

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

7 March 2025

Independent Financial Advisor' Opinion on the Connected Transaction

Date 7 March 2025

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

According to Board of Directors' Meeting of I.C.C. International Public Company Limited ("ICC" or the "Company") No. 11/2024 held on 21 February 2025 resolved to approve and propose to the shareholders' meeting to consider approving the extension loan agreement to Thanulux Public Company Limited ("TNL") for 2 years which TNL is considered as connected person of the Company because TNL's major shareholder is Saha Pathana Inter-Holding Public Company Limited ("SPI"), which holds 42.66 percent of total issued and paid-up capital of TNL while SPI is major shareholder of the Company. Therefore, it is considered to be entering into a financial assistance transaction with juristic person that has similar major shareholders with non-revolving loan amount not exceeding 500.00 million baht.

The transaction is considered as connected transactions of providing financial assistance to connected parties pursuant to the Capital Market Supervisory Board Notification No. TorJor. 21/2008 on Connected Transaction Criteria dated 31 August 2008 (As Amended) (Capital Market Supervisory Board Notification No. TorJor. 21/2008") and the Stock Exchange of Thailand Notification on Disclosure of Information and Operations of Listed Companies in Connected transactions B.E. 2546 dated 19 November 2003 (As Amended) ("Connected Notification") because the financial assistance to connected party of the Company with exceeding value 100 million baht or exceeding 3 percent of the Company's NTA, whichever is lower, according to the Connected Notification. As a result, the transaction is considered as large Connected Transaction. The Company is required to disclose information on the connected transactions to the Stock Exchange of Thailand pursuant to the Connected Notification and appoint an independent financial advisor that been approved by the Securities and Exchange Commission (SEC) to provide an opinion on the transactions and request approval from the Company's shareholders' meeting with no less than three-fourth of total shareholders attending the meeting and having the right to vote, excluding votes of interested shareholders.

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

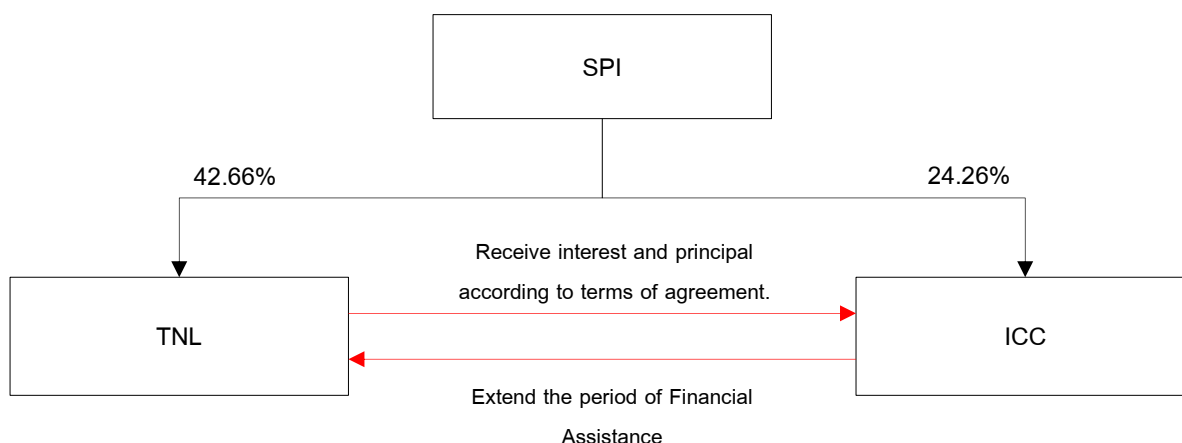
| Abbreviation | Definition |
|----------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| ICC or the Company | : I.C.C. International Public Company Limited |
| TNL | : Thanulux Public Company Limited |
| SPI | : Saha Pathana Inter-Holding Public Company Limited |
| 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 2,193.95 million baht Referring to the financial statements for the year 2024 of I.C.C. International Public Company Limited |
| The Transaction | : Financial assistance transaction to Thanulux PLC in an amount not exceeding 500 million baht within 2 years from the date that existing long-term loan agreement expired with interest or return at the rate of 6 Percent. |
| 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 |
| Notifications on Connected Transaction | : The Notification of the Capital Market Supervisory Board No. TorJor. 21/2008 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 Transaction

According to Board of Directors' Meeting of I.C.C. International Public Company Limited ("ICC" or the "Company") No. 11/2024 held on 21 February 2025 resolved to approve and propose to the shareholders' meeting to consider approving the extension loan agreement to Thanulux Public Company Limited ("TNL") for 2 years. TNL is considered as connected person of the Company because TNL's major shareholder is Saha Pathana Inter-Holding Public Company Limited ("SPI"), which holds 42.66 percent of total issued and paid-up capital of TNL while SPI is major shareholder of the Company. Therefore, it is considered to be entering into a financial assistance transaction with juristic person that has similar major shareholders with non-revolving loan amount not exceeding 500.00 million baht, with details as follows:

Transaction overview diagram



Information on the Extension loan agreement that will be modified

| Subject | Description | |
|---------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------|
| | <u>Existing</u> loan agreement | <u>Extension</u> loan agreement |
| Period | Not more than <u>2 years</u> from TNL receives loan date. The Company will make loan agreements with TNL within 2023 and all agreements will <u>expire within 2025</u> . | Not more than <u>4 years</u> from the date TNL receives the loan for each installment, with all agreement will <u>expire within 2027</u> . |
| 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 | Fixed interest rate of 6 (six) percent per annum. |

| Subject | Description | |
|---------|-----------------------------------------------------------------------------------------------------------------|---------------------------------|
| | <u>Existing</u> loan agreement | <u>Extension</u> loan agreement |
| | interest rate of 6 (six) percent per annum, whichever is higher, from the date that TNL receives loan each time | |

Summary of Loan Agreement

| Subject | Description |
|----------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Lender | I.C.C. International Public Company Limited |
| Borrower | Thanulux Public Company Limited |
| Objective | In order to manage the Company's cashflow to receive returns at an interest rate of 6 percent per year, which is better than financial institution's interest rate. |
| Category | long-term loan agreement |
| Amount | not more than 500.00 million baht |
| Interest rate | Extension period from "not exceeding 2 years and ending in 2025" will be "not exceeding 4 years and ending in 2027" from TNL receives loan in each installment. The Company will enter into an extended loan agreement within 2025. |
| Interest Rate | Fixed interest rate of 6 (six) percent per annum. |
| Collateral | none |
| Conditions precedent | 1. ICC must obtain approval from ICC's shareholders to enter into this transaction. 2. TNL must obtain approval from TNL's Board of Directors to receive financial assistance from the ICC. |
| Term | 1. There is no event of default as specified in loan agreement. 2. No significant negative effects occurred. 3. Borrower provides evidence that the debt to equity (D/E) ratio of borrower's consolidated financial statements is maintained at no more than 1:1 (one to one). |
| Repayment | Principle: Borrower shall be liable repays loan principle disbursed to lender at the end of 4 (four) years from TNL receives loan in each installment. Interest: Borrower shall pay interest on the Loan at the due date every 3 (three) months from the date of receipt of the Loan on each occasion. |

The above transactions are considered as a connected transaction by providing financial assistance to connected parties pursuant the Notification of the Capital Market Supervisory Board TorJor. 21/2008 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 it is financial assistance which connected persons of the Company. However, the Company has other connected transactions within the past six months prior to the Company's Board of Directors' Meeting No. 11/2024 by investing in TNL's debentures worth 1.13 million baht or 0.00 percent of NTA as of 30 June 2024 (the Company's NTA as of 30 June 2024 was 29,345.63 million baht),

referring to the resolution of the Company's Board of Directors on 21 October 2024, which was disclosed through the Stock Exchange of Thailand. After combined, the transaction size is 561.13 million baht, or 1.91 percent of NTA. Since the transaction exceeds 100 million baht or 3 percent of the Company's NTA, whichever is lower, according to the Connected Transaction Notification the Transaction is considered a large connected transaction. Therefore, the Company required to disclose information of connected transactions to the Stock Exchange of Thailand in accordance with the Connected Transaction Notification and appoint an independent financial advisor that approved by the Securities and Exchange Commission (SEC) to provide an opinion on the Company's connected transactions and request approval from the Company's shareholders' meeting with a vote of not less than three-fourth of the total number of votes of shareholders attending the meeting and having the right to vote, excluding votes of interested shareholders. The Company will present the matter to the shareholders' meeting for consideration and resolution at the 60th Annual General Meeting of Shareholders in 2025, scheduled to be held on 28 April 2025.

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.

1.2 Appropriateness of entering into the Transaction

1.2.1 Appropriateness of determining interest rate

Because entering into this transaction has changed the conditions of agreement in terms of interest rates from "Not exceeding the average minimum loan interest rate of Bangkok Bank Public Company Limited ("BBL") and Krung Thai Bank Public Company Limited ("KTB") and Siam Commercial Bank Public Company Limited ("SCB") collected from high-quality large customers. (hereinafter the average loan of the 3 banks will be called "MLR") – 1% per annum or fixed interest rate of 6% per annum, whichever is higher" to "fixed interest rate of 6% per annum", which results in the Company will not having opportunity to receive interest rate higher than 6.00%. However, as of 21 February 2025, the MLR interest rate of BBL, KTB and SCB – 1% is equal to 5.92 (according to information from Bank of Thailand), which is lower than the fixed interest rate received from TNL throughout the period of borrowing under the current agreement, there has been no period where the rate of return has exceeded 6.00 percent. Therefore, IFA opined that the changed condition is still appropriate.

Comparative interest rates according to the Existing and Extension loan agreement.

| Subject | Description | |
|---------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------|
| | <u>Existing loan Agreement</u> | <u>Extension loan Agreement</u> |
| Interest rate | <p>Not exceeding the average minimum loan rate of Bangkok Bank Public Company Limited ("BBL"), Krungthai Bank Public Company Limited ("KTB") and Siam Commercial Bank Public Company Limited ("SCB") charged from prime large customers (hereinafter referred to as the average loan of the 3 banks as "MLR") – 1% per annum or a fixed interest rate of 6% per annum, whichever is higher, from the date TNL receives the loan in each installment. The interest rates as of 31 December 2024 are as follows:</p> <ol style="list-style-type: none"> 1. The average loan interest rates of BBL, KTB and SCB – 1% are equal to 5.92% per annum. 2. Fixed interest rate of 6.00% per annum. <p>The maximum interest rate to be received from the current loan agreement as of 31 December 2024 is 6.00% per annum.</p> | Fixed interest rate of 6 (six) percent per annum. |

Remark: interest rates is based on data from the Bank of Thailand as of 31 December 2024.

However, IFA has compared the rate of return from financial assistance with the Company's rate of return and cost of funds in cashflow management, as well as the rate of return from short-term investments in financial instruments and other forms of debt instruments to consider the appropriateness of the return that the Company will receive as follows:

The Company's deposit interest rates and returns on revolving investment

As of 31 December 2024, the Company had highly liquid assets, cash and cash equivalents of 1,255.09 million baht and short-term investments of 938.86 million baht (short-term investments is commercial bank deposits with maturity of more than 90 days), totaling THB 2,193.95 million (hereinafter collectively referred to as "highly liquid assets"), with an average savings deposit interest rate as of 21 February 2025 of 0.36 percent per annum and an average two-year fixed deposit interest rate of 1.81 percent per annum.

Interest rates of loans from financial institutions and the Company's bonds

As of 31 December 2024, the Company has no long-term loans from financial institutions and/or debentures in accordance with the Company's business policy to operate without creating additional debt by increasing product diversity and competitiveness. However, IFA has examined loan and interest rates received from financial institutions and found that the interest rates from the Company's short-term loans are between 0.85 - 4.10 percent per annum, according to the conditions that the Company has received from financial institutions.

Comparison of interest rates and the company's financial costs

Independent Financial Advisor' Opinion on the Connected Transaction

| No | Type of Investment | Interest rate | | Compared to TNL's rate |
|-----|-----------------------------------------------------------------------------------|---------------------------|-------------|---------------------------|
| | | Average | Low - High | |
| 1 | Returns of Financial Assistance to TNL | Fixed interest rate 6.00% | | |
| 2 | Returns on other investment | | | |
| 2.1 | BBL KTB SCB 2-year fixed deposit interest rate ^{/1} | 1.83 | 1.70 – 1.90 | Higher |
| 2.2 | Commercial bank 2-year fixed deposit interest rates ^{/1} | 1.78 | 1.25 – 2.05 | Higher |
| 2.3 | Government bond interest rate 0 - 2 years ^{/2} | 2.06 | 2.03 – 2.08 | Higher |
| 2.4 | Commercial Bond 0 -2 year ^{/2} | | | |
| | 2.4.1 Investment Grade ^{/2} (Credit rating Higher than BBB-) | 3.77 | 2.28 – 6.00 | Higher |
| | 2.4.2 High Yield ^{/2} (Credit rating lower than BB) | 4.78 | 4.25 – 5.10 | Higher |
| | 2.4.3 Unrated Bond ^{/2} | 6.57 | 2.38 – 7.50 | Lower |
| 2.5 | MLR of financial institution ^{/1} | 6.92 | 6.90 - 6.93 | Lower |
| 3 | Important information of the company | | | |
| 3.1 | The Company's return on financial institution deposits ^{/3} | | 1.15 – 1.80 | Higher |
| 3.2 | Returns on the Company's short-term loans ^{/3} | 3.70 – 4.00 | | Higher |
| 3.3 | Interest rates for loans from financial institutions of the company ^{/3} | | 0.85 – 4.10 | Higher |
| 3.4 | Cost of Equity of ICC (Percent) | 5.52 | | Higher |

Source: 1. Information from Bank of Thailand as of 21 February 2025

2. Information from ThaiBMA as of 21 February 2025

3. Internal information received from the Company as of 31 January 2025.

Remark: 1. Returns on the Company's short-term loans do not include interest in loans to TNL.

From the aforementioned, it is found that financial assistance to TNL this time has higher rate of return than Company received from deposit interest rate as of 28 February 2025 and higher than investing in Commercial bond with a duration of 0-2 years at Investment Grade and High Yield, with a higher interest rate than the expected return of ICC shareholders (Cost of Equity) and the financial cost from short-term borrowings from financial institutions of the Company.

In this regard, providing financial assistance to TNL at rate of return lower than the average that the Company will receive from commercial bond with credit rating lower than BB, referring to information as of 21 February 2025. However, investing in commercial bonds with credit rating lower than BB is considered to be a

higher risk than lending to TNL that ICC understands the business and can monitor payment status according to the terms of loan agreement, where TNL has no history of defaulting on interest payments under the terms of existing loan agreement. Shareholders can further consider TNL's ability to operate and payment performance in section 4.4 TNL's Operating and Financial Performance (Section 4, Page 5).

However, if the Company needs to use cashflow in excess of highly liquid assets (value of 2,193.95 million baht), the Company can use credit line of financial institution that the Company has received to replace it at an interest rate lower than the MLR interest rate of financial institutions that provide loans to prime large customers at 0.35 - 0.45 percent, which is lower than the interest rate received from TNL.

Therefore, when considering the interest rate received from TNL at fixed interest rate of 6.00 percent per annum, the rate of return under the existing agreement, the comparable rate of return, and the financial cost if the Company needs to source of funds from a financial institution, which demonstrate the value of providing financial assistance this time, IFA opined that **the interest rate for providing financial assistance this time is appropriate and beneficial to the Company**, as the Company can lend to utilize the Company's surplus working capital management.

1.2.2 Appropriateness of loan conditions

The Company will extend financial assistance to TNL for 2 years at fixed interest rate of 6.00 percent, which is higher than the interest rate that the Company received from financial institutions on 21 February 2025, with the principal repayment due on the end of 2027 and the interest repayment within 3 months from the date of receipt of the loan, which the Company will use the Company's surplus working capital within 2025. IFA has the following opinions on the terms of the loan:

| 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-revolving | Appropriate as the Company has sufficient excess liquidity. However, IFA has examined investment plans, reserve funds, working capital for business operations from 21 February 2025 until the end of loan agreement in 2027, it was found that the Company's liquidity was sufficient for lending to TNL. |
| Period | The term of the loan is no more than 4 years from the date TNL receives the loan in each installment with all loan agreement <u>expiring within 2027</u> . | Appropriate because the Company can use it to manage short-term liquidity to increase returns. |

| Subject | Description | IFA's Opinion |
|---------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Collateral | None | Inappropriate because if the Borrower does not have enough cash for payment, the company will lose the benefits of receiving principal and interest and may have a negative impact on the company's liquidity. However, as of 31 December 2024, TNL had 1,465.75 million baht in cash, giving TNL sufficient liquidity to repay the loan in full. Considering the interest coverage ratio of 5.34 times, the debt payment capability of 0.43 times, and TNL's debt repayment history since 2020, it was found that TNL has never defaulted on its debt. Therefore, IFA believes that the risk of default is low. |
| Condition Precedent | <ol style="list-style-type: none"> ICC requires approval from shareholders of ICC to enter into this transaction. TNL must obtain approval from TNL's Board of Directors to receive financial assistance from the ICC. | Appropriate as the Company and TNL must comply with requirements of listed companies on SET that are appropriate to be used as evidence in loan agreement according to the standards of the Ministry of Finance |
| Terms | <ol style="list-style-type: none"> There is no event of default as specified in the loan agreement. No significant negative effects occurred. 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>Appropriate as it is a condition that is beneficial to the plan to manage surplus working capital and reduce the possibility of default and negative impact on the Company. Throughout the current agreement period, TNL has no history of breaching the loan terms. As of 31 December 2024, TNL has a debt to equity ratio of 0.31 times.</p> <p><i>Additional Information</i></p> <ol style="list-style-type: none"> <i>Debt payment information between the Company and TNL in Section 4.2 History of financial assistance Section 4 Page 1</i> <i>TNL's Financial Performance Analysis in Section 4.4 TNL's Operating and Financial Performance (Section 4 Page 5)</i> |

| Subject | Description | IFA's Opinion |
|-------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Principle Payment | The borrower is responsible for repaying the entire amount of loan drawn back to the lender. At the expiration of 4 (four) 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 agreement | 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 if 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 agreement 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 of compensation and reduce the risk of being in bad debt |

IFA is of the opinion that the overall terms of the extension agreement are beneficial to the Company and are reasonable, allowing the Company to manage its liquidity more flexibly and efficiently, without any part of the agreement causing the Company to lose benefit.

1.3 Advantages of entering into Transaction

1.3.1 The Company receives a higher rate of return than the Company's current situation.

By providing financial assistance to TNL, the Company will receive a fixed interest rate of 6.00% per annum by extending by 2 years from expiration of existing loan agreement. This return rate is higher than the return that the Company receives from surplus working capital in the form of savings accounts and short-term investments. In addition, the return rate for the transaction is higher than the expected return of shareholders and the Company's financial cost (please see details in Section 4.5 Appropriateness of Interest Rates and Loan Conditions), which will allow the Company to receive more returns from managing liquidity from operations.

1.3.2 the Company can manage cashflow efficiently

The Company will use its surplus working capital as source of funds for this financial assistance to TNL. As of 31 December 2024, the Company had Highly liquid assets worth 2,193.95 million baht (excluding

loans to TNL). Therefore, the Company's entry into this transaction is one of the Company's options to manage cashflow that the Company will be able to efficiently manage cashflow that has no plan to use the money and create higher returns.

| List | 2025 | 2569 | 2027 |
|----------------------------------|----------|----------|----------|
| Highly liquid assets | 2,193.95 | 2,037.54 | 1,881.13 |
| Capital expenditure ¹ | 156.41 | 156.41 | 156.41 |
| Remaining liquid assets | 2,037.54 | 1,881.13 | 1,724.72 |

Source: 1. Capital expenditure, referring to ICC's investment plan received as of 31 January 2025.

IFA considered the adequacy of the Company's liquidity by taking the highly liquid assets as of 31 December 2024, worth 2,193.95 million baht, deducting Capital expenditure to be used in the business and enhance competitiveness between 2025 - 2027, which will be the extension loan agreement's period. It was found that the Company will have sufficient liquidity for investment, including paying dividends to shareholders at an average rate over the past 3 years, even though the Company does not receive income from operations or income from investments (dividends). Shareholders can consider the details of the Company in Section 4.3 Impact of Financial Assistance and the Company's Financial Position (Section 4, Page 1).

1.4 Disadvantages of entering into the Transaction

1.4.1 The Company may lose opportunities to invest in assets or debt that provide higher returns.

This extension of the financial assistance period to TNL has a maximum loan amount of no exceed 500.00 million baht for 2 years from existing loan agreement expires, which may cause the Company to lose the opportunity to invest in investments that may have better returns during that period.

However, the Company has investment plan to expand its business in machinery, office equipment, and operating systems to improve operational efficiency and value added in the long term, and to jointly invest in businesses that complement the Company and its group companies business or expect operation in the future, as it sees the potential for profit, and the Company has sufficient liquid assets throughout the period of extending the loan agreement to TNL.

The Company will use surplus working capital to provide assistance in order to manage liquidity for maximum benefit. IFA has examined the above investment plan and compared it with the Company's highly liquid assets as of 31 December 2024. It was found that after deducting the investment according to the Company's operating plan until 31 December 2027 (expired date), the Company will have more than 1,000 million baht in excess highly liquid assets.

1.4.2 The Company's liquidity ratio may not increase while providing financial assistance to TNL

Since the financial assistance amount of no more than 500 million baht or 22.79 percent of the Company's highly liquid assets or 1.41 percent of the Company's total assets (excluding loans to TNL), the repayment of the principal at the end of the current loan agreement will result in the Company's liquidity ratio increasing from 3.53 times to 3.78 times. However, the Company's current liquidity ratio remains high, indicating that the Company has sufficient liquidity for the transaction.

1.5 Advantages of entering into the Connected Transaction

1.5.1 Flexibility in negotiation and coordination in setting loan terms.

Since TNL has similar shareholder and director, the negotiation between TNL and the Company is more convenient than external parties, the Company can track the repayment status and inquire necessary information such as financial status and repayment performance than negotiate with external parties.

In addition, the transaction with connected person allows the Company to negotiate the terms of the loan, such as setting repayment date or early repayment in the event that the Company require money, etc., which allows the Company to have flexibility in managing its liquidity and benefit from a higher rate of return than transactions with external parties that the Company provides financial assistance with, with an average interest rate for short-term loans of 3.70 - 4.00 percent as of 31 December 2024.

1.6 Disadvantages of entering into the Connected Transaction

1.6.1 The Company may not be able to fully negotiate the terms of the transaction.

In general, entering into a transaction with a connected person may have disadvantages in terms of bargaining power over terms and conditions. Since TNL's shareholders are the major shareholders and controlling persons of the Company, it may not be able to fully negotiate terms and conditions for this transaction when compared to entering into a transaction with external parties.

However, the Company has considered the conditions received carefully and beneficial to the Company, along with compliance with the regulations for considering connected transaction of listed companies under the Company's Good Corporate Governance Policy. The Company has considered the transaction partners, transaction characteristic and transaction size through the Executive Committee, the Audit Committee, the Board of Directors, and shareholder's meeting without interests director or shareholder that will not be able to express their opinions or vote to prevent possible risks, including considering an appropriate interest rate and managing the Company's cashflow to maximize the Company's benefits and considering TNL's payment performance, which is a strong company with the ability to repay loans.

1.7 Risk from entering into the transaction

1.7.1 Lack of liquidity

In 2022-2024, the Company has a current ratio of 3.82, 3.60 and 3.57 times, respectively. The Company's liquidity decreases each year because the Company has increased current assets and current liabilities from returning to normal business operations after the COVID-19 situation, resulting in the Company having more inventories and creditors related to the business operations.

However, according to the management interview, it was found that the Company has sufficient liquidity for investment according to the investment plan and the Company's reserve fund to invest in machinery and equipment for business operations and to enhance competitiveness. The Company's excess working capital will be considered as a source of funds for such an investment. In addition, the Company has no plan to invest in other businesses or invest in new businesses until the end of 2027, which is the year the extended loan

agreement will expire. The Company's management will consider the Company's maximum benefit and the need for capital. Therefore, IFA believes that providing financial assistance to TNL will not affect the Company's liquidity throughout the period of the extension of the agreement.

1.7.2 Default of payment

In general of lending, there is a possibility that borrower will not repay the principal and interest or may make payments later than the terms of agreement. However, the Company can monitor TNL's readiness to repay because it is a company with related directors and major shareholders.

As of 31 December 2024, TNL had debt-to-equity ratio of 0.22 times, which was able to maintain the debt-to-equity ratio under the terms of loan agreement between the Company and TNL, and had an interest coverage ratio of 5.34 times, a debt service coverage ratio of 0.43 times, indicating that TNL had sufficient revenue from operations to pay interest, and TNL's liquidity ratio as of 31 December 2024 was 4.00 times, indicating sufficient liquidity to pay and continuous efficient performance. However, in 2024, TNL had a business change, resulting in a risk from the operation of a new business, which may affect the ability to repay the loan.

However, since TNL is a large company with assets as of 31 December 2024 of 12,952.61 million baht and has been able to continuously generate positive operating results, and TNL's debt repayment history since 2020 expressions no default, including TNL having to maintain debt to equity ratio of less than 1.00 times according to the loan agreement to prevent the debt ratio from being lower than the capital and to have the ability to repay debt, IFA therefore sees that the risk of TNL defaulting on debt is low. Shareholders can consider the analysis of TNL's operating results and financial status in Section 4.4 TNL's Operating and Financial Performance (Section 4, Page 5).

1.7.3 Risk from being controlled by agreement terms by major shareholders

Since SPI is a major shareholder of the Company, which can control over the Company through sending representatives to participate in the management and some decisions of the Company, there is a risk that the Company may be controlled to enter into transactions to provide and receive financial assistance that are not in the best interests of the Company.

However, due to the stringent conditions for providing financial assistance, in accordance with the regulations on the consideration of connected transaction of listed companies under the Company's Good Corporate Governance Policy, the Company has considered the transaction partners, transaction characteristic and transaction size through the Executive Committee, the Audit Committee, the Board of Directors, and presented to the shareholders, whereby the directors and shareholders with an interest will not be able to express their opinions or vote to prevent possible risks, including the consideration of an appropriate interest rate for providing financial assistance that is not lower than the interest rate that the Company receives from financial institutions, and the determination of the procedures for reporting such transactions to the Company's Board of Directors and the Company's Audit Committee for consideration, such clear consideration and inspection processes will help reduce the risk of major shareholders gaining control.

1.8 Summary of IFA's opinion

For the reasons stated above, IFA, as an independent financial advisor opined that **providing financial assistance to TNL is reasonable** and will provide the Company with an alternative to manage its liquidity of excess cashflow more efficiently. In addition, the interest rate for the transaction is still at an appropriate rate, both in terms of investment and benefit to the Company. The terms of the contract that the Company received are appropriate and do not have conditions that will be a disadvantage to the Company. Therefore, **IFA is of the opinion that shareholders should vote to approve the transaction**. However, the decision to approve the transaction this time is at the discretion of the Company's shareholders. Shareholders should study the information in the documents attached to the invitation letter of the Annual General Meeting 2023 this time for considering and making an appropriate decision.

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 of Director meeting resolutions and information memorandum of the Company (No. 11/2024 dated 21 February 2025) and TNL (No. 2/2025 dated 21 February 2025) disclosed through the Stock Exchange of Thailand that related to the Transaction.
2. The Company's documents such as Affidavit, Memorandum and Articles of Association, etc.
3. Annual report disclosure form (One Report) of the Company and TNL as of 31 December 2021.
4. Audited financial statements of the Company and TNL for year ended 2022 – 2024
5. Business plan and investment plan of the Company that received as of 31 January 2025
6. Interviews with executives of the Company, including related persons.
7. Statistics from the Stock Exchange of Thailand and industry overview (Thailand Textile Institute: THTI published on 31 January 2025)

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 agreements 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 agreements and business agreements are not effective and/or not legally enforceable and/or the conditions of agreements 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 an effect on 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.

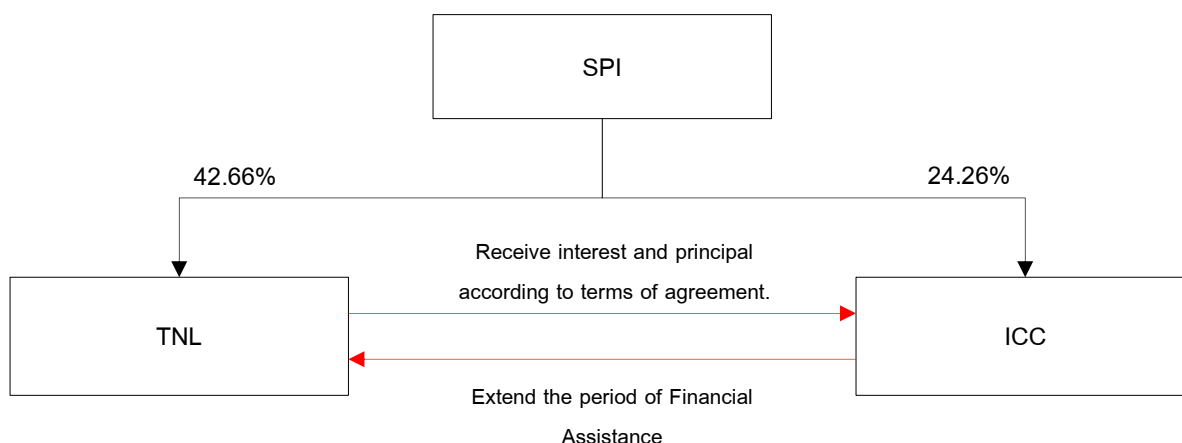
IFA Report was prepared for the Company's shareholders as additional information. However, IFA Report does not guarantee success of the transaction, including possible impacts, and IFA will not be able to, either directly or indirectly, response for any impact cause from entering into the transaction.

Section 3: Characteristics and Information of Connected Transaction

3.1 Characteristics of Transaction

According to Board of Directors' Meeting of I.C.C. International Public Company Limited ("ICC" or the "Company") No. 11/2024 held on 21 February 2025 resolved to approve and propose to the shareholders' meeting to consider approving the extension loan agreement to Thanulux Public Company Limited ("TNL") for 2 years. TNL is considered as connected person of the Company because TNL's major shareholder is Saha Pathana Inter-Holding Public Company Limited ("SPI"), which holds 42.66 percent of total issued and paid-up capital of TNL while SPI is major shareholder of the Company. Therefore, it is considered to be entering into a financial assistance transaction with juristic person that has similar major shareholders with non-revolving loan amount not exceeding 500.00 million baht, with details as follows:

Transaction overview diagram



Information on the Extension loan agreement that will be modified

| Subject | Description | |
|---------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------|
| | <u>Existing</u> loan agreement | <u>Extension</u> loan agreement |
| Period | not more than <u>2 years</u> from TNL receives loan date. The Company will make loan agreements with TNL within 2023 and all agreements will <u>expire within 2025</u> . | not more than <u>4 years</u> from the date TNL receives the loan for each installment, with all agreement will <u>expire within 2027</u> . |
| 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 | Fixed interest rate of 6 (six) percent per annum. |

| Subject | Description | |
|---------|-----------------------------------------------------------------------------------------------------------------|---------------------------------|
| | <u>Existing</u> loan agreement | <u>Extension</u> loan agreement |
| | interest rate of 6 (six) percent per annum, whichever is higher, from the date that TNL receives loan each time | |

Summary of Loan Agreement

| Subject | Description |
|----------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Lender | I.C.C. International Public Company Limited |
| Borrower | Thanulux Public Company Limited |
| Objective | In order to manage the Company's cashflow to receive returns at an interest rate of 6 percent per year, which is better than financial institution's interest rate. |
| Category | long-term loan agreement |
| Amount | not more than 500.00 million baht |
| Interest rate | Extension period from "not exceeding 2 years and ending in 2025" will be "not exceeding 4 years and ending in 2027" from TNL receives loan in each installment. The Company will enter into an extended loan agreement within 2025. |
| Interest Rate | Fixed interest rate of 6 (six) percent per annum. |
| Collateral | none |
| Conditions precedent | 1. ICC must obtain approval from ICC's shareholders to enter into this transaction. 2. TNL must obtain approval from TNL's Board of Directors to receive financial assistance from the ICC. |
| Term | 1. There is no event of default as specified in loan agreement. 2. No significant negative effects occurred. 3. Borrower provides evidence that the debt to equity (D/E) ratio of borrower's consolidated financial statements is maintained at no more than 1:1 (one to one). |
| Repayment | Principle: Borrower shall be liable repays loan principle disbursed to lender at the end of 4 (four) years from TNL receives loan in each installment. Interest: Borrower shall pay interest on the Loan at the due date every 3 (three) months from the date of receipt of the Loan on each occasion. |

The above transactions are considered as a connected transaction by providing financial assistance to connected parties pursuant the Notification of the Capital Market Supervisory Board TorJor. 21/2008 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 it is financial assistance which connected persons of the Company. However, the Company has other connected transactions within the past six months prior to the Company's Board of Directors' Meeting No. 11/2024 by investing in TNL's debentures worth 1.13 million baht or 0.00 percent of NTA as of 30 June 2024 (the Company's NTA as of 30 June 2024 was 29,345.63 million baht),

referring to the resolution of the Company's Board of Directors on 21 October 2024, which was disclosed through the Stock Exchange of Thailand. After combined, the transaction size is 561.13 million baht, or 1.91 percent of NTA. Since the transaction exceeds 100 million baht or 3 percent of the Company's NTA, whichever is lower, according to the Connected Transaction Notification the Transaction is considered a large connected transaction. Therefore, the Company required to disclose information of connected transactions to the Stock Exchange of Thailand in accordance with the Connected Transaction Notification and appoint an independent financial advisor that approved by the Securities and Exchange Commission (SEC) to provide an opinion on the Company's connected transactions and request approval from the Company's shareholders' meeting with a vote of not less than three-fourth of the total number of votes of shareholders attending the meeting and having the right to vote, excluding votes of interested shareholders. The Company will present the matter to the shareholders' meeting for consideration and resolution at the 60th Annual General Meeting of Shareholders in 2025, scheduled to be held on 28 April 2025.

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 consideration.

3.2 Transaction Date

the Company will extend the term of loan agreement for a period of 2 years from the termination date of loan agreement, which will be effective after the shareholders' meeting of the Company approves the financial assistance transaction on 28 April 2025.

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 as connected person of the Company. SPI holds 42.66 percent of TNL's total issued and paid-up shares, and SPI holds 24.26 percent of the Company's total issued and paid-up 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 | Extend the loan period by 2 years from the existing loan agreement expires, with the extended loan agreement expire in 2027. |

Independent Financial Advisor' Opinion on the Connected Transaction

Interest rate: Not more than MLR - 1% per annum or fixed interest rate of 6 Percent per year, whichever is higher.

Collateral: -

Net Tangible Assets (NTA) Calculation

| List | Amount (million Baht) |
|----------------------------------|-----------------------|
| Total Assets | 35,522.32 |
| Less Right of use | 697.33 |
| Less Intangible assets | 105.71 |
| Less Total Liabilities | 5,793.58 |
| Add Lease Liabilities | 704.43 |
| Less Non-controlling interests | 291.96 |
| Net Tangible Assets (NTA) | 29,338.00 |

Types and transaction size calculations

Entering into the Transaction is considered financial assistance according to the Connected Transaction Notifications with maximum transaction size of 1.91 percent when calculating the transaction size compared to the Company's net tangible assets (NTA) according to the Company's consolidated financial statements ending on 31 December 2024, with calculation details are as follows:

| | | |
|--------------------------|---|-----------------------------------------|
| Transaction Value | = | not exceeding 500 million baht + return |
| | | at the rate of 6 percent per annum |
| | = | not exceeding 560 million baht |
| NTA of the Company as of | = | 29,338.16 million baht |
| 31 December 2024 | | |
| Transaction Size | = | $\frac{560.00}{29,338.16}$ |
| | = | 1.91 percent |

However, the Company has other connected transactions with connected persons or connected persons within past six months prior to the Company's Board of Directors' Meeting No. 11/2024, investment in TNL's debentures worth 1.13 million baht or 0.00 percent of NTA as of 30 June 2024 (the Company's NTA as of 30 June 2024 was 29,345.63 million baht), referring to the resolution of the Company's Board of Directors on 21 October 2024, which was disclosed through the Stock Exchange of Thailand. When combined with the transactions this time, the total transaction size is 561.13 million baht or 1.91 percent of NTA. The value of such transactions exceeds 100 million baht or 3 percent of the Company's NTA, whichever is lower according to consolidated financial statements as of 31 December 2024, the transaction with TNL is considered a connected transaction with transaction size more than 100 million baht or more than 3 percent of the Company's NTA, whichever is lower, which is considered a large transaction. The Company requires approval from the

shareholders' meeting and must receive approval with a vote of 3/4 of the shareholders attending the meeting and have the right to vote, excluding shareholders with an interest, and need to appoint an independent financial advisor (IFA) to provide an opinion on the transaction.

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:

Condition Precedent

1. Approval from shareholders' meeting of the Company for the transaction. As of 21 February 2025, the Board of Directors of the Company resolved to approve the convening Annual General Meeting of Shareholders 2025 on 24 April 2025 for approval of this connected transaction.
2. Must be approved by TNL's Board of Directors for the transaction. As of 21 February 2025, TNL's Board of Directors resolved to approve this connected transaction.

Maintaining Condition under loan agreement

1. There is no event of default as specified
2. No significant negative effects occurred
3. 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 will extend the period of providing financial assistance with a total value of 500.00 million baht to TNL for 2 years with expiring in 2027. IFA has examined the draft extension agreement and found that the draft agreement is complete and covers all conditions for providing financial assistance and does not contain any conditions that would cause the Company to be at a disadvantage from entering into the transaction. IFA opined that the Condition of Transaction is appropriate.

3.6 Source of Fund

The Company will use surplus working capital and/or other sources of funds from the management of cashflow from working capital used in the Company's business management, which must not have higher than the interest rate or return that the Company will receive from TNL.

3.7 Expected benefit to the Company

In order to manage the Company's cashflow efficiently, the Company will receive a return at an interest rate of 6.00% per annum, which is a higher rate of return than investing in deposits with financial institutions for the most beneficial returns to the company.

3.8 Connected directors and shareholders

3.8.1 Connected directors of the Transaction

Mr. Thamarat Chokwatana is the Chairman of the executive committee, Managing Director and Director of the Company as a director with an interest and/or a 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. 11/2025 on 21 February 2025 during the consideration of approval of the connected transaction.

3.8.2 Connected shareholders of the Transaction

List of shareholders with an interest in transaction as of 11 March 2025, which is the record date for the shareholders' meeting that held on 28 April 2025. The shareholders with an interest are Saha Pathana Inter-Holding Public Company Limited as the major shareholder of the Company and TNL, which is considered a person with an interest in the transaction. The details are as follows:

Information of connected shareholder of the transaction

| No. | Shareholder | No. of Shares (Share) | Shareholding Proportion (Percent) |
|------------------------------------------------|---------------------------------|--------------------------|--------------------------------------|
| 1 | Saha Pathana Inter-holding PLC. | 88,539,874 | 24.26 |
| Total shareholders without voting right | | 88,539,874 | 24.26 |
| Shareholders with voting right | | 276,460,126 | 75.74 |
| Total | | 365,000,000 | 100.00 |

Source: the Company's shareholders registration book on 11 March 2025, which is Record Date.

3.9 Opinion of the company's Board of Directors

The Company's Board of Directors' Meeting No. 11/2024 on 21 February 2025 has carefully considered the transaction that the transaction is appropriate and beneficial to the Company and its shareholders, with an appropriate interest rate to maximize the Company's benefits. In addition, TNL is a strong company with the ability to reimburse.

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

There are no Audit Committee and/or Directors have different opinions from the Board of Directors.

Section 4: Rationale of the Transaction

4.1 Objective of the Transaction

The Company has received a letter of intent to request an extension of financial assistance from TNL to be used as source of funds for operations. The Company's executives have discussed with TNL about TNL's business plan and financial plan and considered with the objective of managing the Company's cashflow to generate beneficial returns than investing in financial institution deposits.

4.2 History of financial assistance

From 2020 to 28 February 2025, the Company has no transactions of providing and receiving financial assistance between TNL excluded the transaction that approved by shareholders for providing financial assistance of not exceed 500.00 million baht at the 58th Annual General Meeting in 2023 held on 24 April 2023.

However, IFA examined the Company's loans as of 31 December 2024 and found that the interest rate that the Company provided to connected parties was lower than interest rate that received from TNL. As of 31 December 2024, the Company had interest rates from the others of 3.70 - 4.00 percent and TNL's payment history according to the terms of existing loan agreement approved by shareholders on 24 April 2023 with no defaults on payments according to the terms of the agreement until 28 February 2025.

Information of the Company's loans and borrowings of 2022 - 2024

Unit: million baht

| List | Company | Category | 2022 | 2023 | 2024 |
|--------------------------------|------------|---------------|---------------|---------------|---------------|
| Providing financial assistance | Associates | Principle | 23.55 | 23.55 | 66.05 |
| | | Interest rate | 2.50% - 4.00% | 2.50% - 4.00% | 3.70% – 4.00% |
| | TNL | Principle | - | 500.00 | 500.00 |
| | | Interest rate | - | 6.00% | 6.00% |
| | External | Principle | - | - | - |
| | | Interest rate | - | - | - |
| Receiving financial assistance | Associates | Principle | - | - | - |
| | | Interest rate | - | - | - |
| | TNL | Principle | - | - | - |
| | | Interest rate | - | - | - |
| | External | Principle | - | - | - |
| | | Interest rate | - | - | - |

Source: Internal information obtained from the Company as of 31 January 2025.

4.3 Impact of Transaction to the Company

Summary of key information of the Company's consolidated financial statements

Unit: million baht

| List | 2022 | 2023 | 2024 |
|---------------------------|------|------|------|
| Profit and Loss Statement | | | |

Unit: million baht

| List | 2022 | 2023 | 2024 |
|----------------------------------------------------|------------------|------------------|------------------|
| Revenue from business operations | 8,479.12 | 8,842.68 | 8,734.92 |
| Other revenue | 976.96 | 921.03 | 1,714.08 |
| Total revenue | 9,456.08 | 10,031.96 | 10,449.00 |
| Cost and expense | 8,806.48 | 9,080.28 | 9,418.92 |
| Financial costs | 11.48 | 16.07 | 20.54 |
| Profit share of associates using the equity method | 14.99 | (2.03) | 8.00 |
| Income tax expense | (41.01) | (34.12) | (35.15) |
| Net Profit | 612.10 | 899.45 | 994.77 |
| Statement of Financial position | | | |
| Current Assets | 7,501.12 | 6,762.43 | 6,890.11 |
| Non-current Assets | 26,753.81 | 28,053.88 | 28,632.21 |
| Total Assets | 34,254.93 | 34,816.31 | 35,522.32 |
| Current Liabilities | 1,962.73 | 1,880.32 | 1,953.81 |
| Non-current Liabilities | 3,715.60 | 3,684.42 | 3,839.78 |
| Total Liabilities | 5,678.34 | 5,564.74 | 5,793.58 |
| Shareholders' equity | 28,576.59 | 29,251.58 | 29,728.74 |
| Cashflow statement | | | |
| Cashflow from operating activities | 476.74 | 141.06 | (24.10) |
| Cashflow from investing activities | (1,014.03) | 766.03 | 1,093.97 |
| Cashflow from financing activities | (417.67) | (710.35) | (714.93) |
| Cash at the end of period | 702.60 | 900.15 | 1,255.09 |
| Financial Ratio | | | |
| Current ratio (times) | 3.82 | 3.60 | 3.53 |
| Quick Ratio (times) | 2.35 | 2.02 | 1.85 |
| Average collection period (days) | 54.88 | 56.48 | 59.31 |
| Average Inventory Period (days) | 156.46 | 147.63 | 164.39 |
| Average Payment Period (days) | 89.24 | 86.13 | 87.95 |
| Cash Cycle (days) | 122.11 | 117.98 | 135.75 |
| Debt to Equity Ratio (times) | 0.20 | 0.19 | 0.20 |
| Cost of Equity (Percent) | | | 5.52 |

Remark: Shareholders can consider the Company's additional financial information in Attachment 1.

The Company and its subsidiaries had revenue from operation between 2022 and 2024 of 8,479.12, 8,842.68 and 8,734.92 million baht, respectively which is equivalent to compound annual growth rate (CAGR) between 2022 to 2024 of 1.50 percent. It consists of revenue from 3 main product lines: cosmetics and fragrances, women's apparel, and men's apparel from business operations tends to increase slightly, although in 2024, the Company's revenue decreased by 107.75 million baht or 1.22 percent in line with demand of the

country shrinking from overall economy while men's apparel increased by 308.45 million baht or 11.24 percent from consumer response.

For 2024, the Company and its subsidiaries had a cost of sales of 6,349.97 million baht, an increase of 52.73 million baht or 6.25 percent, which was inconsistent with revenue because the Company had costs from investing in technology to increase its competitiveness and had selling and administrative expenses of 3,025.36 million baht, an increase of 285.25 million baht or 10.25 percent, due to increased costs from accelerating the integration of technology to increase its competitiveness and expanding distribution channels through E-Commerce.

As of 31 December 2024, the Company and its subsidiaries had total assets of 35,522.32 million baht, an increase of 706.01 million baht or 2.03 percent from 2023, mainly due to investment in TNLX Co., Ltd. in the proportion of 70.00 percent, resulting in the Company having increased assets from the merger under the standard of consolidated financial statements.

As of 31 December 2024, the Company and its subsidiaries had total liabilities of 5,793.58 million baht, an increase of 228.85 million baht or 4.11 percent, due to the Company having other creditors from related companies increasing by 139.47 million baht and lease liabilities increasing by 162.79 million baht, with the Company having shareholders' equity of 29,728.74 million baht and a debt-to-equity ratio of 0.20 times and an expected return on equity (Cost of Equity) of 5.52 percent.

For 2024, the Company had an increase in net cash flow of 354.94 million baht from 3 activities, with details as follows:

1. Cash flow used in operating activities of 24.10 million baht from profit before tax of 994.77 million baht, deducted by non-cash items of 936.02 million baht, mainly from the deduction of dividends received of 1,400.50 million baht from the results of investment management in related businesses and other financial assets, and the addition of depreciation and amortization of 528.20 million baht from tangible and intangible assets, including the Company's right-of-use assets, and the decrease in working capital of 50.30 million baht, mainly from the payment of trade and other payables, which decreased by 74.44 million baht. After adjusting for interest income, financial costs and taxes, the cash flow used in operating activities was 24.10 million baht.

2. Cash flow from investment activities of 1,093.97 million baht from the sale of short-term net investments of 670.34 million baht and the receipt of dividends of 1,414.83 million baht from investments. The Company has additionally invested in listed and unlisted equity securities of 356.85 million baht and purchased additional common shares of King Square Co., Ltd. of 324 million baht and PTZ eCommerce SEP Co., Ltd. of 2.7 million baht, including the investment in World Saha (Thailand) Co., Ltd. of 4.5 million baht, totaling 331.20 million baht, as an investment management to obtain higher returns.

3. Cash flow from financing activities of 714.93 million baht, mainly from repayment of lease liabilities of 374.10 million baht, which is a lease for the Company's operations, and payment of dividends to shareholders of 332.52 million baht.

The Company has Current ratio between 2022 - 2024 equal to 3.82, 3.60 and 3.53 times, respectively, and Quick ratio between 2022 - 2024 equal to 2.35, 2.02 and 1.85 times, respectively. The current ratio

decreased due to the Company's excess cash management by investing in associates, non-current financial assets, and inventory management, resulting in a slight decrease in inventory turnover ratio while the Company was able to maintain quick ratio continuously, it shows that the Company has good liquidity for business operations and investments.

As of 31 December 2024, the Company had average collection period of 59.31 days, average inventory period of 164.39 days, average payment period of 87.95 days and cash cycle of 135.75 days, an increase of 17.77 days from 2023 due to the Company's increased inventory of 347.93 million baht, resulting in an increase in average inventory period of 16.76 days from the investment in TNLX Co., Ltd. in the proportion of 70.00 percent, resulting in the Company having to consolidate the remaining assets of TNLX Co., Ltd. in accordance with consolidated financial statement standards as of 31 December 2024. As of 31 December 2024, the Company's debt to equity ratio for 2022 - 2024 was 0.20, 0.19, and 0.20 times, respectively, indicating a low debt ratio compared to equity. The Company has a low proportion of financial debt and can maintain a consistent debt to equity ratio.

For the interest coverage ratio in 2022 - 2024, it is 100.08, 94.13 and 75.88 times, respectively, which demonstrates that the Company has good payment performance on current financial debt. The Company can operate its business as usual, resulting in an increase in revenue before finance costs and tax in 2024.

Cost of Equity (K_e) of the Company

It can be calculated as follows:

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

Whereas

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 2.65 percent (reference information from www.thaibma.or.th as of 21 February 2025)

R_m = The average return on investment in the Stock Exchange of Thailand for the past 20 years, dating back to 21 February 2025, is 7.86%, 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 compared to the returns of the Stock Exchange of Thailand for the past 2 years from 22 February 2023 to 21 February 2025, which is equal to

0.273 (referring to data from Bloomberg) which considers to be an appropriate period as it has amount and frequency of data appropriate for statistical calculations and can reflect the risks of the current business conditions.

From the calculation and variable values above, Cost of Equity (Ke) as of 21 February 2025 is 5.52 percent. Therefore, when considering the return on financial assistance to TNL at a fixed interest rate of 6.00, it shows that financial assistance to TNL has an appropriate return in line with the expectations of the Company's shareholders.

Impact on dividend payments

IFA has analyzed impact on the Company's dividend payment from the Transaction, referring to the Company's audited separate financial statements for 2022 - 2024 and dividend payment report for 2025, which were disclosed through the Stock Exchange of Thailand.

Unit: million baht

| List | 2022 | 2023 | 2024 | Average | 2025 |
|-------------------------------------------------------------------------|-----------|-----------|-----------|---------|---------------------|
| Cash and cash equivalents | 3,236.16 | 2,330.66 | 1,785.48 | | |
| Dividends paid | 101.72 | 290.63 | 332.52 | 241.63 | 365.00 ¹ |
| Dividend payout ratio | 16.62% | 32.31% | 33.43% | 27.45% | 30.00% |
| Retained earnings refer to the Company's separate financial statements. | 24,432.78 | 25,076.58 | 25,194.32 | | |

Source: The Company's audited separate financial statements for 2022 – 2024

Remark: 1. The dividend payment for 2025 refers to the report on the payment of cash and stock dividends disclosed through the Stock Exchange on 24 February 2025, which consists of 1. Cash dividend payment of 230.00 million baht and 2. The Company's common stock dividend payment of 135.00 million baht, totaling 365.00 million baht in dividends.

2. The Company has a dividend policy at a rate of 0.20 baht per share per year (equal to 20% of the PAR), depending on the Company's performance and economic conditions.

From the aforementioned, it shows that the Company still has payment ability for dividends in 2025 worth 365.00 million baht, which is a dividend payout ratio of 30.00 percent, even though the proportion of loans to TNL is maintained. After the dividend payment for 2025, the Company will have retained earnings of 24,829.32 million baht and high liquid assets of 1,420.48 million baht, referring to the audited separate financial statement for 2024. If the Company pays dividends for 2026-2027 at the average dividend payment value of 241.63 million baht, the retained earnings after the dividend payment will be 24,346.06 million baht and high liquid assets of 937.22 million baht. Therefore, it shows that the Company's retained earnings and high liquid assets are sufficient to pay dividends if the Company considers paying dividends based on the average between 2022-2024. Although the Company will not receive any operating profit or return on investment throughout the period of the extension of the loan agreement to TNL.

4.4 TNL's Operating and Financial Performance

Summary of key information of TNL's consolidated financial statements

Unit: million baht

| List | 2022 | 2023 Former | 2023 Restate | 2024 |
|---------------------------------------------------------------------|------------------|------------------|------------------|------------------|
| Statement of comprehensive income | | | | |
| Revenue from operation | 1,823.27 | 2,474.73 | 843.75 | 1,065.08 |
| Other revenue | 137.21 | 395.22 | 282.15 | 54.67 |
| Total Revenue | 1,960.48 | 2,869.95 | 1,125.90 | 1,119.75 |
| Cost and expense | 1,816.36 | 2,032.77 | 408.22 | 591.45 |
| Profit share of associates using equity method | (4.15) | (205.08) | (205.08) | (10.08) |
| Income tax expense | (38.11) | (118.72) | (144.47) | (167.85) |
| Net Profit | 101.86 | 513.38 | 368.13 | 350.37 |
| Statement of Financial position | | | | |
| Current Assets | 5,734.92 | 7,077.39 | 7,077.39 | 7,428.63 |
| Non-current Assets | 4,822.68 | 6,343.04 | 6,343.04 | 6,486.96 |
| Total Assets | 10,557.60 | 13,420.42 | 13,420.42 | 13,915.59 |
| Current Liabilities | 3,222.90 | 1,104.12 | 1,104.12 | 1,856.17 |
| Non-current Liabilities | 271.78 | 1,822.82 | 1,822.82 | 1,460.89 |
| Total Liabilities | 3,494.68 | 2,926.94 | 2,926.94 | 3,317.016 |
| Shareholders' equity | 7,062.92 | 10,493.49 | 10,493.49 | 10,598.53 |
| Cashflow statement | | | | |
| Cashflow from operating activities | (1,891.49) | (2,476.81) | (2,476.81) | (649.50) |
| Cashflow from investing activities | 1,134.64 | (884.10) | (884.10) | (138.79) |
| Cashflow from financing activities | 2,927.23 | 2,257.66 | 972.88 | 2,257.66 |
| Cash at the end of period | 2,384.41 | 1,281.17 | 1,281.17 | 1,465.75 |
| Financial Ratio | | | | |
| Current ratio (times) | 1.78 | 6.41 | 6.41 | 4.00 |
| Quick Ratio (times) | 0.84 | 1.37 | 1.37 | 0.87 |
| Debt to Equity Ratio (times) | 0.50 | 0.28 | 0.28 | 0.31 |
| Interest coverage ratio (times) | 28.74 | 11.39 | 10.25 | 5.34 |
| Debt service coverage ratio (times) | 0.07 | 1.66 | 1.45 | 0.43 |
| Allowance for doubtful account to total receivables ratio (Percent) | 0.25 | 1.34 | 1.34 | 3.29 |
| Bad debt ratio (Percent) | - | - | - | - |
| Dividend Payout ratio (Percent) | 58.89 | 11.86 | 11.86 | 22.79 |

Remark: 1. Shareholders can consider TNL's additional financial information in Attachment 2.

2. TNL had disposed ordinary shares of TNLX Company Limited on 31 July 2024, resulting in TNL having a loss from investment of 8.27 million baht.

For 2024, TNL had total revenue of 1,119.75 million baht, consisting of interest income of 890.71 million baht, real estate project supervision fee of 174.37 million baht and other income of 54.67 million baht. Interest income increased by 254.16 million baht from the expansion of secured loan portfolio and non-performing asset portfolio. However, TNL recognized revenue from real estate project supervision fee decreased by 32.83 million baht from divesting some investments in properties business, resulting in a decrease in revenue share. Other income decreased by 227.48 million baht, mainly from the company recognizing a gain from the sale of investments in 2023 of 201.22 million baht, which was a one-time item.

In 2024, TNL had operating costs of 127.56 million baht in interest expenses with an increase of 46.07 million baht or 56.54 percent from 2023, mainly due to interest from financial institutions and debentures used as sources of funds for business expansion. TNL had operating expenses of 326.73 million baht and 463.89 million baht, respectively, with administrative expenses of 218.70 million baht and provisions for expected credit losses of 108.03 million baht, while 2024 expenses consisted of administrative expenses of 279.23 million baht and provisions for expected credit losses of 184.66 million baht. Administrative expenses increased by 60.53 million baht because of investments in business expansion and the Company also set aside additional provisions for expected credit losses for loan business of 76.63 million baht from the expanding portfolio.

As of 31 December 2024, the Company had total assets of 13,915.59 million baht, an increase of 495.17 million baht or 3.69 percent from 2023, with current assets increasing by 351.25 million baht and non-current assets increasing by 143.92 million baht, mainly due to a net increase in loans to customers and accrued interest receivables of 366.73 million baht and an increase in loans to related parties of 474.40 million baht to support the real estate development business for sale. In addition, the Company's non-performing loans (NPLs) increased by 431.90 million baht from the success of the auction of additional non-performing assets. However, the sale of TNLX shares in July 2024 resulted in a decrease in land, buildings, equipment, and inventories by 336.02 million baht and 288.78 million baht, respectively. In addition, the Company's non-current financial assets decreased by 476.27 million baht from the sale of some financial investments. In addition, the Company's assets awaiting sale increased by 176.17 million baht from the assessment of the value of debtors' debt repayment assets. and investment properties increased by 248.02 million baht from adjusting the accounting entries for assets for rent from "land, buildings and equipment" to "investment properties" in accordance with Financial Reporting Standard No. 40 on investment properties (TFRS 40).

As of 31 December 2024, the Company had total liabilities of 3,317.06 million baht, with the main liabilities consisting of 1. Loans from related businesses worth 1,080 million baht (including loans that the Company gave to TNL in accordance with the resolution of the 2023 Annual General Meeting of Shareholders worth 500.00 million baht) 2. Two debentures worth a total of 1,191.51 million baht (the first debenture worth 494.27 million baht was issued and distributed in 2023 and the second debenture worth 694.08 million baht was issued and distributed in 2024), where TNL did not have a credit rating for TNL and both debentures. TNL's total liabilities increased by 390.12 million baht or 13.33 percent from 2023, mainly due to an increase in debenture issuance of 694.08 million baht and an increase in long-term loans from financial institutions of 595.31 million baht to support business growth. Loans from related parties of THB 1,080.00 million were reclassified from non-current liabilities to current liabilities in 2024. The Company's short-term loans from related

parties decreased by THB 573.20 million from loan repayments after the acquisition of 10.00 percent of OXA's shares from Saha Pathana Inter-Holding Public Company Limited (SPI). In addition, the Company's financial institution creditors from the purchase of receivables decreased by THB 149.77 million because TNL did not purchase large receivables at the end of 2024, resulting in a decrease in creditors, and employee benefit provisions decreased by THB 112.63 million because TNL had a reduced number of employees due to the termination of its subsidiary status of TNLX Co., Ltd

For 2024, the Company had an increase in net cash flow of 184.58 million baht from 3 activities, with details as follows:

1. Cash flow used in operating activities was 649.50 million baht from pre-tax profit of 572.51 million baht, less net non-cash items of 543.28 million baht. The main non-cash items were interest income of 890.71 million baht from growth in lending business, which consisted of interest income from receivables of 592.37 million baht, interest income from loans from purchase of receivables of 163.21 million baht, and interest income from loans of 135.14 million baht. The Company had financial costs of 127.56 million baht, which was interest paid from various interest-bearing debts, such as leases, long-term loans, and debentures, which were used to find sources of funds to expand the lending business. The Company recorded expected credit loss allowance of 184.66 million baht in accordance with the risk management policy from the increased amount of loans to debtors and loans from the purchase of receivables. In addition, cash flow from operations was offset by an increase in working capital of 1,038.26 million baht. The Company's working capital assets increased mainly from loans to customers of 490.15 million baht and loans from the purchase of receivables of 350.68 million baht, which the Company was able to extend loans and purchase additional receivables. In addition, the Company paid off financial institution creditors from the purchase of receivables of 149.77 million baht to pay for the purchase of non-performing assets under the asset transfer agreement in 2024. The Company received an advance deposit of 67.52 million baht from the contract to sell all ordinary shares in Future Domain Co., Ltd. to Noble Development Public Company Limited. After adjusting interest income, financial costs and taxes, the Company had cash flow used in operating activities of 649.50 million baht.

2. Cash flow used in investing activities of 138.79 million baht, mainly from cash flow used in lending to joint ventures to support the business in the real estate development project of 351.47 million baht. Another part came from the Company's management of financial asset portfolios, with cash flow used in purchasing, selling and receiving capital refunds from investments in listed and unlisted equity instruments of companies, net of cash flow used of 245.94 million baht. In addition, the Company acquired additional ordinary shares in Oxygen Asset Co., Ltd. in the proportion of 10 percent or 99,997 shares from Saha Pathana Inter-Holding PLC for 99.99 million baht, resulting in the Company holding 99.99 percent of shares in Oxygen Asset Co., Ltd.

3. Cash flow from financing activities of 972.88 million baht, mainly from cash received from loans from financial institutions of 600.00 million baht and the issuance of debentures of the second series of 700.00 million baht to support business growth. In addition, the Company had net cash received from the sale of investment in TNLX Co., Ltd. to related persons of 356.90 million baht. The Company had cash outflow from repayment of loans after the acquisition of 10.00 percent of OXA shares from Saha Pathana Inter-Holding Co., Ltd. (Public) (SPI) of 573.20 million baht and paid dividends to shareholders of 91.41 million baht.

For 2024, the Company's debt to equity ratio was 0.31 times, an increase from 31 December 2024, due to higher borrowings from financial institutions and debentures for business expansion, while shareholders' equity increased from net profit. The interest coverage ratio was 5.34 times and the debt service coverage ratio was 0.43 times, mainly from the increase in interest-bearing debt obligations due within 1 year from 31 December 2024, reflecting the increase in financial debt burden to fund the expanding lending business.

The interest coverage ratio in 2023-2024 is 10.25 and 5.34 times, respectively when comparing the debt service coverage ratio between 2023-2024 at 1.45 and 0.43 times, it shows that the interest coverage capacity will decrease in 2024 because TNL has changed its business structure to financing business. As a result, TNL has higher interest expenses from seeking sources of funds to expand the Loan business, resulting in a decrease in the interest coverage ratio because the interest income from lending is not sufficient to fully repay the principle, which is source of funds for lending as general characteristic of loan business. If TNL can collect the full amount of the loan, it will result in TNL being able to repay the principle, which is also a source of funds. As of 31 December 2024, TNL had a doubtful debt to total loans ratio of 3.29 percent and a bad debt to total assets ratio of 0.00 percent. Therefore, IFA opined that TNL will still have the ability to pay interest even though interest income is not sufficient to fully repay principle, which is a source of funds for the business.

4.5 Appropriateness of entering into the transaction

4.5.1 Appropriateness of determining interest rate

Because entering into this transaction has changed the conditions of agreement in terms of interest rates from "Not exceeding the average minimum loan interest rate of Bangkok Bank Public Company Limited ("BBL") and Krung Thai Bank Public Company Limited ("KTB") and Siam Commercial Bank Public Company Limited ("SCB") collected from high-quality large customers. (hereinafter the average loan of the 3 banks will be called "MLR") – 1% per annum or fixed interest rate of 6% per annum, whichever is higher" to "fixed interest rate of 6% per annum", which results in the Company will not having opportunity to receive interest rate higher than 6.00%. However, as of 21 February 2025, the MLR interest rate of BBL, KTB and SCB – 1% is equal to 5.92 (according to information from Bank of Thailand), which is lower than the fixed interest rate received from TNL throughout the period of borrowing under the current agreement, there has been no period where the rate of return has exceeded 6.00 percent. Therefore, IFA opined that the changed condition is still appropriate.

Comparative interest rates according to the Existing and Extension loan agreement.

| Subject | Description | |
|---------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------|
| | <u>Existing loan Agreement</u> | <u>Extension loan Agreement</u> |
| Interest rate | <p>Not exceeding the average minimum loan rate of Bangkok Bank Public Company Limited ("BBL"), Krungthai Bank Public Company Limited ("KTB") and Siam Commercial Bank Public Company Limited ("SCB") charged from prime large customers (hereinafter referred to as the average loan of the 3 banks as "MLR") – 1% per annum or a fixed interest rate of 6% per annum, whichever is higher, from the date TNL receives the loan in each installment. The interest rates as of 31 December 2024 are as follows:</p> <ol style="list-style-type: none"> 1. The average loan interest rates of BBL, KTB and SCB – 1% are equal to 5.92% per annum. 2. Fixed interest rate of 6.00% per annum. <p>The maximum interest rate to be received from the current loan agreement as of 31 December 2024 is 6.00% per annum.</p> | Fixed interest rate of 6 (six) percent per annum. |

Remark: interest rates is based on data from the Bank of Thailand as of 31 December 2024.

However, IFA has compared the rate of return from financial assistance with the Company's rate of return and cost of funds in cashflow management, as well as the rate of return from short-term investments in financial instruments and other forms of debt instruments to consider the appropriateness of the return that the Company will receive as follows:

The Company's deposit interest rates and returns on revolving investment

As of 31 December 2024, the Company had highly liquid assets, cash and cash equivalents of 1,255.09 million baht and short-term investments of 938.86 million baht (short-term investments is commercial bank deposits with maturity of more than 90 days), totaling THB 2,193.95 million (hereinafter collectively referred to as "highly liquid assets"), with an average savings deposit interest rate as of 21 February 2025 of 0.36 percent per annum and an average two-year fixed deposit interest rate of 1.81 percent per annum.

Interest rates of loans from financial institutions and the Company's bonds

As of 31 December 2024, the Company has no long-term loans from financial institutions and/or debentures in accordance with the Company's business policy to operate without creating additional debt by increasing product diversity and competitiveness. However, IFA has examined loan and interest rates received from financial institutions and found that the interest rates from the Company's short-term loans are between 0.85 - 4.10 percent per annum, according to the conditions that the Company has received from financial institutions.

Comparison of interest rates and the company's financial costs

Independent Financial Advisor' Opinion on the Connected Transaction

| No | Type of Investment | Interest rate | | Compared to TNL's rate |
|-----|-----------------------------------------------------------------------------------|---------------------------|-------------|---------------------------|
| | | Average | Low - High | |
| 1 | Returns of Financial Assistance to TNL | Fixed interest rate 6.00% | | |
| 2 | Returns on other investment | | | |
| 2.1 | BBL KTB SCB 2-year fixed deposit interest rate ^{/1} | 1.83 | 1.70 – 1.90 | Higher |
| 2.2 | Commercial bank 2-year fixed deposit interest rates ^{/1} | 1.78 | 1.25 – 2.05 | Higher |
| 2.3 | Government bond interest rate 0 - 2 years ^{/2} | 2.06 | 2.03 – 2.08 | Higher |
| 2.4 | Commercial Bond 0 -2 year ^{/2} | | | |
| | 2.4.1 Investment Grade ^{/2} (Credit rating Higher than BBB-) | 3.77 | 2.28 – 6.00 | Higher |
| | 2.4.2 High Yield ^{/2} (Credit rating lower than BB) | 4.78 | 4.25 – 5.10 | Higher |
| | 2.4.3 Unrated Bond ^{/2} | 6.57 | 2.38 – 7.50 | Lower |
| 2.5 | MLR of financial institution ^{/1} | 6.92 | 6.90 - 6.93 | Lower |
| 3 | Important information of the company | | | |
| 3.1 | The Company's return on financial institution deposits ^{/3} | | 1.15 – 1.80 | Higher |
| 3.2 | Returns on the Company's short-term loans ^{/3} | 3.70 – 4.00 | | Higher |
| 3.3 | Interest rates for loans from financial institutions of the company ^{/3} | | 0.85 – 4.10 | Higher |
| 3.4 | Cost of Equity of ICC (Percent) | 5.52 | | Higher |

Source: 1. Information from Bank of Thailand as of 21 February 2025

2. Information from ThaiBMA as of 21 February 2025

3. Internal information received from the Company as of 31 January 2025.

Remark: 1. Returns on the Company's short-term loans do not include interest in loans to TNL.

From the aforementioned, it is found that financial assistance to TNL this time has higher rate of return than Company received from deposit interest rate as of 28 February 2025 and higher than investing in Commercial bond with a duration of 0-2 years at Investment Grade and High Yield, with a higher interest rate than the expected return of ICC shareholders (Cost of Equity) and the financial cost from short-term borrowings from financial institutions of the Company.

In this regard, providing financial assistance to TNL at rate of return lower than the average that the Company will receive from commercial bond with credit rating lower than BB, referring to information as of 21 February 2025. However, investing in commercial bonds with credit rating lower than BB is considered to be a

higher risk than lending to TNL that ICC understands the business and can monitor payment status according to the terms of loan agreement, where TNL has no history of defaulting on interest payments under the terms of existing loan agreement. Shareholders can further consider TNL's ability to operate and payment performance in section 4.4 TNL's Operating and Financial Performance (Section 4, Page 5).

However, if the Company needs to use cashflow in excess of highly liquid assets (value of 2,193.95 million baht), the Company can use credit line of financial institution that the Company has received to replace it at an interest rate lower than the MLR interest rate of financial institutions that provide loans to prime large customers at 0.35 - 0.45 percent, which is lower than the interest rate received from TNL.

Therefore, when considering the interest rate received from TNL at fixed interest rate of 6.00 percent per annum, the rate of return under the existing agreement, the comparable rate of return, and the financial cost if the Company needs to source of funds from a financial institution, which demonstrate the value of providing financial assistance this time, IFA opined that **the interest rate for providing financial assistance this time is appropriate and beneficial to the Company**, as the Company can lend to utilize the Company's surplus working capital management.

4.5.2 Appropriateness of loan conditions

The Company will extend financial assistance to TNL for 2 years at fixed interest rate of 6.00 percent, which is higher than the interest rate that the Company received from financial institutions on 21 February 2025, with the principal repayment due on the end of 2027 and the interest repayment within 3 months from the date of receipt of the loan, which the Company will use the Company's surplus working capital within 2025. IFA has the following opinions on the terms of the loan:

| 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-revolving | Appropriate as the Company has sufficient excess liquidity. However, IFA examined investment plans, reserve funds, working capital for business operations from 21 February 2025 until the end of loan agreement in 2027, it was found that the Company's liquidity was sufficient for lending to TNL. |
| Period | The term of the loan is no more than 4 years from the date TNL receives the loan in each installment with all loan agreement <u>expiring within 2027</u> . | Appropriate because the Company can use it to manage short-term liquidity to increase returns. |

| Subject | Description | IFA's Opinion |
|---------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Collateral | None | Inappropriate because if the Borrower does not have enough cash for payment, the company will lose the benefits of receiving principal and interest and may have a negative impact on the company's liquidity. However, as of 31 December 2024, TNL had 1,465.75 million baht in cash, giving TNL sufficient liquidity to repay the loan in full. Considering the interest coverage ratio of 5.34 times, the debt payment capability of 0.43 times, and TNL's debt repayment history since 2020, it was found that TNL has never defaulted on its debt. Therefore, IFA believes that the risk of default is low. |
| Condition Precedent | <ol style="list-style-type: none"> ICC requires approval from shareholders of ICC to enter into this transaction. TNL must obtain approval from TNL's Board of Directors to receive financial assistance from the ICC. | Appropriate as the Company and TNL must comply with requirements of listed companies on SET that are appropriate to be used as evidence in loan agreement according to the standards of the Ministry of Finance |
| Terms | <ol style="list-style-type: none"> There is no event of default as specified in the loan agreement. No significant negative effects occurred. 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>Appropriate as it is a condition that is beneficial to the plan to manage surplus working capital and reduce the possibility of default and negative impact on the Company. Throughout the current agreement period, TNL has no history of breaching the loan terms. As of 31 December 2024, TNL has a debt to equity ratio of 0.31 times.</p> <p><i>Additional Information</i></p> <ol style="list-style-type: none"> Debt payment information between the Company and TNL in Section 4.2 History of financial assistance Section 4 Page 1 TNL's Financial Performance Analysis in Section 4.4 TNL's Operating and Financial Performance (Section 4 Page 5) |
| Principle Payment | The borrower is responsible for repaying the entire amount of loan drawn back to the lender. At the | Appropriate, clearly defined payments thus allowing the company to plan investments and manage liquidity more efficiently |

| Subject | Description | IFA's Opinion |
|-------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| | expiration of 4 (four) years from the date of loan agreement | |
| repayment before the end of the agreement | 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 agreement 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 of compensation and reduce the risk of being in bad debt |

IFA is of the opinion that the overall terms of the extension agreement are beneficial to the Company and are reasonable, allowing the Company to manage its liquidity more flexibly and efficiently, without any part of the agreement causing the Company to lose benefit.

4.6 Advantages and disadvantages of entering into the transaction

4.6.1 Advantages of entering into the Transaction

4.6.1.1 The Company receives a higher rate of return than the Company's current situation.

By providing financial assistance to TNL, the Company will receive a fixed interest rate of 6.00% per annum by extending by 2 years from expiration of existing loan agreement. This return rate is higher than the return that the Company receives from surplus working capital in the form of savings accounts and short-term investments. In addition, the return rate for the transaction is higher than the expected return of shareholders and the Company's financial cost (please see details in Section 4.5 Appropriateness of Interest Rates and Loan Conditions), which will allow the Company to receive more returns from managing liquidity from operations.

4.6.1.2 the Company can manage cashflow efficiently

The Company will use its surplus working capital as source of funds for this financial assistance to TNL. As of 31 December 2024, the Company had Highly liquid assets worth 2,193.95 million baht (excluding loans to TNL). Therefore, the Company's entry into this transaction is one of the Company's options to manage

cashflow that the Company will be able to efficiently manage cashflow that has no plan to use the money and create higher returns.

| List | 2025 | 2569 | 2027 |
|----------------------------------|----------|----------|----------|
| Highly liquid assets | 2,193.95 | 2,037.54 | 1,881.13 |
| Capital expenditure ¹ | 156.41 | 156.41 | 156.41 |
| Remaining liquid assets | 2,037.54 | 1,881.13 | 1,724.72 |

Source: 1. Capital expenditure, referring to ICC's investment plan received as of 31 January 2025.

IFA considered the adequacy of the Company's liquidity by taking the highly liquid assets as of 31 December 2024, worth 2,193.95 million baht, deducting Capital expenditure to be used in the business and enhance competitiveness between 2025 - 2027, which will be the extension loan agreement's period. It was found that the Company will have sufficient liquidity for investment, including paying dividends to shareholders at the average rate over the past 3 years, even though the Company does not receive income from operations or income from investments (dividends). Shareholders can consider the details of the Company in Section 4.3 Impact of Financial Assistance and the Company's Financial Position (Section 4, Page 1).

4.6.2 Disadvantages of entering into the Transaction

4.6.2.1 The Company may lose opportunity to invest in assets or debt that provide higher returns.

This extension of the financial assistance period to TNL has a maximum loan amount of no exceed 500.00 million baht for 2 years from existing loan agreement expires, which may cause the Company to lose the opportunity to invest in investments that may have better returns during that period.

However, the Company has investment plan to expand its business in machinery, office equipment, and operating systems to improve operational efficiency and value added in the long term, and to jointly invest in businesses that complement the Company and its group companies business or expect operation in the future, as it sees the potential for profit, and the Company has sufficient liquid assets throughout the period of extending the loan agreement to TNL.

The Company will use surplus working capital to provide assistance in order to manage liquidity for maximum benefit. IFA has examined the above investment plan and compared it with the Company's highly liquid assets as of 31 December 2024. It was found that after deducting the investment according to the Company's operating plan until 31 December 2027 (expired date), the Company will have more than 1,000 million baht in excess highly liquid assets.

4.6.2.2 The Company's liquidity ratio may not increase while providing financial assistance to TNL.

Since the financial assistance amount of no more than 500 million baht or 22.79 percent of the Company's highly liquid assets or 1.41 percent of the Company's total assets (excluding loans to TNL), the repayment of the principal at the end of the current loan agreement will result in the Company's liquidity ratio increasing from 3.53 times to 3.78 times. However, the Company's current liquidity ratio remains high, indicating that the Company has sufficient liquidity for the transaction.

4.7 Advantages and disadvantages of entering into the connected transaction compared to entering into a transaction with third parties compare with connected person.

4.7.1 Advantages of entering into the Connected Transaction

4.7.1.1 Flexibility in negotiation and coordination in setting loan terms.

Since TNL has similar shareholder and director, the negotiation between TNL and the Company is more convenient than external parties, the Company can track the repayment status and inquire necessary information such as financial status and repayment performance than negotiate with external parties.

In addition, the transaction with connected person allows the Company to negotiate the terms of the loan, such as setting repayment date or early repayment in the event that the Company require money, etc., which allows the Company to have flexibility in managing its liquidity and benefit from a higher rate of return than transactions with external parties that the Company provides financial assistance with, with an average interest rate for short-term loans of 3.70 - 4.00 percent as of 31 December 2024.

4.7.2 Disadvantages of entering into the Connected Transaction

4.7.2.1 The Company may not be able to fully negotiate the terms of the transaction.

In general, entering into a transaction with a connected person may have disadvantages in terms of bargaining power over terms and conditions. Since TNL's shareholders are the major shareholders and controlling persons of the Company, it may not be able to fully negotiate terms and conditions for this transaction when compared to entering into a transaction with external parties.

However, the Company has considered the conditions received carefully and beneficial to the Company, along with compliance with the regulations for considering connected transaction of listed companies under the Company's Good Corporate Governance Policy. The Company has considered the transaction partners, transaction characteristic and transaction size through the Executive Committee, the Audit Committee, the Board of Directors, and shareholder's meeting without interests director or shareholder that will not be able to express their opinions or vote to prevent possible risks, including considering an appropriate interest rate and managing the Company's cashflow to maximize the Company's benefits and considering TNL's payment performance, which is a strong company with the ability to repay loans.

4.8 Risk from entering into the transaction

4.8.1 Lack of liquidity

In 2022-2024, the Company has a current ratio of 3.82, 3.60 and 3.57 times, respectively. The Company's liquidity decreases each year because the Company has increased current assets and current liabilities from returning to normal business operations after the COVID-19 situation, resulting in the Company having more inventories and creditors related to the business operations.

However, according to the management interview, it was found that the Company has sufficient liquidity for investment according to the investment plan and the Company's reserve fund to invest in machinery and equipment for business operations and to enhance competitiveness. The Company's excess working capital

will be considered as a source of funds for such an investment. In addition, the Company has no plan to invest in other businesses or invest in new businesses until the end of 2027, which is the year the extended loan agreement will expire. The Company's management will consider the Company's maximum benefit and the need for capital. Therefore, IFA believes that providing financial assistance to TNL will not affect the Company's liquidity throughout the period of the extension of the agreement.

4.8.2 Default of payment

In general of lending, there is a possibility that borrower will not repay the principal and interest or may make payments later than the terms of agreement. However, the Company can monitor TNL's readiness to repay because it is a company with related directors and major shareholders.

As of 31 December 2024, TNL had debt-to-equity ratio of 0.22 times, which was able to maintain the debt-to-equity ratio under the terms of loan agreement between the Company and TNL, and had an interest coverage ratio of 5.34 times, a debt service coverage ratio of 0.43 times, indicating that TNL had sufficient revenue from operations to pay interest, and TNL's liquidity ratio as of 31 December 2024 was 4.00 times, indicating sufficient liquidity to pay and continuous efficient performance. However, in 2024, TNL had a business change, resulting in a risk from the operation of a new business, which may affect the ability to repay the loan.

However, since TNL is a large company with assets as of 31 December 2024 of 12,952.61 million baht and has been able to continuously generate positive operating results, and TNL's debt repayment history since 2020 expressions no default, including TNL having to maintain debt to equity ratio of less than 1.00 times according to the loan agreement to prevent the debt ratio from being lower than the capital and to have the ability to repay debt, IFA therefore sees that the risk of TNL defaulting on debt is low. Shareholders can consider the analysis of TNL's operating results and financial status in Section 4.4 TNL's Operating and Financial Performance (Section 4, Page 5).

4.8.3 Risk from being controlled by agreement terms by major shareholders

Since SPI is a major shareholder of the Company, which can control over the Company through sending representatives to participate in the management and some decisions of the Company, there is a risk that the Company may be controlled to enter into transactions to provide and receive financial assistance that are not in the best interests of the Company.

However, due to the stringent conditions for providing financial assistance, in accordance with the regulations on the consideration of connected transaction of listed companies under the Company's Good Corporate Governance Policy, the Company has considered the transaction partners, transaction characteristic and transaction size through the Executive Committee, the Audit Committee, the Board of Directors, and presented to the shareholders, whereby the directors and shareholders with an interest will not be able to express their opinions or vote to prevent possible risks, including the consideration of an appropriate interest rate for providing financial assistance that is not lower than the interest rate that the Company receives from financial institutions, and the determination of the procedures for reporting such transactions to the Company's Board of Directors and the Company's Audit Committee for consideration, such clear consideration and inspection processes will help reduce the risk of major shareholders gaining control.

4.9 Summary of Opinions on the Reasonableness of the Transaction

IFA has considered the Rationale of the Transaction by considering the appropriateness of the interest rate and conditions of the transaction, Advantages and disadvantages of entering into the transaction, Advantages and disadvantages of entering into the transaction with related persons compared to external persons, and Risk from entering into the transaction. IFA as an independent financial advisor, is of the opinion that providing financial assistance to TNL will provide the Company with an alternative to manage cashflow efficiently and receive higher returns than at present, with returns from the transaction and conditions of the transaction that are appropriate and beneficial to the Company. **Therefore, IFA is of the opinion that this transaction is reasonable.**

Section 5: Summary of IFA's Opinion

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

IFA has considered the Rationale of the Transaction by considering the impact of the transaction, the appropriateness of the interest rate and conditions of the transaction, the advantages and disadvantages of entering into the transaction, the advantages and disadvantages of entering into the transaction with related persons compared to external persons, and the risk from entering into the transaction. For the reasons stated above, IFA as an independent financial advisor, **opined that the shareholders of the Company should approve the transaction** by extending the period of financial assistance to TNL for 2 years at a fixed interest rate of 6.00 percent per annum.

In addition, the Company's entry into this connected transaction pursuant to the Connected Transaction Notification, shareholders of the Company can consider the information, supporting reasons, and opinions on various issues as presented in this IFA Opinion Report.

Silom Advisory Co., Ltd., as an Independent Financial Advisor of the Company certified that IFA considered and studied the information with due diligence according to professional standards on the basis of reasonableness and fair analysis by taking the benefits of the Company's shareholders 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 in domestic and international market |
| Location | : 530 Soi Sathupradit 58 Bangpongpan Subdistrict, Yannawa District Bangkok 10120 |
| Registered capital | : 365,000,000.00 Baht divided into 365,000,000 common share at par value of 1.00 Baht (25 February 2025) |
| Issued and paid-up capital | : 365,000,000.00 Baht divided into 365,000,000 common share at par value of 1.00 Baht (25 February 2025) |

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 headquarter is located on an area of more than 80 rai on Sathupradit Road, with registered capital as of 31 December 2022 of 365.00 million baht and paid-up capital of 365.00 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

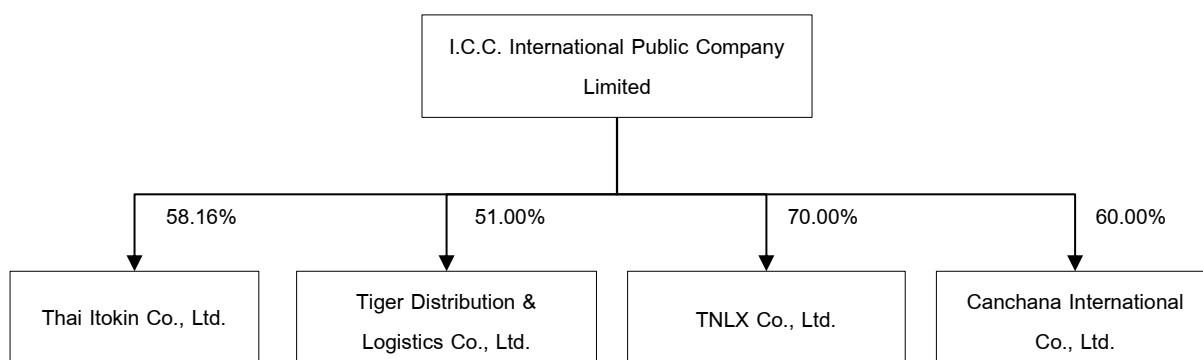
| Business line | 2022 | | 2023 | | 2024 | |
|---------------------------------|-----------------|---------------|------------------|---------------|------------------|--------------|
| | Million Baht | % | Million Baht | % | Million Baht | % |
| Sales | | | | | | |
| Cosmetics and perfumeries | 559.46 | 5.92 | 638.17 | 6.36 | 617.00 | 5.09 |
| Women's apparel | 2,540.21 | 26.86 | 2,675.15 | 26.67 | 2,675.00 | 25.60 |
| Men's apparel | 2,737.69 | 28.95 | 2,744.55 | 27.36 | 3,053.00 | 29.22 |
| Other sales ¹ | 2,641.76 | 27.94 | 1,435.57 | 14.31 | 2,389.92 | 22.87 |
| Total revenue from sales | 8,479.12 | 89.67 | 8,842.70 | 88.15 | 8,734.92 | 82.78 |
| Other income | | | | | | |
| Dividend income | 340.39 | 3.60 | 921.03 | 9.18 | 1,400.50 | 13.40 |
| Gain from disposal of land | 392.65 | 4.15 | - | - | - | - |
| Other income ² | 243.90 | 2.58 | 268.25 | 2.67 | 313.58 | 3.00 |
| Total Other income | 976.96 | 10.33 | 1,189.28 | 12.56 | 1,714.08 | 16.20 |
| Total revenue | 9,456.08 | 100.00 | 10,031.98 | 100.00 | 10,449.00 | 13.44 |

Source: Company's information

Remark: 1. Other sales consist 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: the Company's information

1.6 Board of directors

As of 25 February 2025, the Company has 12 directors as follows.

| | Name | | Position |
|---|---------------|-----------------|--------------------------------------------|
| 1 | Mr. Boonkiet | Chokwatana | Chairman |
| 2 | Mr. Thamarat | Chokwatana | President and Executive Chairman, Director |
| 3 | Mr. Koravit | Narongkananukul | Director |
| 4 | Mrs. Kobsuk | Saengsawad | Director |
| 5 | Mrs. Chailada | Tantivejakul | Director |

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| | Name | Position |
|----|------------------------------|---------------------------------------------------|
| 6 | Miss Munchusa Terapongpipat | Director |
| 7 | Mr. Somphol Chaisiroj | Director |
| 8 | Mr. Surat Wongrattanapassorn | Director |
| 9 | Mr. Nattaporn Jatusripitak | Independent Director, Audit Committee |
| 10 | Mr. Thiraphong Vikitset | Independent Director, Audit Committee Chairman |
| 11 | Mr. Pitak Pruittisarikorn | Independent Director, Audit Committee |
| 12 | Mr. Anuchit Anuchitanukul | Independent Director, Audit Committee |

Source: SET's information as of 25 February 2025

1.7 Major shareholders

As of 11 March 2025, the Company has a list of shareholders as follows.

| | Name | No. share | % |
|----|--------------------------------------------------------|--------------------|--------------|
| 1 | Saha Pathana Interholding Public Company Limited | 88,539,874 | 24.26 |
| 2 | I.D.F Co., Ltd. | 35,601,132 | 9.75 |
| 3 | Mr. Weerapat Punsak-Udomsin | 32,455,342 | 8.89 |
| 4 | Saha Pathanapibul Public Company Limited | 31,116,971 | 8.53 |
| 5 | Thai Wacoal Public Company Limited | 14,313,309 | 3.92 |
| 6 | U.B. Chemicals Industries Co., Ltd. | 13,396,934 | 3.67 |
| 7 | Uniwealth Co., Ltd. | 12,752,858 | 3.49 |
| 8 | Universe Beauty Co., Ltd. | 12,500,891 | 3.42 |
| 9 | YI TONG TIAN TAI BSC Co., Ltd | 11,636,492 | 3.19 |
| 10 | BSC SO IN Co., Ltd. | 7,542,880 | 2.07 |
| | Total shareholding of top 10 major shareholders | 259,856,683 | 71.19 |
| 11 | Other shareholders | 105,143,317 | 100.00 |
| | Total shareholding | 365,000,000 | 24.26 |

Source: Company's shareholder register, 11 March 2025

As of 25 February 2025, Saha Pathana Interholding Public Company Limited has a list of shareholders as follows.

| | Name | No. share | % |
|---|---------------------------------------------|------------|-------|
| 1 | Chokwattana Co., Ltd. | 99,858,866 | 17.46 |
| 2 | I.C.C. International Public Company Limited | 57,030,956 | 9.97 |
| 3 | Saha Pathanapibul Public Company Limited | 49,433,806 | 8.64 |
| 4 | NOMURA SECURITIES CO LTD-CLIENT A/C | 34,994,953 | 6.12 |
| 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 |

Independent Financial Advisor' Opinion on the Connected Transaction

| | Name | No. share | % |
|----|--------------------------------------------------------|--------------------|---------------|
| 8 | I.D.F Co., Ltd. | 19,368,582 | 3.39 |
| 9 | Uniwealth Co., Ltd. | 14,380,310 | 2.51 |
| 10 | BTS Group Holding PLC. | 11,138,269 | 1.95 |
| | Total shareholding of top 10 major shareholders | 347,704,596 | 60.79 |
| 11 | Other shareholders | 224,228,470 | 39.21 |
| | Total shareholding | 571,933,066 | 100.00 |

Source: SET's information, 25 February 2025

As of 25 February 2025, Chokwattana Co., Ltd. has a list of major shareholders as follows.

| | Name | No. share | % |
|----|--------------------------------------------------------|------------------|---------------|
| 1 | Saiphin Wattana Co., Ltd. | 890,000 | 12.71 |
| 2 | Mr. Narong Chokwatana | 766,102 | 10.94 |
| 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 | 235,673 | 3.37 |
| | Total shareholding of top 10 major shareholders | 4,461,775 | 63.74 |
| 11 | Other shareholders | 2,538,225 | 36.26 |
| | Total shareholding | 7,000,000 | 100.00 |

Source: Ministry of Commerce, 25 February 2025

As of 25 February 2025, Saiphin Wattana Co., Ltd. has a list of major shareholders as follows.

| | Name | No. share | % |
|----|--------------------------------------------------------|-------------------|--------------|
| 1 | Mr. Narong Chokwatana | 200,000.00 | 14.29 |
| 2 | Siratarn Co., Ltd. | 100,000.00 | 7.14 |
| 3 | Mr. Boonkiet Chokwatana | 100,000.00 | 7.14 |
| 4 | Mrs. Kityaporn Chaithavornsathien | 100,000.00 | 7.14 |
| 5 | Mr. Pipope Chokvathana | 80,000.00 | 5.71 |
| 6 | Mrs. Chailada Tantivejakul | 70,000.00 | 5.00 |
| 7 | Mr. Chailadol Chokwatana | 70,000.00 | 5.00 |
| 8 | Mr. Boonchai Chokwatana | 60,000.00 | 4.29 |
| 9 | Mr. Boon-Ek Chokwatana | 40,000.00 | 2.86 |
| 10 | Mr. Piranart Chokwatana | 40,000.00 | 2.86 |
| | Total shareholding of top 10 major shareholders | 860,000.00 | 61.43 |

| | Name | No. share | % |
|----|---------------------------|---------------------|---------------|
| 11 | Other shareholders | 540,000.00 | 38.57 |
| | Total shareholding | 1,400,000.00 | 100.00 |

Source: Ministry of Commerce, 25 February 2025

As of 25 February 2025, I.D.F Co., Ltd. has a list of major shareholders as follows.

| | Name | No. share | % |
|----|--------------------------------------------------------|------------------|---------------|
| 1 | Sinparadorn Co., Ltd. | 479,444 | 47.94 |
| 2 | Saha Pathanapibul Public Company Limited | 196,044 | 19.60 |
| 3 | YI TONG TIAN TAI BSC Co., Ltd | 125,000 | 12.50 |
| 4 | I.C.C. International Public Company Limited | 90,000 | 9.00 |
| 5 | Mr. Bunyasit Chokwatana | 33,401 | 3.34 |
| 6 | Sahapat Real Estate Co.,Ltd. | 33,333 | 3.33 |
| 7 | First United Industry Co., Ltd. | 20,000 | 2.00 |
| 8 | Mr. Thamarat Chokwatana | 11,111 | 1.11 |
| 9 | B S T R 408 Co.,Ltd. | 8,333 | 0.83 |
| 10 | Mr. Boonkiet Chokwatana | 1,667 | 0.17 |
| | Total shareholding of top 10 major shareholders | 998,333 | 99.83 |
| 11 | Other shareholders | 1,667 | 0.17 |
| | Total shareholding | 1,000,000 | 100.00 |

Source: Ministry of Commerce, 25 February 2025

As of 25 February 2025, Sinparadorn Co., Ltd. has a list of shareholders as follows.

| | Name | No. share | % |
|---|---------------------------|----------------|---------------|
| 1 | BSC SO IN Co., Ltd. | 540,000 | 90.00 |
| 2 | Mr. Thamarat Chokwatana | 30,000 | 5.00 |
| 3 | Mr. Vichai Kulsomphob | 30,000 | 5.00 |
| | Total shareholding | 600,000 | 100.00 |

Source: Ministry of Commerce, 25 February 2025

As of 25 February 2025, BSC SO IN Co., Ltd. has a list of shareholders as follows.

| | Name | No. share | % |
|---|----------------------------|-----------|-------|
| 1 | Mrs. Thirada Amphanwong | 1,000,000 | 10.00 |
| 2 | Ms. Thaninthorn Chokwatana | 1,000,000 | 10.00 |
| 3 | Mr. Thitipoom Chokwatana | 1,000,000 | 10.00 |
| 4 | B S T R 408 Co.,Ltd. | 850,000 | 8.50 |
| 5 | Mr. Thamarat Chokwatana | 800,000 | 8.00 |
| 6 | Mr. Peeranat Chokwatana | 500,000 | 5.00 |
| 7 | Mr.Pipope Chokwatana | 500,000 | 5.00 |

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| | Name | No. share | % |
|----|--------------------------------------------------------|-------------------|---------------|
| 8 | Mr. Vichai Kulsomphob | 500,000 | 5.00 |
| 9 | Mr. Panitarn Pavarolarvidya | 500,000 | 5.00 |
| 10 | Mr. Chailadol Chokwatana | 500,000 | 5.00 |
| | Total shareholding of top 10 major shareholders | 7,150,000 | 71.50 |
| 11 | Other shareholders | 2,850,000 | 28.50 |
| | Total shareholding | 10,000,000 | 100.00 |

Source: Ministry of Commerce, 25 February 2025

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

| Item | Consolidated financial statement ending 31 December | | | | | |
|------------------------------------------------|-----------------------------------------------------|--------------|-----------------|--------------|-----------------|--------------|
| | 2022 | | 2023 | | 2024 | |
| | Million Baht | % | Million Baht | % | Million Baht | % |
| Asset | | | | | | |
| Current asset | | | | | | |
| Cash and cash equivalents | 702.60 | 2.05 | 900.15 | 2.59 | 1,255.09 | 3.53 |
| Current investments | 2,580.40 | 7.53 | 1,479.20 | 4.25 | 938.86 | 2.64 |
| Trade receivables | 1,122.83 | 3.28 | 1,193.47 | 3.43 | 1,235.22 | 3.48 |
| Other receivables | 202.28 | 0.59 | 218.10 | 0.63 | 191.74 | 0.54 |
| Short-term loans to related parties | 20.00 | 0.06 | 20.00 | 0.06 | 20.00 | 0.06 |
| Current portion of long-term loan | - | 0.00 | 3.55 | 0.01 | 3.55 | 0.01 |
| Inventories | 2,407.73 | 7.03 | 2,686.33 | 7.72 | 3,034.26 | 8.54 |
| Real estate projects under development | 69.71 | 0.20 | 65.69 | 0.19 | - | - |
| Output VAT on consignment sales of inventories | 186.65 | 0.54 | 184.27 | 0.53 | 196.27 | 0.55 |
| Other current assets | 208.93 | 0.61 | 11.66 | 0.03 | 15.12 | 0.04 |
| Total current asset | 7,501.12 | 21.90 | 6,762.43 | 19.42 | 6,890.11 | 19.40 |
| Non-current asset | | | | | | |
| Restricted deposits at financial institution | 37.95 | 0.11 | 37.95 | 0.11 | 35.00 | 0.10 |
| Other non-current financial assets | 21,100.87 | 61.60 | 21,855.87 | 62.77 | 21,668.49 | 61.00 |
| Investments in associates | 953.80 | 2.78 | 1,043.08 | 3.00 | 1,367.45 | 3.85 |
| Long-term loans to related parties | - | - | 500.00 | 1.44 | 542.50 | 1.53 |
| Long-term loan | 3.55 | 0.01 | - | - | | |
| Investment properties | 1,220.70 | 3.56 | 1,214.18 | 3.49 | 1,207.37 | 3.40 |
| Property, plant and equipment | 2,360.26 | 6.89 | 2,295.96 | 6.59 | 2,410.25 | 6.79 |

Independent Financial Advisor' Opinion on the Connected Transaction

| Item | Consolidated financial statement ending 31 December | | | | | |
|------------------------------------------------------------------|-----------------------------------------------------|---------------|------------------|---------------|------------------|---------------|
| | 2022 | | 2023 | | 2024 | |
| | Million Baht | % | Million Baht | % | Million Baht | % |
| Right-of-use assets | 705.90 | 2.06 | 536.94 | 1.54 | 697.33 | 1.96 |
| Other intangible assets | 83.83 | 0.24 | 73.22 | 0.21 | 105.71 | 0.30 |
| Deferred tax assets | - | - | - | - | 35.00 | 0.10 |
| Other non-current assets | 286.95 | 0.84 | 496.68 | 1.43 | 563.10 | 1.59 |
| Total non-current asset | 26,753.81 | 78.10 | 28,053.88 | 80.58 | 28,632.21 | 80.60 |
| Total asset | 34,254.93 | 100.00 | 34,816.31 | 100.00 | 35,522.32 | 100.00 |
| Liabilities and shareholders' equity | | | | | | |
| Current liabilities | | | | | | |
| Bank overdrafts and short-term loans from financial institutions | 25.87 | 0.08 | 37.95 | 0.11 | 26.69 | 0.08 |
| Trade payables | 1,025.71 | 2.99 | 21,855.87 | 62.77 | 1,007.27 | 2.84 |
| Other payables | 454.07 | 1.33 | 1,043.08 | 3.00 | 561.13 | 1.58 |
| Current portion of lease liabilities | 399.46 | 1.17 | 319.86 | 0.92 | 308.63 | 0.87 |
| Short-term loans from related parties | 25.00 | 0.07 | 45.00 | 0.13 | 45.00 | 0.13 |
| Current portion of advance received from rental income | 6.66 | 0.02 | 6.68 | 0.02 | 5.09 | 0.01 |
| Other non-current financial liabilities | 25.96 | 0.08 | - | - | | |
| Total current liabilities | 1,962.73 | 5.73 | 1,880.32 | 5.40 | 1,953.81 | 5.50 |
| Non-current liabilities | | | | | | |
| Lease liabilities | 309.57 | 0.90 | 221.78 | 0.64 | 395.80 | 1.11 |
| Deferred tax liabilities | 2,750.43 | 8.03 | 2,800.11 | 8.04 | 2,712.28 | 7.64 |
| Provisions for employee benefits | 382.94 | 1.12 | 408.41 | 1.17 | 476.25 | 1.34 |
| Advance received from rental income | 177.95 | 0.52 | 171.27 | 0.49 | 169.63 | 0.48 |
| Other non-current liabilities | 94.71 | 0.28 | 82.84 | 0.24 | 85.82 | 0.24 |
| Total non-current liabilities | 3,715.60 | 10.85 | 3,684.42 | 10.58 | 3,839.78 | 10.81 |
| Total liabilities | 5,678.34 | 16.58 | 5,564.74 | 15.98 | 5,793.58 | 16.31 |

Independent Financial Advisor' Opinion on the Connected Transaction

| Item | Consolidated financial statement ending 31 December | | | | | |
|-----------------------------------------------------------------|-----------------------------------------------------|---------------|------------------|---------------|------------------|---------------|
| | 2022 | | 2023 | | 2024 | |
| | Million Baht | % | Million Baht | % | Million Baht | % |
| Shareholders' equity | | | | | | |
| Authorized share capital | | | | | | |
| (365 million ordinary shares, par value at 1.00 Baht per share) | 500.00 | 1.46 | 500.00 | 1.44 | 365.00 | 1.03 |
| Issued and paid-up capital | | | | | | |
| (365 million ordinary shares, par value at 1.00 Baht per share) | 290.63 | 0.85 | 290.63 | 0.83 | 365.00 | 1.03 |
| Share premium: | | | | | | |
| Share premium on ordinary shares | 1,487.14 | 4.34 | 1,487.14 | 4.27 | 1,487.19 | 4.19 |
| Share premium on treasury shares | 51.43 | 0.15 | 51.43 | 0.15 | 51.43 | 0.14 |
| Retained earnings: | | | | | | |
| Appropriated | | | | | | |
| Legal reserve | 50.00 | 0.15 | 50.00 | 0.14 | 50.00 | 0.14 |
| General reserve | 2,041.22 | 5.96 | 2,100.01 | 6.03 | 2,191.54 | 6.17 |
| Unappropriated | 12,338.90 | 36.02 | 12,873.43 | 36.98 | 13,353.89 | 37.59 |
| Other components of equity | 12,239.76 | 35.73 | 12,327.70 | 35.41 | 11,937.73 | 33.61 |
| Equity attributable to owners of the parent | 28,499.09 | 83.20 | 29,180.36 | 83.81 | 29,436.78 | 82.87 |
| Non-controlling interests | 77.50 | 0.23 | 71.22 | 0.20 | 291.96 | 0.82 |
| Total equity | 28,576.59 | 83.42 | 29,251.58 | 84.02 | 29,728.74 | 83.69 |
| Total liabilities and equity | 34,254.93 | 100.00 | 34,816.31 | 100.00 | 35,522.32 | 100.00 |

Source: Company's financial statements between 31 December 2022 - 2024

1.8.2 Statement of comprehensive income

| Item | Consolidated financial statement ending 31 December | | | | | |
|-------------------------------------------------------------------------------|-----------------------------------------------------|---------------|------------------|---------------|------------------|---------------|
| | 2022 | | 2023 | | 2024 | |
| | Million Baht | % | Million Baht | % | Million Baht | % |
| Revenue | | | | | | |
| Revenue from sales | 8,479.12 | 89.67 | 8,842.68 | 88.15 | 8,734.92 | 83.60 |
| Other income | | | | | | |
| Dividend income | 340.39 | 3.60 | 921.03 | 9.18 | 1,400.50 | 13.40 |
| Gain from disposal of land | 392.65 | 4.15 | - | - | - | - |
| Gain on transfer other non-current financial asset to investment in associate | 28.14 | 0.30 | - | - | - | - |
| Gain on bargain purchase | 11.47 | 0.12 | - | - | 29.68 | 0.28 |
| Other income | 204.29 | 2.16 | 268.25 | 2.67 | 283.90 | 2.72 |
| Total other income | 976.96 | 10.33 | 1,189.28 | 11.85 | 1,714.08 | 16.40 |
| Total revenue | 9,456.08 | 100.00 | 10,031.96 | 100.00 | 10,449.00 | 100.00 |
| Cost | | | | | | |
| Cost of sales | 5,926.66 | 62.68 | 6,297.24 | 62.77 | 6,350.63 | 60.78 |
| Profit before expenses | 3,529.42 | 37.32 | 3,734.72 | 37.23 | 4,098.37 | 39.22 |
| Expense | | | | | | |
| Distribution costs | 1,879.57 | 19.88 | 1,731.92 | 17.26 | 1,834.82 | 17.56 |
| Administrative expenses | 1,000.25 | 10.58 | 1,051.12 | 10.48 | 1,188.30 | 11.37 |
| Loss from disposal of investment | - | - | - | - | 45.16 | 0.43 |
| Total expenses | 2,879.82 | 30.45 | 2,783.04 | 27.74 | 3,068.29 | 29.36 |
| Profit from operating activities | 649.60 | 6.87 | 951.68 | 9.49 | 1,030.08 | 9.86 |
| Finance costs | 11.48 | 0.12 | 16.07 | 0.16 | 20.54 | 0.20 |
| Share of profit of associates accounted for using equity method | 14.99 | 0.16 | (2.03) | (0.02) | 8.00 | 0.08 |

Independent Financial Advisor' Opinion on the Connected Transaction

| Item | Consolidated financial statement ending 31 December | | | | | |
|-----------------------------------------------------------------------------|-----------------------------------------------------|-------------|---------------|---------------|-----------------|---------------|
| | 2022 | | 2023 | | 2024 | |
| | Million Baht | % | Million Baht | % | Million Baht | % |
| Profit before income tax expenses | 653.11 | 6.91 | 933.57 | 9.31 | 1,017.55 | 9.74 |
| Tax expenses | (41.01) | (0.43) | (34.12) | (0.34) | (22.78) | (0.22) |
| Net profit for the year | 612.10 | 6.47 | 899.45 | 8.97 | 994.77 | 9.52 |
| Other comprehensive income | | | | | | |
| Items that will be reclassified subsequently to profit or loss | | | | | | |
| Exchange differences on translating financial statements | 7.21 | 0.08 | (1.34) | (0.01) | (2.61) | (0.02) |
| Total Items that will be reclassified subsequently to profit or loss | 7.21 | 0.08 | (1.34) | (0.01) | (2.61) | (0.02) |
| Items that will not be reclassified to profit or loss | | | | | | |
| Gain on investments in equity instruments designated at FVOCI | 7.24 | 0.08 | 118.98 | 1.19 | (489.06) | (4.68) |
| Gain on remeasurements of defined benefit plans | 128.49 | 1.36 | - | - | - | - |
| Income tax relating to items that will not be reclassified | (27.60) | (0.29) | (23.80) | (0.24) | 97.81 | 0.94 |
| Total items that will not be reclassified to profit and loss | 108.13 | 1.14 | 95.18 | 0.95 | (391.25) | (3.74) |
| Other comprehensive income (expense) for the year, net of tax | 115.34 | 1.22 | 93.84 | 0.94 | (393.85) | (3.77) |
| Total comprehensive income for the year | 727.44 | 7.69 | 993.29 | 9.90 | 600.91 | 5.75 |

Source: Company's financial statements between 31 December 2022 - 2024

1.8.3 Statement of cash flow

| Item | Consolidated financial statement ending 31 December | | |
|---------------------------------------------------------------------------------------------------|-----------------------------------------------------|---------------|--------------|
| | 2022 | 2023 | 2024 |
| | Million Baht | Million Baht | Million Baht |
| Cash flows from operating activities | | | |
| Profit for the year | 612.10 | 899.45 | 994.77 |
| Adjustments to reconcile profit to cash receipts (payments) | | | |
| Tax expense | 41.01 | 34.12 | 22.78 |
| Finance costs | 11.48 | 16.07 | 20.54 |
| Depreciation and amortization | 499.23 | 561.45 | 528.20 |
| Impairment loss | - | - | - |
| Expected credit loss on trade and other receivables | (2.80) | 1.10 | 1.31 |
| Loss (gain) on derivative | 25.22 | (26.35) | 0.15 |
| Share of profit (loss) of investments in associates accounted for using equity method, net of tax | (14.99) | 2.03 | (8.00) |
| Reversal of losses on inventories devaluation | 6.62 | (17.07) | (49.24) |
| Impairment loss on real estate projects under development | (0.47) | - | - |
| Loss from loss of control in subsidiary | - | - | 45.16 |
| Impairment loss on investment properties | - | - | - |
| Gain on disposal of assets | (390.55) | (5.02) | (3.52) |
| Gain on transfer other non-current financial asset to investment in associate | (28.14) | - | - |
| Gain on bargain purchase | (11.47) | - | (29.68) |
| Realised unearned lease income | (6.66) | (6.66) | (3.23) |
| Expenses for employee benefits | 59.66 | 52.54 | 16.09 |
| Dividends income | (340.39) | (921.03) | (1,400.50) |
| Interest income | (12.77) | (51.52) | (76.07) |
| Changes in operating assets and liabilities | 447.07 | 539.12 | 58.75 |

Independent Financial Advisor' Opinion on the Connected Transaction

| Item | Consolidated financial statement ending 31 December | | |
|-----------------------------------------------------------------|-----------------------------------------------------|---------------|----------------|
| | 2022 | 2023 | 2024 |
| | Million Baht | Million Baht | Million Baht |
| Trade receivables | 45.70 | (73.12) | 97.67 |
| Other receivables | (76.36) | (9.41) | 49.93 |
| Inventories | 259.10 | (261.53) | 12.17 |
| Real estate projects under development | 12.65 | 4.01 | - |
| Other current assets | (155.90) | 7.51 | (7.95) |
| Other non-current assets | (9.54) | (0.52) | (26.37) |
| Trade payables | (20.46) | 44.77 | (179.41) |
| Other payables | 19.43 | (38.22) | 104.97 |
| Other non-current liabilities | 3.73 | (11.87) | (0.71) |
| Net cash generated from (used in) operations | 525.42 | 200.73 | 109.04 |
| Provisions for employee benefits paid | (30.67) | (27.07) | (76.60) |
| Taxes paid | (32.27) | (33.12) | (56.54) |
| Taxes received | 14.25 | 0.53 | - |
| Net cash used in (from) operating activities | 476.74 | 141.06 | (24.10) |
| Cash flows from investing activities | | | |
| Proceeds from disposal of subsidiaries, net of cash disposed of | - | - | 26.64 |
| Acquisition of subsidiaries, net of cash acquired | - | - | (205.40) |
| Payments for increase in share capital in subsidiary | 52.65 | - | - |
| Increase in current investments | (2,580.40) | (1,479.20) | (868.86) |
| Decrease in current investments | 1,291.39 | 2,580.40 | 1,539.20 |
| Proceeds from debt securities | 34.60 | - | - |
| Proceeds from return of capital | - | 9.75 | 19.48 |
| Acquisition of equity securities | (487.60) | (656.04) | (356.85) |
| Acquisition of debt securities | (90.00) | - | (1.00) |

Independent Financial Advisor' Opinion on the Connected Transaction

| Item | Consolidated financial statement ending 31 December | | |
|---------------------------------------------------------------------------------------------|-----------------------------------------------------|-----------------|-----------------|
| | 2022 | 2023 | 2024 |
| | Million Baht | Million Baht | Million Baht |
| Acquisition of investment in associate | (15.41) | (103.07) | (331.20) |
| Payment for increase in share capital of investment in associate | (23.94) | - | - |
| Acquisition of investment in subsidiary | - | - | - |
| Proceeds from sale of assets | 601.79 | 29.26 | 7.92 |
| Acquisition of assets | (159.80) | (94.09) | (185.34) |
| Proceeds from repayment of loans to related parties | 3.55 | - | - |
| Payment for loans to related party | (3.55) | (500.00) | (42.50) |
| Dividends received | 351.99 | 932.52 | 1,414.83 |
| Interest received | 10.71 | 46.49 | 77.05 |
| Net cash used in (from) investing activities | (1,014.03) | 766.03 | 1,093.97 |
| | | | |
| Cash flows from financing activities | | | |
| Increase (decrease) in bank overdrafts and short-term borrowing from financial institutions | 13.70 | (9.22) | 10.04 |
| Proceeds from short-term borrowings from related parties | - | 20.00 | 0.21 |
| Repayment of short-term borrowings from related parties | (2.00) | - | - |
| Increase in restricted deposits at financial institution | 10.00 | - | 5.90 |
| Payment of lease liabilities | (326.19) | (402.63) | (374.10) |
| Proceeds from call-up of share capital from subsidiary - non-controlling interests | - | - | - |
| Dividends paid to owners of the Company | (101.72) | (290.63) | (332.52) |
| Dividends paid to non-controlling interests | - | (11.76) | (3.92) |
| Interest paid | (11.46) | (16.10) | (20.54) |
| Net cash used in (from) financing activities | (417.67) | (710.35) | (714.93) |
| | | | |

Independent Financial Advisor' Opinion on the Connected Transaction

| Item | Consolidated financial statement ending 31 December | | |
|-----------------------------------------------------------------------------------|-----------------------------------------------------|---------------|-----------------|
| | 2022 | 2023 | 2024 |
| | Million Baht | Million Baht | Million Baht |
| Net increase in cash and cash equivalents, before effect of exchange rate changes | (954.96) | 196.74 | 354.94 |
| Effect of exchange rate changes on cash and cash equivalents | 6.34 | 0.82 | - |
| Net increase in cash and cash equivalents | (948.62) | 197.55 | 354.94 |
| Cash and cash equivalents at 1 January | 1,651.22 | 702.60 | 900.15 |
| Cash and cash equivalents at 31 December | 702.60 | 900.15 | 1,255.09 |

Source: Company's financial statements between 31 December 2022 - 2024

1.8.4 Financial ratio

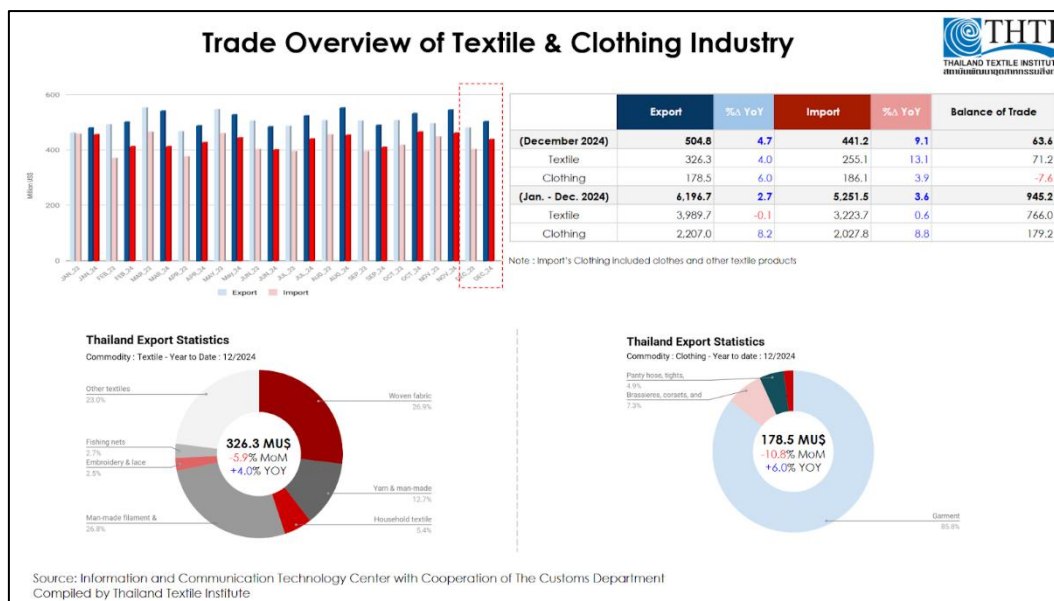
| Financial ratio | Unit | Ending 31 December | | |
|-------------------------------------------|------|--------------------|--------|--------|
| | | 2022 | 2023 | 2024 |
| Liquidity Ratio | | | | |
| Current ratio | Time | 3.82 | 3.60 | 3.53 |
| Quick ratio | Time | 2.35 | 2.02 | 1.85 |
| Cash flow from operating activities ratio | Time | 0.26 | 0.07 | (0.01) |
| Account receivable turnover | Time | 6.65 | 6.46 | 6.15 |
| Collection period | Day | 54.88 | 56.48 | 59.31 |
| Inventory turnover | Time | 2.33 | 2.47 | 2.22 |
| Inventory coverage | Day | 156.46 | 147.63 | 164.39 |
| Account payables turnover | Time | 4.09 | 4.24 | 4.15 |
| Payment period | Day | 89.24 | 86.13 | 87.95 |
| Cash cycle | Day | 122.11 | 117.98 | 135.75 |
| Profitability Ratio | | | | |
| Gross profit margin | % | 30.10 | 28.79 | 27.30 |
| Operating profit margin | % | 7.66 | 10.76 | 11.79 |
| Cash to profit margin | % | 73.39 | 14.82 | (2.34) |
| Net profit margin | % | 6.47 | 8.97 | 9.52 |
| Return on equity | % | 2.17 | 3.12 | 3.39 |
| Efficiency Ratio | | | | |
| Return on assets | % | 1.81 | 2.60 | 2.83 |
| Return on fixed assets | % | 30.36 | 41.20 | 42.73 |
| Asset turnover | Time | 0.25 | 0.26 | 0.25 |
| Financial Policy Ratio | | | | |
| Debt to equity ratio | Time | 0.20 | 0.19 | 0.20 |
| Interest coverage ratio | Time | 100.08 | 94.13 | 75.88 |
| Payout ratio | % | 16.62 | 32.31 | 33.43 |

1.9 Industry Overview

According to data from the Thailand Textile Institute (THTI) released on January 31, 2025, "The Situation of the Thai Textile and Garment Industry in December 2024," textile and garment exports were valued at 504.8 million US dollars, an increase of 4.7 percent compared to the same month of the previous year (%YoY), divided into (1) textile exports worth 326.3 million US dollars, an increase of 4.0 percent, and (2) garment exports worth 178.5 million US dollars, an increase of 6.0 percent. Meanwhile, the overall imports of the industry were valued at 441.2 million US dollars, an increase of 9.1 percent, divided into (1) textile imports

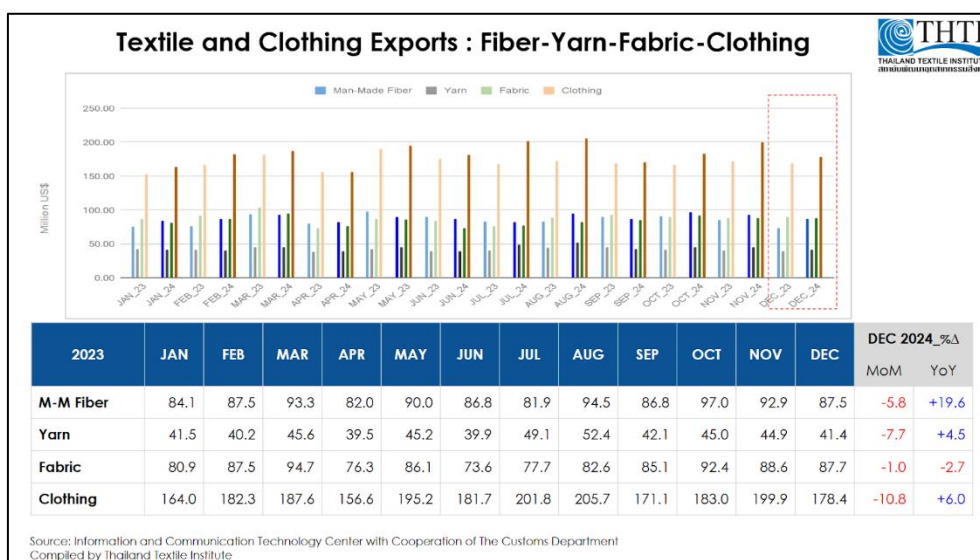
worth 255.1 million US dollars, an increase of 13.1 percent, and (2) garment imports worth 186.1 million US dollars, an increase of 3.9 percent. The overall trade surplus was 63.6 million US dollars.

International trade of Thai textile and garment industry



Source: Information from Thailand Textile Institute: THTI in collaboration with Customs Department, 31 January 2025

Summary of international trade of the textile industry in 2024 (January-December) found that textile and garment exports were worth 6,196.7 million US dollars, an increase of 2.7 percent when compared to the same period of the previous year (%YoY), divided into (1) (cumulative) exports of the textile group were worth 3,989.7 million US dollars, a decrease of 0.1 percent, and (2) (cumulative) exports of the garment group were worth 2,207.0 million US dollars, an increase of 8.2 percent. Meanwhile, the summary of the overall imports in 2024 of the said industry was worth 5,251.5 million US dollars, an increase of 3.6 percent, divided into (1) (cumulative) imports of the textile group were worth 3,223.7 million US dollars, an increase of 0.6 percent, and (2) (cumulative) imports of the garment group were worth 2,027.8 million US dollars. It increased by 8.8 percent and resulted in a total trade balance (cumulative) surplus of 945.2 million US dollars.

Value of textile and garment exports by 4 main products

Source: Information from Thailand Textile Institute: THTI in collaboration with Customs Department, 31 January 2025

When considering the export value of the 4 main products, consisting of artificial fibers, yarn, fabrics and clothing, in December 2024, it was found that almost every product expanded when compared to the same period of the previous year (%YoY), except for fabric product exports, which decreased by 2.7 percent (%YoY). When compared to the previous month (%MoM), it was found that all 4 main products decreased.

The global fashion industry outlook for 2025 is expected to continue to experience slower growth, with revenue growth expected to remain low. Although luxury goods have been the main driver of value creation in recent years, non-luxury goods have emerged as the main driver of increased economic profits in recent years.

Meanwhile, a BoF-McKinsey survey found that most fashion industry leaders remain concerned about the future of the industry, with 20 percent of those surveyed expecting consumer confidence to improve by 2025, while 39 percent predicted that the industry's market conditions would decline.

While geographical factors are expected to drive economic profits and change significantly, the industrial dimension is expected to benefit positively from many regions such as Europe, the United States and emerging markets in Asia. China will remain an important market, but brands will have to adjust their strategies to cope with economic uncertainty in China and turn to focus on other markets in Asia such as Japan, Korea and India.

For the factors that are expected to affect the Thai textile and garment industry in 2025, domestic tourism is likely to be a factor that helps push up consumption, especially the clothing group, which is also expected to increase. However, the main concern is the increasing imports throughout the supply chain of the Thai textile and garment industry last year. It was found that the import value was close to the export value. This may result in a trade surplus in 2025 at a reduced rate and may result in a trade deficit.

| | Export | %Δ YoY | Import | %Δ YoY | Balance of Trade |
|---------------------------|----------------|------------|----------------|------------|------------------|
| (December 2024) | 504.8 | 4.7 | 441.2 | 9.1 | 63.6 |
| Textile | 326.3 | 4.0 | 255.1 | 13.1 | 71.2 |
| Clothing | 178.5 | 6.0 | 186.1 | 3.9 | -7.6 |
| (Jan. - Dec. 2024) | 6,196.7 | 2.7 | 5,251.5 | 3.6 | 945.2 |
| Textile | 3,989.7 | -0.1 | 3,223.7 | 0.6 | 766.0 |
| Clothing | 2,207.0 | 8.2 | 2,027.8 | 8.8 | 179.2 |

Source: Thailand Textile Institute: THTI, published on 31 January 2025

From the above data, it was found that in December 2024, Thailand had a higher value of garment imports than exports, resulting in a trade deficit of 7.6 million US dollars. However, if considering the overall proportion of exports and imports in 2024 (January-December), it was found that the proportions were similar, especially textile exports in the previous year, which decreased by 0.1 percent (%YoY).

Another concern is the possible increase in costs, especially if wages are adjusted, which may make it difficult for domestic entrepreneurs to compete, including the global economic factors that are expected to continue to slow down, coupled with energy costs (electricity and oil), currency rates and interest rates. These factors may affect the competitiveness of the Thai textile and garment industry in the following year.

1.10 Management discussion and analysis

1.10.1 Operating performance

1.10.1.1 Revenue from sales of goods

The Company and its subsidiaries had sales revenue between 2022 - 2024 of 8,479.12 million baht, 8,842.68 million baht and 8,734.92 million baht, respectively, which is a compound annual growth rate (CAGR) between 2022 - 2024 of 1.50 percent. The sales revenue of the Company and its subsidiaries consists of 3 main product lines: 1. Cosmetics and perfumeries 2. Women's apparel 3. Men's apparel and other sales revenue.

| Item | 2022 | | 2023 | | 2024 | |
|---------------------------------|-----------------|----------------|-----------------|----------------|-----------------|----------------|
| | Million Baht | % ² | Million Baht | % ² | Million Baht | % ² |
| Cosmetics and perfumeries | 559.46 | 5.92 | 638.17 | 6.36 | 617.00 | 5.09 |
| Women's apparel | 2,540.21 | 26.86 | 2,675.15 | 26.67 | 2,675.00 | 25.60 |
| Men's apparel | 2,737.69 | 28.95 | 2,744.55 | 27.36 | 3,053.00 | 29.22 |
| Other sales ¹ | 2,641.76 | 27.94 | 2,784.81 | 14.31 | 2,389.92 | 22.87 |
| Total revenue from sales | 8,479.12 | 89.67 | 8,842.70 | 88.15 | 8,734.92 | 82.78 |

Source: Company's information

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

Remark 2: Percentage of total revenue ending 31 December

For 2023, the Company's sales revenue increased by 363.55 million baht, or 4.29 percent, compared to 2022, due to: 1. Products in the cosmetics group increased by 78.71 million baht, or 14.07 percent, from increasing sales from online channels and product placement in convenience stores and beauty stores; 2. Products in the women's apparel group increased by 134.94 million baht, or 5.31 percent, from adjusting products to better meet consumer needs as well as better advertising and public relations communications; and 3. Other sales increased by 143.93 million baht, or 11.14 percent, from improving sales in children's product, which launched new innovations that were very well-received by consumers.

For 2024, the Company's sales revenue decreased by 107.75 million baht or 1.22 percent compared to 2023 because cosmetics group and other sales revenue decreased by 416.06 million baht or 12.15 percent of 2023, following the contraction of domestic purchasing power from the overall economy of the country. Meanwhile, men's clothing products increased by 308.45 million baht or 11.24 percent of 2023 from better consumer response to this product group.

1.10.1.2 Other income

During 2022-2024, the Company and its subsidiaries had other incomes of 976.94 million baht, 1,189.28 million baht and 1,689.01 million baht, respectively.

| Item | 2022 | | 2023 | | 2024 | |
|----------------------------|---------------|----------------|-----------------|----------------|-----------------|----------------|
| | Million Baht | % ² | Million Baht | % ² | Million Baht | % ² |
| Dividend income | 340.39 | 3.60 | 921.03 | 9.18 | 1,400.50 | 13.44 |
| Gain from disposal of land | 392.65 | 4.15 | - | - | - | - |
| Other income ¹ | 243.90 | 2.58 | 268.25 | 2.67 | 313.58 | 3.00 |
| Total other income | 976.94 | 10.33 | 1,189.28 | 11.85 | 1,714.08 | 16.20 |

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

For 2023, the Company and its subsidiaries had other incomes of 1,189.28 million baht, consisting of dividend income of 921.03 million baht and other income of 268.25 million baht. Other income includes trade support income, transportation income, interest income and others. Dividend income increased by 580.64 million baht or 63.04 percent from investment in associates and other income increased by 63.96 million baht or 23.84 percent.

For 2024, the Company and its subsidiaries had other income of 1,689.01 million baht, consisting of dividend income of 1,400.50 million baht and other income of 288.50 million baht, with dividend income increasing by 479.47 million baht or 52.06 percent compared to 2023 due to increased dividends from the Company's investment.

1.10.1.3 Cost of sales

The Company and its subsidiaries had cost of sales during 2022-2024 of 5,926.66 million baht, 6,297.24 million baht and 6,349.97 million baht, respectively. Cost of sales mainly consisted of cost of purchase of finished goods and transportation costs.

For 2023, the Company and its subsidiaries had cost of sales of 6,297.24 million baht, an increase of 370.58 million baht or 6.25 percent due to the restructuring of sales of some product groups according to the new company's policies. The increase in cost of sales was in line with the increase in sales revenue from the increase in product distribution channels.

For 2024, the Company and its subsidiaries had cost of sales of 6,349.97 million baht, an increase of 52.73 million baht or 6.25 percent, which was inconsistent with revenue because the Company had costs from investing in technology to increase its competitiveness.

1.10.1.4 Gross profit

In 2022-2024, the Company's gross profit margin was 30.10 percent, 28.79 percent, and 27.30 percent, respectively.

| Unit: Million Baht | 31 Dec 2022 | % | 31 Dec 2023 | % | 31 Dec 2024 | % |
|---------------------|-----------------|--------------|-----------------|--------------|-----------------|--------------|
| Sales of goods | 8,479.12 | 100.00 | 8,842.68 | 100.00 | 8,734.92 | 100.00 |
| Cost of sales | 5,926.66 | 70.29 | 6,297.24 | 71.45 | 6,349.97 | 69.90 |
| Gross profit | 2,552.46 | 30.10 | 2,545.44 | 28.79 | 2,384.95 | 27.30 |

In 2023, the Company's gross profit decreased by 7.03 million baht, or 0.28 percent, compared to 2022 due to increased sales revenue from the expansion of distribution channels of 363.55 million baht and increased cost of sales from the restructuring of product sales of 370.58 million baht, resulting in a decrease in the Company's gross profit.

In 2024, the Company's gross profit decreased by 160.48 million baht, or 6.33 percent, from 2023 due to lower sales revenue in line with the country's purchasing power shrinking from the country's overall economy and higher costs from investment burdens in technology to increase competitiveness.

1.10.1.5 Distribution and Administrative expenses

During 2022-2024, the Company and its subsidiaries had distribution and administrative expenses of THB 2,879.82 million, THB 2,783.04 million and THB 3,025.36 million, respectively.

In 2023, the Company and its subsidiaries had a decrease in selling and administrative expenses of 96.78 million baht or 3.36 percent because the Company has a policy to control expenses to ensure continuous business operations by reducing and managing expenses effectively, such as adjusting advertising through online channels or social commerce to reduce marketing expenses, including managing obsolete products more effectively.

In 2024, the Company and its subsidiaries had an increase in selling and administrative expenses of 285.25 million baht or 10.25 percent, resulting from increased costs from accelerating the integration of technology to increase competitiveness and increased costs from expanding distribution channels through the E-Commerce system.

1.10.1.6 Net profit

The Company and its subsidiaries had net profits during 2022-2024, with the Company and its subsidiaries having net profits of 612.10, 899.45 million baht and 956.22 million baht, respectively.

In 2023, the Company and its subsidiaries had a net profit of 899.45 million baht, an increase of 287.35 million baht or 46.95 percent, due to an increase in other income of 212.33 million baht, consisting of dividend income, interest income from domestic financial institutions, and rental income, and efficient cost management, such as adjusting advertising through online channels or social commerce to reduce marketing expenses, including more efficient management of obsolete products.

In 2024, the Company and its subsidiaries had a net profit of 994.77 million baht, an increase of 95.32 million baht or 10.60 percent, due to the Company receiving dividends from investments that increased by 479.47 or 52.06 percent from 2023, while the Company had a decrease in sales revenue of 107.75 million baht, in line with the domestic economic situation and increased costs and expenses of 338.64 from increasing the competitiveness of products and distribution channels.

1.10.2 Financial position

1.10.2.1 Assets

The Company and its subsidiaries have total assets during 2022 - 2024 of 34,254.93 million baht, 34,816.31 million baht and 35,522.32 million baht, respectively, which consist of assets related to business operations and investments for liquidity management and returns, including cash and highly liquid temporary investments, trade receivables, inventories, non-current financial assets, investments in associates, investment properties and land, buildings and equipment.

As of 31 December 2023, the Company and its subsidiaries had total assets of 34,816.31 million baht, an increase of 561.39 million baht or 1.64 percent from 2022, with significant changes in assets as follows: 1. Current investments decreased by 1,101.20 million baht due to the management of deposits with a term of more than 3 months by investing and lending money to get the highest return 2. Cash and cash equivalents increased by 197.55 million baht due to increased receipt of trade receivables. 3. Net inventories increased by 278.60 million baht due to increased imported goods in transit from overseas by ordering goods appropriately according to the season. 4. Other non-current financial assets increased by 755.00 million baht due to the measurement of fair value of general investments in accordance with Financial Reporting Standard No. 9 on Financial Instruments (TFRS 9), causing the Company to record an increase in fair value of financial investments, including increased long-term investments in both related and external companies in the country. 5. Long-term loans to related businesses increased by 500.00 million baht from lending to TNL.

As of 31 December 2024, the Company and its subsidiaries had total assets of 35,522.32 million baht, an increase of 706.01 million baht or 2.03 percent from 2023, mainly due to the investment in TNLX Co., Ltd. in the proportion of 70.00 percent, resulting in the Company's assets increasing from the merger under the consolidated financial statement standard.

1.10.2.2 Liabilities

The Company and its subsidiaries have total liabilities during 2022-2024 of 5,678.34 million baht, 5,564.74 million baht and 5,793.58 million baht, respectively, which consist of principal liabilities related to operations, namely trade and other payables, finance lease liabilities for sales areas, deferred tax liabilities and provisions for employee benefits.

As of 31 December 2023, the Company and its subsidiaries had total liabilities of 5,564.74 million baht, a decrease of 113.60 million baht or 2.00 percent compared to 2022, with significant changes in liabilities as follows: 1. Other payables decreased by 32.42 million baht, and liabilities under leases due within 1 year decreased by 79.60 million baht, and liabilities under leases decreased by 87.79 million baht, in accordance with Financial Reporting Standard No. 16 on Leases (TFRS16).

As of 31 December 2024, the Company's liabilities increased by 228.85 million baht, or 4.11 percent, from 2023, due to the Company having other creditors from related companies increasing by 139.47 million baht and lease liabilities increasing by 162.79 million baht.

1.10.2.3 Shareholders' equity

The Company and its subsidiaries have shareholders' equity during 2022-2024 of 28,576.59 million baht, 29,251.58 million baht and 29,487.57 million baht, respectively, consisting of retained earnings, registered capital, common stock premium, etc.

As of 31 December 2023, the Company and its subsidiaries had total shareholders' equity of 29,251.58 million baht, an increase from 2022 of 674.99 million baht or 2.36 percent, mainly due to an increase in retained earnings of 534.53 million baht and an increase in other components of shareholders' equity of 87.95 million baht, in accordance with Financial Reporting Standard No. 9 on Financial Instruments (TFRS 9).

As of 31 December 2024, the Company and its subsidiaries had total shareholders' equity of 29,728.74 million baht, an increase from 2023 of 477.16 million baht or 1.63 percent, mainly due to an increase in retained earnings from operating results of 480.46 million baht and a decrease in other components of shareholders' equity of 389.98 million baht, in accordance with Financial Reporting Standard No. 9 on Financial Instruments (TFRS 9).

1.10.3 Cash flows

For 2023, the Company had a decrease in net cash and equivalents of 197.55 million baht from 3 activities, with details as follows:

1. Cash flow from operating activities of 141.06 million baht from recording profit before tax from operations of 899.45 million baht, net of non-cash reconciliation items of 360.33 million baht, mainly from the

adjustment of dividends received from investment management in related businesses of 921.03 million baht of the Company and depreciation and amortization of non-current assets used in the business, such as land, buildings and equipment, intangible assets and assets with rights of use from leases of 561.45 million baht and an increase in working capital of 338.39 million baht, mainly from an increase in inventories from goods in transit imported from abroad of 261.53 million baht and trade and other receivables of 85.53 million baht, which is consistent with the increase in sales revenue. After adjusting interest income, financial costs and taxes, the cash flow used in operating activities was 141.06 million baht.

2. Cash flow from investment activities of 766.03 million baht, mainly from a decrease in net short-term investments of 1,101.20 million baht to invest some of the money in other financial assets for better returns, such as lending to Thanulak Company PLC of 500.00 million baht, additional investment in associates of 103.07 million baht, consisting of additional payment for shares in Issara United Development Company Limited of 20.00 million baht, investment in King Square Company Limited of 36.00 million baht, King Square Suite Company Limited of 46.80 million baht, which is engaged in real estate development business, and PTZ E-Commerce SEP Company Limited of 0.27 million baht, which is engaged in electronic distribution business. In addition, the Company invested in additional equity assets of 656.04 million baht from equity instruments in listed and unlisted companies.

3. Cash flow from financing activities of 710.35 million baht from cash flow from repayment of lease liabilities of 402.63 million baht, in which the Company has entered into lease contracts for space, buildings, equipment and vehicles for various operations. In addition, the Company has paid dividends to shareholders of 290.63 million baht in 2023.

For 2024, the Company had an increase in net cash flow of 354.94 million baht from 3 activities, with details as follows:

1. Cash flow used in operating activities of 24.10 million baht from profit before tax of 994.77 million baht, deducted by non-cash items of 936.02 million baht, mainly from the deduction of dividends received of 1,400.50 million baht from the results of investment management in related businesses and other financial assets, and the addition of depreciation and amortization of 528.20 million baht from tangible and intangible assets, including the Company's right-of-use assets, and the decrease in working capital of 50.30 million baht, mainly from the payment of trade and other payables, which decreased by 74.44 million baht. After adjusting for interest income, financial costs and taxes, the cash flow used in operating activities was 24.10 million baht.

2. Cash flow from investment activities of 1,093.97 million baht from the sale of short-term net investments of 670.34 million baht and the receipt of dividends of 1,414.83 million baht from investments. The Company has additionally invested in listed and unlisted equity securities of 356.85 million baht and purchased additional common shares of King Square Co., Ltd. of 324 million baht and PTZ eCommerce SEP Co., Ltd. of 2.7 million baht, including the investment in World Saha (Thailand) Co., Ltd. of 4.5 million baht, totaling 331.20 million baht, as an investment management to obtain higher returns.

3. Cash flow from financing activities of 714.93 million baht, mainly from repayment of lease liabilities of 374.10 million baht, which is a lease for the Company's operations, and payment of dividends to shareholders of 332.52 million baht.

1.10.4 Financial ratio

1.10.4.1 Liquidity Ratio

The Company has a current ratio of 3.82, 3.60 and 3.53 times during 2022-2024, respectively, and a quick ratio of 2.35, 2.02 and 1.85 times during 2022-2024, respectively. The liquidity ratio decreased due to the Company's excess cash management by investing in associates, non-current financial assets, and the Company's better inventory management from a lower inventory turnover ratio, resulting in a slight decrease in the liquidity ratio while the Company was able to maintain the quick ratio continuously, indicating that the Company has good liquidity for its business operations and investments.

1.10.4.2 Financial Policy Ratio

As of 31 December 2024, the Company's debt to equity ratio for 2022 - 2024 was 0.20, 0.19 and 0.20 times, respectively, which reflects a low debt ratio compared to equity. The Company has a low financial debt ratio and is able to maintain a consistent debt to equity ratio.

For the interest coverage ratio in 2022-2024, it is 100.08, 94.13 and 75.88 times, respectively, which shows that the Company has good ability to pay interest on current financial debt. The Company can operate its business as usual, resulting in an increase in operating income before finance costs and income tax in 2024.

1.10.4.3 Dividend Payout Ratio

The Company has a dividend payout ratio of 16.62 percent, 32.31 percent, and 33.43 percent for 2022-2024, respectively, which shows that the Company could continuously pay dividends to shareholders in accordance with the Company's dividend payment policy at a rate of 0.20 baht per share or 20 percent of the par value. IFA found that if the Company maintains the proportion of loans to TNL and after paying dividends for 2025, the Company will still have retained earnings of 24,829.32 million baht and high liquid assets of 1,420.48 million baht, referring to the audited separate financial statements for 2024 and if the Company The dividend payment for 2026-2027 is at the average dividend payment value of 2022-2024 of 241.63 million baht, resulting in retained earnings after the dividend payment of 24,346.06 million baht and high liquid assets of 937.22 million baht, indicating that the Company's retained earnings and high liquid assets are sufficient to pay dividends if the Company considers paying dividends based on the average between 2022-2024, even though the Company will not receive operating profits or returns on investment throughout the period of the loan extension to TNL.

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 | : The Company has 3 core businesses: 1) secured lending business 2) management of NPLs/NPAs business, and 3) real-estate development for sale business. |
| Location | : 129/1 Chong Nonsi Road, Chong Nonsi Subdistrict, Yannawa District, Bangkok 10120 |
| Registered capital | : 311,547,664.00 Baht divided into 311,547,664 common shares with par value at 1.00 Baht (25 February 2025) |
| Issued and paid-up capital | : 304,622,662.00 Baht divided into 304,622,662 common shares with par value at 1.00 Baht (25 February 2025) |

2.2 Historical information

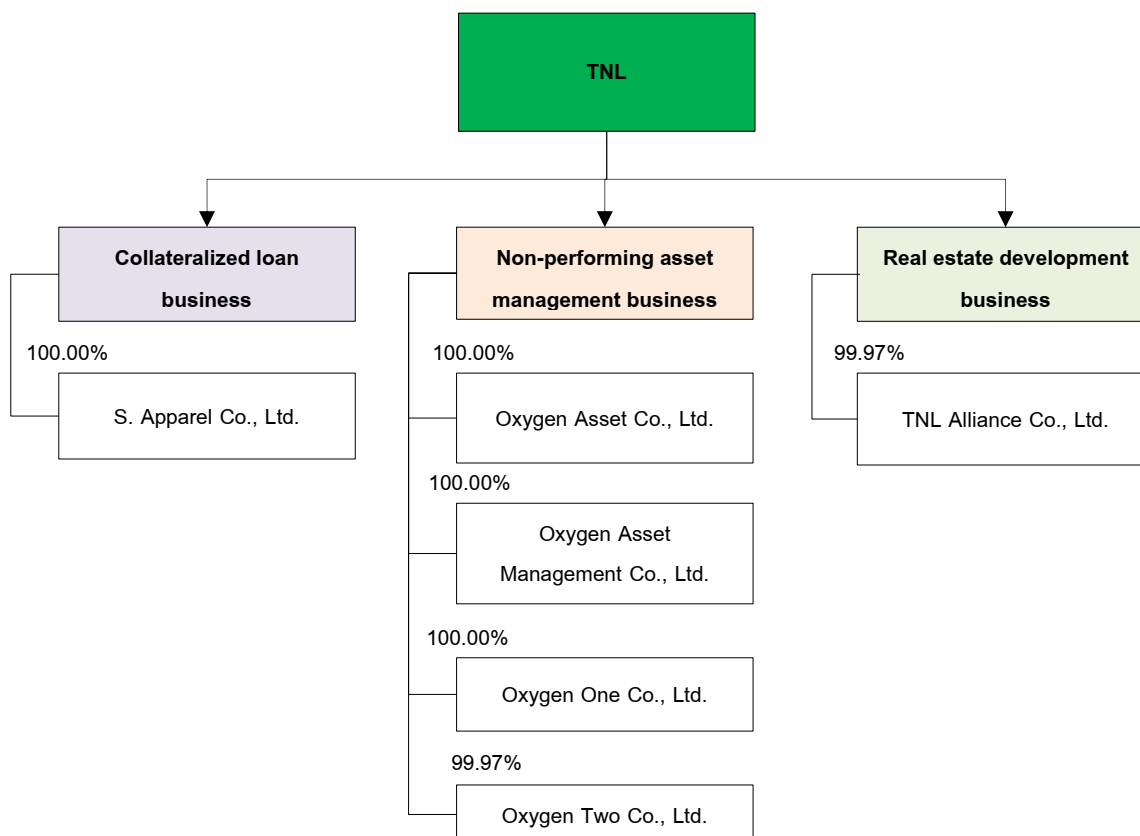
TNL was listed on the Stock Exchange of Thailand on 21 July 1987 and transformed into a public company in 1994 with two subsidiaries, namely (1) S. Apparel Co., Ltd. (currently ceasing its business) and (2) Celebrate Wealth Co., Ltd. (currently in the process of liquidation)

In 2022, TNL changed for sustainable growth by adjusting the shareholding structure from the issuance and offering additional ordinary shares to BTS Group Holdings Public Company Limited, which will join as a business partner. TNL has expanded its business scope to businesses with potential and good growth prospects, namely secured lending business, asset management business, and real estate business in order to diversify business risk of its business to other businesses in order to create a satisfactory return on investment and increase the company's growth potential in the long term. The Company has also purchased 90.00 percent of ordinary shares of Oxygen Asset Company Limited, which is engaged in secured lending to entrepreneurs, from Saha Pathana Inter-Holding Public Company Limited, and purchased 50.00 percent of ordinary shares of 7 companies engaged in real estate business for sale of residential properties from Rabbit Holdings Public Company Limited and U Global Hospitality Company Limited for each company.

On August 27, 2024, TNL changed its business category from "FMCG" to "Financial". As of September 30, 2024, TNL had a total registered and paid-up capital of 311.55 million baht and a paid-up registered capital of 304.62 million baht.

2.3 Shareholding structure of TNL and its subsidiaries

TNL is engaged in 3 main businesses: 1) Secured Lending Business, 2) Non-Performing Asset and Foreclosed Asset Management Business, and 3) Real Estate Development for Sale Business, with the shareholding structure of the Group as follows:



Source: TNL's information

2.4 Revenue structure

| Product | 2021 | | 2022 | | 2023 | |
|-------------------------------------------------------|-----------------|---------------|-----------------|---------------|-----------------|---------------|
| | Million Baht | % | Million Baht | % | Million Baht | % |
| Sales and services | 1,332.66 | 92.65 | 1,777.06 | 90.64 | 1,619.30 | 56.42 |
| Interest income from lending | - | - | - | - | 481.09 | 16.76 |
| Interest income from purchase of receivables | - | - | - | - | 71.46 | 2.49 |
| Interest income and monitoring and consulting service | - | - | - | - | 286.96 | 10.00 |
| Operating revenue | 1,332.66 | 92.65 | 1,777.06 | 90.64 | 2,458.81 | 85.67 |
| Other income | 105.73 | 7.35 | 183.42 | 9.36 | 411.13 | 14.33 |
| Total revenue | 1,438.39 | 100.00 | 1,960.48 | 100.00 | 2,869.94 | 100.00 |

Remark: 1. Interest and consulting fee income referred to interest income and consulting and project supervision fee from the real estate development business for sale of the subsidiary company, TNL Alliance Co., Ltd.

2.5 Board of directors

As of 25 February 2025, TNL has 9 directors as follows.

| No. | Name | Position |
|-----|--------------------------------------|------------------------------------------------------|
| 1 | Mr. Pravej Ongartsittigul | Managing Director, Director |
| 2 | Mr. Thamarat Chokwatana ¹ | Vice Chairman of the Board |
| 3 | Mr. Kittichai Treerachataphong | Managing Director, Director |
| 4 | Mr. Surayut Thavikulwat | Director |
| 5 | Mrs. Lapika Sasanavin | Director |
| 6 | Miss Chawadee Rungruang | Director |
| 7 | Miss Suthida Jongjenkit | Director |
| 8 | Mr. Nuntawat Surawatsatien | Director |
| 9 | Mr. Yotsakorn Srisuksawadi | Director |
| 10 | Mr. Suchatvee Suwansawat | Independent Director, Chairman of Audit Committee |
| 11 | Mr. Vittawat Panpanich | Independent Director, Audit Committee |
| 12 | Miss Choosri Kietkajornkul | Independent Director, Audit Committee |

Source: SET as of 25 February 2025

Remark: 1. Mr. Thamarat Chokwatana is the Chairman of the Executive Board, Managing Director and Director of ICC, who is a director with an interest.

2.6 Shareholding structure

As of 25 February 2025, TNL has list of shareholders as follows

| No | Name | No. share | % |
|--------------------------------------------------------|-------------------------------------------------------------------------------|--------------------|---------------|
| 1 | Saha Pathana Interholding Public Company Limited | 129,949,100 | 42.66 |
| 2 | BTS Group Holdings Public Company Limited | 109,302,746 | 35.88 |
| 3 | I.C.C. International Public Company Limited | 19,135,709 | 6.28 |
| 4 | BTS Group Holdings Public Company Limited by Metha Asset Management Co., Ltd. | 19,000,000 | 6.24 |
| 5 | YI TONG TIAN TAI BSC CO., LTD | 2,943,500 | 0.97 |
| 6 | Thai Wacoal Public Company Limited | 1,434,782 | 0.47 |
| 7 | Mr. Palm Leelanuwatana | 1,376,240 | 0.45 |
| 8 | Ms. Marin Leelanuwatana | 1,217,960 | 0.40 |
| 9 | Mrs. Sirina Pavarolarvidya | 940,269 | 0.31 |
| 10 | BSC SO IN Co., Ltd. | 934,443 | 0.31 |
| Total shareholding of top 10 major shareholders | | 286,234,749 | 93.96 |
| | Other shareholders | 18,387,913 | 6.04 |
| Total shareholding | | 304,622,662 | 100.00 |

Source: SET as of 21 March 2025

2.7 Financial statements**2.7.1 Statement of financial position**

Unit: million baht

| Consolidated financial statement | Audited financial statement ending 31 December | | | | | | | |
|---------------------------------------------------------------------------------|------------------------------------------------|-------|---------------------------|-------|--------------------------|-------|----------|-------|
| | 2022 | % | 2023 | % | 2023 | % | 2024 | % |
| | | | (Before reclassification) | | (After reclassification) | | | |
| Assets | | | | | | | | |
| Current asset | | | | | | | | |
| Cash and cash equivalents | 2,384.41 | 22.58 | 1,281.17 | 9.55 | 1,281.17 | 9.55 | 1,465.75 | 10.53 |
| Trade and other receivables | 234.86 | 2.22 | 235.39 | 1.75 | 235.39 | 1.75 | 147.90 | 1.06 |
| Short term loan to related companies | 29.82 | 0.28 | 27.82 | 0.21 | 27.82 | 0.21 | 20.00 | 0.14 |
| Current portion of long term loan to related companies | - | - | 40.00 | 0.30 | 40.00 | 0.30 | - | - |
| Short term loan to customers and accrued interest receivables – net | 2,542.84 | 24.09 | 4,154.22 | 30.95 | 4,154.22 | 30.95 | 4,075.05 | 29.28 |
| Current portion of long term loan to customers and accrued interest receivables | - | - | 1,050.00 | 7.82 | 1,050.00 | 7.82 | 1,719.92 | 12.36 |
| Inventories | 443.51 | 4.20 | 288.78 | 2.15 | 288.78 | 2.15 | - | - |
| Other current financial asset | 99.47 | 0.94 | - | - | - | - | - | - |
| Total current assets | 5,734.92 | 54.32 | 7,077.39 | 52.74 | 7,077.39 | 52.74 | 7,428.63 | 53.38 |
| Non current liabilities | | | | | | | | |
| Properties for sales | - | - | - | - | - | - | 176.17 | 1.27 |
| Long term loan to related companies – net of current portion | 328.93 | 3.12 | 1,649.27 | 12.29 | 1,649.27 | 12.29 | 2,123.67 | 15.26 |
| Loan purchased of receivables and accrued interest receivables - net | - | - | 927.19 | 6.91 | 927.19 | 6.91 | 1,359.09 | 9.77 |

Independent Financial Advisor' Opinion on the Connected Transaction

| Consolidated financial statement | Audited financial statement ending 31 December | | | | | | | |
|----------------------------------------------------------------------------------------|------------------------------------------------|--------|---------------------------|--------|--------------------------|--------|-----------|--------|
| | 2022 | % | 2023 | % | 2023 | % | 2024 | % |
| | | | (Before reclassification) | | (After reclassification) | | | |
| Long term loans to customers and accrued interest receivables – net of current portion | 1,050.00 | 9.95 | 680.00 | 5.07 | 680.00 | 5.07 | 455.98 | 3.28 |
| Investment in associates | 527.83 | 5.00 | 436.23 | 3.25 | 436.23 | 3.25 | 304.76 | 2.19 |
| Other non current financial assets | 1,704.94 | 16.15 | 1,475.39 | 10.99 | 1,475.39 | 10.99 | 999.13 | 7.18 |
| Investment properties | 139.27 | 1.32 | 97.38 | 0.73 | 97.38 | 0.73 | 345.40 | 2.48 |
| Property, plant and equipment | 346.73 | 3.28 | 341.53 | 2.54 | 341.53 | 2.54 | 5.51 | 0.04 |
| Right-of-use assets | 10.99 | 0.10 | 21.56 | 0.16 | 21.56 | 0.16 | 12.08 | 0.09 |
| Intangible assets | 12.14 | 0.11 | 11.02 | 0.08 | 11.02 | 0.08 | 9.08 | 0.07 |
| Goodwill | 693.53 | 6.57 | 693.53 | 5.17 | 693.53 | 5.17 | 693.53 | 4.98 |
| Deferred tax asset | - | - | - | - | - | - | - | - |
| Other non current assets | 8.32 | 0.08 | 9.94 | 0.07 | 9.94 | 0.07 | 2.55 | 0.02 |
| Non current assets | 4,822.68 | 45.68 | 6,343.04 | 47.26 | 6,343.04 | 47.26 | 6,486.96 | 46.62 |
| Total assets | 10,557.60 | 100.00 | 13,420.42 | 100.00 | 13,420.42 | 100.00 | 13,915.59 | 100.00 |
| Liabilities and shareholders' equity | | | | | | | | |
| Current liabilities | | | | | | | | |
| Trade and other payables | 308.01 | 2.92 | 251.19 | 1.87 | 251.19 | 1.87 | 180.44 | 1.30 |
| Financial institution payable from purchase receivables | - | - | 156.52 | 1.17 | 156.52 | 1.17 | 6.75 | 0.05 |
| Current portion of lease liabilities | 3.09 | 0.03 | 2.94 | 0.02 | 2.94 | 0.02 | 3.72 | 0.03 |
| Current portion of provision for long term employee benefits | 10.19 | 0.10 | 19.68 | 0.15 | 19.68 | 0.15 | - | - |
| Short term loans from related companies | 2,873.28 | 27.22 | 573.20 | 4.27 | 573.20 | 4.27 | - | - |
| Current portion of long term loan from related companies | - | - | - | - | - | - | 1,080.00 | 7.76 |
| Current portion of long term debentures | - | - | - | - | - | - | 497.43 | 3.57 |

Independent Financial Advisor' Opinion on the Connected Transaction

| Consolidated financial statement | Audited financial statement ending 31 December | | | | | | | |
|-----------------------------------------------------|------------------------------------------------|--------------|---------------------------|--------------|--------------------------|--------------|-----------------|--------------|
| | 2022 | % | 2023 | % | 2023 | % | 2024 | % |
| | | | (Before reclassification) | | (After reclassification) | | | |
| Short term provision of inventory | 15.40 | 0.15 | 0.30 | 0.00 | 0.30 | 0.00 | - | - |
| Income tax payable | 12.69 | 0.12 | 99.89 | 0.74 | 99.89 | 0.74 | 87.74 | 0.63 |
| Other current liabilities | 0.24 | 0.00 | 0.39 | 0.00 | 0.39 | 0.00 | 0.09 | 0.00 |
| Total current liabilities | 3,222.90 | 30.53 | 1,104.12 | 8.23 | 1,104.12 | 8.23 | 1,856.17 | 13.34 |
| Non current liabilities | | | | | | | | |
| Long term debenture, net of current portion | - | - | 494.27 | 3.68 | 494.27 | 3.68 | 694.08 | 4.99 |
| Long term lease liabilities, net of current portion | 8.23 | 0.08 | 19.44 | 0.14 | 19.44 | 0.14 | 9.07 | 0.07 |
| Long term loans from related companies | - | - | 1,080.00 | 8.05 | 1,080.00 | 8.05 | - | - |
| Long term loans from financial institution | - | - | - | - | - | - | 595.31 | 4.28 |
| Deferred tax liabilities | 149.41 | 1.42 | 104.76 | 0.78 | 104.76 | 0.78 | 89.03 | 0.64 |
| Provision for long term employee benefits | 109.52 | 1.04 | 118.51 | 0.88 | 118.51 | 0.88 | 5.88 | 0.04 |
| Advance deposit | - | - | - | - | - | - | 67.52 | 0.49 |
| Other non current liabilities | 4.62 | 0.04 | 5.84 | 0.04 | 5.84 | 0.04 | - | - |
| Total non current liabilities | 271.78 | 2.57 | 1,822.82 | 13.58 | 1,822.82 | 13.58 | 1,460.89 | 10.50 |
| Total liabilities | 3,494.68 | 33.10 | 2,926.94 | 21.81 | 2,926.94 | 21.81 | 3,317.06 | 23.84 |
| Shareholders' equity | | | | | | | | |
| Share capital | | | | | | | | |
| Registered share capital | | | | | | | | |
| 311,547,664 ordinary shares, par value at 1 Baht | 311.55 | 2.95 | 311.55 | 2.32 | 311.55 | 2.32 | 311.55 | 2.24 |
| Issued and fully paid-up share capital | | | | | | | | |
| 304,622,662 ordinary shares, par value at 1 Baht | 212.31 | 2.01 | 304.62 | 2.27 | 304.62 | 2.27 | 304.62 | 2.19 |
| Share premium | 3,067.34 | 29.05 | 6,024.02 | 44.89 | 6,024.02 | 44.89 | 6,024.02 | 43.29 |

Independent Financial Advisor' Opinion on the Connected Transaction

| Consolidated financial statement | Audited financial statement ending 31 December | | | | | | | |
|-----------------------------------------------|------------------------------------------------|--------|---------------------------|--------|--------------------------|--------|-----------|--------|
| | 2022 | % | 2023 | % | 2023 | % | 2024 | % |
| | | | (Before reclassification) | | (After reclassification) | | | |
| Change in ownership interest in a subsidiary | (2.51) | -0.02 | (0.22) | -0.00 | (0.22) | (0.00) | (72.09) | (0.52) |
| Capital reserve for share-based payments | 6.27 | 0.06 | 23.86 | 0.18 | 23.86 | 0.18 | 39.02 | 0.28 |
| Retained earnings | | | | | | | | |
| Appropriated | | | | | | | | |
| Statutory reserve | 12.00 | 0.11 | 17.10 | 0.13 | 17.10 | 0.13 | 31.15 | 0.22 |
| General reserve | 234.40 | 2.22 | 234.40 | 1.75 | 234.40 | 1.75 | 234.40 | 1.68 |
| Unappropriated | 2,829.48 | 26.80 | 3,245.56 | 24.18 | 3,245.56 | 24.18 | 3,714.70 | 26.69 |
| Other components of shareholders' equity | 686.82 | 6.51 | 617.68 | 4.60 | 617.68 | 4.60 | 322.75 | 2.32 |
| Equity attributable to owners of the Company | 7,046.11 | 66.74 | 10,467.03 | 77.99 | 10,467.03 | 77.99 | 10,598.58 | 76.16 |
| Non-controlling interests of the subsidiaries | 16.82 | 0.16 | 26.46 | 0.20 | 26.46 | 0.20 | (0.05) | (0.00) |
| Total shareholders' equity | 7,062.92 | 66.90 | 10,493.49 | 78.19 | 10,493.49 | 78.19 | 10,598.53 | 76.16 |
| Total liabilities and shareholders' equity | 10,557.60 | 100.00 | 13,420.42 | 100.00 | 13,420.42 | 100.00 | 13,915.59 | 100.00 |

Source: TNL's audited financial statements ending 31 December 2022 - 2024

2.7.2 Statement of comprehensive income

Unit: million baht

| Consolidated financial statements | Audited financial statement ending 31 December | | | | | | | |
|----------------------------------------------|------------------------------------------------|--------|---------------------------|--------|--------------------------|--------|----------|--------|
| | 2022 | % | 2023 | % | 2023 | % | 2024 | % |
| | | | (Before reclassification) | | (After reclassification) | | | |
| Sales income | 1,716.48 | 87.55 | 1,563.80 | 54.49 | - | - | - | - |
| Services income | 60.58 | 3.09 | 55.50 | 1.93 | - | - | - | - |
| Interest income | 46.21 | 2.36 | 648.23 | 22.59 | 636.55 | 56.54 | 890.71 | 79.55 |
| Monitoring and consulting service | - | - | 207.20 | 7.22 | 207.20 | 18.40 | 174.37 | 15.57 |
| Other income | | | | | | | | |
| Gain on sales of investments | - | - | 201.22 | 7.01 | 201.22 | 17.87 | - | - |
| Dividend income | 45.56 | 2.32 | 28.39 | 0.99 | 27.69 | 2.46 | 32.76 | 2.93 |
| Gain on sales in investment properties | 8.91 | 0.45 | 118.93 | 4.14 | - | - | - | - |
| Others | 82.74 | 4.22 | 46.67 | 1.63 | 53.24 | 4.73 | 21.91 | 1.96 |
| Total other income | 137.21 | 7.00 | 395.22 | 13.77 | 282.15 | 25.06 | 54.67 | 4.88 |
| Total revenue | 1,960.48 | 100.00 | 2,869.95 | 100.00 | 1,125.90 | 100.00 | 1,119.75 | 100.00 |
| Expenses | | | | | | | | |
| Cost of sales | 1,203.51 | 61.39 | 1,105.56 | 38.52 | - | - | - | - |
| Cost of services | 39.27 | 2.00 | 30.19 | 1.05 | - | - | - | - |
| Finance cost | 6.76 | 0.34 | 84.01 | 2.93 | 81.49 | 7.24 | 127.56 | 11.39 |
| Distribution expenses | 111.27 | 5.68 | 151.83 | 5.29 | - | - | - | - |
| Administrative expenses | 455.55 | 23.24 | 553.16 | 19.27 | 218.70 | 19.42 | 279.23 | 24.94 |
| Provision for expected credit losses | - | - | 108.03 | 3.76 | 108.03 | 9.60 | 184.66 | 16.49 |
| Total expenses | 1,816.36 | 92.65 | 2,032.77 | 70.83 | 408.22 | 36.26 | 591.45 | 52.82 |
| Profit from operating activities | 144.12 | 7.35 | 837.18 | 29.17 | 717.68 | 63.74 | 528.30 | 47.18 |
| Share of loss from investments in associates | (0.06) | (0.00) | - | - | | | | |

Independent Financial Advisor' Opinion on the Connected Transaction

| Consolidated financial statements | Audited financial statement ending 31 December | | | | | | | |
|---------------------------------------------------------------------------------------------------------------|------------------------------------------------|--------|---------------------------|--------|--------------------------|---------|----------|---------|
| | 2022 | % | 2023 | % | 2023 | % | 2024 | % |
| | | | (Before reclassification) | | (After reclassification) | | | |
| Share of loss from investments in joint ventures | (4.09) | (0.21) | (205.08) | (7.15) | (205.08) | (18.21) | (10.08) | (0.90) |
| Profit before income tax expenses | 139.97 | 7.14 | 632.10 | 22.02 | 512.60 | 45.53 | 518.22 | 46.28 |
| Income tax expenses | (38.11) | (1.94) | (118.72) | (4.14) | (144.47) | (12.83) | (167.85) | (14.99) |
| Profit for the year from continuing operations | 101.86 | 5.20 | 513.38 | 17.89 | 368.13 | 32.70 | 350.37 | 31.29 |
| Discontinued operation | | | | | | | | |
| Profit for the year from discontinued operations – net of taxes | - | - | - | - | 145.25 | 12.90 | 50.77 | 4.53 |
| Profit for the year | 101.86 | 5.20 | 513.38 | 17.89 | 513.38 | 45.60 | 401.15 | 35.82 |
| Other comprehensive income: | | | | | | | | |
| Loss on measuring financial assets | (0.71) | (0.04) | - | - | - | - | - | - |
| Deduct: Income tax effect | 0.14 | 0.01 | - | - | - | - | - | - |
| Other comprehensive income that will be subsequently reclassified to profit or loss | (0.57) | (0.03) | - | - | - | - | - | - |
| Loss on investments in equity designated at fair value through comprehensive income | (145.46) | (7.42) | (95.47) | (3.33) | (95.47) | (8.48) | (149.84) | (13.38) |
| Actuarial loss | 3.88 | 0.20 | (17.56) | (0.61) | (17.56) | (1.56) | - | - |
| Deduct: Income tax effect | 28.32 | 1.44 | 22.61 | 0.79 | 22.61 | 2.01 | 29.97 | 2.68 |
| Other comprehensive income not to be reclassified to profit or loss in subsequent periods – net of income tax | (113.26) | (5.78) | (90.42) | (3.15) | (90.42) | (8.03) | (119.87) | (10.71) |
| Other comprehensive income for the year | (113.83) | (5.81) | (90.42) | (3.15) | (90.42) | (8.03) | (119.87) | (10.71) |
| Total comprehensive income for the year | (11.98) | (0.61) | 422.96 | 14.74 | 422.96 | 37.57 | 281.28 | 25.12 |

Remark: TNL's audited financial statements ending 31 December 2022 - 2024

2.7.3 Statement of cash flows

| Item | Consolidated financial statement ending 31 December | | |
|-------------------------------------------------------------------------------------------------------------|-----------------------------------------------------|--------------|--------------|
| | 2022 | 2023 | 2024 |
| | Million Baht | Million Baht | Million Baht |
| Cash flows from operating activities | | | |
| Profit before tax from continuing operations | 139.97 | 512.60 | 518.22 |
| Profit before tax from discontinued operations (Note 25) | - | 119.50 | 54.28 |
| Adjustments to reconcile profit before tax to net cash provided by (paid from) operating activities: | | | |
| Depreciation and amortisation | 43.37 | 35.77 | 24.72 |
| Amortisation of transaction costs for issuing debentures and front-end fee | - | 1.02 | 5.54 |
| Share-based payments | 6.27 | 17.60 | 15.15 |
| Gain on disposals of property, plant and equipment, intangible assets and right-of-use assets | (0.98) | (0.94) | 0.61 |
| Loss (gain) on disposals of investment properties | - | (118.93) | 0.01 |
| Gain on partial business transfer | (43.79) | - | - |
| Loss (gain) on disposal of investments | (1.55) | (201.22) | 8.27 |
| Loss on liquidation of the subsidiary | - | 2.30 | - |
| Loss (gain) on disposal of other financial assets | 9.24 | 0.35 | (0.25) |
| Unrealised loss on fair value of derivatives | 0.19 | - | - |
| Allowance for diminution in value and slow-moving of inventories (reversal) | 1.29 | 1.42 | - |
| Allowance for expected credit losses (reversal) | 13.28 | 102.97 | 184.66 |
| Right to return goods | - | 9.50 | - |
| Impairment loss on investments (reversal) | - | 12.42 | (7.42) |
| Employee benefit obligation expenses | 14.67 | 13.34 | 10.30 |
| Share of loss from investments in joint ventures | 4.15 | 205.08 | 10.08 |
| Unrealised loss on exchange rate | (0.17) | 0.58 | 0.96 |

Independent Financial Advisor' Opinion on the Connected Transaction

| Item | Consolidated financial statement ending 31 December | | |
|---------------------------------------------------------------------------------------------------|-----------------------------------------------------|-------------------|-------------------|
| | 2022 | 2023 | 2024 |
| | Million Baht | Million Baht | Million Baht |
| Dividend received | (45.56) | (28.39) | (32.76) |
| Interest income | (46.41) | (636.55) | (890.71) |
| Finance cost | 6.76 | 81.49 | 127.56 |
| Profit (loss) from operating activities before changes in operating assets and liabilities | 100.73 | 129.89 | 29.22 |
| <u>Operating assets (increase) decrease</u> | | | |
| Trade and other receivables | (37.17) | 40.14 | (194.86) |
| Loan to customers | (2,069.00) | (2,351.03) | (490.15) |
| Loans purchased of receivables | - | (882.10) | (350.68) |
| Inventories | (45.53) | 143.81 | (22.09) |
| Other non-current assets | (0.56) | (1.62) | (8.02) |
| <u>Operating liabilities increase (decrease)</u> | | | |
| Trade and other payables | 176.42 | (61.80) | 124.05 |
| Financial institution payable from purchase receivables | | 156.52 | (149.77) |
| Provision for goods returned | (0.20) | (15.10) | - |
| Provision for long-term employee benefits | (15.59) | (12.20) | (14.27) |
| Advance deposit | - | - | 67.52 |
| Other current liabilities | - | - | - |
| Other non-current liabilities | 1.47 | 1.23 | (0.00) |
| Cash flows used in operating activities | (1,889.43) | (2,852.27) | (1,009.04) |
| Cash received from interest income | 44.60 | 506.00 | 689.36 |
| Cash paid for finance cost | (0.74) | (75.98) | (126.65) |
| Cash paid for income tax | (54.34) | (54.57) | (203.18) |
| Cash received from withholding tax refund | 8.47 | - | - |
| Net cash flows from (used in) operating activities | (1,891.45) | (2,476.81) | (649.50) |

Independent Financial Advisor' Opinion on the Connected Transaction

| Item | Consolidated financial statement ending 31 December | | |
|----------------------------------------------------------------------------------|-----------------------------------------------------|-----------------|-----------------|
| | 2022 | 2023 | 2024 |
| | Million Baht | Million Baht | Million Baht |
| Cash flows from investing activities | | | |
| Decrease in fixed deposits and certificate of deposits | 5.44 | - | - |
| Cash paid for investment and increase in share capital of subsidiaries | (697.68) | - | - |
| Cash paid for investment and increase in share capital of joint ventures | (647.83) | (145.50) | (100.00) |
| Cash received from disposal on investments | 121.55 | 293.76 | 53.63 |
| Cash received from disposal of business segments | - | - | - |
| Cash paid for purchase of other financial assets | (1,249.67) | (45.00) | (107.67) |
| Cash received from sales of other financial assets | 2,513.14 | 279.37 | 353.61 |
| Increase in loans to related parties | 1,070.57 | (1,429.38) | (351.47) |
| Cash paid for property, plant and equipment and intangible assets | (24.13) | (29.43) | (19.66) |
| Cash paid for purchase of investment properties | (3.75) | (174.70) | - |
| Proceeds from disposals of property, plant and equipment and right-of-use assets | 1.45 | 7.38 | - |
| Proceeds from disposal of investment properties | - | 331.00 | - |
| Dividend received | 45.56 | 28.39 | 32.76 |
| Net cash flows from (used in) investing activities | 1,134.64 | (884.10) | (138.79) |
| | | | |
| Cash flows from financing activities | | | |
| Increase in loans from financial institutions | - | - | 600.00 |
| (Decrease) increase in loans from related parties | - | (1,220.08) | (573.20) |
| Cash received from debentures | - | 500.00 | 700.00 |
| Cash paid fees for issuing debentures and front-end fee | - | (6.75) | (12.99) |
| Payment of principle portion of lease liabilities | (4.16) | (3.25) | (6.41) |
| Dividend paid | (59.98) | (60.89) | (91.42) |

Independent Financial Advisor' Opinion on the Connected Transaction

| Item | Consolidated financial statement ending 31 December | | |
|----------------------------------------------------------------------------------------|-----------------------------------------------------|-------------------|-----------------|
| | 2022 | 2023 | 2024 |
| | Million Baht | Million Baht | Million Baht |
| Increase in non-controlling interests of the subsidiary from acquisition of subsidiary | 16.91 | - | - |
| Decrease in non-controlling interests of the subsidiary from subsidiary liquidation | - | (0.36) | - |
| Cash received from increase in share capital | 2,974.46 | 3,049.00 | - |
| Net cash received from the sale of investments in subsidiary | - | - | 356.90 |
| Net cash flows from financing activities | 2,927.23 | 2,257.66 | 972.88 |
| | | | |
| Net increase (decrease) in cash and cash equivalents | 2,170.42 | (1,103.24) | 184.58 |
| Cash and cash equivalents at beginning of year | 213.99 | 2,384.41 | 1,281.17 |
| Cash and cash equivalents at end of year | 2,384.41 | 1,281.17 | 1,465.75 |

Source: TNL's audited financial statements ending 31 December 2022 - 2024

2.7.4 Financial ratio

| Financial ratio | Unit | Ending 31 December | | | |
|-----------------------------------------------------------|------|--------------------|--------|----------|----------|
| | | 2022 | 2023 | 2023 | 2024 |
| | | | Former | Restate | |
| Liquidity Ratio | | | | | |
| Current ratio | Time | 1.78 | 6.41 | 6.41 | 4.00 |
| Quick ratio | Time | 0.84 | 1.37 | 1.37 | 0.87 |
| Cash flow from operating ratio | Time | (1.11) | (1.14) | (2.24) | (0.44) |
| Account receivable turnover ratio | Time | 1.22 | 0.60 | 0.16 | 0.19 |
| Average collection period | Day | 298.17 | 605.99 | 2,353.12 | 1,950.37 |
| Inventory turnover ratio | Time | 2.99 | 3.10 | na | na |
| Average sales lead time | Day | 122.28 | 117.67 | na | na |
| Payable turnover ratio | Time | 5.50 | 4.06 | na | na |
| Repayment period | Day | 66.36 | 89.86 | na | na |
| Cash cycle | Day | 354.09 | 633.80 | na | na |
| Profitability Ratio | | | | | |
| Gross profit (loss) margin | % | 31.47 | 50.71 | 90.34 | 88.02 |
| Profit (loss) from operating margin | % | 7.90 | 33.83 | 94.72 | 61.58 |
| Cash to profit margin | % | (12.54) | (2.69) | (3.10) | (0.99) |
| Net profit (loss) margin | % | 5.20 | 17.89 | 45.60 | 35.82 |
| Return on Equity | % | 1.85 | 5.86 | 4.90 | 3.81 |
| Interest income margin | % | 2.28 | 10.28 | 7.36 | 9.51 |
| Interest exp margin | % | 0.47 | 3.32 | 3.76 | 5.05 |
| Net interest margin | % | 1.82 | 6.96 | 3.61 | 4.46 |
| Efficiency Ratio | | | | | |
| Return on Assets | % | 1.35 | 4.28 | 3.83 | 2.93 |
| Return on fixed assets | % | 30.92 | 118.75 | 125.12 | 107.84 |
| Asset Turnover | Time | 0.26 | 0.24 | 0.08 | 0.08 |
| Financial Policy Ratio | | | | | |
| Debt to Equity Ratio | Time | 0.50 | 0.28 | 0.28 | 0.31 |
| Interest Coverage Ratio | Time | 28.74 | 11.39 | 10.25 | 5.34 |
| IBD/EBITDA ratio | Time | 14.85 | 2.27 | 2.60 | 4.23 |
| Debt Service Coverage Ratio | Time | 0.07 | 1.66 | 1.45 | 0.43 |
| Dividend payout ratio | % | 58.89 | 11.86 | 11.86 | 22.79 |
| Loan to IBD ratio | % | 1.37 | 3.98 | 3.98 | 3.50 |
| Allowance for doubtful account to total receivables ratio | % | 0.25 | 1.34 | 1.34 | 3.29 |
| Bad debt ratio | % | - | - | - | - |
| Accrued interest to loan ratio | % | 0.10 | 1.13 | 1.13 | 2.70 |

2.8 Management discussion and analysis

2.8.1 Operating performance

For the comparison of the operating results of 2022 and 2023, the Company's main revenue comes from 4 businesses: 1. Revenue from textile and garment business through TNLX Co., Ltd. (TNLX), 2. Secured lending business through Oxygen Asset Co., Ltd. (OXA), 3. Non-performing asset and foreclosed assets management business through Oxygen Asset Management Co., Ltd. (OAM), and 4. Real estate development for sale business through TNL Alliance Co., Ltd. (TNLA). Therefore, the operating results data between 2022 and 2023 will mainly be a comparison of operating results from 4 businesses.

For the comparison of the operating results of 2023 and 2024, since TNL had a significant event, which was the sale of all ordinary shares in TNLX Company Limited (TNLX), with a trading value of 669.9 million baht on July 31, 2024, resulting in the reclassification of the operating results in the financial statements as follows: 1. The Company has presented the operating results of the discontinued segment (TNLX operating results) from the normal operating results, showing them as "Profit from discontinued operations – net of income tax" in the statement of comprehensive income, and 2. Transactions related to the discontinued segment for the year ending 31 December 2024 have been reclassified for comparison with the current period's comprehensive income statement. Therefore, the operating results data during 2023 – 2024 will mainly consist of revenue from secured lending business, non-performing asset management business, and real estate for sale business.

2.8.1.1 Revenue

TNL had total revenue between 2022 and 2023 of 1,960.48 million baht and 2,869.95 million baht, respectively. Revenue in 2022 consisted of sales and services revenue of 1,777.06 million baht, interest income of 46.21 million baht, and other income of 137.21 million baht. Revenue in 2023 consisted of sales and services revenue of 1,619.30 million baht, interest income of 648.23 million baht, real estate project supervision fee income of 207.20 million baht, and other income of 395.22 million baht. Total revenue increased by 909.47 million baht or 46.39 percent compared to 2022 because in 2023, the Company started investing in businesses other than the textile and garment business, resulting in the Company's main revenue from 4 businesses, consisting of 1. Revenue from textile and garment business through the company 1. TNLX Co., Ltd. (TNLX) 2. Secured lending business through Oxygen Asset Co., Ltd. (OXA) 3. Non-performing asset and foreclosed assets management business through Oxygen Asset Management Co., Ltd. (OAM) and 4. Real estate development for sale business through TNL Alliance Co., Ltd. (TNLA)

In 2023, sales and service revenue was 1,619.30 million baht, down 157.76 million baht or 8.88 percent from 2022 due to the COVID-19 pandemic and the slowdown of the global economy, which caused revenue to return to normal from its peak in 2022. However, the Company's interest income increased by 602.02 million baht from the commencement of operations of the secured loan business and asset management business, and the Company's real estate project supervision fee income was 207.20 million baht from investing in the real estate business for sale. For other income, the Company's other income increased by 258.01 million baht, mainly from profit from the sale of investments (investments in Praram 9 Alliance Co., Ltd. and Khu khot Station

Alliance Co., Ltd.) to PROUD of 201.22 million baht and profit from the sale of investment properties of 118.93 million baht.

For 2023 - 2024, the Company had total revenue of 1,125.90 million baht and 1,119.75 million baht, respectively. Total revenue in 2023 consisted of interest income of 636.55 million baht, real estate project supervision fee income of 207.20 million baht, and other income of 282.15 million baht, while total revenue in 2024 consisted of interest income of 890.71 million baht, real estate project supervision fee income of 174.37 million baht, and other income of 54.67 million baht. Interest income increased by 254.16 million baht from the expansion of secured loan portfolio and non-performing asset portfolio. However, the Company recognized a decrease in real estate project supervision fee income of 32.83 million baht from the sale of some investments in the real estate group for sale, resulting in a decrease in revenue share. Other income decreased by 227.48 million baht, mainly from the Company's recognition of a gain on the sale of investments of 201.22 million baht in 2023, which was a one-time item.

2.8.1.2 Operating cost

TNL's operating costs during 2022-2023 were THB 1,249.54 million and THB 1,219.76 million, respectively. Operating costs in 2022 consisted of THB 1,242.78 million cost of sales and services and THB 6.76 million interest expense, while operating costs in 2023 consisted of THB 1,135.75 million cost of sales and services and THB 84.01 million interest expense. Cost of sales and services in 2023 decreased by THB 107.03 million or 8.61 percent, in line with lower sales and services revenue from the textile and garment business. However, the Company's interest expenses increased by THB 77.25 million or 1,142.90 percent due to increased financial debt, especially interest on debentures and long-term loans.

For 2023-2024, the Company's operating costs, namely interest expenses, were 81.49 million baht and 127.56 million baht, respectively, with interest expenses increasing by 46.07 million baht or 56.54 percent, mainly from interest on loans from financial institutions and debentures used as sources of funds for business expansion.

2.8.1.3 Gross profit

In 2022-2023, the Company had gross profit of 573.73 million baht and 1,254.97 million baht, representing a gross profit margin of 31.47 percent and 50.71 percent, respectively. Gross profit in 2023 increased by 681.24 million baht from increased revenue from the lending business, the non-performing asset management business, and revenue from real estate project supervision from the real estate for sale business.

For 2023-2024, the Company had gross profit of 762.26 million baht and 937.52 million baht, respectively, with gross profit margins of 90.34 percent and 88.02 percent, respectively. While the gross profit value will increase by 175.26 million baht from increased interest income, decreased project supervision fee income, and the Company increased interest expenses from seeking sources of funds to expand the business, resulting in a slight decrease in gross profit margin to 88.02 percent.

2.8.1.4 Operating expenses

Operating expenses during 2022-2023 were THB 566.82 million and THB 813.01 million, respectively. Expenses in 2022 consisted of selling expenses of THB 111.27 million and administrative expenses of THB 455.55 million. For 2023, operating expenses consisted of selling expenses of THB 151.83 million, administrative expenses of THB 553.16 million and expected credit losses of THB 108.03 million. Operating expenses in 2023 increased by THB 246.19 million or 43.43 percent from higher selling and administrative expenses in line with business growth and provision for expected credit losses from secured lending and non-performing asset management businesses to support future economic trends.

For 2023-2024, the Company had operating expenses of THB 326.73 million and THB 463.89 million respectively, of which THB 218.70 million was administrative expenses and THB 108.03 million was provision for expected credit losses, while THB 279.23 million was administrative expenses and THB 184.66 million was provision for expected credit losses, while THB 60.53 million was an increase in administrative expenses as a result of investments to support business expansion. In 2024, the Company set aside THB 76.63 million in provision for expected credit losses for the lending business from the expansion of the loan portfolio.

2.8.1.5 Net profit

In 2022-2023, the Company had net profit of 101.86 million baht and 513.38 million baht, respectively, with total net profit increasing by 411.53 million baht or 404.02 percent from increased revenue from the commencement of secured loan business, non-performing asset service business, and real estate for sale business, in addition to textile and garment business. Although operating costs and expenses increased in line with growth, the increase in costs and expenses was less than the increase in revenue, resulting in an increase in the net profit ratio.

For 2023-2024, the Company had net profit of 513.38 million baht and 401.15 million baht, respectively, with net profit decreasing by 112.23 million baht or 21.86 percent. However, the decrease in profit was mainly due to the Company recognizing a profit from the sale of investments as a one-time income in 2023 of 201.22 million baht, and the Company still had profitable operations and a relatively high net profit margin, with the net profit margin to total income between 2023-2024 at 45.60 percent and 35.82 percent, respectively.

2.8.2 Financial position**2.8.2.1 Assets**

As of 31 December 2022 and 2023, the Company had total assets of THB 10,557.60 million and THB 13,420.42 million, respectively. In 2023, the Company's total assets increased by THB 2,862.82 million from an increase in current assets of THB 1,342.46 million and an increase in non-current assets of THB 1,520.36 million, mainly due to an increase in loans to customers of THB 2,291.38 million, resulting from the expansion of the secured loan portfolio. In addition, the Company's long-term loans to related companies increased by THB 1,320.34 million from the reclassification of loans and the acquisition of NPL portfolio of THB 927.19 million. However, the Company's cash and cash equivalents decreased by THB 1,103.24 million from 1. Repayment of loan to minority shareholders of OXA Company, 2. Lending from secured lending business, 3.

Acquisition of non-performing loans for management, and 4. Financial support for real estate development projects for sale under TNLA. The Company adjusted the value of other non-current financial assets at market price, which resulted in a decrease in the value of financial assets by THB 229.55 million, and investment in joint ventures decreased by THB 91.60 million from the recognition of loss sharing in real estate projects for sale.

As of 31 December 2024, the Company had total assets of 13,915.59 million baht, an increase of 495.17 million baht or 3.69 percent from 2023, with current assets increasing by 351.25 million baht and non-current assets increasing by 143.92 million baht, mainly due to a net increase in loans to customers and accrued interest receivables of 366.73 million baht and an increase in loans to related parties of 474.40 million baht to support the real estate development business for sale. In addition, the Company's non-performing loans (NPLs) increased by 431.90 million baht from the success of the auction of additional non-performing assets. However, the sale of TNLX shares in July 2024 resulted in a decrease in land, buildings, equipment, and inventories by 336.02 million baht and 288.78 million baht, respectively. In addition, the Company's non-current financial assets decreased by 476.27 million baht from the sale of some financial investments. In addition, the Company's assets awaiting sale increased by 176.17 million baht from the assessment of the value of debtors' debt repayment assets. and investment properties increased by 248.02 million baht from adjusting the accounting entries for assets for rent from "land, buildings and equipment" to "investment properties" in accordance with Financial Reporting Standard No. 40 on investment properties (TFRS 40).

2.8.2.2 Liabilities

As of 31 December 2022-2023, the Company had total liabilities of THB 3,494.68 million and THB 2,926.94 million, respectively. Total liabilities in 2023 decreased by THB 567.74 million or 16.25 percent, mainly due to a significant decrease in short-term loans from related parties of THB 2,300.08 million as the Company repaid such loans to minority shareholders of OXA. However, the Company's liabilities increased partially due to an increase in long-term loans from related parties of THB 1,080.00 million and the issuance of debentures of THB 500.00 million.

As of 31 December 2024, the Company had total liabilities of 3,317.06 million baht, with the main liabilities consisting of 1. Loans from related businesses worth 1,080 million baht (including loans that the Company gave to TNL in accordance with the resolution of the 2023 Annual General Meeting of Shareholders worth 500.00 million baht) 2. Two debentures worth a total of 1,191.51 million baht (the first debenture worth 494.27 million baht was issued and distributed in 2023 and the second debenture worth 694.08 million baht was issued and distributed in 2024), where TNL did not have a credit rating for TNL and both debentures. TNL's total liabilities increased by 390.12 million baht or 13.33 percent from 2023, mainly due to an increase in debenture issuance of 694.08 million baht and an increase in long-term loans from financial institutions of 595.31 million baht to support business growth. Loans from related parties of THB 1,080.00 million were reclassified from non-current liabilities to current liabilities in 2024. The Company's short-term loans from related parties decreased by THB 573.20 million from loan repayments after the acquisition of 10.00 percent of OXA's shares from Saha Pathana Inter-Holding Public Company Limited (SPI). In addition, the Company's financial institution creditors from the purchase of receivables decreased by THB 149.77 million because TNL did not

purchase large receivables at the end of 2024, resulting in a decrease in creditors, and employee benefit provisions decreased by THB 112.63 million because TNL had a reduced number of employees due to the termination of its subsidiary status of TNLX Co., Ltd.

2.8.2.3 Shareholders' equity

As of 31 December 2022-2023, the Company had shareholders' equity of THB 7,062.92 million and THB 10,493.49 million, respectively, with shareholders' equity increasing by THB 3,430.56 million or 48.57 percent. The increase was due to the issuance and offering of additional shares to existing shareholders in proportion to their shareholdings of THB 3,050 million, which was part of the Company's restructuring. Another part was from the net increase in retained earnings of THB 416.08 million from net profit from operations. The Company paid dividends of THB 60.92 million in 2023.

As of 31 December 2024, the Company had total shareholders' equity of 10,598.53 million baht, an increase of 105.05 million baht or 1.00 percent from 2023, mainly from an increase in retained earnings from operations of 469.14 million baht. However, the change in the proportion of shareholding in subsidiaries resulted in a decrease in shareholders' equity of 71.87 million baht and a decrease in non-controlling interests in subsidiaries of 26.51 million baht. In addition, other components of shareholders' equity decreased by 294.93 million baht from the sale of some financial investments.

2.8.3 Cash flows

For 2023, the Company had a decrease in net cash and equivalents of 1,103.24 million baht from 3 activities as follows.

1. Cash flow used in operating activities of 2,476.81 million baht from the recording of profit before tax from continuing operations and discontinued businesses of 623.10 million baht, net of non-cash reconciliation items of 502.21 million baht, mainly from interest income of 636.55 million baht, resulting from increased operations in the lending business, profit from the sale of investment properties of 118.93 million baht, profit from the sale of investments of 201.22 million baht, resulting from the sale of assets for liquidity management and to expand the lending business. The Company recorded a share of loss from investments in joint ventures of 205.08 million baht and an increase in working capital of 2,982.15 million baht, mainly from an increase in loans to customers of 2,351.03 million baht and an increase in loans from purchases of account receivables of 882.10 million baht, which are capital for the growing lending business. However, the Company has financial institution creditors from purchases of receivables of 156.52 million baht, which are outstanding for the purchase of non-performing assets under the asset transfer agreement, which will be due within 2024, after adjusting for interest income. Financial costs and taxes resulted in cash flows used in operating activities of 2,476.81 million baht.

2. Cash flow used in investing activities was 884.10 million baht, mainly from cash flow paid from loans to related parties of 1,429.38 million baht and capital increase in Ratburana Alliance Co., Ltd. of 145.50 million baht to develop TNLA's real estate projects. The Company also had net cash flow from purchases and sales of investment properties of 156.30 million baht, purchases and sales of financial assets of 234.37 million baht, and sales of investments in Praram 9 Alliance Co., Ltd. and Khu Khot Station Alliance Co., Ltd. to Proud

Real Estate PLC of 293.76 million baht to be used to enhance the Company's liquidity and as additional working capital.

3. Cash flow from financing activities of 2,257.66 million baht, mainly from cash received from issuing and offering additional shares to existing shareholders in proportion to their shareholdings of 3,049.00 million baht, which is part of the company's restructuring, and issuing debentures series 1 of 500.00 million baht. The company had cash outflow from repaying loans from related businesses of 1,220.08 million baht to repay loans to minority shareholders of OXA and paid dividends to shareholders of 60.89 million baht.

For 2024, the Company had an increase in net cash flow of 184.58 million baht from 3 activities, with details as follows:

1. Cash flow used in operating activities was 649.50 million baht from pre-tax profit of 572.51 million baht, less net non-cash items of 543.28 million baht. The main non-cash items were interest income of 890.71 million baht from growth in lending business, which consisted of interest income from receivables of 592.37 million baht, interest income from loans from purchase of receivables of 163.21 million baht, and interest income from loans of 135.14 million baht. The Company had financial costs of 127.56 million baht, which was interest paid from various interest-bearing debts, such as leases, long-term loans, and debentures, which were used to find sources of funds to expand the lending business. The Company recorded expected credit loss allowance of 184.66 million baht in accordance with the risk management policy from the increased amount of loans to debtors and loans from the purchase of receivables. In addition, cash flow from operations was offset by an increase in working capital of 1,038.26 million baht. The Company's working capital assets increased mainly from loans to customers of 490.15 million baht and loans from the purchase of receivables of 350.68 million baht, which the Company was able to extend loans and purchase additional receivables. In addition, the Company paid off financial institution creditors from the purchase of receivables of 149.77 million baht to pay for the purchase of non-performing assets under the asset transfer agreement in 2024. The Company received an advance deposit of 67.52 million baht from the contract to sell all ordinary shares in Future Domain Co., Ltd. to Noble Development Public Company Limited. After adjusting interest income, financial costs and taxes, the Company had cash flow used in operating activities of 649.50 million baht.

2. Cash flow used in investing activities of 138.79 million baht, mainly from cash flow used in lending to joint ventures to support the business in the real estate development project of 351.47 million baht. Another part came from the Company's management of financial asset portfolios, with cash flow used in purchasing, selling and receiving capital refunds from investments in listed and unlisted equity instruments of companies, net of cash flow used of 245.94 million baht. In addition, the Company acquired additional ordinary shares in Oxygen Asset Co., Ltd. in the proportion of 10 percent or 99,997 shares from Saha Pathana Inter-Holding PLC for 99.99 million baht, resulting in the Company holding 99.99 percent of shares in Oxygen Asset Co., Ltd.

3. Cash flow from financing activities of 972.88 million baht, mainly from cash received from loans from financial institutions of 600.00 million baht and the issuance of debentures of the second series of 700.00 million baht to support business growth. In addition, the Company had net cash received from the sale of investment in TNLX Co., Ltd. to related persons of 356.90 million baht. The Company had cash outflow from

repayment of loans after the acquisition of 10.00 percent of OXA shares from Saha Pathana Inter-Holding Co., Ltd. (Public) (SPI) of 573.20 million baht and paid dividends to shareholders of 91.41 million baht.

2.8.4 Financial ratio

2.8.4.1 Liquidity Ratio

TNL has a current ratio between 2022 and 2023 of 1.78 and 6.41 times and a quick ratio of 0.84 and 1.37 times, respectively, which reflects an increase in liquidity in 2023 from an increase in current assets from the growing lending business, while current liabilities decreased from repayments to related parties. The Company has increased its liquidity through long-term borrowings, issuance of debentures, and capital increase.

For 2024, the Company had a current ratio of 4.00 times and a quick ratio of 0.87 times, down from 31 December 2023, mainly due to increased current liabilities from long-term loans and debentures due within 1 year of 2024 in the amount of 1,080.00 million baht and 497.43 million baht, respectively. The Company also repaid some loans from related parties in the amount of 573.20 million baht.

2.8.4.2 Financial Policy Ratio

TNL has a debt to equity ratio between 2022 and 2023 of 0.50 and 0.28 times, respectively, which shows a decrease in debt ratio, mainly from lower debt from repayment of some loans and increased shareholders' equity from capital increase.

The interest coverage ratio in 2023-2024 is 10.25 and 5.34 times, respectively. When comparing the debt coverage ratio between 2023-2024 at 1.45 and 0.43 times, which shows a decrease in interest coverage in 2024 due to TNL's business structure change to a credit business, resulting in TNL having higher interest expenses from seeking sources of funds to expand its credit business, and interest income from lending is not sufficient to fully repay debts, which are sources of funds for credit granting, which is a normal characteristic of credit businesses in general that require appropriate financial cost management. If TNL can collect full payment for credit, it will result in TNL being able to repay debts, which are sources of funds as well. As of 31 December 2024, TNL had a bad debt to total loan ratio of 3.29 percent and a bad debt to total assets ratio of 0.00 percent. Therefore, the Advisor believes that TNL will still have the ability to pay interest, even though interest income is not sufficient to fully repay debts, which are sources of funds for credit business in general.

For 2024, the Company's debt to equity ratio was 0.31 times, an increase from 31 December 2024 due to higher loans from financial institutions and net debentures issued for business expansion, while shareholders' equity increased from net profit for the period. The interest coverage ratio was 5.34 times and the debt service coverage ratio was 0.43 times, mainly from the increase in interest-bearing debt obligations due within 1 year from 31 December 2024, reflecting the increase in financial debt burden to fund the expanding lending business.