of directors and the Company's audit committee for acknowledgment such clear consideration and examination processes will reduce the risk of gaining control over the Company. major shareholder

1.6 Summary of IFA's opinion

From the aforementioned reasons, IFA, as the Independent Financial Advisor, is of the opinion that **Providing financial assistance to TNL is reasonable**. And will help the Company have alternatives to manage liquidity and excess cash flow more efficiently. including interest rates for entering into the transaction, the rate is still reasonable. Both in terms of investment and benefit to the Company, **IFA has an opinion that shareholders should vote for approval of the transaction**. However, the decision to vote for approval of the transaction It is at the discretion of the Company's shareholders. The shareholders should study the information in the documents attached to the notice of this 2023 Annual General Meeting of Shareholders as well. to be used for consideration and decision to vote appropriately.

Section 2: Practice and Information used in the preparation of IFA Report

IFA considered and studied the transactions which are connected transaction from the information received from the Company, the management's interviews, public information, and relevant information including, but not limited to;

1. Board meeting resolutions and information of the Company and TNL disclosed through the Stock Exchange of Thailand related to the transaction.
2. The Company's documents such as certificates Memorandum of Association and Articles of Association, etc.
3. Annual information disclosure form (One Report) of the Company and TNL ended 31 December 2021.
4. Audited financial statements of the Company and TNL for year ended 31 December 2020 – 2022
5. Business plan and investment plan of the Company
6. Interviews with executives of the Company, including related persons.
7. Statistics from the Stock Exchange of Thailand and industry conditions

IFA's opinion based on the assumption that information and/or document in which IFA receive as well as interview with the Company and management as well as relevant person were true and accurate. The Advisor has carefully considered and studied such information to comply with professional standard. Moreover, the Advisor considered that all contracts and business agreements were effective and legally enforceable and the conditions of such agreement will not be changed, revoked or canceled, and there is no circumstance or any condition which might significantly affect the transaction.

Therefore, in case that information and/or documents which IFA received is untrue and/or inaccurate or the contracts and business agreements are not effective and/or not legally enforceable and/or the conditions of contracts and business agreements are changed, revoked or canceled, and/or there is any circumstance or condition that might cause significant effect to the transactions which may affect opinion of IFA. IFA, therefore, will not be able to provide an opinion on such effect to the Company and its shareholders.

IFA's opinion was prepared based on the information received by IFA including information on the industry, economic condition, and other factors occurred during the preparation, which may significantly change later and affected IFA's opinion. The Advisor does not have an obligation to edit the report on IFA Report.

IFA Report was prepared for the Company's shareholders as additional information. However, IFA Report does not guarantee success of the transaction, including possible impacts, and IFA will not be able to, either directly or indirectly, response for any impact cause from entering into the transaction.

Section 3: Characteristics and Detail of Transaction

3.1 Characteristics of the Transaction

The Board of Directors Meeting of I.C.C. International Public Company Limited (“ICC” or “the Company”) No. 13/2022 held on 13 March 2023 resolved to approve and propose to the Annual General Meeting of Shareholders to consider and approve loan to Thanulux Public Company. Limited (“TNL”), which is connected person of the Company while TNL has major shareholder, Saha Pathana Inter-Holding Public Company Limited (“SPI”), holding 41.09% of the issued and sold ordinary shares. of TNL, which SPI is a connected person of the Company while SPI is major shareholder of the Company holding 24.81% of paid up capital of the Company. Financial assistance with a juristic person with common major shareholders is considered connected transaction of the Company with details of financial assistance as follows:

Title	Description
Lender	I.C.C. International Public Company Limited
Borrower	Thanulux Public Company Limited
Objective	To manage the Company's cash flow by receiving a return at an interest rate of not less than 6 percent per year, which is better than depositing with financial institutions.
Category	long-term loan agreement
Amount	not more than 500.00 million baht
Period	not more than 2 years from TNL receives loan date. The Company will make loan agreements with TNL within 2023 and all agreements will expire within 2025.
Interest rate	not exceed average minimum loan interest rate of Bangkok Bank Public Company Limited (“BBL”) and Krung Thai Bank Public Company Limited (“KTB”) and The Siam Commercial Bank Public Company Limited (“SCB”) collected from high-level large customers (hereinafter referred to as the average loan of 3 banks as “MLR”) - 1% per annum or fixed interest rate of 6 per cent per year, whichever is higher, from the date that TNL receives loan each time
Collateral	-
Conditions precedent	<ol style="list-style-type: none"> 1. ICC requires approval from shareholders of ICC to enter into this transaction. 2. TNL must obtain approval from TNL's Board of Directors to receive financial assistance from the ICC. 3. Must receive complete documents according to loan agreement (details in 3.5)
Terms	<ol style="list-style-type: none"> 1. Lender must obtain all evidence according to loan agreement 2. Borrower proceeds to apply for a loan drawdown to the lender. Not less than 15 (fifteen) business days in advance. 3. There is no event of default as specified in loan agreement. 4. No significant negative effects occurred. 5. The borrower provides evidence that the debt to equity (D/E) ratio of the borrower's consolidated financial statements is maintained at no more than 1:1 (one to one).

Title	Description
Repayment	<p>Principal: The borrower has to repays the entire amount of loan disbursed to the lender at the end of period of 2 (two) years from the date of receiving each loan</p> <p>Interest: The borrower has to pay interest on loan. At the end of every 3 (three) months from the date of receiving each loan</p>

While the Company is not financial institution that specializes in considering and verifying to lending for third parties. Therefore, the Company consider benefits and risks of lending for high benefit of shareholders according to the Fiduciary Duty principle that the Company's used to considered debt securities investment without going against regulations and objectives of the Company.

Providing financial assistance to connected person with joint major shareholders is considered connected transaction as specified in the Notification of the Capital Market Supervisory Board TorJor. 21/2551 Re: Rules for Connected Transactions dated 31 August 2008 (as amended) and the Board of Director's Notification of the Stock Exchange of Thailand Re: Disclosure of Information and Other Acts of Listed Companies Concerning Connected Transactions, 2003 dated 19 November 2003 (including the No. amended) ("Notification of the Connected Transaction") because providing financial assistance to related company which connected person holds more shares than the Company, transaction size must be considered according to the criteria of 100 million baht or 3% of NTA, whichever is lower. The transaction size is calculated from value of financial assistance in the amount not over 500.00 million baht at interest rate of 6.00% or MLR - 1%, whichever is higher (MLR as of 13 March 2023 was 6.3833, source: Bank of Thailand) whereby the Company will receive minimum interest rate of 6.00 percent per year. However, lending to TNL may receive interest higher than 6.00 if TNL receives loan in the future, MLR. – 1% may be higher than 6.00% if MLR interest rate is over 7.00%. IFA cannot be projected MLR interest rate in the future, so IFA calculated the transaction size from highest interest rate using the interest rate as of 13 March 2023, which is worth no more than 60 million baht throughout loan term. Total transaction value is not more than 560.00 million baht, representing the highest transaction size equal to 1.97 percent of the Company's net tangible assets (NTA) which is 28,418.39 million baht according to consolidated financial statements as of 31 December 2022. Incidentally, there are no other connected transactions with connected persons or related persons of such connected persons within past six months prior Board of Directors' Meeting of the Company No. 13/2022, while value of such transactions exceeds 100 million baht or exceeds 3% of NTA of the Company, whichever is lower according to consolidated financial statements as of 31 December 2022. the Company has duty to disclose information on the Company's connected transactions to SET and have to appoint an independent financial advisor that approved by Securities and Exchange Commission ("SEC") to give an opinion on the transactions to shareholders' meeting of the Company with vote not less than three-fourths of total number of shareholders attending the meeting without counting votes on part of shareholders who have interest.

Based on the above criteria, the Company has appointed Silom Advisory Company Limited ("IFA" or "Advisor") as an independent financial advisor that approved by Securities and Exchange Commission ("SEC") to give an opinion on the connected transactions to the shareholders of the Company as information for their consideration to vote.

3.2 Transaction Date

The company expects to enter into the Transaction with TNL within 2023, all agreements will expire in 2025 which will become effective after approval from the Company's 2023 Annual General Meeting of Shareholders on 24 April 2023.

3.3 Relevant Parties and Relationships

lender	:	I.C.C. International Public Company Limited
borrower	:	Thanulux Public Company Limited
Relationship with the Company	:	the Company and TNL have similar major shareholder, SPI which is considered connected person of the Company. SPI held 41.09 percent of TNL's ordinary shares and held 24.81 of the Company's ordinary shares

3.4 Transaction Size

General characteristics

Details of financial assistance transactions to TNL are as follows:

Borrower:	Thanulux Public Company Limited (TNL)
Category:	long term loan
Credit limit:	Not more than 500 Million Baht
Period	Not more than 2 years from the date of loan agreement each time. The Company will enter into transaction within 2023 and all loan agreements will expire within 2025.
Interest rate:	Not more than MLR - 1% per annum or fixed interest rate of 6 Percent per year, whichever is higher.
Collateral:	-

Types and transaction size calculations

Entering into transaction is considered a financial assistance according to the Connected Transaction Notifications. The highest transaction size is equal to 1.97 percent when calculating the transaction size compared to the net tangible assets (NTA) according to the Company's consolidated financial statements ended 31 December 2022. The calculation details are as follows:

Value of Financial Assistance	=	Not more than 500 Million Baht + return at the rate of 6 percent per year
	=	not more than 560 Million Baht
NTA of the Company as of 31 December 2022	=	28,418.39 Million Baht
Maximum Transaction Size	=	$\frac{560}{28,418.39}$
	=	Percent 1.97

The Company does not have any other connected transactions with connected persons or related persons of such connected persons within past six months prior to Board of Directors' meeting of the Company No. 13/2022. The value of such transactions, which exceeds 100 million baht or 3 percent of the NTA of the Company, whichever is lower according to consolidated financial statements as of 31 December 2022.

3.5 Condition of the Transaction

The conditions for entering into the transaction depend on the approval of the Company's Annual General Meeting of shareholders and completion of conditions precedent under loan agreement 500.00 million baht with important details as follows:

Important conditions before entering the transaction

1. Approval from shareholders' meeting of the Company is required for the transaction. As of 16 March 2023, the Board of Directors of the Company resolved to approve the convening of the 58th Annual General Meeting of Shareholders 2023 on Monday, 24 April 2023 for approval of this connected transaction.
2. Must be approved by TNL's Board of Directors for the transaction. As of 10 March 2023, TNL's Board of Directors resolved to approve this connected transaction.
3. Must receive complete documents according to loan agreement which consists of
 1. Evidence that showing and confirming that borrower has paid the stamp of duty in full.
 2. Copies of documents related to the company latest current edition with a certified copy by the authorized director of the borrower
 3. A copy of the Borrower's Board of Directors' resolution which approved entering into a loan agreement
 4. Copy of identification card or authorized person of the authorized director of borrower

Important conditions before borrowing

1. The borrower proceeds to apply for a loan drawdown to the lender. not less than 15 (fifteen) business days in advance
2. There is no event of default as specified
3. No significant negative effects occurred.
4. The borrower provides evidence that the total debt to equity ratio shown in the borrower's consolidated financial statements does not exceed 1:1 (one to one).

On the transaction date, the Company must provide financial assistance in the amount of 500.00 million baht to TNL within the year 2023. Loan agreement will end within the year 2025. IFA has examined the draft loan agreement and found that the draft agreement has completeness This covers all financial assistance conditions. And there is no condition that will cause the Company to be at a disadvantage from entering into the transaction. IFA is of the opinion that this draft loan agreement is suitable for entering into the transaction. The source of funds used in the transaction is Sources of funds from excess working capital of the Company and/or any other sources of funds from cash flow management from working capital used in the management of the Company, which must not have a higher cost of finance interest rate or compensation that the Company will receive from TNL.

3.6 Expected benefit to the Company.

In order to cash flow management from excess working capital used in the management of the Company in order to obtain returns that are most beneficial to the Company.

3.7 Connected directors and shareholders who did not attend the meeting.

3.7.1 Directors who did not attend the meeting

Mr. Thammarat Chokwatana is the Chairman of the Board of TNL as a director who has interest and/or director who is connected person did not attend the meeting and had no right to vote at the Board of Directors' Meeting of the Company No. 13/2022 held on 13 March 2023 during the consideration of approval of the connected transaction.

3.7.2 shareholders who did not have right to vote at the meeting

list of shareholders who have interests in transaction as of Record Date on 27 March 2023 as follows:

1. Saha Pathana Inter-Holding Public Company Limited as a major shareholder of the Company and TNL who is considered an connected person of the transaction 2. BTS Group Holdings Public Company Limited in as a stakeholder in the transaction which is TNL's major shareholder holding 41.17%

information of shareholders who have interests in the transaction

No	Shareholders	No. of shares (Share)	Stake (Percent)
1	Saha Pathana Inter-Holding Public Company Limited	72,092,990	24.81
2	BTS Group Holdings Public Company Limited	10,006,070	3.44
Shareholders that don't have voting right		82,099,060	28.25
3	Shareholders that have voting right	208,534,670	71.75
Total		290,633,730	100.00

Source: Shareholder register book on 27 March 2023, which is the company's Record Date.

3.8 Opinion of the company's Board of Directors to enter into the transaction

The Company's board of directors' meeting (excluding interested directors) No. 13/2022 held on 13 March 2023 has carefully considered the transaction that entering into the transaction is appropriate and beneficial to the Company and its shareholders with appropriate interest rates and to manage the Company's cash flow for the utmost benefit of the Company.

3.9 Opinions of the Audit Committee and/or Company Directors which are different from the opinions of Board of Directors

The Audit Committee has no different opinion from the Board of Directors of the Company.

Section 4: Reasonableness of the Transaction

4.1 Objective of the Transaction

the Company has received letter of intent to obtain financial support through borrowing from its affiliates with excess liquidity from Thanulux Public Company Limited (“TNL”) to expand its investments in accordance with TNL's sustainable growth plan. whereby the management has joined to discuss with TNL about the business plan, money plan and new business structure of TNL, the Company considers financial assistance with objective of managing the company's cash flow for better returns than investing in deposits with financial institutions.

4.2 History of financial assistance

From 2020 to the present, the Company has not had a financial assistance transaction between TNL. However, IFA has examined the Company's loans as of 31 December 2022 and found that the interest rate that the Company lending to related businesses The interest rate is lower than TNL and the Company provides short-term financial assistance to an unrelated person in amount of 20 million baht, receiving an average interest rate for short-term loans at 3.73% and interest rates for long-term loans. Providing long-term financial assistance to 1 unrelated person with an average amount of 3.55 million baht, receiving an interest rate for long-term loans at 3.37% as of 31 December 2022.

As of 31 December 2022, there was a short-term loan from related person in amount of 25.00 million baht, it raised from loan of Maithong Co., Ltd. which the Company holds 58.16% of common shares that has to expand business while the Company has a policy for its subsidiaries to seek their own funding sources first. Therefore, Maithong Co., Ltd. seeks other sources of fund according to the above policy.

4.3 Impact of financial assistance and financial position of the Company

Summary of key information of consolidated financial statements of the Company

Unit: Million Baht

List	2020	2021	2022
Income Statement			
Revenue from business operations	7,809.02	6,802.56	8,479.12
Other revenue	520.05	640.16	976.96
Total Revenue	8,329.07	7,442.72	9,456.08
costs and expenses	(8,290.47)	(7,275.95)	(8,806.48)
financial cost	(12.47)	(10.01)	(11.48)
Profit sharing of associates using equity method	(29.71)	(14.81)	(14.99)
Tax	(55.76)	(57.52)	(41.01)
Net Profit	(59.32)	114.04	612.10
Balance Sheet			
Current Assets	7,132.22	7,176.68	7,501.12
Non-current Assets	25,095.58	26,290.59	26,753.81

Unit: Million Baht

List	2020	2021	2022
Total Assets	32,227.80	33,467.27	34,254.93
current liabilities	1,670.65	1,770.92	1,962.73
non-current liabilities	3,440.39	3,835.34	3,715.60
Total Liabilities	5,111.04	5,606.25	5,678.34
Equity	27,116.76	27,861.02	28,576.59
Cashflow Statement			
Cash flow from operating	899.10	576.97	476.74
Cash flows from investing	270.46	(401.58)	(1,014.03)
Cash flows from financing	(490.35)	(318.81)	(417.67)
Cash flow at the end of period	1,795.16	1,651.22	702.60
Financial Ratio			
Current ratio (times)	4.27	4.05	3.82
Quick ratio (times)	2.07	2.28	2.24
Debt to Equity Ratio (times)	0.19	0.20	0.20
Cost of Equity (Percent)			5.27

The Company and its subsidiaries have revenue from sales between 2020 - 2022 equal to 7,809.02 million baht, 6,802.56 million baht and 8,479.12 million baht respectively, representing a compound annual growth rate (CAGR) between 2020 - 2022 equal to 4.20 with income from sales consists of income from 3 main product lines: cosmetics and fragrances ladies costume gentleman costume Revenue from business operations tends to increase as the Company is able to operate as normal.

As of 31 December 2022, the Company and its subsidiaries had total assets of 34,254.93 million baht, with significant current assets as follows: Current assets 7,501.12 million baht or 21.90% of total assets Increased from 2021 as the Company has increased financial management by bringing the balance from various activities. to invest in order to get returns that are higher than the interest of ordinary savings accounts and investments in the Company's gold bars and non-current assets Due to the investment in debentures and common shares worth 550 million baht, which is an investment to manage the Company's cash flow, resulting in the Company, resulting in a decrease in liquidity ratio from 4.27 times in 2020 to 3.82 times.

As of 31 December 2022, the Company and its subsidiaries had total liabilities of 5,678.34 million baht, of which interest-bearing liabilities were 759.90 million baht, consisting of bank overdrafts and short-term loans from financial institutions of 25.87 million baht. 709.03 million baht, short-term loans from related persons 25.00 million baht, where the Company has shareholders' equity of 28,576.59 million baht and has a debt to equity ratio of 0.20 times and the expected return to shareholders (Cost of Equity) at 5.27%

The Company's Current Ratio during 2020 - 2022 was 4.27, 4.05 and 3.82 times respectively and the Quick Ratio during 2020 - 2022 was 2.07 2.28 and 2.24 times respectively. The liquidity decreased from the

company's excess cash management by investing in associated companies. Financial assets are non-current. In addition, the Company has improved inventory management, causing inventories, which are one of the current assets, to decrease. As a result, the liquidity ratio decreased slightly while the company was able to maintain the quick liquidity ratio continuously. It shows that the company has good business liquidity and investment.

As of 31 December 2022, the company's debt to equity ratio in 2020 - 2022 was 0.19, 0.20, 0.20 times respectively, indicating a small ratio of debt compared to equity. The company's financial debt ratio is low and the debt to equity ratio can be maintained consistently.

For the interest coverage ratio in 2020 – 2022, it was 3.10, 16.65, 56.59 times, respectively, which shows that the company has a better ability to pay interest on current financial liabilities. The company was able to operate as usual, thus increasing the operating income before finance costs and income tax in the year. 2022 The expected return on equity of ICC (Cost of Equity : K_e) can be calculated as follows:

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

K_e = Cost of Equity

Risk Free Rate (R_f)= It is a risk-free rate of return on investment. Referring to the interest rate of 20-year government bonds, which is equal to 3.07 percent (reference information from www.thaibma.or.th as of 10 March 2023)

R_m = The average return on investment in the Stock Exchange of Thailand for the past 20 years, dating back to 10 March 2023, is 11.12%, which is a period that reflects investment conditions in the stock market at various times. better than using data for a short period of time (reference information from SETSMART)

Beta (β) = It is the average variance of ICC's daily return compared to the return of the Stock Exchange of Thailand over the past 2 years from March 11, 2022 to 10 March 2023, which is 0.273 (reference information from Capital IQ).

This is from the calculation formula and various variables used to calculate the expected return on equity (K_e) equal to 5.27% per year.

Cash flow at the end of the period in 2022 of the Company was 702.60 million baht, decrease of 948.62 million baht or 57.45% from 2021 because the Company had net cash flows used in investing activities totaling 1,014.03 million baht by the Company. Invest in short-term investments (Deposits at financial institutions with a maturity of more than 90 days) worth 2,580.40 million baht.

4.4 Performance and financial position of TNL

Summary of key information of consolidated financial statements of TNL

Unit: Million Baht

รายการ	2020	2021	2022
Income Statement			
Revenue from business operations	1,119.14	1,332.66	1,777.06
Other revenue	131.82	105.73	183.42
Total Revenue	1,250.95	1,438.40	1,960.48
costs and expenses	(1,246.12)	(1,359.58)	(1,799.77)
financial cost	(1.03)	(0.73)	(6.76)
Profit sharing of associates using equity method	(2.30)	(2.12)	(4.15)
Tax	9.51	(13.36)	(38.11)
Net Profit	11.03	62.61	111.68
Balance Sheet			
Current Assets	1,342.91	1,341.09	6,023.85
Non-current Assets	2,993.90	3,152.70	4,576.35
Total Assets	4,336.81	4,493.79	10,600.20
current liabilities	212.48	179.40	3,222.90
non-current liabilities	330.28	336.26	304.54
Total Liabilities	542.76	515.65	3,527.45
Equity	3,794.04	3,978.14	7,072.75
Cashflow Statement			
Cash flow from operating	18.17	(9.54)	(547.17)
Cash flows from investing	108.54	151.97	(192.73)
Cash flows from financing	(71.11)	(13.86)	2,910.32
Cash flow at the end of period	85.42	213.99	2,384.41
Financial Ratio			
Current Ratio (times)	6.32	7.48	2.57
Quick Ratio (times)	1.33	2.31	1.66
Debt to Equity Ratio	0.14	0.13	0.50
Interest coverage ratio (times)	4.70	107.98	23.78
Debt service coverage ratio (times)	0.21	5.46	0.06

TNL's sales revenue during 2020 - 2022 was 1,119.14 million baht, 1,332.66 million baht and 1,777.06 million baht, respectively, representing a compound annual growth rate (CAGR) between 2020 - 2022 equal to 16.61% due to increase in sales both domestically and internationally. The increase in domestic sales is a result of the domestic economy starting to recover continuously as well as the situation of the current epidemic of the corona virus (COVID-19), there is a tendency to improve. As a result, consumers began to spend more.

As of 31 December 2022, TNL has total assets of 10,600.20 million baht, with important current assets as follows: Cash and cash equivalents 2,384.41 million baht or 22.49% of total assets. and short-term loans to unrelated companies in the amount of 2,539.00 million baht, representing 23.95% of total assets, because TNL increased its capital through a private placement of newly issued shares to BTS Group Hole. Public Company Limited according to the resolution of the Extraordinary General Meeting of Shareholders No. 2/2022 held on 30 November 2022 of TNL and proceed to invest according to the objectives of the capital increase.

As of 31 December 2022, TNL has total liabilities of 3,527.45 million baht, of which 2,884.60 million baht is interest-bearing debt. Short-term loans from related companies in the amount of 2,873.28 million baht, whereby TNL has shareholders' equity of 7,072.75 million baht and has a debt to equity ratio of 0.50 times, interest coverage ratio of 23.78 times, service coverage ratio of binding 0.06 times.

As of 31 December 2022, TNL has a debt to equity ratio of 2020 - 2022 equal to 0.14, 0.13, 0.50 times, respectively, which represents the increased liability of TNL arising from the consolidation of Oxygen Asset Co., Ltd.'s financial statements when including impact of receiving financial assistance from connected person according to resolution of board of directors of TNL No. 3/2023 on 10 March 2023 2,080 million baht will affect debt to equity ratio of TNL after equals 0.79. However, TNL paid all debts of Oxygen Asset Co., Ltd. on 17 March 2023, debt to equity ratio will decreased from end of year and was able to maintain the conditions of loan agreement.

The interest coverage ratio during 2020 – 2022 times with 4.70, 107.98, 23.78 times respectively and debt service coverage ratio during 2020 – 2022 times with 0.21, 5.46, 0.06 times respectively, which demonstrates TNL's ability to pay debts. TNL has a very high ability to pay interest. but has a low ability to repay the principal However, consolidated financial statements as of 31 December 2022 include revenue from new business for only 15 days, so if including the ability to generate revenue from new business, TNL will have the ability to pay more principal.

Cash flow from operations in 2022 of TNL was 702.60 million baht, a decrease of 948.62 million baht or 57.45% from 2021 because the Company had net cash flows used in investing activities totaling 1,014.03 million baht because the Company There are investments in short-term investments. (Deposits at financial institutions with a maturity of more than 90 days) worth 2,580.40 million baht.

4.5 Appropriateness of entering into the transaction

4.5.1 Appropriateness of setting interest rates

IFA compares the rate of return from this financial assistance with the rate of return and cost of finance of the Company for liquidity management. to the rate of return from short-term investments in financial instruments and other forms of debt instruments.

Deposit interest rates and returns on current investments of the Company

As of 31 December 2022, the Company has highly liquid assets: Cash and cash balance times with 702.60 million baht and current investments of 2,580.40 million baht (current investments mean deposits at commercial banks with a maturity of more than 90 days) totaling 3,283.00 million baht (hereinafter referred to

as that “Highly liquid assets”), with the average savings deposit interest rate as of 10 March 2022 times with 0.38% per year and the average 2-year fixed deposit interest rate with 1.39% per year.

Interest rates for loans from financial institutions of the Company and debentures

As of 31 December 2022, the Company has no long-term loans from financial institutions. However, the consultant has examined loan amount and interest rate information received from financial institutions. It was found that the Company's short-term loan interest rates were between 0.85 - 4.10 percent per year, according to the conditions that the Company received from financial institutions.

Comparison of the interest rate of return on investment and cost of finance of the Company

No.	Category	Interest rate		Compared to rate of return from TNL
		Average	Min – Max	
1	Compensation of Financial Assistance to TNL	6.00 or MLR-1% =5.38 (As of March 10, 2023, MLR = 6.3833)		
2	Returns from other investment			
2.1	Interest rates for 2-year fixed deposits of BBL KTB SCB ^{/1}	1.57	1.50 – 1.65	higher
2.2	2-year Fixed Deposit Interest Rates of Commercial Banks ^{/1}	1.39	0.20 – 1.75	higher
2.3	government bond interest rates 0 - 2 years ^{/2}	1.07	0.50 – 1.89	higher
2.4	Private debt securities 0-2 years ^{/2}			
	2.4.1 Investment Grade ^{/2} (Credit rating higher than BBB)	3.02	0.86 - 6.20	higher
	2.4.2 High Yield ^{/2} (Credit rating Lower than BB)	6.41	4.00 - 7.50	nearby
	2.4.3 Unrated Bond ^{/2}	5.84	0.72 - 7.60	nearby
2.5	Interest rates for MLR loans of financial institutions ^{/1}	6.38	6.35 - 6.45	lower
3	ข้อมูลที่สำคัญของthe Company			
3.1	Return of deposits with financial institutions of the Company ^{/3}		0.125 – 1.30	higher
3.2	Return of short-term loans of the Company ^{/3}	1.76		higher
3.3	loans interest rate from financial institutions of the Company ^{/3}		0.85 – 4.10	higher
3.4	Cost of Equity of ICC (Percent)	5.27		higher

Source: 1. Bank of Thailand as of 10 March 2023

2. ThaiBMA as of 10 March 2023

3. Information received from the Company

This financial assistance to TNL has higher rate of return than rate of return that the Company received from investing in long-term corporate debt securities. 0-2 years at the Investment grade level and is close to 0-2 year corporate bonds with a high yield level and higher interest rates. ICC's expected return on equity (Cost of Equity) and the cost of financing from short-term borrowings from financial institutions of the Company.

However, providing financial assistance to TNL is lower than the rate of return that the Company will receive from interest rate of debt securities with credit rating lower than BB, referring to as of 10 March 2023, which is ICC understands the business. the Company receive interest rates lower than the MLR of financial institutions that provide loans to prime large customers at 0.35 - 0.45 percent.

Due to the terms of the drawdown period of loan is 2 years and the fluctuation of market interest rates in the current state which causes the financial costs received from financial institutions and the money market to fluctuate As a result, the Company's current expected return on equity is used for comparison to set fixed interest rate that is reasonable and beneficial to the Company in the long term is difficult to do. Therefore, the Company chooses to use the method of determining the interest on loan between interest rate of 6.00 percent or MLR – 1%, whichever is higher.

IFA is opined that **the interest rate for this financial assistance is appropriate and beneficial to the Company**, whereby the Company can lend for the benefit of the Company's excess working capital management.

4.5.2 Appropriateness of loan conditions

the Company will provide financial assistance to TNL under loan agreement for period not exceeding 2 years from the date TNL receives loan at interest rate of 6.00 percent or MLR – 1% per annum, whichever is higher. which is higher than the interest rate that the Company receives from financial institutions as of 10 March 2023, with the principal repayment due on the end of loan agreement And repay the interest within 3 months from the date of receiving loan, which the Company will use the source of funds from the company's excess working capital within the year 2023. IFA has opinions on the terms of loan as follows:

Subject	Description	IFA's Opinion
Category	long-term loan agreement	Appropriate as issuance of debt instruments as required by law in accordance with the Ministry of Finance's standards.
Amount	Not over 500 Million Baht Non-renewable (Non-Revolving Loan)	Appropriate as the Company has sufficient excess liquidity. However, IFA has examined investment plans, reserve funds, working capital for business operations from 10 March 2023 until the end of loan agreement in 2025, it was found that the Company's liquidity was sufficient for lending to TNL.

Subject	Description	IFA's Opinion
Period	not more than 2 years by drawing. Borrower can choose to take out the entire loan amount at once or draw down loan several times until the full credit limit is reached by the year 2023	Appropriate because the Company can be used to manage short-term liquidity in order to obtain increased returns.
Collateral	None	<p>Inappropriate because if borrower has insufficient cash to pay, the company will lose the benefit of receiving principal and returns and may negatively affect the liquidity of the company.</p> <p>However, as of 31 December 2022, TNL has cash 2,384.41 Million Baht and increased capital by 3,051.77 Million Baht, thus giving TNL enough liquidity to pay off loan in full and considering interest coverage ratio at 23.78 times, debt service coverage ratio at 0.06 times and TNL's payment history since 2020, it was found that TNL has never defaulted on debt. Therefore, IFA opined that risk of default payment is low.</p>
Condition Precedent	<ol style="list-style-type: none"> 1. ICC requires approval from shareholders of ICC to enter into this transaction. 2. TNL must obtain approval from TNL's Board of Directors to receive financial assistance from the ICC. 3. Must receive complete documents according to loan agreement (details in 3.5) 	<p>Appropriate as the Company and TNL must comply with requirements of listed companies on SET and obtaining documents according to loan agreement that are appropriate to be used as evidence in loan agreement according to the standards of the Ministry of Finance (Opinions on contract conditions according to item 3.5)</p>
Terms	<ol style="list-style-type: none"> 1. The lender must obtain other documents and evidence according to loan agreement in full 2. The borrower proceeds to apply for a loan drawdown to the lender. Not less than 15 (fifteen) business days in advance. 	<p>Appropriate as it is a condition that is beneficial to liquidity management plan of excess working capital and reduces the likelihood of default and negative impacts on the Company</p>

Subject	Description	IFA's Opinion
	3. There is no event of default as specified in loan agreement. 4. No significant negative effects occurred. 5. The borrower provides evidence that the debt to equity (D/E) ratio of the borrower's consolidated financial statements is maintained at no more than 1:1 (one to one).	
Principle Payment	The borrower is responsible for repaying the entire amount of loan drawn back to the lender. At the expiration of 2 (two) years from the date of loan agreement	Appropriate, clearly defined payments thus allowing the company to plan investments and manage liquidity more efficiently
repayment before the end of the contract	borrower has the right to repay loan in full or in part to lender before loan repayment date. There is no charge for early repayment provided that borrower must give written notice to the lender not less than 45 (forty-five) days before the date on which the borrower repays loan and the borrower must repay.	Appropriate, Receiving loan payments before the end of the contract can help the Company reduce the risk of default and increase investment opportunities for the utmost benefit of the Company
interest payment	The borrower must pay interest on loan. At the end of every 3 (three) months from the date of receiving each loan	Appropriate, the company will get a faster return on lending.
Interest on default	The borrower shall immediately repay the entire loan amount with the interest on such amount to the lender.	Appropriate, it is condition that results in the company being paid back in full with compensation and reduce the risk of being in bad debt

IFA is opined that the overall loan conditions are beneficial to the Company and are **reasonable** in that the Company can manage liquidity to be more flexible and efficient.

4.5.3 Appropriateness of compliance with related party transaction policy

For Financial Assistance to companies which connected persons hold more than the Company's shares, the Company has complied with the Company's related-party transaction policy under the rules set forth in the Notification of the Capital Market Supervisory Board No. Tor Jor. 21. /2008 Re: Rules for Connected Transactions dated 31 August 2008 (including amendments) and the Notification of the Board of Governors of the Stock Exchange of Thailand 2546 dated November 19, 2003 (as amended), which has taken the following steps:

1. Consider transaction partners Characteristics of connected transactions and item size
2. Through the executive committee for consideration
3. Through the Audit Committee for consideration
4. Through the Board of Directors for consideration
5. Present to the shareholders for consideration.

From the above steps, IFA opined that the aforementioned procedures are appropriate. According to the regulations of listed companies on SET according to transaction size considered

4.6 Advantages and disadvantages of entering into the transaction

4.6.1 Advantages of entering into the transaction

1. the Company receives returns at higher rate than the Company's current returns

Providing financial assistance to TNL, the Company will receive interest at rate of 6.00% or MLR – 1% per annum, whichever is higher. Loan period is not more than 2 years from the date of signing loan agreement. This rate of return is higher than the return that the Company receives from managing excess working capital in savings accounts, temporary investments, cost of equity and financial costs of the Company (please see details in section 4.5 Appropriateness of Interest Rates and Loan Conditions), which will enable the Company to receive greater returns from liquidity management from operations.

2. the Company can effectively manage cash flow

Providing financial assistance to TNL, the Company will use funding sources from excess working capital. As of 31 December 2022, the Company has highly liquid assets worth 3,283.00 million baht. Therefore, it is one option of the Company to manage cash flow that the Company will be able to manage cash flow that does not have a plan to use money efficiently and generate higher returns.

4.6.2 Disadvantages of entering into the transaction

1. The Company may lose opportunity to invest higher yielding assets or liabilities.

Financial assistance to TNL has maximum amount not over 500.00 million baht within 2 years which may cause the Company to lose investment opportunities that may have better returns during that period.

However, the Company has plans to invest in business expansion with objective of investing in machinery, office supplies, system for operation to be used for improving operational efficiency and creating added value for the Company in the long run and jointly investing in businesses that complement the businesses that the Company and companies in the group operate or expects to operate in the future for profit potential. the Company will not use the cash flow for investment to provide financial assistance to TNL but will use the excess working capital to provide assistance in order to benefit liquidity management maximum by consultant has examined above investment plan and compared it with the Company's highly liquid assets as of 31 December 2022 (every loan). IFA found that the Company will have more than 1,000 million baht in excess of high-liquid assets after assisting to TNL.

2. The Company's liquidity ratio may decrease while providing financial assistance to TNL.

While the financial assistance amount is not more than 500 million baht, accounting for 15.23 of the highly liquid assets or 1.46% of the Company's total assets. The Company's liquidity ratio decreased from 3.82% to 3.57%. However, the Company's liquidity ratio after the transaction is still in high segment ratio which shows that the Company has sufficient liquidity for entering into the transaction.

4.7 Advantages and disadvantages of entering into a transaction with a connected person compared to a transaction with third party

4.7.1 Advantages of entering into a transaction with a connected person

1. Flexibility in negotiations and coordination in determining the terms of loan

While TNL has common shareholders and directors, it is more flexible than negotiating with outsiders, so the Company can follow up on loan repayment. and asking for necessary information about financial status and debt repayment ability is more convenient than making a transaction with third party.

In addition, the transaction with connected person also allows the Company to negotiate terms such as determining the repayment date or premature repayment of loan in case the Company needs to use money, etc., which gives the Company flexibility in liquidity management. It also benefits from a higher rate of return than transactions with third parties that the Company provides financial assistance. The average interest rate for short-term loans was 3.73% and the average interest rate for long-term loans was 3.37% as of 31 December 2022.

4.7.2 Disadvantages of entering into the transaction with a connected person

1. the Company has more expenses for entering into the transaction

As financial assistance to TNL is considered large connected transaction, the Company has a duty according to the Connected Transaction Notifications to propose to the shareholders' meeting to consider and approve the transaction, resulting for the Company to incur additional operating expenses, including the cost of hiring independent financial advisors to provide opinions to shareholders and disclosure of transaction information to the Stock Exchange of Thailand and shareholders. It is part of good corporate governance which demonstrates transparency in the management of the Company.

4.8 Risk from entering into the transaction

1. Lack of liquidity

In 2020 – 2022, the Company has a high level of liquidity with a liquidity ratio of 4.27, 4.05 and 3.82 times respectively, with the Company's liquidity decreasing each year due to lower sales revenue from the outbreak of the Coronavirus 2019 and investments in equity instruments. Investments in Associated Companies purchase of the Company's assets, therefore providing financial assistance to TNL will result in the Company's liquidity ratio decreasing from 3.82% to 3.57%.

However, from the management interview, it was found that the Company has sufficient liquidity for investment according to the Company's investment plan and reserve funds. The Company's surplus working capital has no plans to use or invest in any way. In providing financial assistance to TNL, management will consider the best interests of the Company.

2. Default of payment

At the end of 2022, TNL had debt to equity ratio of 0.50 times while TNL has plan to expand business line through receiving financial assistance from connected persons 2,080 million baht (including the financial assistance value of the company 500 million baht) according to resolution of Board of directors of TNL No. 3/2023 on 10 March 2023 which will result in debt to equity ratio of TNL after receiving all financial assistance equal to 0.79, which can maintain debt to equity ratio under the terms of loan agreement between the Company and TNL and interest coverage ratio of 23.78 times and debt service coverage ratio of 14.19 times, indicating that TNL had more assets than liabilities and had revenues from Business operations are sufficient to pay interest payments. Although TNL's liquidity ratio in 2022 was 1.87 times, and TNL's cash cycle decreased from 148 days to 84.48, which shows better end-to-end operating ability. However, in 2022, TNL has invested in a variety of businesses, requiring a large amount of capital investment and resulting in operating risks of new businesses. As a result, it may affect the ability to repay loan.

However, TNL is large company with asset size as of 31 December 2022 is 10,600.20 Million Baht, it can generate consistently positive profits and TNL's debt repayment history since 2020 found that there has never been a default in payment. Including the fact that TNL must maintain a debt to equity ratio of less than 1.00 times according to loan agreement. In order to prevent the debt ratio from being lower than the capital and having the ability to repay debt, the IFA views that the risk of default of TNL is low.

3. Risk from being controlled by contract terms by major shareholders

While SPI is a major shareholder of the Company who has the power to control part of the business through the sending of representatives to participate in the management and some decisions of the Company are subject to risk that the Company may be controlled in entering into transactions for providing and receiving financial assistance which does not create the best interest for the Company.

However, due to the tight financial assistance conditions both in terms of interest rates for providing financial assistance that is not lower than the interest rate that the Company receives from financial institutions and establishing procedure for reporting such transactions to the Company's board of directors and the Company's audit committee for acknowledgment such clear consideration and examination processes will reduce the risk of gaining control over the Company. major shareholder

4.9 Summary of Opinions on the Reasonableness of the Transaction

IFA has considered reasonableness of the transaction by considering the suitability of interest rate and conditions of the transaction, Advantages and disadvantages of entering into the transaction, Advantages and disadvantages of entering into transactions with connected persons compared to third parties to the risk of entering into the transaction. Providing financial assistance to TNL will provide the Company with options to manage cash flow more efficiently and earn more returns than it currently is. The return from entering into the transaction and the conditions of entering into the transaction are appropriate and beneficial to the Company.

IFA has an opinion that the transaction is reasonable.

Section 5 : Summary of IFA's Opinion

Please see Summary of Independent Financial Advisor's Opinion in Section 1 , "Executive Summary" of this IFA Opinion Report.

According to the reasonableness Advantages and disadvantages of making a transaction Risk from entering into the transaction, the appropriate value of the transaction, IFA is of the opinion that Shareholders should approve the transaction as proposed by the Board of Director the Company this time.

Silom Advisory Co., Ltd., as an Independent Financial Advisor of the Company certify that IFA considered and studied the information with due diligence and reasonableness according to professional standards and reasoned on the basis of reasonableness and fair analysis by taking into account the benefits of the shareholders of the Company as important.

Best Regards,

.....*Signature*.....
(Mr. Pitak Kittiakrastein)
Managing Director
Silom Advisory Company Limited

.....*Signature*.....
(Mr. Nuttawat Kittiakrastein)
Operation Controller
Silom Advisory Company Limited

Attachment 1 : Summary of I.C.C. International Public Company Limited**1.1 Basic Information**

Company name	: I.C.C. International Public Company Limited
Initial	: ICC
Corporate registration number	: 0107537001374
Business	: Distribution of fashion and consumer products
Location	: 530 Soi Sathupradit 58 Bangpongpan Subdistrict, Yannawa District Bangkok 10120
Registered capital	: 500,000,000.00 Baht divided into 500,000,000 common shares at par value of 1.00 Baht
Issued and paid-up capital	: 290,633,730.00 Baht divided into 290,633,730 common shares at par value of 1.00 Baht

1.2 Historical information

I.C.C. International Public Company Limited (“ICC” or “the Company”) started business as a licensed distributor of “PIAS” cosmetics under the name of International Cosmetics Limited Partnership (PIAS) with registered capital of 100,000 baht in 1964. In 1965 the Company changed its name to International Cosmetics (PIAS) Co., Ltd. and subsequently changed its name to International Cosmetics Co., Ltd. in 1973. In 1994, the Company was listed as a public company with the Commercial Registration Department, Ministry of Commerce. In 1996, the Company changed its name to I.C.C. International Public Company Limited (“ICC”) along with a new company logo.

At present, the company's headquarter is located on an area of more than 80 rai on Sathupradit Road, with registered capital as of 31 December 2022 of 500 Million Baht and paid-up capital of 290.63 million baht.

1.3 Business

I.C.C. International Public Company Limited is a leader in the distribution of fashion brands, both domestically and internationally, as well as brands developed by the innovation and know-how of the Company and its affiliates. The corporate main industries are cosmetics and perfumery, hair and skin care products, full line of textile and apparel including underwear, outerwear, sportswear, apparel for physical exercise, fabric care and leather goods.

The Company also conducts wholesale business through shops and department stores both in domestic and international markets. Most of the company's products are in the line of fashion and beauty.

1.4 Revenue structure

Business line	2563		2564		2565	
	Million Baht	%	Million Baht	%	Million Baht	%
Revenue from sale						
Comestic's and perfumeries	739.17	8.87	576.57	7.75	559.46	5.92

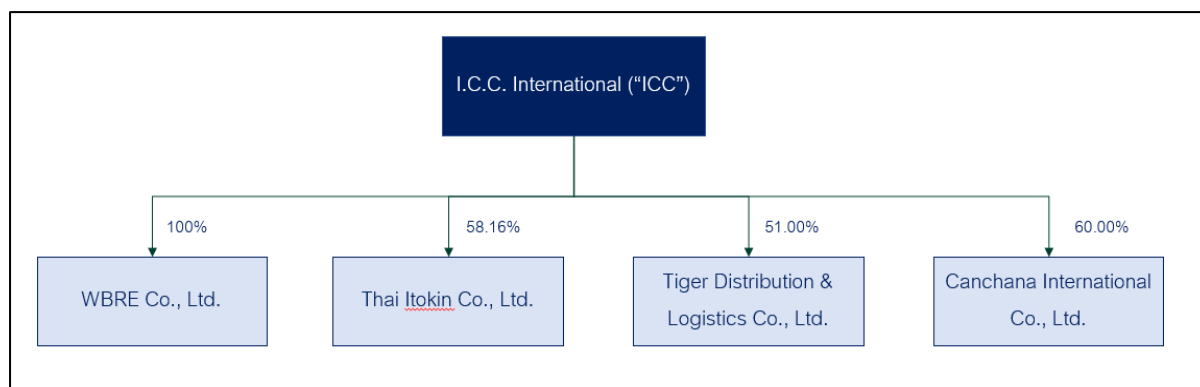
Business line	2563		2564		2565	
	Million Baht	%	Million Baht	%	Million Baht	%
Women's apparel	2,419.31	29.05	2,060.40	27.68	2,540.21	26.86
Men's apparel	2,123.32	25.49	1,878.68	25.24	2,737.69	28.95
Other sales ¹	2,527.21	30.34	2,286.92	30.73	2,641.76	27.94
Total revenue from sales	7,809.02	93.76	6,802.56	91.40	8,479.12	89.67
Other income						
Dividend income	343.45	4.12	379.65	5.10	340.39	3.60
Gain from disposal of land	-	-	-	-	392.65	4.15
Other income ²	176.60	2.12	260.51	3.50	243.90	2.58
Total Other income	520.05	6.24	640.16	8.60	976.96	10.33
Total revenue	8,329.08	100.00	7,442.72	100.00	9,456.08	100.00

Source: information from the Company

Remark: 1. Other sales consists of mother and baby products, consumer goods, and food and beverages.

Remark: 2. Other income consists of subsidy income, freight income, interest income, and other fees.

1.5 Shareholding structure of the Company and its subsidiaries



Source: information from the Company

Company's shareholding structure in subsidiaries

As of 23 March 2023, Thai Itokin Co., Ltd. has a list of major shareholders as followed;

	Name	Shares	%
1	I.C.C. International Public Company Limited	814,250	58.16
2	Saha Pathana Interholding Public Company Limited	266,000	19.00
3	Boon Capital Holding Co., Ltd.	183,500	13.11
4	Mr. Viritpol Chaithavornsathien	72,500	5.18
5	BSC So In Co., Ltd.	25,000	1.79
6	Saha Pathanapibul Public Company Limited	21,750	1.55
7	Mrs. Nisa Jindasombat	14,500	1.04

	Name	Shares	%
8	Sariraporn Co., Ltd.	2,500	0.18
	Total	1,400,000	100.00

Source : Ministry of Commerce, 23 March 2023

Remark: As of 23 March 2023, major shareholders of Boon Capital Holding Co., Ltd. are Saha Pathana Interholding Public Company Limited with shareholding of 36.00% Saha Pathanapibul Public Company Limited with shareholding of 32.00% and I.C.C. International Public Company Limited with shareholding of 32.00%

Thai Itokin Co., Ltd.'s directors are 1. Mr. Boonkiet Chokwatana 2. Mr. Yozo Yamanishi 3. Mrs. Suporn Chantaratanaraksa 4. Mr. Pheemphat Talaluk 5. Mr. Surat Wongrattanapassorn 6. Mr. Natthapat Petchrattanaporn 7. Mrs. Ramida Russell Maneesathian

As of 23 March 2023 Tiger Distribution and Logistics Co., Ltd. has major shareholders as followed;

	Name	Share	%
1	I.C.C. International Public Company Limited	4,080,000	51.00
2	I.D.F. Co., Ltd.	1,702,363	21.28
3	Saha Pathana Interholding Public Company Limited	1,239,268	15.49
4	O.C.C. Public Company Limited	326,123	4.08
5	Sariraporn Co., Ltd.	326,123	4.08
6	Vitayasithi Co., Ltd.	326,123	4.08
	Total	8,000,000	100.00

Source : Ministry of Commerce, 23 March 2023

Remark: As of 23 March 2023, major shareholders of I.D.F. Co., Ltd. are Sariraporn Co., Ltd. with shareholding of 47.94%, Saha Pathanapibul Public Company Limited with shareholding of 19.60%, and Watsadoramai Co., Ltd. with shareholding of 12.50%

Tiger Distribution and Logistics Co., Ltd.'s directors are 1. Mr. Boonkiet Chokwatana 2. Mr. Worachai Pathumapha 3. Mr. Surat Wongrattanapassorn 4. Mr. Thitipoom Chokwatana 5. Mr. Pipope Chokvathana 6. Mr. Prasartporn Lertsukheekasem 7. Miss Darunee Mekthaisong

As of 23 March 2023, Canchana International Co., Ltd. has a list of major shareholders as followed;

	Name	Shares	%
1	I.C.C. International Public Company Limited	6,000	60.00
2	Saha Pathanapibul Public Company Limited	4,000	40.00
	Total	10,000	100.00

Source : Company's information

Canchana International Co., Ltd.'s directors are 1. Mr. Boonkiet Chokwatana 2. Mr. Thamarat Chokwatana 3. Mr. Vathit Chokwatana 4. Mrs. Pasook Raksawonkse 5. Mr. Natthapat Petchrattanaporn 6. Benchamaj Jiajumroon

1.6 Board of directors

As of 13 March 2023, the Company has 12 directors as followed;

	Name	Position
1	Mr. Boonkiet Chokwatana	Chairman
2	Mr. Thamarat Chokwatana	President and Executive Chairman, Director
3	Mr. Somphol Chaisiroj	Director
4	Miss Munchusa Terapongpipat	Director
5	Mrs. Kobsuk Saengsawad	Director
6	Mr. Surat Wongrattanapassorn	Director
7	Mrs. Chailada Tantivejakul	Director
8	Mrs. Nualphan Lamsam	Director
9	Mr. Thiraphong Vikitset	Independent Director, Audit Committee Chairman
10	Mr. Amorn Asvanunt	Independent Director, Audit Committee
11	Mr. Nophorn Bhongsvej	Independent Director, Audit Committee
12	Mr. Anuchit Anuchitanukul	Independent Director, Audit Committee

Source : SET information, 13 March 2023

1.7 Shareholding structure

As of 27 March 2023, the Company has a list of major shareholders as followed;

	Name	Shares	%
1	Saha Pathana Interholding Public Company Limited	72,092,990	24.81
2	I.D.F Co., Ltd.	27,724,910	9.54
3	Mr. Weerapat Punsak-Udomsin	25,937,940	8.92
4	Saha Pathanapibul Public Company Limited	24,777,100	8.53
5	Thai Wacoal Public Company Limited	11,097,070	3.82
6	U.B. Chemicals Industries Co., Ltd.	10,667,400	3.67
7	Uniwealth Co., Ltd.	10,154,550	3.49
8	BTS Group Holding PLC.	10,006,070	3.44
9	Unibeauty Co., Ltd.	9,953,920	3.42
10	Mr. Boonsithi Chokwatana	6,558,940	2.26
	Total shareholding of top 10 major shareholders	208,970,890	71.90
11	Other shareholders	81,662,840	28.10
	Total shareholding	290,633,730	100.00

Source : Shareholder register book on 27 March 2023, which is the company's Record Date

As of 13 March 2023, SPI has a list of major shareholders as followed;

	Name	Shares	%
1	Chokwattana Co., Ltd.	96,094,066	16.8
2	I.C.C. International Public Company Limited	57,001,656	9.97

	Name	Shares	%
3	Saha Pathanapibul Public Company Limited	49,433,806	8.64
4	NOMURA SECURITIES CO LTD-CLIENT A/C	24,234,953	4.24
5	Unicentral Co., Ltd.	21,218,182	3.71
6	SMBC NIKKO SECURITIES INC. – CLIENT ACCOUNT	20,220,550	3.54
7	Mr. Weerapat Punsak-Udomsin	20,060,122	3.51
8	I.D.F Co., Ltd.	19,368,582	3.39
9	Uniwealth Co., Ltd.	14,380,310	2.51
10	Unibeauty Co., Ltd.	10,459,727	1.83
	Total shareholding of top 10 major shareholders	332,471,954	58.14
11	Other shareholders	239,418,712	41.86
	Total shareholding	571,890,666	100.00

Source : SET information, 13 March 2023

As of 13 March 2023, Chokwattana Co., Ltd. has a list of major shareholders as followed;

	Name	Shares	%
1	Saiphin Wattana Co., Ltd.	890,000	12.71%
2	Mr. Narong Chokwatana	861,226	12.30%
3	Mr. Boonkiet Chokwatana	485,000	6.93%
4	Mr. Pipope Chokvathana	400,000	5.71%
5	Siratarn Co., Ltd.	400,000	5.71%
6	Mrs. Kityaporn Chaithavornsathien	400,000	5.71%
7	Mr. Boonchai Chokwatana	295,000	4.21%
8	Mrs. Chailada Tantivejakul	295,000	4.21%
9	Mr. Chailadol Chokwatana	295,000	4.21%
10	Mr. Thamarat Chokwatana	223,774	3.20%
	Total shareholding of top 10 major shareholders	332,471,954	64.93
11	Other shareholders	2455000	35.07
	Total shareholding	7,000,000	100.00

Source : Ministry of Commerce, 13 March 2023

Remark: As of 23 March 2023, Siratarn Co., Ltd.'s major shareholders are Mr. Panitam Pavarolarvidya with shareholding of 43.75% and Mrs. Pravara Ekaraphanich with shareholding of 43.75%

As of 13 March 2023, Saiphin Wattana Co., Ltd. has a list of major shareholders as followed;

	Name	Shares	%
1	Mr. Narong Chokwatana	200,000	14.29%
2	Siratarn Co., Ltd.	100,000	7.14%
3	Mr. Boonkiet Chokwatana	100,000	7.14%
4	Mrs. Kityaporn Chaithavornsathien	100,000	7.14%

	Name	Shares	%
5	Mr. Pipope Chokvathana	80,000	5.71%
6	Mrs. Chailada Tantivejakul	70,000	5.00%
7	Mr. Chailadol Chokwatana	70,000	5.00%
8	Mr. Boonchai Chokwatana	60,000	4.29%
9	Mr. Boon-Ek Chokwatana	40,000	2.86%
10	Mr. Piranart Chokwatana	40,000	2.86%
	Total shareholding of top 10 major shareholders	860,000	61.43
11	Other shareholders	540,000	38.57
	Total shareholding	1,400,000	100.00

Source : Ministry of Commerce, 13 March 2023

Remark: As of 23 March 2023, Siratam Co., Ltd.'s major shareholders are Mr. Panitarn Pavarolarvidya with shareholding of 43.75% and Mrs. Pravara Ekaraphanich with shareholding of 43.75%

As of 23 March 2023, I.D.F Co., Ltd. has a list of major shareholders as followed;

	Name	Shares	%
1	Sinparadorn Co., Ltd.	43,150	47.94
2	Saha Pathanapibul Public Company Limited	17,644	19.60
3	Watsadoramai Co., Ltd.	11,250	12.50
4	I.C.C. International Public Company Limited	8,100	9.00
5	Mr. Boonsithi Chokwatana	3,006	3.34
6	Sahapat Real Estate Co.,Ltd.	3,000	3.33
7	First United Industry Co., Ltd.	1,800	2.00
8	Mr. Thamarat Chokwatana	1,000	1.11
9	B S T R 408 Co.,Ltd.	750	0.83
10	Mr. Boonkiet Chokwatana	150	0.17
	Total shareholding of top 10 major shareholders	89,850	99.83
11	Other shareholders	150	0.17
	Total shareholding	90,000	100.00

Source : Ministry of Commerce, 23 March 2023

As of 23 March 2023, U.B. Chemical Industries Co., Ltd. has a list of major shareholders as followed;

	Name	Shares	%
1	Unicentral Co., Ltd.	137,867	45.96
2	Unichamp Co., Ltd.	126,497	42.17
3	Uniwealth Co., Ltd.	20,525	6.84
4	Mrs. Orapint Punsak-Udomsin	2,325	0.78
5	Chokwatana Co., Ltd.	1,814	0.60
6	Mr. Weerapat Punsak-Udomsin	1,755	0.59

	Name	Shares	%
7	Unifunds Co., Ltd.	1,326	0.44
8	Mr. Yanyong Tungjittkul	1,323	0.44
9	Mr. Tawan Tanglertpaibul	997	0.33
10	Mr. Thianchai Mahasiri	634	0.21
	Total shareholding of top 10 major shareholders	295,063	98.60
11	Other shareholders	150	0.17
	Total shareholding	299,247	100.00

Source : Ministry of Commerce, 23 March 2023

As of 23 March 2023, Uniwealth Co., Ltd. has a list of major shareholders as followed;

	Name	Shares	%
1	Universe Beauty Co., Ltd.	1,769,300	99.96
2	Mr. Weerapat Punsak-Udomsin	300	0.02
3	Mrs. Orapint Punsak-Udomsin	100	0.01
4	Mrs. Orathai Thongmeearkom	100	0.01
5	Miss Phawinee Punsak-Udomsin	100	0.01
6	Miss Ratiporn Punsak-Udomsin	100	0.01
	Total shareholding	1,770,000	100.00

Source : Ministry of Commerce, 23 March 2023

As of 23 March 2023, Universe Beauty Co., Ltd. has a list of major shareholders as followed;

	Name	Shares	%
1	Unicentral Co., Ltd.	268,181	44.70
2	Unichamp Co., Ltd.	254,612	42.44
3	Chokwatana Co.,Ltd.	9,277	1.55
4	Mr. Weerapat Punsak-Udomsin	8,271	1.38
5	Uniwealth Co., Ltd.	7,754	1.29
6	Mr. Chavalit Limatibul	3,360	0.56
7	First United Industry Co., Ltd.	3,110	0.52
8	Mrs. Orathai Thongmeearkom	2,920	0.49
9	Miss Phawinee Punsak-Udomsin	2,749	0.46
10	Miss Ratiporn Punsak-Udomsin	2,664	0.44
	Total shareholding of top 10 major shareholders	562,898	96.23
11	Other shareholders	22,023	3.77
	Total shareholding	584,921	100.00

Source : Ministry of Commerce, 23 March 2023

1.8 Financial statement**1.8.1 Statement of financial position**

Item	Consolidated financial statement ending 31 December					
	2020		2021		2022	
	Million Baht	%	Million Baht	%	Million Baht	%
Assets						
Current assets						
Cash and cash equivalents	1,795.16	5.57	1,651.22	4.93	702.60	2.05
Current investments	576.54	1.79	1,291.39	3.86	2,580.40	7.53
Trade receivables	1,083.00	3.36	1,096.01	3.27	1,122.83	3.28
Other receivables	260.01	0.81	128.79	0.38	202.28	0.59
Short-term loans to related parties	57.50	0.18	20.00	0.06	20.00	0.06
Current portion of long-term loan	-	0.00	3.55	0.01	-	0.00
Inventories	2,999.78	9.31	2,673.42	7.99	2,407.73	7.03
Real estate projects under development	98.05	0.30	81.88	0.24	69.71	0.20
Output VAT on consignment sales of inventories	236.00	0.73	206.54	0.62	186.65	0.54
Other current assets	26.18	0.08	23.88	0.07	208.93	0.61
Total current assets	7,132.22	22.13	7,176.68	21.44	7,501.12	21.90
Non-current assets						
Restricted deposits at financial institution	2.95	0.01	2.95	0.01	37.95	0.11
Other non-current financial assets	19,686.55	61.09	20,550.41	61.40	21,100.87	61.60
Investments in associates	892.24	2.77	951.77	2.84	953.80	2.78
Investments in subsidiaries	-	0.00	-	0.00	-	0.00
Long-term loan	3.55	0.01	-	0.00	3.55	0.01
Investment properties	1,129.45	3.50	1,227.76	3.67	1,220.70	3.56
Property, plant and equipment	2,662.66	8.26	2,512.42	7.51	2,360.26	6.89

Item	Consolidated financial statement ending 31 December					
	2020		2021		2022	
	Million Baht	%	Million Baht	%	Million Baht	%
Right-of-use assets	383.93	1.19	708.76	2.12	705.90	2.06
Other intangible assets	90.85	0.28	90.82	0.27	83.83	0.24
Other non-current assets	243.41	0.76	245.70	0.73	286.95	0.84
Total non-current assets	25,095.58	77.87	26,290.59	78.56	26,753.81	78.10
Total assets	32,227.80	100.00	33,467.27	100.00	34,254.93	100.00
Liabilities and equity						
Current liabilities						
Bank overdrafts and short-term loans from financial institutions	31.05	0.10	12.16	0.04	25.87	0.08
Trade payables	1,005.41	3.12	992.96	2.97	1,025.71	2.99
Other payables	410.64	1.27	425.28	1.27	454.07	1.33
Current portion of lease liabilities	194.89	0.60	306.84	0.92	399.46	1.17
Short-term loans from related parties	22.00	0.07	27.00	0.08	25.00	0.07
Current portion of advance received from rental income	6.66	0.02	6.66	0.02	6.66	0.02
Other non-current financial liabilities	-	0.00	-	0.00	25.96	0.08
Total current liabilities	1,670.65	5.18	1,770.92	5.29	1,962.73	5.73
Non-current liabilities						
Lease liabilities	205.76	0.64	401.82	1.20	309.57	0.90
Deferred tax liabilities	2,452.85	7.61	2,681.90	8.01	2,750.43	8.03
Provisions for employee benefits	497.44	1.54	482.27	1.44	382.94	1.12
Advance received from rental income	191.27	0.59	184.61	0.55	177.95	0.52
Other non-current liabilities	93.07	0.29	84.73	0.25	94.71	0.28
Total non-current liabilities	3,440.39	10.68	3,835.34	11.46	3,715.60	10.85
Total liabilities	5,111.04	15.86	5,606.25	16.75	5,678.34	16.58
Equity						

Independent Financial Advisor' Opinion on the Connected Transaction

Item	Consolidated financial statement ending 31 December					
	2020		2021		2022	
	Million Baht	%	Million Baht	%	Million Baht	%
Authorised share capital						
(500 million ordinary shares, par value at Baht 1 per share)	500.00	1.55	500.00	1.49	500.00	1.46
Issued and paid-up share capital						
(291 million ordinary shares, par value at Baht 1 per share)	290.63	0.90	290.63	0.87	290.63	0.85
Share premium:						
Share premium on ordinary shares	1,487.14	4.61	1,487.14	4.44	1,487.14	4.34
Share premium on treasury shares	51.43	0.16	51.43	0.15	51.43	0.15
Retained earnings:						
Appropriated						
Legal reserve	50.00	0.16	50.00	0.15	50.00	0.15
General reserve	2,030.72	6.30	2,030.72	6.07	2,041.22	5.96
Unappropriated	11,498.63	35.68	11,713.39	35.00	12,338.90	36.02
Other components of equity	11,719.60	36.36	12,244.92	36.59	12,239.76	35.73
Equity attributable to owners of the parent	27,128.17	84.18	27,868.24	83.27	28,499.09	83.20
Non-controlling interests	(11.41)	(0.04)	(7.23)	(0.02)	77.50	0.23
Total equity	27,116.76	84.14	27,861.02	83.25	28,576.59	83.42
Total liabilities and equity	32,227.80	100.00	33,467.27	100.00	34,254.93	100.00

Source: Consolidated financial statement of the Company between 2020 – 2022

1.8.2 Comprehensive income Statement

Item	Consolidated financial statement ending 31 December					
	2020		2021		2022	
	Million Baht	%	Million Baht	%	Million Baht	%
Revenue						
Revenue from sale of goods	7,809.02	93.76	6,802.56	91.40	8,479.12	89.67
Other income						
Dividend income	343.45	4.12	379.65	5.10	340.39	3.60
Gain from disposal of land	-	0.00	-	0.00	392.65	4.15
Gain on transfer other non-current financial asset to investment in associate	-	0.00	-	0.00	28.14	0.30
Gain on bargain purchase	-	0.00	-	0.00	11.47	0.12
Other income	176.60	2.12	260.51	3.50	204.29	2.16
Total other income	520.05	6.24	640.16	8.60	976.96	10.33
Total revenue	8,329.08	100.00	7,442.72	100.00	9,456.08	100.00
Cost of sales of goods						
Cost of sales of goods	(5,489.38)	(65.91)	(4,861.01)	(65.31)	(5,926.66)	(62.68)
Profit before expenses	2,839.70	34.09	2,581.71	34.69	3,529.42	37.32
Expenses						
Distribution costs	(1,824.95)	(21.91)	(1,496.24)	(20.10)	(1,879.57)	(19.88)
Administrative expenses	(976.13)	(11.72)	(918.70)	(12.34)	(1,000.25)	(10.58)
Total expenses	(2,801.08)	(33.63)	(2,414.94)	(32.45)	(2,879.82)	(30.45)
Profit from operating activities	38.61	0.46	166.77	2.24	649.60	6.87
Finance costs	(12.47)	(0.15)	(10.01)	(0.13)	(11.48)	(0.12)
Share of profit of associates accounted for using equity method	(29.71)	(0.36)	14.81	0.20	14.99	0.16
Profit before income tax expense	(3.57)	(0.04)	171.56	2.31	653.11	6.91
Tax expense	(55.76)	(0.67)	(57.52)	(0.77)	(41.01)	(0.43)

Independent Financial Advisor' Opinion on the Connected Transaction

Item	Consolidated financial statement ending 31 December					
	2020		2021		2022	
	Million Baht	%	Million Baht	%	Million Baht	%
Profit for the year	(59.32)	(0.71)	114.04	1.53	612.10	6.47
Other comprehensive income						
Items that will be reclassified subsequently to profit or loss						
Exchange differences on translating financial statements	3.50	0.04	0.14	0.00	7.21	0.08
Total Items that will be reclassified subsequently to profit or loss	3.50	0.04	0.14	0.00	7.21	0.08
Items that will not be reclassified to profit or loss						
Gain on investments in equity instruments designated at FVOCI	127.06	1.53	863.55	11.60	7.24	0.08
Gain on remeasurements of defined benefit plans	1.09	0.01	-	0.00	128.49	1.36
Income tax relating to items that will not be reclassified	(25.21)	(0.30)	(172.71)	(2.32)	(27.60)	(0.29)
Total Items that will not be reclassified to profit or loss	102.94	1.24	690.84	9.28	108.13	1.14
Other comprehensive income (expense) for the year, net of tax	106.44	1.28	690.98	9.28	115.34	1.22
Total comprehensive income for the year	47.11	0.57	805.02	10.82	727.44	7.69
Profit (loss) attributable to:						
Owners of parent	(52.36)	(0.63)	121.54	1.63	618.82	6.54
Non-controlling interest	(6.97)	(0.08)	(7.50)	(0.10)	(6.72)	(0.07)
Profit for the year	(59.32)	(0.71)	114.04	1.53	612.10	6.47
Total comprehensive income (expense) attributable to:						
Owners of parent	52.99	0.64	812.73	10.92	732.57	7.75
Non-controlling interests	(5.88)	(0.07)	(7.71)	(0.10)	(5.13)	(0.05)
Total comprehensive income for the year	47.11	0.57	805.02	10.82	727.44	7.69

Source: Consolidated financial statement of the Company between 2020 – 2022

1.8.3 Statement of cash flows

Item	Consolidated financial statement ending 31 December		
	2020	2020	2020
	Million Baht	Million Baht	Million Baht
Cash flows from operating activities			
Profit for the year	(59.32)	114.04	612.10
Adjustments to reconcile profit (loss) to cash receipts (payments)			
Tax expense	55.76	57.52	41.01
Finance costs	12.47	10.01	11.48
Depreciation and amortization	509.00	437.29	499.23
Impairment loss of investment in associates and subsidiaries	-	-	-
Reversal of impairment loss on trade and other receivables	(0.44)	(7.27)	(2.80)
Loss (gain) on derivative	(3.31)	(6.09)	25.22
Share of profit of investments in associates accounted for using equity method, net of tax	29.71	(14.81)	(14.99)
(Reversal of) losses on inventories devaluation	1.14	(8.13)	6.62
Reversal of loss on impairment real estate projects under development	0.35	(1.61)	(0.47)
Reversal of impairment loss on investment properties	-	(83.29)	-
(Gain) loss on disposal of assets	(0.94)	9.95	(390.55)
Gain on transfer other non-current financial asset to investment in associate	-	-	(28.14)
Gain on bargain purchase	-	-	(11.47)
Realized unearned lease income	(2.06)	(6.66)	(6.66)
Expenses for employee benefits	61.67	63.07	59.66
Dividends income	(343.45)	(379.65)	(340.39)
Interest income	(15.58)	(10.20)	(12.77)
	244.99	174.18	447.07
Changes in operating assets and liabilities			
Trade receivables	334.05	(12.07)	45.70

Independent Financial Advisor' Opinion on the Connected Transaction

Item	Consolidated financial statement ending 31 December		
	2020	2020	2020
	Million Baht	Million Baht	Million Baht
Other receivables	(110.50)	117.89	(76.36)
Inventories	657.30	334.48	259.10
Real estate projects under development	12.11	17.78	12.65
Other current assets	83.09	31.76	(155.90)
Other non-current assets	15.84	3.10	(9.54)
Trade payables	(322.63)	(12.44)	(20.46)
Other payables	(116.89)	15.43	19.43
Advanced rental income	200.00	-	-
Other non-current liabilities	(17.94)	(8.34)	3.73
Net cash generated from operating activities	979.41	661.79	525.42
Provisions for employee benefits paid	(52.27)	(78.24)	(30.67)
Taxes paid	(28.04)	(30.95)	(32.27)
Taxes received	-	24.38	14.25
Net cash from operating activities	899.10	576.97	476.74
Cash flows from investing activities			
Proceeds from acquisition of subsidiaries, net of cash acquired	-	-	52.65
Increase in current investments	230.34	(1,291.39)	(2,580.40)
Decrease in current investments	-	576.54	1,291.39
Proceeds from sale of equity securities	87.84	317.70	34.60
Acquisition of equity securities	(221.89)	(318.00)	(487.60)
Acquisition of debt securities	-	-	(90.00)
Acquisition of investment in associate	-	(60.00)	(15.41)
Payment for increase in share capital of investment in associate	-	-	(23.94)
Acquisition of investment in subsidiary	-	-	-
Proceeds from sale of assets	23.18	0.38	601.79

Independent Financial Advisor' Opinion on the Connected Transaction

Item	Consolidated financial statement ending 31 December		
	2020	2020	2020
	Million Baht	Million Baht	Million Baht
Acquisition of assets	(228.84)	(69.77)	(159.80)
Proceeds from repayment of loans to related parties and employees	0.10	37.50	3.55
Loan to related party	-	-	(3.55)
Loan to third party	(3.55)	-	-
Dividends received	358.40	395.59	351.99
Interest received	24.87	9.87	10.71
Net cash used in investing activities	270.46	(401.58)	(1,014.03)
Cash flows from financing activities			
Increase (decrease) in bank overdrafts and short-term borrowing from financial institutions	(6.63)	(18.89)	13.70
Proceeds from short-term borrowings from related parties	22.00	20.00	-
Repayment of short-term borrowings from related parties	(10.00)	(15.00)	(2.00)
Decrease in restricted deposits at financial institution	-	-	10.00
Payment of lease liabilities	(280.62)	(233.99)	(326.19)
Proceeds from call-up of share capital from subsidiary - non-controlling interests	-	11.89	-
Decrease in non-controlling interests of the subsidiary	0.82	-	-
Dividends paid to owners of the Company	(203.44)	(72.66)	(101.72)
Interest paid	(12.47)	(10.18)	(11.46)
Net cash used in financing activities	(490.35)	(318.81)	(417.67)
Net decrease in cash and cash equivalents, before effect of exchange rate changes	679.21	(143.42)	(954.96)
Effect of exchange rate changes on cash and cash equivalents	2.25	(0.52)	6.34
Net decrease in cash and cash equivalents	681.46	(143.95)	(948.62)
Cash and cash equivalents at 1 January	1,113.70	1,795.16	1,651.22
Cash and cash equivalents at 31 December	1,795.16	1,651.22	702.60

Source: Consolidated financial statement of the Company between 2020 – 2022

1.8.4 Financial ratio

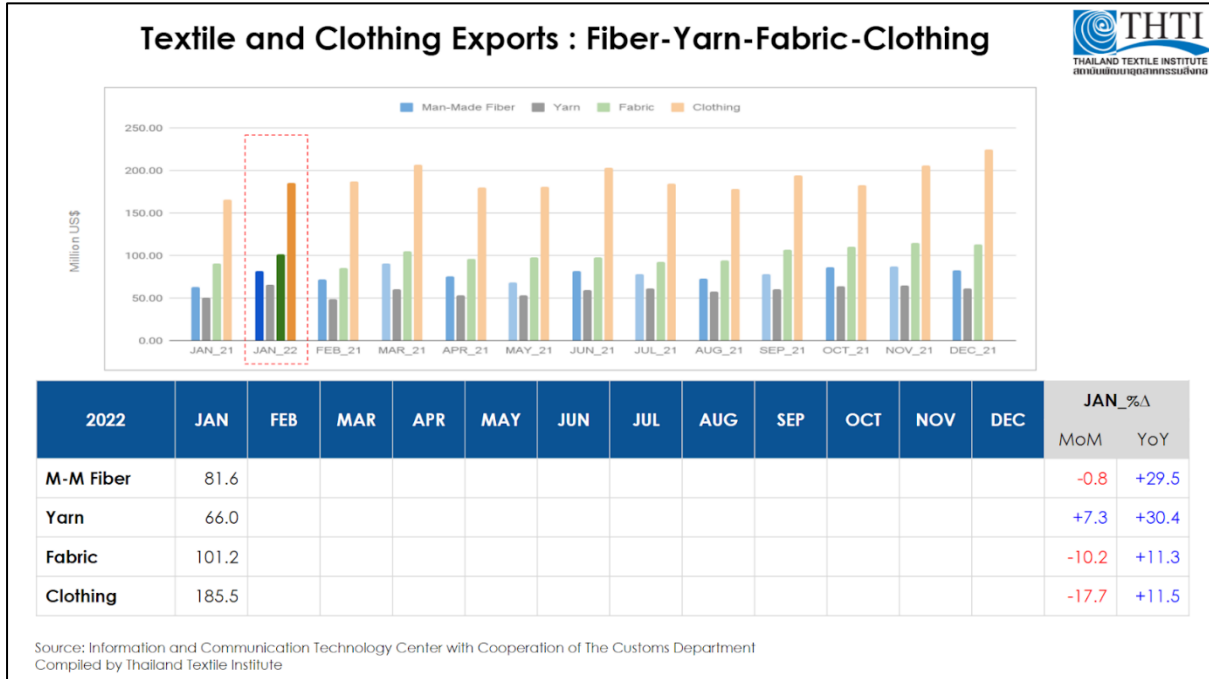
Financial ratio	Unit	Ending 31 December		
		2020	2021	2022
Liquidity Ratio				
Current ratio	Time	4.27	4.05	3.82
Quick ratio	Time	2.07	2.28	2.24
Cash flow from operating activities ratio	Time	0.50	0.34	0.26
Account receivable turnover	Time	6.25	6.24	7.64
Collection period	Day	57.60	57.66	47.10
Inventory turnover	Time	1.65	1.71	2.33
Inventory coverage	Day	218.32	210.07	154.32
Account payables turnover	Time	4.70	4.86	5.87
Payment period	Day	76.51	74.00	61.31
Cash cycle	Day	199.40	193.73	140.11
Profitability Ratio				
Gross profit margin	%	29.70	28.54	30.10
Operating profit margin	%	0.49	2.45	7.66
Cash to profit margin	%	2,328.49	345.97	73.39
Net profit margin	%	(0.63)	1.63	6.54
Return on equity	%	(0.22)	0.44	2.19
Efficiency Ratio				
Return on assets	%	(0.19)	0.37	1.83
Return on fixed assets	%	11.45	12.96	25.60
Asset turnover	Time	0.30	0.23	0.28
Financial Policy Ratio				
Debt to equity ratio	Time	0.19	0.20	0.20
Interest coverage ratio	Time	3.10	16.65	56.59
Payout ratio	%	(388.56)	59.78	16.44

1.9 Industry outlook**1.9.1 Textile Industry outlook**

Based on a research under "The Situation of the Thai Textile and Garment Industry" by the Textile Industry Development Institute dated 11 March 2022, for an overall international trade of the Thai textile and garment industry, exports of textiles and garments reached 540 Million US dollars in January 2022, a growth of 12.7% compared to the same period last year that can be divided into 2 groups as followed;

- (1) Export of textiles valued at 355.3 Million US dollars, expanding by 13.4%
- (2) Export of garments valued at 185.5 3 Million US dollars, expanding by 11.5%

While the overall import of the industry was valued at 501.3 Million US dollars, expanding by 13.6% divided into (1) Import of textiles valued at 353.7 Million US dollars, growth of 27.8% and (2) Import of garments valued at 147.6 Million US dollars, a decline of 10.2%, resulted in a trade surplus of 39.5 Million US dollars.



When considering the export value by product particularly as 1. Man-made fibers 2. Yarns 3. Fabrics and 4. Apparels in January 2022, all 4 products grew compared to the same period last year (YoY) by 29.5%, 30.4%, 11.3%, and 11.5%, respectively. However, only yarns products experienced growth compared to the previous month (MoM) by 7.3%.

In this regard, the Institute of Textile Industry Development projected that the export value of textile and garment will grow by 4.2% compared to the same period last year (YoY), or at 6,800 Million US dollars from higher demand for product from foreign market that are the main trading partners, thus, this will affect the export of the industry to expand accordingly and will affect the domestic manufacturing sector to resume to its normal situation.

1.9.2 Perfumery Industry

The cosmetics and beauty business is a business that has a growth rate and continues to expand every year, although in 2022 there was a slowdown and recessions due to the COVID-19 situation, consumer, both males and females of all ages are paying more attention to health, beauty, and skin care as they are taking care of themselves. As a result, beauty and skin care business has been experiencing growth to meet increasing demand every year.

With the release of lockdown from COVID-19, consumers have begun to return to their normal lives while work from home still exists at a current rate. Most people start returning to work and spending as normal though not as good as it should be due to the economic slowdown. Consumers are more careful with their spending as they are spending as needed which indicated that although the direction of using cosmetics and beauty products is getting better but consumers behavior might also have changed. Thai people tend to take care of beauty by themselves at home especially hair products. From Company's marketing research, it was found that 35% of Thai people consider beauty care at home as their new lifestyle. The trend of using cosmetics from natural ingredients without chemicals or harmful substances has been increasing as consumers are concerned about their health. Moreover, with PM 2.5 dust situation, consumers are taking care of their skin against abnormal weather conditions and pollution and still wearing mask regularly before going out.

Cosmetic products under BSC Cosmetology has adjusting its marketing strategy by directly communicate to consumer through collaboration with merchant partners and department stores to support the distribution channels and distribution of products more efficiently. campaigns are directly communicated to consumers through all channels including shops, department stores, and sales personnel throughout the country. In addition, brands are spending high budget to reach out to consumers as cosmetics market is becoming more competitive compared to other products.

1.10 Management discussion and analysis

1.10.1 Operating performance

1. Revenue from sales of goods

The Company and its subsidiaries had revenue from sales between 2020 – 2022 equal to 7,809.02 Million Baht, 6,802.56 Million Baht, and 8,479.12 Million Baht, respectively, representing a compound annual growth rate (CAGR) of 4.20%. Revenue from sales of goods consists of 3 main product lines, namely cosmetics and perfumeries, women's apparel, men's apparel while other sales of goods such as mother and baby products, sportswear, leather goods under Absorba and Enfrant brands, laundry products under Essence brand, and food and beverages under BSC brand.

Business line	2020		2021		2022	
	Million Baht	% ²	Million Baht	% ²	Million Baht	% ²
Cosmetics and perfumeries	739.17	8.87	576.57	7.75	559.46	5.92
Women's apparel	2,419.31	29.05	2,060.40	27.68	2,540.21	26.86
Men's apparel	2,123.32	25.49	1,878.68	25.24	2,737.69	28.95
Other sales ¹	2,527.21	30.34	2,286.92	30.73	2,641.76	27.94
Total revenue from sales	7,809.02	93.76	6,802.56	91.40	8,479.12	89.67

Source: Company's information

Remark: 1. Other sales consists of mother and baby products, consumer goods, and food and beverages.

Remark 2: Percentage of total revenue ending 31 December

In 2021, the Company's sales revenue decreased by 1,006 Million Baht or 12.88% compared to 2020. Overall, revenue decreased mainly due to the outbreak of COVID-19 causing the government to announce nationwide lockdown policy during mid July 2021 to end of August 2021 with restricted control over travel across provinces as well as curfew period causing department stores to close. As a result, the Company was unable to sell products leading to lower sales in 2021. In addition, the Company was affected by fiercer competition from online channels and foreign products.

In 2022, the Company's sales increased by 1,677 Million Baht or 24.65% compared to 2021 due to business recovery from the COVID-19 pandemic being less severe as well as receiving continuing benefits from the government's business stimulus policy. Therefore, the Company experienced higher sales than last year.

2. Other income

Between 2020 – 2022, The Company and its subsidiaries had other income of 520.05 Million Baht, 640.16 Million Baht, and 976.96 Million Baht, respectively.

Item	2020		2021		2022	
	Million Baht	% ²	Million Baht	% ²	Million Baht	% ²
Dividend income	343.45	4.12	379.65	5.10	340.39	3.60
Gain from disposal of land	-	-	-	-	392.65	4.15
Other income ¹	176.60	2.12	260.51	3.50	243.90	2.58
Total other income	520.05	6.24	640.16	8.60	976.94	10.33

Source: Company's information

Remark: 1. Other income consists of subsidy income, freight income, interest income, and other fees.

Remark 2: Percentage of total revenue ending 31 December

In 2021, the Company and its subsidiaries had other income of 640.16 Million Baht, consisting of dividend income of 379.65 Million Baht and other income of 260.51 Million Baht. Other income such as subsidy income, Freight income, interest income, and other fees. Dividend income increased by 36.20 Million Baht or 10.54% from the investments in associated companies while other income increased by 84 Million Baht or 47.46% from gain from reversal of impairment losses on investments.

In 2022, the Company and its subsidiaries had other income of 976.96 Million Baht, consisting of dividend income of 340.39 Million Baht, Gain on sales of land of 392.65 Million Baht, and other income of 243.90 Million Baht. While the dividend income decreased by 39.26 Million Baht, the Company had income from sales of 7 plots of land with a book value of 165 Million Baht to a related party at selling price of 557 Million Baht, resulting in a profit from the sales of 393 Million Baht. The Company sold the land as the Company did not use the land and selling the land would reduce the cost of maintaining the property. Other income, on the other hand, decreased 17 Million Baht or 6.51% due to lower subsidy income for marketing purposes from suppliers and manufacturers as suppliers reduced their marketing activities from the economic slowdown.

3. Cost of sales of goods

The Company and its subsidiaries had cost of sales of goods during 2020 – 2022 equal to 5,489.38 Million Baht, 4,861.01 Million Baht, and 5,926.66 Million Baht, respectively. Cost of sales of goods has cost of finished goods and freight costs as the main cost of sales.

In 2021, the Company and its subsidiaries had cost of sales of 4,861.01 Million Baht, a decrease of 628.37 Million Baht or by 11.45%, in line with lower sales from COVID-19 outbreak.

In 2022, the Company and its subsidiaries had cost of sales of 5,926.66 Million Baht, an increase of 1,065.65 Million Baht or by 21.92%, in line with the increase in revenue as the business recovers from the COVID-19 situation.

4. Gross profit

During 2020 – 2022, The Company and its subsidiaries had gross profit margin equal to 29.71%, 28.55%, and 30.10%, respectively.

(Unit: Million Baht)	31 December 2020	%	31 December 2021	%	31 December 2022	%
Revenue from sales of goods	7,809	100.00	6,803	100.00	8,479	100.00
Cost of sales of goods	5,489	70.29	4,861	71.45	5,927	69.90
Gross profit	2,320	29.71	1,942	28.55	2,552	30.10
Gross profit margin (%)	29.71		28.55		30.10	

In 2021, the Company's gross profit decreased by 378 Million Baht or 16.29% compared to 2020 due to COVID-19 outbreak resulting in lower sales especially cosmetics and perfumeries products. Due to changes in product mix, gross profit margin slightly dropped compared to previous period.

In 2022, The Company's gross profit increased by 610 Million Baht or 31.41% due to business recovery from COVID-19 resulting in higher sales of high-priced products from consumers, especially in clothing category for both men and women, resulting in increased in gross profit margin.

5. Distribution and administrative expenses

During 2020 – 2022, The Company and its subsidiaries had distribution and administrative expenses equal to 2,801.08 Million Baht, 2,414.94 Million Baht, and 2,879.82 Million Baht, respectively.

In 2021, the Company and its subsidiaries had distribution and administrative expenses of 2,414.94 Million Baht, a decrease of 386.14 Million Baht or 13.79% due to the outbreak of COVID-19, the government announced a lock down from mid-July to end of August, thereby reducing the expenses related to sales employee. The Company also received benefits from the government, such as measures to relieve workers-employer related to reduction of employer's contribution fee. In addition, the Company still maintained measures to reduce various expenses that did not cause operational efficiency by reducing expenses that did not affect sales growth and personnel expenses.

In 2022, the Company and its subsidiaries had distribution and administrative expenses of 2,879.82 Million Baht, an increase of 464.88 Million Baht or 19.25% from increasing selling expenses related to sales department such as sales employee expenses, marketing and advertising expenses, and commission expenses of 383 Million Baht which vary according to increased sales. Administrative expenses increased by 82 Million Baht, mainly from employee bonus expense.

6. Net profit

The Company and its subsidiaries had operating losses in 2020 of 59.32 Million Baht while having net profits between 2021 and 2022 of 114.04 Million Baht and 612.10 Million Baht, respectively.

In 2021, the Company and its subsidiaries had net profit of 114.04 Million Baht, an increase of 173.36 Million Baht or 292.23% due to change in impairment of assets from the appraisal of investment property, resulting in reduced impairment loss and increasing other income. Moreover, the Company received higher dividend income while maintaining measure to reduce expenses that did not cause operational efficiency.

In 2022, the Company and its subsidiaries had net profit of 612.10 Million Baht, an increase of 498.06 Million Baht or 436.74% due to an increase in sales revenue from business recovery, enabling business to be conducted as normal. Also, other income was increased mainly from sales of land combined with ongoing expense reduction measure that was implemented by the Company. The Company was able to management gross profit margin from 28.55% to 30.10% and the ratio of distribution and administrative expense to sales revenue was lowered from 35.50% to 33.96%.

1.10.2 Financial position

1. Assets

The Company and its subsidiaries had total assets between 2020 – 2022 equal to 32,227.80 Million Baht, 33,467.27 Million Baht, and 34,254.93 Million Baht, respectively, consisting of assets related to business operations and investments including cash and cash equivalents, highly-liquid investments, trade account receivables, inventories, non-current financial asset, investment in associates, investment properties, and property, plant and equipment.

As of 31 December 2021, the Company and its subsidiaries had total assets of 33,467.27 Million Baht, an increase of 1,239.46 Million Baht or 3.85%, mainly due to an increase in current investment of 715 Million Baht as the Company invested excess cash into current investments to get more returns. Non-financial assets also increased by 864 Million Baht due to investment in shares in businesses related to the core businesses and other businesses and the newly adopted accounting standards under Thai Financial Reporting Standard No. 16: Financial Instrument (TFRS 9). In addition, the right of use assets increased by 325 Million Baht, mainly from an increase in long-term lease of sales area while inventories decreased by 326 Million Baht due to the improvement of inventory management system that boost higher efficiency and control from procurement of goods to distribution of products to appropriate sales area for each type of store to meet the target group as well as stock optimization process (Optimum Stock) in stores. Lastly, Property, plant and equipment was decreased by 150 Million Baht mainly from depreciation expense.

As of 31 December 2022, the Company and its subsidiaries had total assets of 34,254.93 Million Baht, an increase of 787.66 Million Baht or 2.35% mainly due to an increase in current investments of 1,289 Million Baht as the Company invested more to get higher returns from excess cash. Non-current financial assets increased by 550 Million Baht from investments in shares and bond. Other account receivables increased by 73 Million Baht from deposits from selling product oversea. Other current assets increased by 185 Million Baht, mainly from the purchase of gold bars for investment purposes while cash and cash equivalents decreased by 945 Million Baht from investment in current investment. Inventories further decreased by 266 Million Baht due to higher sales at the end of the year. As the COVID-19 outbreak was substantially recovered by the end of 2022, more tourists travel into the country making tourism and service industry improving substantially. Though the economic situation is still not very strong, consumer's purchasing power was returning during the 3rd and 4th quarter, which resulted in more products being sold. Property, plant and equipment decreased by 152 Million Baht from the sales of 7 plots of land and the depreciation expense.

2. Liabilities

The Company and its subsidiaries had total liabilities between 2020 – 2022 equal to 5,111.04 Million Baht, 5,606.25 Million Baht, and 5,678.34 Million Baht, respectively, which mainly consists of liabilities related to operations such as trade and other payables, financial lease for sales area, deferred tax liabilities, and provision for employee benefits.

As of 31 December 2021, the Company's liabilities increased by 495 Million Baht or 9.68% from 2020, due to an increase in lease liabilities of 308 Million Baht, in line with the increase in right of use assets and deferred tax liabilities increased by 229 Million Baht from fair value adjustment of other long-term investments in accordance with Thai Financial Reporting Standard No. 16: Leases (TFRS 16)

As of 31 December 2022, the Company's liabilities increased by 72 Million Baht or 1.28% from 2021, due to an increase in trade and other payables of 62 Million Baht from increase in finished goods purchases at the end of the year. Deferred tax liabilities increased by 69 Million Baht from gross profit of consignment, which led to a decrease in gross profit of the allowance for returned goods and the adjustment of the employee benefit projection. Other current financial liabilities increased by 26 Million Baht due to the loss on foreign exchange rates of forward contracts, while provision for employee benefits decreased by 99 Million Baht due to reassessment of employee benefits assumption which was normally reassessed every 3 years. In addition, the Company has restructured its expense management measures to reduce costs that do not result in operational efficiency and restructured human resources to suit its current operation.

3. Shareholders' equity

The Company and its subsidiaries had shareholders' equity between 2020 – 2022 equal to 27,116.76 Million Baht, 27,861.02 Million Baht, and 28,576.59 Million Baht, respectively, mainly consisting of retained earnings, registered capital, and premium on ordinary shares.

As of 31 December 2021, the Company and its subsidiaries had total shareholders' equity of 27,861.02 Million Baht, an increase of 744.26 Million Baht or 2.74% from 2021 due to an newly adopted accounting standard, namely Thai Financial Reporting Standard No. 16: Financial Instrument (TFRS 9) which related to

fair value valuation of financial investment resulting in an increase of 525.32 Million Baht as well as an increase in retained earnings from operations by 214.76 Million Baht.

As of 31 December 2022, the Company and its subsidiaries had total shareholders' equity of 28,576.59 Million Baht, an increase of 715.57 Million Baht or 2.57% from 2021 mainly due to an increase in retained earnings of 625.51 Million Baht from operating results and gains from reassessment of employee benefits. The Company's non-controlling interests increased by 84 Million Baht to 77.50 Million Baht in 2022 as the Company invested more in Tiger Distribution and Logistics Co., Ltd. by purchasing ordinary shares from non-related party and invested more in the proportion that allows the Company to acquire control over Tiger Distribution and Logistics Co., Ltd.

1.10.3 Financial Ratio Analysis

1. Liquidity Ratio

The Company's current ratio during 2020 – 2022 was 4.27, 4.05, and 3.82 times, respectively, while the quick ratio during 2020 – 2022 was 2.07, 2.28, and 2.24 times, respectively. The current ratio decreased as the Company managed their excess highly-liquid assets by investing in associated companies and financial assets. With improved inventory management, inventories as one of current asset, had also decreased gradually. As a result, while the Company's current ratio slightly dropped, the Company was able to maintain high quick ratio through the years which showed the Company's ability to maintain good business liquidity and investment.

2. Financial Policy Ratio

As of 31 December 2022, the Company's debt to equity ratio during 2020 – 2022 equal to 0.19, 0.20, and 0.20 times, respectively, indicating a small portion of debt compared to Company's equity. The Company's financial debt ratio is considered low and the Company's has been able to maintain such debt to equity level consistently through the years.

For the interest coverage ratio between 2020 – 2022 which equal to 3.10, 16.65, and 56.59 times, respectively, the increasing trend represented the Company's better ability to pay interest on current financial liabilities. As the Company can fully resume its operation, the Company generated more operating profit before financial cost and tax (EBIT) allowing the Company to have lower credit risk in 2022.

Attachment 2 : Summary of Thanulux Public Company Limited**2.1 Basic Information**

Company name	: Thanulux Public Company Limited
Initial	: TNL
Corporate registration number	: 0107537001358
Business	: Production and distribution of ready-to-wear clothes and leather products covering all groups of men, women and children
Location	: 129/1 Chong Nonsi Road, Chong Nonsi Subdistrict, Yannawa District, Bangkok 10120
Registered capital	: 132,000,000.00 Baht divided into 132,000,000 ordinary shares with a par value 1.00 Baht per share (as of September 14, 2022)
Issued and paid-up capital	: 124,871,000.00 Baht divided into 124,871,000 ordinary shares with a par value 1.00 Baht per share (as of 14 September 2022)

2.2 Historical information

TNL was listed on the Stock Exchange of Thailand on 21 July 1987 and transformed into a public company in 1994 with two subsidiaries, namely (1) S. Apparel Co., Ltd. (currently ceasing its business) and (2) Celebrate Wealth Co., Ltd. (currently in the process of liquidation)

In 2022, the Company has restructured its shareholding structure and the Company's business group structure is important. On 30 September 2022, the Board of Directors' Meeting No. 8/2022 resolved to approve the establishment of two subsidiaries, namely (1) TNLX Co., Ltd., with the objective of Established to support the Company's business group restructuring in the future, and (2) TNL Alliance Co., Ltd., with the objective of establishing to be used as a central juristic person to invest in 7 joint venture companies. which operates real estate business to support the business group structure of the Company to be clear.

In addition, on 30 November 2022, Extraordinary General Meeting of Shareholders No. 2/2022 resolved to approve the acquisition of 90.00 percent of ordinary shares in Oxygen Asset Company Limited ("OA"), which operates the business of lending to entrepreneurs. having a collateral and the acquisition of 50.00% ordinary shares in 7 companies which are joint ventures with Nobel Development Public Company Limited operating real estate business for sale. Residential type (collectively referred to as "7JVs") and on 15 December 2022, the Company has already acquired common shares of OA and 7JVs.

Currently, TNL has a registered capital of 311.55 million baht and has a paid-up capital of 212.31 million baht, including 6 subsidiaries: (1) S. Apparel Co., Ltd. (2) Celebrate Wealth Co., Ltd. (3) TNLX Company Limited (4) Oxygen Asset Company Limited (5) Oxygen Asset Management Company Limited and (6) TNL Alliance Company Limited.

2.3 Business

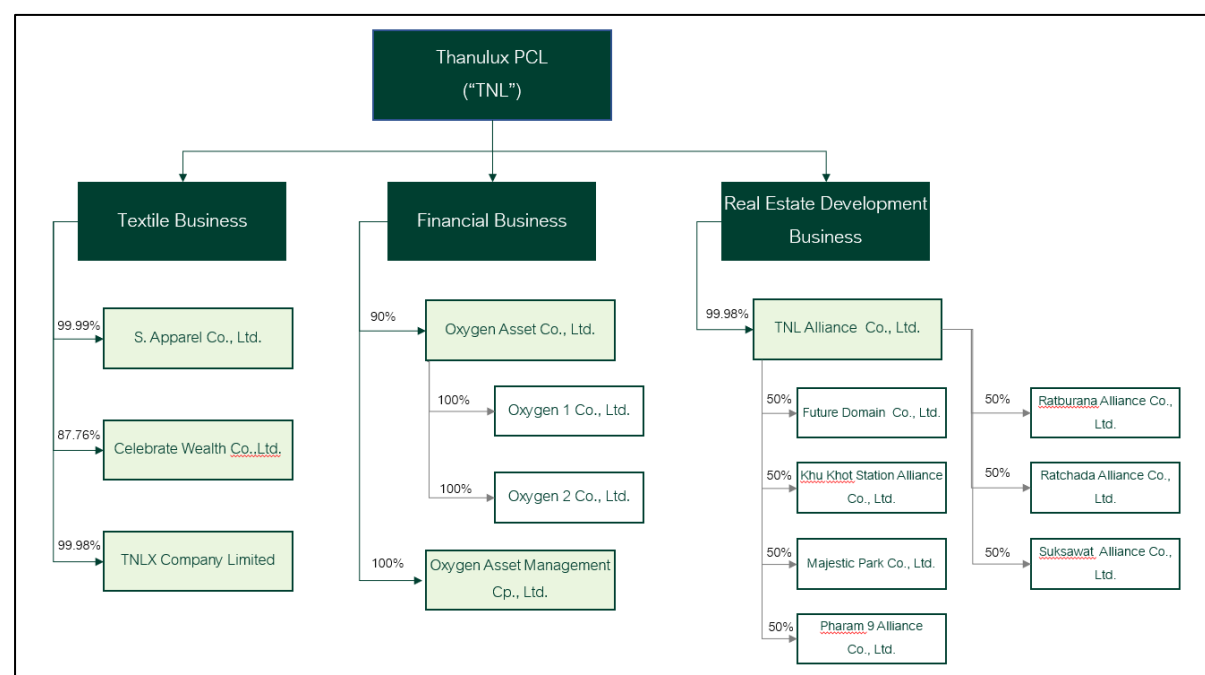
The company operates in manufacturing of ready-made fashion products for men, women and children both domestically and internationally. Under international trademarks that the company has been licensed and trademarks of the company In addition, it is also a manufacturer of uniforms, civil servant uniforms, religious ceremonial uniforms, tri-jewel suits, as well as healthcare and medical textile businesses.

2.4 Revenue Structure

Product	2020		2021		2022	
	Million Baht	Percent	Million Baht	Percent	Million Baht	Percent
Ready-made clothes	748.43	59.83	871.88	60.61	1,152.63	59.08
Leather	372.02	29.74	460.68	32.03	624.43	32.01
Other income	131.81	10.54	105.74	7.35	173.97	8.92
Total	1,250.95	100.00	1,438.40	100.00	1,951.03	100.00

December 15, 2022, the Company acquired 90 percent of ordinary shares in Oxygen Asset Company Limited and acquired 50 percent of ordinary shares in 7 joint venture companies operating real estate development for sale. Housing type Therefore, the Company's consolidated financial statements will recognize revenue and operating results of new businesses in the 2022 financial statements for the period from 15-31 December 2022. The income of the year 2022 therefore still reflects the original business of the Company.

2.5 Shareholding structure of TNL and its subsidiaries



Shareholding Structure of TNL in Subsidiaries

Textile and garment business						
1	S. Apparel Company Limited ("SAP") ^{1/}	Subsidiaries	8.10	99.99	It operates the business of manufacturing and distributing apparel.	No. 4/2 Moo 8, Bangna-Trad Road, Km. 18, Bang Chalong Subdistrict, Bang Phli District, Samut Prakan Province
2	Celebrate Wealth Company Limited ("CBW") ^{2/}	Subsidiaries	85.00	87.76 ^{3/}	Business selling apparel products	No. 129/1 Chong Nonsi Road, Chong Nonsi Subdistrict, Yannawa District, Bangkok
3	TNLX Company Limited ("TNLX")	Subsidiaries	1.00	99.98	To support the business group structure of the business in the future to be clear.	No. 129/1 Chong Nonsi Road, Chong Nonsi Subdistrict, Yannawa District, Bangkok
Financial business						
1	Oxygen Asset Company Limited ("OA")	Subsidiaries	100.00	90.00 ^{4/}	providing loans to entrepreneurs with collateral, focusing on granting credits of not less than 10.00 million baht.	No. 530, Soi Sathupradit 58, Bang Popang Subdistrict, Yannawa District, Bangkok
2	Oxygen Asset Management Company Limited ("OAM")	Subsidiaries	26.00	100.00 ^{5/}	Manages business of collateralized non-performing assets (NPLs) and foreclosed assets (NPAs) from the from financial institutions. It has obtained license to operate from the Bank of Thailand. ^{5/}	No. 530, Soi Sathupradit 58, Bang Popang Subdistrict, Yannawa District, Bangkok
3	Oxygen One Company Limited ("ONE")	indirect subsidiary	1.00	100.00 (through OA)	Mortgage business, consignment sale and auction sale	No. 530, Soi Sathupradit 58, Bang Popang Subdistrict, Yannawa District, Bangkok

4.	Oxygen Two Company Limited ("TWO") ^{6/}	indirect subsidiary	1.00	100.00 (through OA)	mortgage, consignment sales and buying and selling by auction. At present, there is no operation	No. 530, Soi Sathupradit 58, Bang Popang Subdistrict, Yannawa District, Bangkok
Real estate business						
1	TNL Company Alliance Co., Ltd. ("TNLA")	Subsidiaries	1.00	99.98	juristic person to invest in 7 joint venture companies. which operates real estate business	No. 129/1 Chong Nonsi Road, Chong Nonsi Subdistrict, Yannawa District, Bangkok
2	Future Domain Co., Ltd. ("FD")	joint venture	200.00	50.00 ^{7/}	Real estate development for sales under "Noble Curve" and "Noble Curate"	No. 1035 Noble Building, Ploenchit Road, Lumpini, Pathumwan, Bangkok
3	Khu Khot Station Company Alliance Co., Ltd. ("KK")	joint venture	300.00	50.00 ^{7/}	Real estate development for sales under "New Cross Khu Khot Station"	No. 1035 Noble Building, Ploenchit Road, Lumpini, Pathumwan, Bangkok
4	Majestic Park Company Limited ("MJP")	joint venture	300.00	50.00 ^{7/}	Real estate development for sale of residential condominium under "Noble Create"	No. 1035 Noble Building, Ploenchit Road, Lumpini, Pathumwan, Bangkok
5	Praram 9 Alliance Company Limited ("R9A")	joint venture	768.00	50.00 ^{7/}	Real estate development for sales of residential under "Nue District R9"	No. 1035 Noble Building, Ploenchit Road, Lumpini, Pathumwan, Bangkok
6	Ratburana Alliance Company Limited ("RBA")	joint venture	300.00	50.00 ^{7/}	Real estate development business for sales under the "Nue Riverest Ratburana" and "Noble Rivervilla"	No. 21 Soi Choei Phuang, Vibhavadi-Rangsit Road, Chomphon Subdistrict, Chatuchak District, Bangkok

7	Ratchada Alliance Company Limited ("RDA")	joint venture	50.00	50.00 ^{7/}	Real estate development business for sale of under "Nue Noble Ratchada-Latphrao"	No. 1035 Noble Building, Ploenchit Road, Lumpini, Pathumwan, Bangkok
8	Suksawat Alliance Co., Ltd. ("SUK")	joint venture	50.00	50.00 ^{7/}	Real estate development business for sale in under Nue Hybe Suksawat	No. 1035 Noble Building, Ploenchit Road, Lumpini, Pathumwan, Bangkok

Remark: 1 SAP currently ceases operations. and will continue to register the dissolution of the company

2 CBW has registered the dissolution of the company. The registrar was registered on July 21, 2022 and is currently in the process of liquidation.

3 Other shareholders of CBW are: (1) Ramsorn Thawikarn Co., Ltd. holds 75,500 shares, representing 8.88 percent of the total issued and paid-up shares. and total voting rights of CBW and (2) Total Way Image Co., Ltd. holds 28,500 shares, representing 3.35 percent of the total issued and paid-up shares. and all voting rights of CBW.

4 Another shareholder of OA, Saha Pathana Inter-Holding Public Company Limited, holds 99,997 shares, representing 10.00 percent of the total issued and paid-up shares. and all voting rights of the OA

5 According to the resolution of the Board of Directors' Meeting No. 12/2022 held on December 8, 2023, it was resolved for the Company to purchase OAM ordinary shares from OA in the total amount held by OA. On February 3, 2023, the Company acquired shares Common OAM already As a result, the Company holds shares in OAM Percent 100 and OAM becomes a direct subsidiary of the Company.

6 Established on January 27, 2023

7 Other shareholders of FD KK MJP R9A RBA RDA and SUK are Noble Development Public Company Limited ("NOBLE") holding 50.00 percent of the issued and paid-up shares. all and all voting rights

2.6 Board of Directors

As of 13 March 2023, TNL has a Board of Directors of 10 members, whose names are as follows:

No.	Name	Position
1	Mr. Thammarat Chokwatana	Chairman
2	Miss Kawin Kanjanapas	Chairman of the Executive Board
3	Ms. Sutida Jongjankit	Managing Director, Director
4	Mr. Surayut Thaweekulwat	Director
5	Mr. Kittichai Treeratchapong	Director
6	Mrs. Lapika Sasanawin	Director
7	Miss Chawadee Roongruang	Director
8	Mr. Suchatvee Suwansawat	Independent Director, Chairman of Audit Committee
9	Mr. Maris Sangiampong	Independent Director, Audit Committee
10	Mr. Wittawat Phanpanich	Independent Director, Audit Committee

Source: SET as of 13 March 2023

2.7 Shareholding structure

Thanulux Public Company Limited has a list of shareholders as follows:

No.	Name	Shares	Percent
1	BTS Group Holdings Public Company Limited	87,402,746	41.17
2	Saha Pathana Inter-Holding Public Company Limited	87,237,766	41.09
3	I.C.C. International Public Company Limited	13,307,040	6.27
4	Watsadoramai Company Limited	2,800,000	1.32
5	Mr. Palm Leelanuwat	1,376,240	0.65
6	Miss Marin Leelanuwat	1,217,960	0.57
7	Thai Wacoal Public Company Limited	1,000,000	0.47
8	Mr. Watcharapong Thanachaisit	774,640	0.36
9	Mrs. Sirina Pavarolanwithaya	655,340	0.31
10	Lan Pu Co., Ltd.	616,740	0.29
Total of major shareholders		196,388,472	92.50
	Others shareholders	15,924,294	8.10
Total		212,312,766	100.00

Source: SET as of 10 March 2023

As of 13 March 2023, BTS Group Holdings Public Company Limited has a list of major shareholders as follows:

No.	Name	Shares	Percent
1	Mr. Keeree Kanjanapas	2,664,383,552	20.23
2	Thai NVDR Company Limited	1,398,323,579	10.62
3	UBS AG SINGAPORE BRANCH	934,095,973	7.09
4	Mr. Kawin Kanjanapas	604,757,095	4.59
5	Social Security Office	432,467,660	3.28
6	UBS AG HONG KONG BRANCH	402,101,800	3.05
7	K2J Holding Company Limited	400,818,000	3.04
8	SOUTH EAST ASIA UK (TYPE C) NOMINEES LIMITED	337,339,528	2.56
9	STATE STREET EUROPE LIMITED	227,472,748	1.73
10	CREDIT SUISSE AG, SINGAPORE BRANCH	192,015,400	1.46
Total of major shareholders		7,593,775,335	57.67
11	Others shareholders	5,573,863,127	42.33
Total		13,167,638,462	100.00

Source: SET as of 13 March 2023

As of March 10, 2023, SPI has a list of major shareholders as follows:

No.	Name	Shares	Percent
1	Chokwatana Company Limited	96,094,066	16.8

No.	Name	Shares	Percent
2	I.C.C. International Public Company Limited	57,001,656	9.97
3	Saha Pathanapibul Public Company Limited	49,433,806	8.64
4	NOMURA SECURITIES CO LTD-CLIENT A/C	24,234,953	4.24
5	Uni Central Company Limited	21,218,182	3.71
6	SMBC NIKKO SECURITIES INC. - CLIENT ACCOUNT	20,220,550	3.54
7	Mr. Veerapat Poonsakudomsin	20,060,122	3.51
8	I.D.F. Company Limited	19,368,582	3.39
9	Uniwealth Co., Ltd.	14,380,310	2.51
10	Universe Beauty Co., Ltd.	10,459,727	1.83
	Total of major shareholders	332,471,954	58.14
11	Others shareholders	239,418,712	41.86
	Total	571,890,666	100.00

Source: SET as of 10 March 2023

As of 12 March 2023, Chokwatana Company Limited has a list of major shareholders as follows:

No.	Name	Shares	Percent
1	Saipinwattana Co., Ltd.	890,000	12.71%
2	Mr. Narong Chokwatana	861,226	12.30%
3	Mr. Boonkiat Chokwatana	485,000	6.93%
4	Mr. Pipop Chokwatana	400,000	5.71%
5	Sirathan Company Limited	400,000	5.71%
6	Mrs. Kittayaporn Chaithawornsathien	400,000	5.71%
7	Mr. Boonchai Chokwatana	295,000	4.21%
8	Mrs. Chailada Tantivejkul	295,000	4.21%
9	Mr. Chailadol Chokwatana	295,000	4.21%
10	Mr. Thammarat Chokwatana	223,774	3.20%
	Total of major shareholders	332,471,954	64.93
11	Others shareholders	2455000	35.07
	Total	7,000,000	100.00

Source: Ministry of Commerce, as of 12 March 2023

As of 12 March 2023, Saipinwattana Company Limited has a list of major shareholders as follows:

No.	Name	Shares	Percent
1	Mr. Narong Chokwatana	200,000	14.29%
2	Sirathan Company Limited	100,000	7.14%
3	Mr. Boonkiat Chokwatana	100,000	7.14%
4	Mrs. Kittayaporn Chaithawornsathien	100,000	7.14%
5	Mr. Pipop Chokwatana	80,000	5.71%

No.	Name	Shares	Percent
6	Mrs. Chailada Tantivejkul	70,000	5.00%
7	Mr. Chailadol Chokwatana	70,000	5.00%
8	Mr. Boonchai Chokwatana	60,000	4.29%
9	Mr. Bunyaek Chokwatana	40,000	2.86%
10	Mr. Peeranat Chokwatana	40,000	2.86%
	Total of major shareholders	860,000	61.43
11	Others shareholders	540,000	38.57
	Total	1,400,000	100.00

Source: Ministry of Commerce, as of 12 March 2023

As of 12 March 2023, Saipinwattana Company Limited has a list of major shareholders as follows:

No.	Name	Shares	Percent
1	Mr. Narong Chokwatana	200,000	14.29%
2	Sirathan Company Limited	100,000	7.14%
3	Mr. Boonkiat Chokwatana	100,000	7.14%
4	Mrs. Kittayaporn Chaithawornsathien	100,000	7.14%
5	Mr. Pipop Chokwatana	80,000	5.71%
6	Mrs. Chailada Tantivejkul	70,000	5.00%
7	Mr. Chailadol Chokwatana	70,000	5.00%
8	Mr. Boonchai Chokwatana	60,000	4.29%
9	Mr. Bunyaek Chokwatana	40,000	2.86%
10	Mr. Peeranat Chokwatana	40,000	2.86%
	Total of major shareholders	860,000	61.43
11	Others shareholders	540,000	38.57
	Total	1,400,000	100.00

Source: Ministry of Commerce, as of 12 March 2023

As of 23 March 2023, Watsoramai Company Limited has a list of major shareholders as follows:

No.	Name	Shares	Percent
1	Mr. Boonsithi Chokwatana	31,996	79.99
2	Mr. Thammarat Chokwatana	2,000	5.00
3	Mrs. Teerada Amphanwong	2,000	5.00
4	Ms. Thaninthorn Chokwatana	2,000	5.00
5	Mr. Thitipoom Chokwatana	2,000	5.00
6	Mr. Samroeng Manoonphon	2	0.01
7	Mrs. Patcharee Sungrungsan	2	0.01
	Total	40,000	100.00

Source: Ministry of Commerce, as of 23 March 2023

As of 23 March 2023, Lan Pu Company Limited has a list of major shareholders as follows:

No.	Name	Shares	Percent
1	Mr. Narong Chokwatana	220,000	14.29
2	Mrs. Kittayaporn Chaithawornsathien	200,000	12.99
3	Mr. Pipop Chokwatana	100,000	6.49
4	Mr. Panithan Pawaronwittaya	100,000	6.49
5	Mrs. Pravara Ekrapanich	100,000	6.49
6	Mrs. Chailada Tantivejkul	100,000	6.49
7	Mr. Chailadol Chokwatana	100,000	6.49
8	Mr. Peeranat Chokwatana	50,000	3.25
9	Mr. Vetit Chokwatana	50,000	3.25
10	Mr. Phisanu Chokwatana	50,000	3.25
	Total of major shareholders	1,070,000	69.48
11	Others shareholders	470,000	30.52
	Total	1,540,000	100.00

Source: Ministry of Commerce, as of 23 March 2023

2.8 Financial Statement**2.8.1 Statement of financial position**

Unit: Million Baht

Statement of financial position (Consolidated)	Audited financial statement for the year ending 31 December					
	2020	%	2021	%	2022	%
Assets						
Current assets						
Cash and cash equivalents	85.42	1.97	213.99	4.76	2,384.41	22.49
Trade and other current receivables - net	197.34	4.55	201.17	4.48	238.71	2.25
Short - term loans to related companies	46.00	1.06	41.00	0.91	318.75	3.01
Short - term loans to non-related companies	-	-	-	-	2,539.00	23.95
Inventories - net	331.10	7.63	389.17	8.66	433.81	4.09
Right to returned goods	32.50	0.75	10.10	0.22	9.70	0.09
Current tax assets	1.57	0.04	1.47	0.03		
Other current financial assets	648.97	14.96	484.20	10.77	99.47	0.94
Other current assets	-	-	-	-	-	-
Total current assets	1,342.91	30.97	1,341.09	29.84	6,023.85	56.83
Non-current assets						
Other non - current financial assets	2,404.37	55.44	2,585.08	57.53	1,704.94	16.08
Investments in subsidiaries - net	-	-	-	-		
Investments in joint ventures - net	-	-	-	-	527.83	4.98
Long - term loans to related company	10.00	0.23	42.88	0.95	40.00	0.38
Long - term loans to non-related companies					1,050.00	9.91
Investment property - net	109.31	2.52	106.49	2.37	139.27	1.31
Property, plant and equipment - net	371.85	8.57	346.93	7.72	346.73	3.27

Statement of financial position (Consolidated)	Audited financial statement for the year ending 31 December					
	2020	%	2021	%	2022	%
Right-of-use assets - net	24.89	0.57	14.57	0.32	10.99	0.10
Intangible assets - net	13.52	0.31	11.81	0.26	12.14	0.11
Excess of acquisition cost over estimated value of interest acquired in the net assets from acquisition of the subsidiary	-	-	-	-	703.36	6.64
Deferred tax assets	50.27	1.16	37.19	0.83	32.77	0.31
Other non - current assets	9.68	0.22	7.77	0.17	8.32	0.08
Total non-current assets	2,993.90	69.03	3,152.70	70.16	4,576.35	43.17
Total assets	4,336.81	100.00	4,493.79	100.00	10,600.20	100.00
Liabilities and Shareholders' equity						
Current liabilities						
Trade and other current payables	135.28	3.12	143.87	3.20	308.01	2.91
Current portion of lease liabilities	8.10	0.19	4.52	0.10	3,093.09	0.03
Accrued corporate income tax	-	-	-	-	12.69	0.12
Current provisions for employee benefit	15.01	0.35	15.41	0.34	10.19	0.10
Short - term loans from related companies	-	-	-	-	2,873.28	27.11
Other current liabilities	0.39	0.01	-	-	0.24	0.00
Provision for goods returned	53.70	1.24	15.60	0.35	15.40	0.15
Total current liabilities	212.48	4.90	179.40	3.99	3,222.90	30.40
Non-current liabilities						
Long - term lease liabilities - net of current portion	14.43	0.33	9.91	0.22	8.23	0.08
Deferred tax liabilities	194.06	4.47	211.20	4.70	182.18	1.72
Non - current provisions for employee benefit	118.22	2.73	112.03	2.49	109.52	1.03
Other non - current liabilities	3.57	0.08	3.11	0.07	4.62	0.04
Total non-current liabilities	330.28	7.62	336.26	7.48	304.54	2.87
Total liabilities	542.76	12.52	515.65	11.47	3,527.45	33.28

Statement of financial position (Consolidated)	Audited financial statement for the year ending 31 December					
	2020	%	2021	%	2022	%
Shareholders' equity						
Registered share capital						
311,547,664 ordinary shares of Baht 1 each (2021: 120,000,000 ordinary shares of Baht 1 each)	120.00	2.77	120.00	2.67	311.55	2.94
Issued and paid-up share capital						
212,312,766 ordinary shares of Baht 1 each (2021: 120,000,000 ordinary shares of Baht 1 each)	120.00	2.77	120.00	2.67	212.31	2.00
Premium on ordinary shares	181.13	4.18	181.13	4.03	3,067.34	28.94
Capital reserve for share-based payments	-	-	-	-	6.27	0.06
Retained earnings						
Appropriated						
Legal reserve	12.00	0.28	12.00	0.27	12.00	0.11
General reserve	231.00	5.33	231.40	5.15	234.40	2.21
Unappropriated	2,472.39	57.01	2,588.62	57.60	2,791.74	26.34
Other components of equity	777.11	17.92	844.60	18.79	730.77	6.89
Equity Attributable to Parent Company	3,793.62	87.47	3,977.75	88.52	7,054.82	66.55
Non - controlling interests	0.42	0.01	0.39	0.01	17.93	0.17
Total Shareholders' equity	3,794.04	87.48	3,978.14	88.53	7,072.75	66.72
Total liabilities and shareholders' equity	4,336.81	100.00	4,493.79	100.00	10,600.20	100.00

Remark: TNL's audited financial statements for the year ended 31 December 2022 - 2023

2.8.2 Comprehensive Income Statement

Unit: Million Baht

Statement of Comprehensive Income (Consolidated)	Audited financial statement for the year ending 31 December					
	2020	%	2021	%	2022	%
Revenue from sales	1,082.58	96.73	1,289.86	96.79	1,716.48	96.59
Revenue from rendering of services	36.56	3.27	42.80	3.21	60.58	3.41
Net sales	1,119.14	100.00	1,332.66	100.00	1,777.06	100.00
Cost of sales	(803.39)	(71.79)	(925.83)	(69.47)	(1,203.51)	(67.72)
Cost of rendering of services	(24.44)	(2.18)	(25.05)	(1.88)	(39.27)	(2.21)
Gross profit	291.31	26.03	381.78	28.65	534.28	30.07
Other income						
Dividend income	45.01	4.02	37.11	2.78	45.56	2.56
Interest income	33.46	2.99	28.70	2.15	46.21	2.60
Rental income from investment property	9.26	0.83	9.42	0.71	8.91	0.50
Rental income	4.39	0.39	3.87	0.29	4.10	0.23
Others	39.69	3.55	26.64	2.00	78.64	4.43
Profit before expenses	423.13	37.81	487.52	36.58	717.70	40.39
Distribution costs	(71.39)	(6.38)	(89.01)	(6.68)	(111.27)	(6.26)
Administrative expense	(324.09)	(28.96)	(296.19)	(22.23)	(412.62)	(23.22)
Royalty expenses	(22.81)	(2.04)	(23.50)	(1.76)	(33.11)	(1.86)
Allowance for impairment loss of investments	-	-	-	-		
Gain from operating activities	4.84	0.43	78.82	5.91	160.71	9.04
Finance costs	(1.03)	(0.09)	(0.73)	(0.05)	(6.76)	(0.38)
Share of loss from investments in associate	(2.30)	(0.21)	(2.12)	(0.16)	(0.06)	0.00
Share of loss from investment in joint ventures					(4.09)	(0.23)
Profit before income tax	1.51	0.13	75.97	5.70	149.80	8.43

Statement of Comprehensive Income (Consolidated)	Audited financial statement for the year ending 31 December					
	2020	%	2021	%	2022	%
Income tax expense	9.51	0.85	(13.36)	(1.00)	(38.11)	(2.14)
Net profit for the year	11.03	0.99	62.61	4.70	111.68	6.28
Other comprehensive income						
Component of other comprehensive income that will be reclassified to profit or loss :						
Loss on measuring financial assets	(0.61)	(0.05)	(1.38)	(0.10)	(0.71)	(0.04)
Less income tax effect	0.12	0.01	0.28	0.02	0.14	0.01
Component of other comprehensive income that will be reclassified to profit or loss - net income tax	(0.49)	(0.04)	(1.11)	(0.08)	(0.57)	(0.03)
Component of other comprehensive income that will be not reclassified to profit or loss :						
Profit (loss) on investment in equity designated at fair value through other comprehensive income	(22.52)	(2.01)	85.75	6.43	(145.46)	(8.19)
Less income tax effect	4.50	0.40	(17.15)	(1.29)	29.09	1.64
Actuarial gain	12.21	1.09	-	-	-	0.00
Less income tax effect	(2.37)	(0.21)	-	-	-	-
Component of other comprehensive income that will be not reclassified to profit or loss - net income tax	(8.17)	(0.73)	68.60	5.15	(116.37)	(6.55)
Other comprehensive income	(8.66)	(0.77)	67.49	5.06	(116.94)	-6.58
Total comprehensive income	65.50	4.01%	2.36	0.21%	130.10	9.76

Remark: TNL's audited financial statements for the year ended 31 December 2022 - 2023

2.8.3 Statement of Cash Flow

Item	Audited financial statement for the year ending 31 December		
	2020	2021	2022
	Million Baht	Million Baht	Million Baht
Cash flow from operating activities			
Net profit for the year	11.03	62.61	111.68
Adjustments			
Income tax (revenue) expense	(9.51)	13.36	38.11
Increase (decrease) in allowance for doubtful accounts	(0.27)	6.29	13.28
Increase (decrease) in allowance for decline in value and slow-moving of inventories	6.85	(4.61)	1.29
Increase in allowance for impairment loss of investments	-	-	-
Dividend income	(45.01)	(37.11)	(45.56)
Retirement	-	-	2.76
Other income	-	-	-
Depreciation and amortization	58.04	52.70	43.37
Expenses in relation to share-based payments	-	-	10.33
Gain on disposal of other financial assets - equity securities	(0.00)	-	5.19
Share of loss from investments in associated company	2.30	2.12	-
Realized (gain) loss on disposal of other financial assets - debt securities	(0.52)	(0.29)	4.05
Unrealized (gain) loss on revaluation of other financial assets - debt securities	(0.24)	(0.13)	0.65
Unrealized (gain) loss from other financial assets derivatives	0.38	(0.61)	-
Unrealized (gain) loss from derivatives	-	-	0.19
Loss from retirement of fixed assets	0.52	1.22	0.46
Loss from retirement of intangible assets	0.07	-	-
Gain on disposal of fixed assets	(1.26)	(0.14)	(1.44)
Gain on disposal of intangible assets	-	-	-
Gain on disposal of associated company			(1.55)

Independent Financial Advisor' Opinion on the Connected Transaction

Item	Audited financial statement for the year ending 31 December		
	2020	2021	2022
	Million Baht	Million Baht	Million Baht
Gain from the transfer to investment property	(11.61)	-	(32.03)
Gain from transfer to fixed assets			(11.76)
(Gain) loss on exchanges	0.32	0.28	(0.17)
Excess of acquisition cost over estimate value of interest acquired in the net assets from acquisition of the subsidiary			(703.36)
Non-controlling Interest			16.91
Finance costs	1.03	0.73	6.76
Interest income	(33.37)	(28.70)	(46.41)
Profit (Loss) before operation before changes in operating assets and liabilities	(21.26)	67.71	(587.25)
Operating assets (increase) decrease			
Trade and other current receivables	72.57	(19.44)	(37.17)
Inventories	16.81	(53.46)	(45.93)
Current tax assets	1.30	0.10	1.47
Right to returned goods	(2.20)	22.40	0.40
Other non - current assets	2.28	1.91	(0.56)
Operating liabilities increase (decrease)			
Trade and other current payables	(39.52)	8.45	176.42
Retirement benefit obligations	(24.93)	(5.79)	(7.74)
Provision for goods returned	6.80	(38.10)	(0.20)
Other non - current liabilities	0.21	(0.77)	1.47
Cash provided from (used in) operating activities	12.06	(16.99)	(499.08)
Cash paid for financial costs	(1.03)	(0.73)	(0.74)
Cash paid for corporate income tax	-	-	(55.81)
Cash received from vat refunds	7.14	8.17	8.47

Independent Financial Advisor' Opinion on the Connected Transaction

Item	Audited financial statement for the year ending 31 December		
	2020	2021	2022
	Million Baht	Million Baht	Million Baht
Net Cash received from (used in) operating activities	18.17	(9.54)	(547.17)
Cash flow from investing activities			
Cash received from dividend	45.10	37.12	45.56
Cash received from interest	35.79	31.51	44.60
Decrease in fixed deposits, bill of exchange and certificate of deposits	181.21	107.00	5.44
Cash paid for investment in associate company			(647.83)
Cash received from sale of investments in associated company			121.55
Cash received from long - term loans to related company			9,774.00
Cash paid for short - term loans to related company			(7,370.72)
Cash received from short - term loans to other company			800.00
Cash paid for long - term loans to related company			(1,050.00)
Cash received from redemption of other financial assets measured at fair value through profit or loss - debt securities	875.49	484.49	508.40
Cash paid for other financial assets measured at fair value through profit or loss - debt securities	(882.86)	(469.92)	(202.91)
Cash paid for short - term loans to related company	-	-	-
Cash paid for short - term loans to other company	(5.00)	(40.00)	(2,869.00)
Cash received from short - term loans to related companies	0.80	10.00	6.10
Cash paid for loans to related parties			(288.81)
(Increase) decrease of other financial assets measured at fair value through other comprehensive income - listed equity securities	(1.22)	(21.84)	155.70
(Increase) decrease of other financial assets measured at fair value through other comprehensive income - debt securities	-	-	-
	(22.16)	(90.22)	15.61

Independent Financial Advisor' Opinion on the Connected Transaction

Item	Audited financial statement for the year ending 31 December		
	2020	2021	2022
	Million Baht	Million Baht	Million Baht
Cash paid for other financial assets measured at amortisation costs	-	-	
- debt securities held to maturity	(520.08)	(684.05)	(1,046.76)
Cash received from redemption of other financial assets measured	-	-	
- debt securities held to maturity	394.79	758.45	1,439.76
Cash paid for other financial assets measured at fair value through	-	-	
other comprehensive income - non listed equity securities	(18.00)	(59.52)	-
Proceeds from decrease in share capital of other financial assets measured	-	-	
at fair value through other comprehensive income - non listed equity securities	1.60	-	
Proceeds from decrease in share capital of other financial assets measured	-	-	
at fair value through other comprehensive income - listed equity securities	0.43	0.25	0.36
Proceeds from decrease in share capital of other financial assets measured	-	-	
at fair value through other comprehensive income - non listed equity securities	12.44	2.02	0.82
Cash received from disposal of other financial assets measured			
at fair value through other comprehensive income - non listed equity securities	3.67	-	0.01
Cash received from disposal of other financial assets measured	-	-	
at fair value through other comprehensive income - listed equity securities	20.67	103.00	391.83
Acquisition of investment property			(3.75)
Acquisition of fixed assets	(10.43)	(15.14)	(21.13)
Acquisition of intangible assets	(5.92)	(1.32)	(3.00)
Proceeds from disposal of fixed assets	2.22	0.14	1.45
Net Cash received from (used in) investing activities	108.54	151.97	(192.73)
Cash flow from financing activities			
Overdrafts and short - term loan from financial institutions	(0.00)	-	
Cash paid for lease liabilities	(5.04)	(5.47)	(4.16)

Item	Audited financial statement for the year ending 31 December		
	2020	2021	2022
	Million Baht	Million Baht	Million Baht
Dividend payment	(66.06)	(8.39)	(59.98)
Proceeds from increase in share capital			2,974.46
Net Cash received from (used in) financing activities	(71.11)	(13.86)	2,910.32
Cash and cash equivalent increase – net	55.59	128.57	2,170.42
Cash and cash equivalents as at 1 January	29.83	85.42	213.99
Cash and cash equivalent increase as at 31 December	85.42	213.99	2,384.41

Remark: TNL's audited financial statements for the year ended 31 December 2022 - 2023

2.8.4 Financial Ratio

Financial Ratio	Unit	For the year ended 31 December		
		2020	2021	2022
Liquidity Ratio				
Current Ratio	times	6.32	7.48	1.87
Quick Ratio	times	1.33	2.31	0.81
Cash flow liquidity ratio	times	0.08	(0.05)	(0.32)
Accounts Receivable Turnover Ratio	times	5.58	8.43	12.42
Average collection period	Days	64.50	42.71	28.98
Inventory turnover ratio	times	2.34	2.57	2.92
Average sales lead time	Days	153.67	140.04	123.09
Payable turnover ratio	times	5.18	6.63	5.33
repayment period	Days	69.47	54.27	67.58
cash cycle	Days	148.70	128.47	84.48
Profitability Ratio				
Gross Profit (Loss) Ratio	%	26.03	28.65	30.07
Profit (loss) ratio from operations	%	0.43	5.91	9.04
Other profit (loss) ratio	%	375.70	(12.11)	(340.47)
Net Profit (Loss) Ratio	%	0.86	4.35	5.66
Return on Equity	%	0.28	1.61	2.01
Efficiency Ratio				
Return on Assets	%	0.25	1.42	1.47
Return on fixed assets	%	13.51	23.68	32.01
Asset Turnover	times	0.29	0.33	0.26
Financial Policy Ratio				
Debt to Equity Ratio	times	0.14	0.13	0.50
Interest Coverage Ratio	times	4.70	107.98	23.78
Debt Service Coverage Ratio	times	0.21	5.46	0.06
dividend payout ratio	%	614.13	13.40	54.01

2.9 Industry

2.9.1 Financial Service

Information from the Thai business and industry trend 2023-2025 of the research institute. Krungsri Bank found that the Bank of Thailand adjusted its supervision guidelines as follows:

1. The BOT has lifted the ban on financial institutions issuing dividends in excess of 50 % of annual net profits, as the BOT believes that commercial banks now have sufficient capital and reserves to put them on a secure footing, and so they are well placed to meet future challenges.

2. From 2023, banks' required annual contributions to the Financial Institutions Development Fund (FIDF) are returning to the earlier level of 0.46% of their deposits (during the COVID-19 pandemic, contributions were cut to 0.23%). This adjustment is necessary given the improvement in the economic outlook, and it will also allow FIDF debts to be run down.
3. Long-term measures to address problematic debts: These changes provide a mechanism for debtors to make debt repayments that track their recovery in income. This allows for backloading of repayments so that although initial repayments are as small as possible, as time goes by, these increase in line with improvements in the debtor's income. On the banks' side, the BOT has relaxed the regulations covering debt classifications (valid until the end of 2023).
4. The asset warehousing scheme allows debtors to transfer assets to banks as part of their repayments. Debtors are, however, able to rent these assets back from creditors so that they can stay in business. Debtors also have the option of buying their assets back in the future (this will run until the end of April, 2023).
5. Credit lines are being extended to provide liquidity to SMEs and to help businesses develop their operations. This is being provided through THB 250 billion in financing that is available through soft loans, of which THB 190 billion had been released as of 5 September, 2022. It is hoped that this will both stimulate recovery and help businesses adapt to a rapidly changing commercial environment that is being disrupted by advances in digital technology, the need to adopt environmentally friendly business practices, and the push to innovate. Soft loans and business development loans (made available under the emergency decree providing assistance to businesses hit by COVID-19) will be available until April 2023.
6. Minimum repayments on outstanding credit card balances will be held at 5% until the end of 2023 and then raised to 8% in 2024 before returning to the standard rate of 10% from 2025 onwards. Moreover, the repayment period for personal digital loans will be extended to 12 months until the end of 2023. This will help to reduce the burden of repayments and improve liquidity for cash-strapped households.
7. Help for those refinancing and consolidating debts is available in the form of a ban on penalty fees for early repayment of personal loans. This will be in place until the end of 2023, and by allowing debtors to consolidate several smaller loans into one large package that includes a home loan, it should be easier to negotiate a lower interest rate.
8. The criteria for participating in debt clinics have been changed to allow greater enrolment, and participants can now choose between three ways to pay off their debts: (i) payments can be made over not more than 4 years, with interest set at 3%, (ii) payments can be made over 4 to 7 years, with interest set at 4%, or (iii) payments can be made over 7 to 10 years, with interest set at 5%. Being able to choose between these options allows debtors to select the payment plan that best matches their financial situation.
9. The Consumer Protection Board approved regulations governing the maximum annual interest rates that are allowed to be charged for auto and motorcycle hire-purchase agreement. The rates will be limited to 10% for sales of new cars, 15% for secondhand cars, and 23% for motorcycles. The new

regulations were published in the Royal Gazette and will come into force from January 2023 onwards. It is possible that lenders will tighten their loan requirements following this change.

the Bank of Thailand It is expected that in 2023 - 2025, total credit card spending is forecast to expand by 6.0-7.0% annually as the economy grows and this feeds into stronger consumption. In addition, recovery in both the domestic and international tourism markets will also lift spending, as will changes to consumer behavior that increasingly favor using electronic payment methods. Operators will be careful about signing up new customers and will tend to focus on high-income earners. At a time when household debt is remaining stubbornly high, this will help to reduce exposure to the risk of users running up unpayable debts. Because this will cut the need to reserve funds to set against these bad debts, being more careful about the release of credit will prevent any increase in operating expenses. Competition within the payments sector is stiffening with the increasing use of mobile banking, QR codes, and e-wallets, all of which can be easy and quick to use, as well as from the 'buy now pay later' schemes that are becoming increasingly popular on e-commerce platforms. To cut their costs and raise their competitiveness, players are also making greater use of AI applications across a broad front, including when making credit decisions and managing credit risk.

2.9.2 Real Estate

Data from Construction and Construction Materials Trends from Bank of Ayudhya Research Institute: In the first nine months, overall construction investment shrank -1.5% YoY to 1,066.6 billion baht, with transportation costs and construction materials rising amid rising demand. stagnant Considering steel and cement construction materials price index increased by 6.7% YoY and 10.7% YoY, respectively, in line with oil prices. The value of public construction investment contracted -2.9% YoY due to delayed disbursement of all types of budget. While private construction investment grew by 0.6% YoY, driven by private investment in residential and commercial buildings, which continued to grow by 5.6% YoY and 17.1% YoY, respectively, in accordance with the investment plans of developers. While large-scale private projects such as the Yellow and Pink Lines that ended in the previous year And there is no investment in the construction of additional large projects (NESDC).

The rest of the year It is expected that the overall construction investment value will continue to shrink slightly compared to the same period last year due to (1) large government investment projects that are still expected to be delayed (2) flooding in many areas causing some projects to slow down. (3) the problem of high energy prices still affects the cost of construction materials and (4) the purchasing power is still sluggish It is expected that in 2022, the overall construction investment value is likely to decrease by 1.2%. at 1,348.6 billion baht, representing a contraction of -2.7% in public projects, while the private sector remained stable or expanded slightly by 0-1.0% in the case of private projects. The chance that the contractor will increase the construction price according to the cost may still be limited. In a situation where purchasing power is still fragile due to the high cost of living in line with inflation Especially small contractors may be at risk of financial liquidity problems.

The trend in 2023-2025 is expected to grow at an average of 4.5-5.0% per year, the main driver of which will be the acceleration of government investment in large-scale projects. Especially projects related to

the Eastern Special Development Zone (EEC) and the economic situation that will gradually recover. This will encourage investment in private construction, both residential and commercial projects, to improve.

Public construction investment is expected to grow at an average of 5.0-5.5% per year from large construction projects. In particular, 77 projects related to the EEC under the EEC Infrastructure and Public Utilities Action Plan Phase 2, 2023-2027, with an investment budget of 337.8 billion baht (construction only) are expected to accelerate. Including various mega projects in other areas that should progress more

Private construction investment is likely to gradually recover, expected to expand at an average of 4.0-4.5% per year, driven by (1) accelerating government infrastructure investment, which induces private construction to expand in line with especially housing along electric train lines and new transportation routes; (2) investment in the EEC that will encourage the construction of factories and industrial estates in the area; and (3) investment in residential construction that tends to improve.

2.10 Management Discussion and Analysis

2.10.1 Operation Performance

1 Revenue from Sales

TNL and its subsidiaries have revenue from sales between 2020 - 2022 equal to 1,119.14 million baht, 1,332.66 million baht and 1,777.06 million baht respectively, representing compound annual growth rate (CAGR) between 2020 - 2022 equal to 16.61 due to increase in both domestic and foreign sales. The increase in domestic sales is result of domestic economy starting to recover continuously as well as situation of current epidemic of the corona virus (COVID-19), there is tendency to improve consumers spending more.

For the year 2021, Thai economy is still slowing down as epidemic situation of Coronavirus (COVID-19) continues to affect all sectors of economy but TNL can generate revenue from sales in the year 2021 of 1,332.66 million baht, increase from 2020 of 213.52 million baht, or increase 19.08 percent, as a result of business restructuring, strengthen the team to penetrate the corporate market and online sales channels to respond to changing consumer behavior including the expansion of medical product groups that have grown during outbreak of the coronavirus disease (COVID-19), including masks, syringes and PPE suits, increase of 17.07 percent from the year 2020 at 36.56 million baht which came from contract work to produce leather goods where the raw materials belong to the employer that increased from the unfolding COVID situation.

For the year 2022, revenue from sales is 1,777.06 million baht, increase from same period of 2021 in amount of 444.40 million baht or 33.35 percent, as result of an increase in sales both domestically and internationally country. Increasing in domestic sales is result of domestic economy starting to recover continuously as well as situation of current epidemic of corona virus (COVID-19), there is tendency to improve. As a result, consumers began to spend more. International sales increasing because of existing customers ordering via online distribution channels. Therefore, orders for clothing and leather products increased from the previous year and receiving orders from new customers including depreciation of baht against foreign currencies. especially US dollar. TNL has earned contract manufacturing in 2022 in amount of 60.58 million baht or increase 41.54 percent from COVID situation starting to turn around and received more orders.

2 Cost of sales

In 2020 – 2022, TNL has cost of sales of 827.83 million baht, 950.88 million baht and 1,242.78 million baht, representing a ratio of cost of sales to sales revenue of 73.97%, 71.35% and 69.93% respectively.

In 2021, TNL has relatively large increase in sales volume from 2020, including the proportion of Product Mixed of high-priced products. In addition, it has issued various cost control measures as necessary and adjusted production capacity to be appropriate with sales situation by managing proportion of production that produces by itself and outsourcing production for each product group in accordance with order volume and gross profit. As a result, cost ratio from sales in 2021 decreased from 2020.

In 2022, cost of sales of 1,242.78 million baht, representing 69.93 percent of sales revenue, decrease from 2021 with cost to revenue ratio of 71.35 percent due to a relatively large increase in sales. Making the production capacity used to its fullest potential. As a result, it results in efficiency and effectiveness in production management including export sales which have a higher gross margin. This is a result of positive impact of depreciation of the baht and increase in product mixed ratio of high-priced products.

3 Gross profit

In 2020 - 2022, TNL had gross profit of 291.31 million baht, 381.78 million baht, and 534.28 million baht, representing gross profit margin of 7.97, 8.92, and 8.82 percent, respectively.

The gross profit for 2021 increased by 90.47 million baht or 31% due to increase in sales from the year 2020, which was affected by COVID 19 and conjunction with increase in price of TNL 's products. and reducing cost of production both in staff and other costs.

Gross profit for 2022 increased in amount of 152.49 million baht or 40% due to high increase in foreign sales compared to 2021 because foreign customers having temporarily moved their production base because some countries have restrictions on COVID 19, it impossible to produce to customer orders and conjunction with TNL 's product price increase and reducing costs both in terms of staff and other costs.

4 Selling and administrative expenses

Selling expenses for 2020 – 2022, TNL has selling expenses of 71.39 million baht, 89.01 million baht, and 111.27 million baht, respectively, with increase in selling expenses in 2021 compared to 2020. as a result of expenses in expanding both offline and online retail distribution channels

Administrative expenses for the year 2020 – 2022, TNL had administrative expenses of 324.09 million baht, 296.19 million baht, and 412.62 million baht, respectively with decrease in administrative expenses during that period as a result of various cost control measures to reduce the impact of the spread of the Coronavirus Disease (COVID-19)

In 2022, TNL had selling expenses in amount of 111.27 million baht, increase from same period of 2021 in amount of 22.26 million baht, representing increase 25.01 percent as a result of royalties and channel expansion expenses of both offline and online retail and administrative expenses amounted to 116.42 million baht, increase from 2021 in amount 116.42 million baht, representing increase of 39.31% due to situation of

epidemic of corona virus (COVID-19) tends to improve as a result of returning to normal situation including loss from valuation of foreign currency forward contracts (Forward Contracts).

5 Net Profit

In 2020 – 2022, TNL had a net profit attributable to parent company of 11.03 million baht, 62.61 million baht, and 111.68 million baht, respectively with increase in net profit attributable to TNL.

In 2021 compared to 2020 as result of TNL's revenue from sales increasing from business restructuring expansion of distribution channels Including issuing various cost control measures as necessary and adjusting production capacity to be appropriate in accordance with the sales situation as mentioned above.

For year 2022, TNL had a net profit attributable to the parent company of 111.05 million baht, an increase of 48.42 million baht from 2021 or increase of 77.30% mainly due to customer order volume both domestically and internationally as mentioned above.

2.10.2 Financial Position

1 Assets

As of 31 December 2020 – 2022, TNL has total assets of 4,336.81 million baht, 4,493.79 million baht, and 10,600.20 million baht, respectively, consisting of: Cash and cash equivalents Short-term loans to unrelated companies non-current financial assets, etc.

31 December 2021, TNL 's total assets increased 156.99 million baht compared to 31 December 2020, mainly due to increase in non-current financial assets of 180.71 million baht from investments in financial assets both types of securities and long-term debt instruments increased to manage excess liquidity. Increase value of investments in existing financial assets resulting from fair value valuation of financial assets.

31 December 2022, TNL had total assets increased by 6,106.41 million baht compared to 31 December 2021, mainly due to increase in cash and cash equivalents of 2,384.40 million baht and short-term loans to unrelated companies in the amount of 2,539.00 million baht because TNL has increased its capital by private placement to BTS Group Holdings Public Company Limited according to the resolution of the Extraordinary General Meeting of Shareholders. Holding shares No. 2/2022 on 30 November 2022

2 Liabilities

As of 31 December 2020 – 2022, TNL has total liabilities of 542.76, 515.65 and 3,527.45 million baht, respectively, which mainly consists of Short-term loans from related companies.

As of 31 December 2021, TNL's total liabilities decreased in amount of 27.11 million baht compared to 31 December 2020, mainly due to decrease in provision of goods returned in amount of 38.10 million baht, decrease in provision for employee benefits in amount of 5.79 million baht and decrease in lease liabilities in amount of 8.10 million baht while deferred tax liabilities increased 17.14 million baht and trade and other current payables increased 8.58 million baht.

As of 31 December 2022, TNL has increase total liabilities 3,011.79 million baht compared to 31 December 2021, mainly due to purchase of investment in Oxygen Asset Co., Ltd. ("OA") in December 2022

that making it subsidiary of the Company. As a result, the consolidated financial statements included OA's liabilities, with short-term loans from related companies increasing 2,873 million baht which were loans that OA borrowed from related parties.

3 Shareholders' equity

As of 31 December 2020 – 2022, TNL has equity attributable to owners of parent company equal to 3,793.63 million baht, 3,977.75 million baht and 7,072.75 million baht respectively.

As of 31 December 2021, TNL had increase 184.13 million baht compared to 31 December 2020, mainly due to TNL's net profit from operating results in 2021 amount of 62.64 million baht, profit from financial assets measured at fair value through other comprehensive income 67.49 million baht and gain on sale other financial assets 63.68 million baht, although there is dividend payment for the year 2020 performance. amount 8.40 million baht.

As of 31 December 2022, TNL had an increase in shareholders' equity of 3,077.07 million baht compared to 31 December 2021, mainly due to increase in registered capital of 92.31 million baht and surplus on ordinary shares increased capital 2,886.21 million baht from issuance of newly issued ordinary shares to BTS Group Holdings Public Company Limited in December 2023. In addition, retained earnings increased 203.11 million baht from net profit 111.05 million baht and sale from financial assets 159 million baht and other components of shareholders' equity decreased 116 million baht from the sale of investments measured in accordance with financial reporting standards (TFRS9) during the year 2022.

2.10.3 Financial ratio analysis

1. Liquidity Ratio

31 December 2022, TNL's liquidity ratio during 2020 - 2022 was 6.32 7.48 1.87 times, respectively, and quick ratio during 2020 - 2022 was 1.33 2.31 0.81 times, respectively which shows TNL's liquidity. TNL's liquidity decreased from 2020 - 2021 as result of investment in new businesses under conditions of private placement of newly issued shares to BTS Group Holdings Public Company Limited to invest in financial business and real estate business.

2. Financial Policy Ratio

31 December 31, 2022, TNL has debt to equity ratio 2020 - 2022 equal to 0.14 0.13 0.50 times, respectively, which shows increased liability of TNL arising from consolidation of the financial statements of OA. However, TNL paid off all liabilities on 17 March 2023, debt to equity ratio will decreased from the end of the year and was able to maintain the terms of the loan agreement.

The interest coverage ratio for 2020 – 2022 was 4.70 107.98 23.78 times, respectively and debt service coverage ratio for 2020 – 2022 was 0.21 5.46 0.06 times, respectively which shows TNL's ability to pay for high interest but has low ability to repay principal. However, consolidated financial statements as of 31 December 2022 include revenue from new businesses for only 15 days, so if including revenue from new businesses, TNL will have ability to pay more principal.