

Tor Hor. 026/2024

November 19, 2024

Subject Submission of the Opinion of the Company on the Tender Offer (Form 250-2) of People's Garment Public Company Limited and a copy of the Independent Financial Advisor's Opinion

To Secretary, General of the Office of the Securities and Exchange Commission  
The President, The Stock Exchange of Thailand  
Shareholders of People's Garment Public Company Limited

Enclosure 1) A copy of the Opinion of the Company on the Tender Offer (Form 250-2)  
2) A copy of the Opinion of the Independent Financial Advisor on the Tender Offer

People's Garment Public Company Limited (the "Company") received a copy of the Tender Offer Form (Form 247-4) from Saha Pathana Inter-Holding Public Company Limited ("SPI" or "the Offeror") on 29 October 2024 and copies of the Amendment No. 1 to the Tender Offer for the securities of People's Garment Public Company Limited (Form 247-4) on 7 November 2024, and Amendment No. 2 on 14 November 2024. In this regards, the Company has prepared the Opinion on the Tender Offer (Form 250-2) and appointed Advisory Plus Company Limited to act as the independent financial advisor ("Independent Financial Advisor") for the shareholders to provide the opinion on the Tender Offer of the Company pursuant to the Notification of the Capital Market Supervisory Board No. TorChor 40/2552 re: Statement Form and Period for Preparing Opinion on Tender Offer.

The Company hereby submits a copy of the Opinion of the Company on the Tender Offer (Form 250-2) and a copy of the Opinion of the Independent Financial Advisor on the Tender Offer, for your consideration, details of which are shown in the Enclosure.

Please be informed accordingly.

Yours Sincerely,



(Mrs. Sunan Niyomnaitham)

Director

People's Garment Public Company Limited

(Translation)

Opinion of the Business on the Tender Offer for Securities

(Form 250-2)

of



People's Garment Public Company Limited

The Offeror:

Saha Pathana Inter-Holding Public Company Limited

November 15, 2024

- TRANSLATION -

*The English Translation of Form 250-2 has been prepared solely for the convenience of foreign shareholders of People's Garment Plc. and should not be relied upon as the definitive and official document. The Thai language version of Form 250-2 is the definitive and official document and shall prevail in all aspects in the event of any inconsistency with this English Translation.*

Opinion of the Business on the Tender Offer for Securities

November 15, 2024

To Securities Holders

People's Garment Plc. (hereinafter called the "Business" or "PG") received a copy of the Form of Announcement of Intention to Make a Tender Offer (Form 247-3) on October 18, 2024 and a copy of the Tender Offer Form (Form 247-4) on October 29, 2024 (including any amendment thereto) (hereinafter collectively called the "Tender Offer" or "Form 247-4") from Saha Pathana Inter-Holding Plc. (hereinafter called the "Offeror" or "SPI"), the details of which are as follows:

Type of securities	Number of offered securities <sup>1/</sup>		Percentage of offered securities in comparison with		Offering price per unit <sup>2/</sup> (Baht)	Total offering amount (Baht)
	Shares/Units	Voting rights	Total securities sold of the Business	Total voting rights of the Business		
Ordinary shares	55,303,236	55,303,236	57.61	57.61	9.00	497,729,124
Preferred shares	-	-	-	-	-	-
Warrants	-	-	-	-	-	-
Convertible debentures	-	-	-	-	-	-
Other securities (if any)	-	-	-	-	-	-
			Total	57.61	Total	497,729,124

Remark: 1/ The Business has a total of 96,000,000 issued and paid-up ordinary shares with a par value of Baht 1.00 per share. The Offeror originally held 13,228,666 ordinary shares in the Business, representing 13.78 percent of the total issued and paid-up shares and total voting rights of the Business. Then on October 17, 2024, the Offeror acquired 27,468,098 ordinary shares in the Business, representing 28.61 percent of the total issued and paid-up shares and total voting rights of the Business, at a price of Baht 9.00 per share from (1) Thanulux Plc., (2) Yi Tong Tian Tai BSC Co., Ltd., (3) BSC So In Co., Ltd., (4) I.D.F. Co., Ltd., (5) First United Industry Co., Ltd., and (6) Sinparadorn Co., Ltd. (collectively called "Sellers"). As a result, the Offeror has acquired an aggregate of 40,696,764 shares, representing 42.39 percent of the total issued and paid-up shares and total voting rights of the Business, and is thereby required to make a tender offer for all remaining securities of the Business pursuant

to the Notification of the Capital Market Supervisory Board No. TorJor. 12/2554 Re: Rules, Conditions and Procedures for the Acquisition of Securities of Business Takeovers (as amended) (“**Notification TorJor. 12/2554**”) in the amount of 55,303,236 shares, representing 57.61 percent of the total issued and paid-up shares and total voting rights of the Business.

- 2/ The shareholders who accept the Tender Offer (each an “**Offeree**”) shall be subject to a brokerage fee of 0.25 percent of the offering price for the ordinary shares and value added tax of 7.00 percent of such brokerage fee. Thus, the net offering price for the ordinary shares receivable by the Offeree will be equal to Baht 8.975925 per share (Baht eight point nine seven five nine two five per share). The Offeree will receive payment for the tendered securities wholly in Thai Baht with two decimal places in satang unit. In calculating the two decimal places, if a fraction is equal to or more than Baht 0.005, it will be rounded up and if the fraction is less than Baht 0.005, it will be discarded.

The Tender Offer period is a total of 25 business days from October 30, 2024 to December 3, 2024, during the office hours of 9.00 a.m. – 4.00 p.m. of the Tender Offer Agent. This Tender Offer period is final and will not be extended unless any of the following conditions arises:

- The Offeror may reduce the Tender Offer price or extend the Tender Offer period if an event occurs and causes severe damage to the status or assets of the Business during the Tender Offer period.
- The Offeror may change the terms of this Tender Offer or extend the Tender Offer period to compete with another offeror who has also submitted a tender offer to purchase securities of the Business during the Tender Offer period.

If there is an announcement of additional public holidays during the Tender Offer period, the Offeror will extend the Tender Offer period until it is comprised of 25 business days.

The Offeree may cancel his/her intention to sell the securities at the office of the Tender Offer Agent during the office hours of 9.00 a.m. – 4.00 p.m. on any of the 20 business days between October 30, 2024 and November 26, 2024, whereby the Offeree must comply with the procedures for cancellation of the Tender Offer, as specified in the Tender Offer Form.

#### Conditions for cancellation of the Tender Offer

The Offeror may cancel the Tender Offer upon the occurrence of any of the following events:

- 1) any event or action occurring after the submission of the Tender Offer to the Office of the Securities and Exchange Commission (the “**SEC**”) but within the Tender Offer period, which causes or may cause severe damage to the status or assets of the Business, where such event or action has not resulted from the action of the Offeror or action for which the Offeror is responsible; or

- 2) any action conducted by the Business after the submission of the Tender Offer to the SEC but within the Tender Offer period, which causes a significant decrease in value of the Business's shares; or
- 3) any action conducted by the Business which may affect the Tender Offer pursuant to the Notification of the Capital Market Supervisory Board No. TorJor. 14/2554 Re: Actions or Omission of Actions Which may Affect the Tender Offer of the Business (as amended).

The Business has considered the Tender Offer proposal in the interest of the securities holders and would like to provide its opinion as a basis for your consideration as follows:

## **1. Status of the Business with respect to its past and projected performance and assumptions applied to the projection**

### **1.1 Background of the Business**

People's Garment Plc. (the "Business" or "PG") was established on January 30, 1980 to operate a garment production business, obtaining a license to manufacture Arrow products from the United States. It later invested in the production of knitted fabric and has also collaborated with business partners to establish a comprehensive business from upstream to downstream. It has been granted additional licenses from numerous leading brands such as Bobby Jones, Beverly Hills Polo Club, BSC, Calvin Klein, ELLE, Lacoste, Le Coq Sportif, Mizuno, Peter Millar, etc.

PG was listed on the Stock Exchange of Thailand (the "SET") on September 29, 1988 and transformed to a public limited company in 1994, currently having a total registered and paid-up capital of Baht 96.00 million.

### **1.2 Nature of business operation**

The Business operates a textile and garment business that includes men's clothing, women's clothing, children's clothing, uniforms, and swimsuits, under both licensed international trademarks and its own house brands, distributing products both domestically and internationally. For domestic market, PG's major customer is I.C.C. International Plc. ("ICC"), a distributor to departmental stores, while international distribution is made through distributors and/or trademark owners in various countries, primarily the United States, Europe, Asia, and the ASEAN group. It also collaborates with business partners to create a comprehensive business from upstream to downstream. The Business's main products are as follows:

(a) Textile product

PG's textile products have developed innovations in raw materials to ensure consumer safety and environmental friendliness. They include 1) Cool Mode/Fiber 5 Label Textiles: these fibers are designed to be free from carcinogens and heavy metals, absorb sweat, and dissipate heat well, providing comfort for brand and uniform customers; 2) Upcycling Textiles: made from recycled plastic bottles (recycled polyester), this innovation adds value by creating environmentally friendly clothing such as polo shirts and round-neck T-shirts for uniform customers and fabric buyers both domestically and internationally; and 3) Sorona by Dupont: a natural fiber extracted from corn that offers a strong, elastic structure similar to spandex with a soft touch, good heat dissipation, wrinkle resistance, excellent UV resistance, and recyclable and biodegradable properties.

(b) Ready-to-wear garment

PG's ready-made clothing products are produced under international brands such as Arrow, ELLE, Le Coq Sportif, and Mizuno, and its own house brands including Primo Linea, 360 Swimwear, and Proud. PG serves both original equipment manufacturer (OEM) and original design manufacturer (ODM) customers with a variety of men's and women's apparel, including polo shirts, slacks, and men's underwear. The sportswear line includes as swimwear, running gear, yoga outfits, fitness wear, and golf apparel. Additionally, PG produces uniforms for both office and industrial settings, as well as medical apparel, including scrubs and lab coats.

(c) Other services

The Business provides comprehensive product presentation services and new innovations, from fabric design, fabric production, pattern creation to sewing of ready-made garments (ODM) for customers in Asia.

Head office, number of factories, locations, and production capacity under PG's operation

Factory	Category
Head Office, No. 666 Rama 3 Road, Bang Phong Phang Subdistrict, Yannawa District, Bangkok 10120	Management center and swimsuit
No. 77, Moo 6 Lampang - Chiang Mai Road, Ban Klang Subdistrict, Mueang District, Lamphun Province, 51000	Ready-to-wear garment
No. 216, Moo 5 Suwannason Road, Nonthri Subdistrict, Kabin Buri District, Prachin Buri Province, 25110	Knitted fabrics and ready-to-wear garment

Production capacity and actual production volume under PG's operation

	2021	2022	2023
<b>Production capacity (unit: piece)</b>			
Men and women's wear <sup>1/</sup>	1,200,000	1,200,000	1,500,000
Swimwear <sup>2/</sup>	80,000	100,000	72,000
Underwear <sup>3/</sup>	2,500,000	2,500,000	2,400,000
<b>Total</b>	<b>3,780,000</b>	<b>3,800,000</b>	<b>3,972,000</b>
<b>Actual production volume (unit: piece)</b>			
Men and women's wear	1,112,494	1,152,506	1,349,561
Swimwear	70,698	95,750	59,352
Underwear	1,470,159	1,688,073	1,590,153
<b>Total</b>	<b>2,653,351</b>	<b>2,936,329</b>	<b>2,999,066</b>
<b>Capacity utilization (%)</b>	<b>70.19</b>	<b>77.27</b>	<b>75.50</b>

Remark: 1/ The production capacity of men's and women's wear includes the Business's internal production capacity of 900,000 pieces, combined with the capacity of contracted manufacturers, which varies each year based on sales volume driven by customer demand and the yearly production plan.

2/ The production capacity of swimwear includes the Business's internal production capacity of 50,000 pieces, combined with the production capacity of contracted manufacturers, which changes each year based on sales volume driven by customer demand and the annual production plan.

3/ The production capacity for underwear comes entirely from contracted manufacturers. In 2023, underwear production capacity decreased from 2,500,000 pieces to 2,400,000 pieces due to negotiations with contracted manufacturers to reduce reserved capacity to better align with the Business's demand and comply with customer orders.

### 1.3 Revenue structure

PG's revenue structure in 2021-2023 and the first nine months of 2024 is as follows:

Sales income	2021		2022		2023		2024 (Jan-Sep)	
	Baht million	%	Baht million	%	Baht million	%	Baht million	%
<b>Domestic</b>	<b>449.33</b>	<b>73.35</b>	<b>564.87</b>	<b>82.20</b>	<b>527.64</b>	<b>75.00</b>	<b>390.75</b>	<b>68.25</b>
Garment	431.13	70.38	553.29	80.52	505.45	71.85	377.33	65.91
Knitted fabric	18.20	2.94	11.58	1.68	22.19	3.15	13.42	2.34
<b>International</b>	<b>163.28</b>	<b>26.65</b>	<b>122.30</b>	<b>17.80</b>	<b>175.88</b>	<b>25.00</b>	<b>181.77</b>	<b>31.75</b>
Garment	160.81	26.25	119.64	17.41	172.12	24.47	179.32	31.32
Knitted fabric	2.47	0.40	2.66	0.39	3.76	0.53	2.45	0.43
<b>Total</b>	<b>612.61</b>	<b>100.00</b>	<b>687.17</b>	<b>100.00</b>	<b>703.52</b>	<b>100.00</b>	<b>572.52</b>	<b>100.00</b>

#### 1.4 Shareholding structure

PG has no subsidiaries or associated companies.

#### 1.5 Shareholders

##### 1.5.1 Shareholding structure before the Tender Offer

List of top 10 shareholders of the Business as of September 30, 2024, which is the latest shareholder register book closing date, before adjustment for the number of shares that the Offeror received from the Sellers, and list of top 10 shareholders as of September 30, 2024, the latest shareholder register book closing date, adjusted for the number of shares that the Offeror received from the Sellers as a result of the Share Purchase Transaction under the share purchase agreement on October 17, 2024 in the number of 27,468,098 shares or 28.61percent of the total issued and paid-up shares and total voting rights of the Business, are shown below:

	Name	Before adjustment with number of shares	After adjustment with number of shares		
		that the Offeror received from the Sellers	that the Offeror received from the Sellers	As a percentage of	As a percentage of
		No. of shares	No. of shares	total issued shares and	total issued shares
		(shares)	(shares)	total voting rights of the	and total voting rights
				Business	of the Business
1	The Offeror – Saha Pathana Inter-Holding Plc.	13,228,666	40,696,764	13.78	42.39
2	Thanulux Plc.	10,484,000	-	10.92	-
3	Saha Pathanapibul Plc.	8,450,000	8,450,000	8.80	8.80
4	Yi Tong Tian Tai BSC Co., Ltd.	5,305,999	-	5.53	-
5	I.C.C. International Plc.	5,040,000	5,040,000	5.25	5.25
6	Trika Co., Ltd.	4,965,533	4,965,533	5.17	5.17
7	BSC So In Co., Ltd.	4,072,100	-	4.24	-
8	I.D.F. Co., Ltd.	3,790,000	-	3.95	-
9	Mrs. Kityaporn Chaithavornsathien	3,538,633	3,538,633	3.69	3.69
10	E-Commerce Digital Thai Holding Co., Ltd.	3,500,000	3,500,000	3.65	3.65
11	First United Industry Co., Ltd.	2,186,666	-	2.28	-
12	Mr. Boonkiet Chokwatana	2,700,000	2,700,000	2.81	2.81
13	Thai NVDR Co., Ltd.	2,320,805	2,320,805	2.42	2.42
14	Mr. Piranart Chokwatana	1,922,900	1,922,900	2.00	2.00
15	Sinparadorn Co., Ltd.	1,629,333	-	1.69	-
16	Mrs. Sirina Pavarolaravidya	1,468,133	1,468,133	1.53	1.53
	<b>Total major shareholders</b>	<b>74,602,768</b>	<b>74,602,768</b>	<b>77.71</b>	<b>77.71</b>
17	Other shareholders	21,397,232	21,397,232	22.29	22.29
	<b>Total</b>	<b>96,000,000</b>	<b>96,000,000</b>	<b>100.00</b>	<b>100.00</b>



### 1.5.2 Expected shareholding structure after the Tender Offer

Given that all of the shareholders intend to sell all of their shares under the mandatory tender offer, the Offeror will then hold 100.00 percent of the Business's total issued and paid-up shares and total voting rights.

No.	Name	No. of shares (shares)	%
1	Saha Pathana Inter-Holding Plc. or the Offeror	96,000,000	100.00
	<b>Total</b>	<b>96,000,000</b>	<b>100.00</b>

### 1.6 Board of Directors

#### 1.6.1 Before the Tender Offer (as of August 9, 2024)

	Name	Position
1.	Mr. Boonkiet Chokwatana	Chairman of the Board / Chairman of Remuneration Committee / Chairman of Nomination Committee
2.	Mr. Chailert Manoonpol	Vice Chairman / Member of Risk Management Committee
3.	Mr. Viritpol Chaithavornsathien	Director / Member of Nomination Committee / Member of Risk Management Committee / Chairman of Executive Board / Member of Corporate Governance & Sustainable Development Committee
4.	Mrs. Sunan Niyomnaitham	Director / Member of Remuneration Committee / Member of Corporate Governance & Sustainable Development Committee / Vice Chairman of Executive Board / Head of Accounting & Finance
5.	Mrs. Somporn Tiyaviboonsiri	Director / Member of Nomination Committee
6.	Mrs. Teerada Ambhanwong	Director
7.	Mrs. Kityaporn Chaithavornsathien	Director / Member of Remuneration Committee
8.	Mr. Piranart Chokwatana	Director
9.	Mr. Khachornsakdi Vanaratseath	Independent Director / Chairman of Audit Committee
10.	Gen. Konecharnt Chunnabhata	Independent Director / Chairman of Risk Management Committee
11.	Mr. Santi Bangor	Independent Director / Member of Audit Committee / Chairman of Corporate Governance & Sustainable Development Committee
12.	Mrs. Nuchanart Thammanomai	Independent Director / Member of Audit Committee

	Name	Position
13.	Mrs. Chorthip Pramoj Na Ayudhya	Independent Director / Member of Remuneration Committee / Member of Nomination Committee

#### 1.6.2 After the Tender Offer

As at the date of completion of the Tender Offer, the Offeror has no policy to change the Board of Directors of the Business other than the list of the Board of Directors before the Tender Offer as at August 9, 2024. Except for during the process of making the Tender Offer and/or within 12 months after the completion of the Tender Offer, any director resigns or their term of office expires, the Business may replace any such director, or the Offeror may nominate individuals for appointment as directors and/or independent directors, as appropriate, for the best interests of the Business.

Furthermore, if a change to the Board of Directors is required, the Offeror will cooperate with the Business in ensuring that the approval is obtained from the Board of Directors' meeting and the shareholders' meeting of the Business. In the event of a change in the number or structure of the Board of Directors of the Business, the board composition will continue to maintain the required proportion of independent directors and the Audit Committee in accordance with relevant laws, the Business's policies and Article of Association, laws, and regulations of the SEC and the SET.

### 1.7 Summary of financial position and operating results of the Business

#### 1.7.1 Table summarizing financial position and operating results of the Business for the fiscal years ended December 31, 2021-2023 and the first nine-month period ended September 30, 2024

PG's financial statements for the year ended December 31, 2021 were audited by Mr. Chayapol Suppasdtanon, CPA Registration No. 3972, of EY Office Ltd., financial statements for the years ended December 31, 2022 and 2023 were audited by Miss Orawan Techawatanasirikul, CPA Registration No. 4807, of EY Office Ltd., and financial statements for the nine-month period ended September 30, 2024 were reviewed by Miss Orawan Techawatanasirikul, CPA Registration No. 4807, of EY Office Ltd.

#### (1) *Statements of financial position*

(Unit: Baht thousand)	2021		2022		2023		2023 (Jan-Sep)		2024 (Jan-Sep)	
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
Cash and cash equivalents	35,580	2.18	26,250	1.57	9,514	0.56	8,476	0.50	4,595	0.28
Trade and other receivables	137,715	8.44	120,141	7.19	125,635	7.33	132,371	7.78	160,502	9.69
Inventories	328,250	20.12	365,704	21.88	339,336	19.80	361,317	21.24	387,243	23.38
Current portion of other non-current financial assets	25,000	1.53	1,500	0.09	16,757	0.98	4,000	0.24	22,000	1.33
Other current financial assets	325,359	19.94	306,580	18.34	311,684	18.19	305,587	17.97	202,615	12.24
Other current assets	5,555	0.34	3,675	0.22	4,421	0.26	5,003	0.29	10,859	0.66
<b>Total current assets</b>	<b>857,459</b>	<b>52.55</b>	<b>823,850</b>	<b>49.29</b>	<b>807,347</b>	<b>47.12</b>	<b>816,754</b>	<b>48.02</b>	<b>787,814</b>	<b>47.59</b>

(Unit: Baht thousand)	2021		2022		2023		2023 (Jan-Sep)		2024 (Jan-Sep)	
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
Other non-current financial assets – net of current portion	610,027	37.39	688,197	41.18	738,345	43.08	725,662	42.67	698,133	42.16
Investment property	387	0.02	387	0.02	387	0.02	387	0.02	387	0.02
Property, plant and equipment	144,298	8.84	145,081	8.68	153,068	8.93	144,004	8.47	158,260	9.56
Right-of-use assets	17,323	1.06	12,029	0.72	9,826	0.57	11,501	0.68	5,333	0.32
Intangible assets	188	0.01	3	0.00	1	0.00	1	0.00	651	0.04
Other non-current assets	2,020	0.13	1,741	0.11	4,830	0.28	2,454	0.14	5,261	0.32
<b>Total non-current assets</b>	<b>774,243</b>	<b>47.45</b>	<b>847,438</b>	<b>50.71</b>	<b>906,457</b>	<b>52.88</b>	<b>884,009</b>	<b>51.98</b>	<b>868,025</b>	<b>52.42</b>
<b>Total assets</b>	<b>1,631,702</b>	<b>100.00</b>	<b>1,671,288</b>	<b>100.00</b>	<b>1,713,804</b>	<b>100.00</b>	<b>1,700,763</b>	<b>100.00</b>	<b>1,655,839</b>	<b>100.00</b>
Trade and other payables	98,109	6.01	59,706	3.57	80,703	4.71	84,456	4.97	97,467	5.89
Current portion of lease liabilities	5,893	0.36	6,077	0.36	7,258	0.42	7,162	0.42	3,171	0.19
Other current liabilities	3,939	0.24	28,366	1.70	9,782	0.57	8,146	0.48	9,060	0.55
<b>Total current liabilities</b>	<b>107,941</b>	<b>6.61</b>	<b>94,149</b>	<b>5.63</b>	<b>97,743</b>	<b>5.70</b>	<b>99,764</b>	<b>5.87</b>	<b>109,698</b>	<b>6.63</b>
Lease liabilities – net of current portion	12,341	0.76	6,861	0.41	3,292	0.19	5,143	0.30	2,514	0.15
Provision for long-term employee benefits	64,076	3.93	61,629	3.69	63,469	3.71	57,158	3.36	59,440	3.59
Deferred tax liabilities	41,377	2.53	47,397	2.84	54,547	3.18	54,050	3.18	39,232	2.37
<b>Total non-current liabilities</b>	<b>117,794</b>	<b>7.22</b>	<b>115,887</b>	<b>6.93</b>	<b>121,308</b>	<b>7.08</b>	<b>116,351</b>	<b>6.84</b>	<b>101,186</b>	<b>6.11</b>
<b>Total liabilities</b>	<b>225,735</b>	<b>13.83</b>	<b>210,036</b>	<b>12.57</b>	<b>219,051</b>	<b>12.78</b>	<b>216,115</b>	<b>12.71</b>	<b>210,884</b>	<b>12.74</b>
Registered capital	96,000	5.88	96,000	5.74	96,000	5.60	96,000	5.65	96,000	5.80
Issued and fully-paid capital	96,000	5.88	96,000	5.74	96,000	5.60	96,000	5.65	96,000	5.80
Premium on share capital	325,200	19.93	325,200	19.46	325,200	18.98	325,200	19.12	325,200	19.64
Retained earnings										
Appropriated										
Statutory reserve	9,600	0.59	9,600	0.57	9,600	0.56	9,600	0.56	9,600	0.58
General reserve	2,500	0.15	2,500	0.15	2,500	0.15	2,500	0.15	2,500	0.15
Unappropriated	744,633	45.64	776,400	46.46	768,710	44.85	779,366	45.82	759,815	45.89
Other components of shareholders' equity	228,034	13.98	251,552	15.05	292,743	17.08	271,982	15.99	251,840	15.21
<b>Total shareholders' equity</b>	<b>1,405,967</b>	<b>86.17</b>	<b>1,461,252</b>	<b>87.43</b>	<b>1,494,753</b>	<b>87.22</b>	<b>1,484,648</b>	<b>87.28</b>	<b>1,444,955</b>	<b>87.26</b>
<b>Total liabilities and shareholders' equity</b>	<b>1,631,702</b>	<b>100.00</b>	<b>1,671,288</b>	<b>100.00</b>	<b>1,713,804</b>	<b>100.00</b>	<b>1,700,763</b>	<b>100.00</b>	<b>1,655,839</b>	<b>100.00</b>

(2) *Statements of comprehensive income*

(Unit: Baht thousand)	2021		2022		2023		2023 (Jan-Sep)		2024 (Jan-Sep)	
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
Sales income	612,615	91.86	687,170	91.36	703,520	91.58	513,429	90.82	572,518	92.48
Other income <sup>1/</sup>	48,050	7.20	59,717	7.94	64,641	8.42	51,924	9.18	46,581	7.52
Gains on fair value measurement of investments	6,254	0.94	5,256	0.70	-	-	-	-	-	-
<b>Total revenues</b>	<b>666,919</b>	<b>100.00</b>	<b>752,143</b>	<b>100.00</b>	<b>768,161</b>	<b>100.00</b>	<b>565,353</b>	<b>100.00</b>	<b>619,099</b>	<b>100.00</b>
Cost of sales	507,993	76.17	547,178	72.75	551,783	71.83	399,511	70.67	435,912	70.41
Selling and distribution expenses	9,887	1.48	11,280	1.50	13,361	1.74	7,969	1.41	14,032	2.27
Administrative expenses	135,654	20.34	149,287	19.85	166,353	21.66	119,853	21.20	137,176	22.16
Losses on fair value measurement of	-	-	-	-	9,860	1.28	5,120	0.91	26,044	4.21

(Unit: Baht thousand)	2021		2022		2023		2023 (Jan-Sep)		2024 (Jan-Sep)	
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
investments										
Total expenses	653,534	97.99	707,745	94.10	741,357	96.51	532,453	94.18	613,164	99.04
Profit before finance cost and income tax	13,385	2.01	44,398	5.90	26,804	3.49	32,900	5.82	5,935	0.96
Finance cost	(1,019)	(0.15)	(762)	(0.10)	(761)	(0.10)	(605)	(0.11)	(383)	(0.06)
Profit before tax expense	12,366	1.85	43,636	5.80	26,042	3.39	32,295	5.71	5,552	0.90
Tax expense	(1,724)	(0.26)	(140)	(0.02)	(57)	(0.01)	(1,545)	(0.27)	5,089	0.82
Net profit for the period	10,642	1.60	43,496	5.78	25,986	3.38	30,750	5.44	10,641	1.72

Remark: 1/ Other income consists of dividend income, rental income, interest income, consulting income, and others.

### (3) Statements of cash flow

(Unit: Baht thousand)	2021	2022	2023	2023 (Jan-Sep)	2024 (Jan-Sep)
	Amount	Amount	Amount	Amount	Amount
Cash flow from operating activities	(19,562)	(20,752)	22,009	3,410	(61,979)
Cash flow from investing activities	40,564	27,817	(11,901)	3,749	83,634
Cash flow from financing activities	(16,607)	(16,395)	(26,844)	(24,933)	(26,574)
Decrease in cash and cash equivalents	4,395	(9,330)	(16,736)	(17,774)	(4,919)
Cash and cash equivalents at beginning of period	31,184	35,579	26,250	26,250	9,514
Cash and cash equivalents at end of period	35,579	26,249	9,514	8,476	4,595

Source: See more details of the audited/reviewed financial statements of the Business at website of the SEC (www.sec.or.th) or the SET (www.set.or.th).

## 1.7.2 Analysis of financial position and operating results

### (1) Analysis of operating results

#### Sales income

Sales income	For the year ended December 31			For the 9-month period ended September 30	
	2021	2022	2023	2023	2024
	Baht million	Baht million	Baht million	Baht million	Baht million
Domestic	449.33	564.87	527.64	400.34	390.75
Increase (decrease) rate (percent)		25.71	(6.59)		(2.40)
International	163.29	122.30	175.88	113.09	181.77
Increase (decrease) rate (percent)		(25.10)	43.81		60.73
Total sales income	612.62	687.17	703.52	513.43	572.52
Increase (decrease) rate (percent)		12.17	2.38		11.51

In 2021-2023, the Business recorded sales income of Baht 612.62 million, Baht 687.17 million, and Baht 703.52 million, respectively. In 2022, the Business had sales income of Baht 687.17 million, an increase of Baht 74.55 million or 12.17 percent. Income from domestic sales surged from 2021 by Baht 115.54 million or 25.71 percent, following improvement in the COVID-19 situation and easing of the pandemic-control

measures, which led to a return of economic activities in the country to normal and consumers to increasingly shift to out-of-home spending. Recognizing the significance of such change, the Business collaborated with its customers on new product launches and marketing plans. Meanwhile, the Business still gave importance to both social media marketing and online marketing in order to continuously increase the marketing and sales opportunities. However, income from international sales plunged from 2021 by Baht 40.99 million or 25.10 percent because of delaying purchases to reduce inventory and economic problems in their countries. Still, customers are confident in the Business's capability to deliver quality products on time, as required.

In 2023, the Business had sales income of Baht 703.52 million, an increase of Baht 16.35 million from 2022 or 2.38 percent. Income from domestic sales dropped by Baht 37.23 million from 2022 or 6.59 percent, stemming from a decline in major domestic customers' sales volume. The Business's acquisition of additional new customers was still not enough to cover the shortfall in sales of those major customers. Meanwhile, income from international sales soared Baht 53.58 million from 2022 or 43.81 percent. This is due to the increase in exports to the United States and European countries, driven by consumer confidence in the potential and quality of the products. Additionally, the Business has developed and introduced a wider and more modern range of products, such as offering long pants in addition to the previously offered shorts.

For the 9-month period in 2024, the Business generated sales income of Baht 572.52 million, an increase of Bath 59.09 million or 11.51 percent compared to the same period in 2023. Domestic sales revenue decreased by Bath 9.59 million or 2.40 percent due to a decline in sales from key domestic customers. However, revenue from overseas sales increased by Bath 68.68 million or 60.73 percent from the same period in 2023, driven by a continuous rise in orders for long pants and an increase in product orders as the Business's customers expanded their markets into Asian countries, where the response has been very positive.

*Other income*

Other income	For the year ended December 31			For the 9-month period ended September 30	
	2021 Baht million	2022 Baht million	2023 Baht million	2023 Baht million	2024 Baht million
Dividend income	12.63	25.69	32.82	25.98	24.97
Interest income	6.55	4.84	4.56	3.35	3.27
Gains on sales of investments with fair value measurement through the statements of income	9.50	10.26	3.77	6.64	2.06
Others	19.37	18.93	23.49	15.95	16.28
<b>Total other income</b>	<b>48.05</b>	<b>59.72</b>	<b>64.64</b>	<b>51.92</b>	<b>46.58</b>
<i>Increase (decrease) (percentage)</i>		24.29	8.24		(10.29)

In 2021-2023, the Business had other income of Baht 48.05 million, Baht 59.72 million, and Baht 64.64 million respectively. In 2022, the business's other income was Baht 59.72 million, an increase of Baht 11.67 million or 24.29 percent from 2021. This increase was due to higher dividend income, which rose by Baht 13.06 million, a gain from the sale of investments measured at fair value through profit or loss, which increased by Baht 0.75 million, a decrease in interest income of Baht 1.71 million, and other reductions amounting to Baht 0.43 million.

In 2023, the Business had other income of Baht 64.64 million, an increase of Baht 4.92 million or 8.24 percent from 2022. This increase was primarily due to a rise in dividend income by Baht 7.13 million, a decrease in the gain from the sale of investments measured at fair value through profit or loss by Baht 6.49 million, a reduction in interest income by Baht 0.28 million, and an increase in other income by Baht 4.56 million.

For the 9-month period in 2024, the Business generated other income of Baht 46.58 million, a decrease of Baht 5.34 million or 10.29 percent compared to the same period in 2023. This decline was due to a decrease of Baht 5.34 million or 10.29 percent compared to the same period in 2023. This decline was due to a decrease in the gain from the sale of investments measured at fair value through profit or loss by Baht 4.59 million, a reduction in dividend income by Baht 1.01 million, and an increase in other income by Baht 0.26 million.

#### *Cost of sales*

In 2021-2023, the Business recorded cost of sales of Baht 507.99 million, Baht 547.18 million, and Baht 551.78 million, representing 82.92 percent, 79.63 percent, and 78.43 percent of sales income respectively. The percentage of cost of sales to sales income dropped by 3.29 percent from 2021 to 79.63 percent in 2022, attributed to raw material management streamlining and employee skill development which led to production efficiency improvement.

In 2023, the Business had cost of sales amounting to Baht 551.78 million, representing a cost-to-sales ratio of 78.43 percent, which is a decrease of 1.20 percent compared to 2022, where the cost-to-sales ratio was 79.63 percent. This improvement was a result of better raw material management and continuous employee skill development.

For the 9-month period in 2024, the Business had a cost of sales amounting to Baht 435.91 million, representing a cost-to-sales ratio of 76.14 percent, a decrease of 1.67 percent compared to the same period in 2023, where the cost-to-sales ratio was 77.81 percent. This improvement was due to more efficient management of raw material usage, as well as the selection of new high-quality and cost-effective raw material sources, while maintaining the Business's product standards.

#### *Selling and distribution expenses*

In 2021-2023, the Business had selling and distribution expenses of Baht 9.89 million, Baht 11.28 million, and Baht 13.36 million, respectively. In 2022, the Business had selling and distribution expenses of Baht 11.28 million, an increase of Baht 1.39 million or 14.05 percent compared to 2021. This increase was due to the improvement in the COVID-19 situation and easing of the pandemic-control measures, which restored normal economic activities and enabled the Business to increase its sales outside the area.

In 2023, the Business had selling and distribution expenses of Baht 13.36 million, an increase of Baht 2.08 million or 18.44 percent compared to 2022. This increase was due to higher commission fees in line with the growth in revenue from overseas sales, as well as an increase in sales outside the local area.

For the 9-month period in 2024, the Business had selling and distribution expenses of Baht 14.03 million, an increase of Baht 6.06 million or 76.08 percent compared to the same period in 2023. This increase was also due to higher commission fees in line with growth in overseas sales and increased sales outside the local area

#### *Administrative expenses*

In 2021-2023, the Business had administrative expenses of Baht 135.65 million, Baht 149.29 million, and Baht 166.35 million, respectively. In 2022, the Business had administrative expenses of Baht 149.29 million, an increase of Baht 13.64 million or 10.06 percent compared to 2021. This increase was due to higher employee-related expenses in tandem with domestic sales growth after improvement in the COVID-19 situation and increase in economic activities.

In 2023, the Business had administrative expenses of Baht 166.35 million, an increase of Baht 17.06 million or 11.43 percent compared to 2022. This increase was also due to higher employee-related expenses in line with growth in income from international sales. However, the Business continued to focus on developing its workforce with multi-skills to enhance productivity and achieve cost savings.

For the 9-month period in 2024, the Business had administrative expenses of Baht 137.18 million, an increase of Baht 17.33 million or 14.45 percent compared to the same period in 2023. This increase was due to higher employee-related expenses in line with growth in income from international sales.

#### *Net profit*

In 2021-2023, the Business had net profit of Baht 10.64 million, Baht 43.50 million, and Baht 25.99 million, respectively. In 2022, the Business had net profit of Baht 43.50 million, an increase of Baht 32.86 million or 308.83 percent compared to 2021. This increase was due to higher sales revenue as the COVID-19 pandemic situation began to ease and consumers started spending more outside their homes.

In 2023, the Business had a net profit of Baht 25.99 million, a decrease of Baht 17.51 million or 164.57 percent compared to 2022. This decline was due to higher administrative expenses and a loss on fair value measurement of investments in the amount of Baht 9.86 million.

For the 9-month period in 2024, the business had a net profit of Baht 10.64 million, a decrease of Baht 20.11 million or 65.40 percent, compared to the same period in 2023. The main reason for this decline was a loss on fair value measurement of investments amounting to Baht 26.04 million.

(2) *Analysis of financial position*

*Assets*

As at December 31, 2021-2023 and September 30, 2024, the Business had total assets of Baht 1,631.70 million, Baht 1,671.29 million, Baht 1,713.80 million, and Baht 1,655.84 million, respectively. Total assets as at December 31, 2022 grew by Baht 39.59 million or 2.43 percent from December 31, 2021, primarily due to an increase of Baht 54.67 million in other non-current financial assets, stemming from higher investments and fair value adjustments of investments, and a rise of Baht 37.45 million in inventories to accommodate product distribution to customers. Meanwhile, other current financial assets diminished by Baht 18.78 million, due to sales of private funds for investment management, and trade and other receivables dropped by Baht 17.57 million according to payments under credit terms.

Total assets as at December 31, 2023 rose by Baht 42.51 million or 2.54 percent from December 31, 2022, chiefly attributed to an increase of Baht 65.40 million in other non-current financial assets due to fair value adjustment of investments. However, inventories decreased by Baht 26.37 million, stemming from inventory management.

As at September 30, 2024, total assets decreased by Baht 57.97 million or 3.38 percent from December 31, 2023, resulting from a drop of Baht 109.07 million other current financial assets and of Baht 34.97 million in other non-current financial assets due to fair value adjustment of investments. At the same time, inventories increased by Baht 47.91 million on driven by the preparation of raw materials and finished products for seasonal distribution and trade and other receivables rose by Baht 34.87 million in line with sales growth.

*Liabilities*

As at December 31, 2021-2023 and September 30, 2024, the Business had total liabilities of Baht 225.73 million, Baht 210.04 million, Baht 219.05 million, and Baht 210.88 million, respectively. Total liabilities as at December 31, 2022 fell by Baht 15.70 million or 6.95 percent from December 31, 2021, caused mainly by a decrease of Baht 38.40 million in trade and other payables according to creditors' payment cycle. Other current liabilities increased by Baht 24.43 million from advance payment received for exported products.



Total liabilities as at December 31, 2023 increased by Baht 9.01 million or 4.29 percent from December 31, 2022, resulting from an increase of Baht 21.00 million in trade and other payables according to creditors' payment cycle. Other current liabilities decreased by Baht 18.58 million due to advance payment received for exported products.

As at September 30, 2024, total liabilities dropped by Baht 8.17 million or 3.73 percent from December 31, 2023, caused by a decrease of Baht 15.31 million in deferred tax liabilities resulting from unrealized gains on fair value adjustment of financial assets.

#### *Shareholders' equity*

As at December 31, 2021-2023 and September 30, 2024, the Business's shareholders' equity stood at Baht 1,405.97 million, Baht 1,461.25 million, Baht 1,494.75 million, and Baht 1,444.96 million, respectively. As at December 31, 2022, shareholders' equity grew by Baht 55.28 million or 3.93 percent from December 31, 2021, due to a net profit for 2022 of Baht 43.50 million, dividend payment of Baht 9.60 million, and an increase in other components of shareholders' equity of Baht 23.52 million.

As at December 31, 2023, shareholders' equity rose by Baht 33.50 million or 2.29 percent from December 31, 2022, resulting from a net profit for 2023 of Baht 25.99 million, dividend payment of Baht 19.20 million, and an increase in other components of shareholders' equity of Baht 41.19 million.

As at September 30, 2024, shareholders' equity decreased by Baht 49.80 million or 3.33 percent from December 31, 2023, resulting from a net profit for the period of Baht 10.64 million, dividend payment of Baht 19.20 million, and a decrease in other components of shareholders' equity of Baht 40.90 million.

### **1.8 Textile and garment industry situation, projection of future performance, and assumptions used**

Since the Offeror has no plan or policy to change the objectives of the Business that may affect its core business for the time being, and intends to focus on the business operation as usual during the 12-month period from the end of the Tender Offer period, the Business will therefore continue with the existing textile and garment business operation. Therefore, the Business anticipates that its operational performance will hinge on improvement in the overall economic condition and the textile and garment industry situation.

According to the report on the situation and the status of the Thai textile and garment industry report prepared by Information and Digital Industry Center, Thailand Textile Institute, textile and clothing exports in January to August 2024 (cumulative for 8 months) increased by 2.1 percent compared to the same period last year. When examining the export value of the four main products, which include man-made fibers, yarns, fabrics, and apparel, from January to August 2024 (accumulated for 8 months), it was found that man-made fibers, yarns, and apparel increased by 2.8 percent, 5.3 percent, and 8.2 percent, respectively, compared to the same period last year. In contrast, the export of fabric products decreased

by 5.1 percent compared to the same period last year. Among the top three export markets, it was found that exports to the United States and Vietnam expanded by 8.2 percent and 10.6 percent, respectively, while exports to Japan fell by 0.8 percent.

The Business will likely experience a positive impact from Thai economic expansion. The Office of the National Economic and Social Development Council forecasts Thai GDP growth at 2.3 percent – 2.8 percent in 2024, propelled largely by recovery in tourism and related service sectors, growth in private sector consumption, an increase in public sector spending and investment in the latter half of fiscal year 2024, and growth, though slowing, in goods exports in line with world trade recovery. However, Thai economic improvement remains vulnerable to risks and constraints that could result in lower-than-projected growth rates, including a high level of household and business debt, risk from climate change, and global economic and financial fluctuations.

**2. Opinion on the accuracy of the Business’s information presented in the tender offer statement**

The Board of Directors of the Business is of the opinion that all information relating to the Business provided in the Tender Offer Form (Form 247-4) dated October 29, 2024 (including any amendment thereto) is accurate in material respect.

**3. Any relationship or agreement between the Business’s director/s, whether on his/their own behalf or in capacity as the Business’s director/s or as the Offeror’s representative/s, and the Offeror, including the shareholding by the Business’s director/s in the Offeror’s juristic entity, and any contract or agreement made or to be made between them in various matters (such as management, etc.)**

3.1 Summary of contracts/agreements/memorandum of understanding executed by the Offeror before submission of the tender offer for the purpose of substantial trading of the Business’s securities, regardless of whether or not such contracts/agreements/memorandum of understanding are executed for selling/purchasing of securities under the tender offer

3.1.1 Before submission of the Tender Offer for the Business’s securities, the Offeror entered into the share purchase transaction with six shareholders of the Business, as detailed below:

		No. of shares held (shares)	As a percentage of total issued shares and total voting rights	No. of shares sold (shares)	As a percentage of total issued shares and total voting rights
1	Thanulux Plc.	10,484,000	10.92	10,484,000	10.92
2	Yi Tong Tian Tai BSC Co., Ltd.	5,305,999	5.53	5,305,999	5.53

		No. of shares held (shares)	As a percentage of total issued shares and total voting rights	No. of shares sold (shares)	As a percentage of total issued shares and total voting rights
3	BSC So In Co., Ltd.	4,072,100	4.24	4,072,100	4.24
4	I.D.F. Co., Ltd.	3,790,000	3.95	3,790,000	3.95
5	First United Industry Co., Ltd.	2,186,666	2.28	2,186,666	2.28
6	Sinparadorn Co., Ltd.	1,629,333	1.69	1,629,333	1.69
<b>Total</b>		<b>27,468,098</b>	<b>28.61</b>	<b>27,468,098</b>	<b>28.61</b>

3.1.2 The Offeror (as the purchaser) entered into six share purchase agreements with six shareholders of the Business (as the sellers) (“Share Purchase Agreements”).

On October 17, 2024, the Offeror signed the agreements to purchase the Business’s ordinary shares from six existing shareholders, comprising (1) Thanulux Plc., (2) Yi Tong Tian Tai BSC Co., Ltd., (3) BSC So In Co., Ltd., (4) I.D.F. Co., Ltd., (5) First United Industry Co., Ltd., and (6) Sinparadorn Co., Ltd., in the total amount of **27,468,098** shares, representing 28.61 percent of the total issued and paid-up shares and total voting rights of the Business. Here is a summary of the six Share Purchase Agreements:

(1) Share Purchase Agreement between the Offeror and Thanulux Plc.

<b>Agreement parties</b>	<ul style="list-style-type: none"> <li>The Offeror (as the Purchaser)</li> <li>Thanulux Plc. (as the Seller)</li> </ul>
<b>Signing date</b>	October 17, 2024
<b>Shares for sale and purchase</b>	Thanulux Plc. will sell 10,484,000 ordinary shares in the Business, representing 10.92 percent of the Business’s total issued and paid-up shares and total voting rights, (“Sale Shares”) to the Offeror.
<b>Sale and purchase price</b>	Baht 9 per share, totaling Baht 94,356,000 (Baht ninety-four million three hundred and fifty-six thousand only)
<b>Completion date</b>	October 17, 2024 or such other date in October 2024 as the Offeror and the Seller may agree
<b>Sale and purchase method</b>	The sale and purchase of the Sale Shares shall be made via the big lot trading process of the Stock Exchange of Thailand.

<p>Important conditions precedent that are purchaser's responsibility</p>	<ul style="list-style-type: none"> <li>• The Board of Directors' meeting of the Offeror shall pass a resolution approving the execution of the Share Purchase Agreement, including the entry into transactions and any actions as specified in the Share Purchase Agreement.</li> <li>• No event having a material adverse effect on the Business shall have occurred.</li> </ul>
<p>Important conditions precedent that are seller's responsibility</p>	<ul style="list-style-type: none"> <li>• The Board of Directors' meeting of the Seller shall pass a resolution approving the execution of the Share Purchase Agreement, including the entry into transactions and any actions as specified in the Share Purchase Agreement.</li> <li>• No event having a material adverse effect on the Business shall have occurred.</li> </ul>
<p>Purchaser's representations and warranties</p>	<ul style="list-style-type: none"> <li>• The Purchaser is not in a state of bankruptcy or insolvent.</li> <li>• The Purchaser has the legal power to enter into and perform its obligations under the Share Purchase Agreement, including any documents and/or other agreements related to the Share Purchase Agreement and the entry into and performance of obligations under the Share Purchase Agreement.</li> </ul>
<p>Seller's representations and warranties</p>	<ul style="list-style-type: none"> <li>• The Seller is not in a state of bankruptcy or insolvent.</li> <li>• The Seller has the legal power to enter into and perform its obligations under the Share Purchase Agreement, including any documents and/or other agreements related to the Share Purchase Agreement, and the entry into and performance of obligations under the Share Purchase Agreement and any other related documents or agreements are in compliance with the law.</li> <li>• The Seller is the legal owner of the Sale Shares, free from any encumbrances and claims of any kind whatsoever, and the Seller has the capacity and right to dispose of, transfer, and sell the Sale Shares to the Purchaser without any terms or conditions.</li> </ul>

<p><b>Termination of agreement</b></p>	<ul style="list-style-type: none"> <li>• The Share Purchase Agreement may be terminated for the following reasons: <ul style="list-style-type: none"> <li>(a) When both parties mutually agree in writing to terminate the Share Purchase Agreement.</li> <li>(b) If either party breaches a material term of the Share Purchase Agreement, and the other party has given written notice to remedy the breach, but the breaching party fails to remedy within 14 (fourteen) days from the date of receiving such notice.</li> <li>(c) If either party becomes bankrupt, receives an absolute receivership order, is subject to a business rehabilitation order, or consents to allow others to manage all of its assets, the other party has the right to terminate the Share Purchase Agreement by giving notice to that party.</li> <li>(d) If there is a law or regulation of a government agency which results in: <ul style="list-style-type: none"> <li>(1) Either party being unable to comply with any material terms of the Share Purchase Agreement, or</li> <li>(2) Either party being unable to buy or sell the Sale Shares under the conditions and criteria specified in the Share Purchase Agreement.</li> </ul> </li> </ul> </li> <li>• The termination of the Share Purchase Agreement, for whatever reason, shall not affect the rights, remedies, duties, or liabilities of each party that arose before the date of termination of the Share Purchase Agreement, including claims for damages resulting from breach of the Share Purchase Agreement which occurred on or before the date of termination.</li> </ul>
<p><b>Governing law and dispute resolution</b></p>	<p>Thai law</p>

(2) Share Purchase Agreement between the Offeror and Yi Tong Tian Tai BSC Co., Ltd.

<b>Agreement parties</b>	<ul style="list-style-type: none"> <li>• The Offeror (as the Purchaser)</li> <li>• Yi Tong Tian Tai BSC Co., Ltd. (as the Seller)</li> </ul>
<b>Signing date</b>	October 17, 2024
<b>Shares for sale and purchase</b>	Yi Tong Tian Tai BSC Co., Ltd. will sell 5,305,999 ordinary shares in the Business, representing 5.53 percent of the Business's total issued and paid-up shares and total voting rights, ("Sale Shares") to the Offeror.
<b>Sale and purchase price</b>	Baht 9 per share, totaling Baht 47,753,991 (Baht forty-seven million seven hundred fifty-three thousand nine hundred and ninety-one only)
<b>Completion date</b>	October 17, 2024 or such other date in October 2024 as the Offeror and the Seller may agree
<b>Sale and purchase method</b>	The sale and purchase of the Sale Shares shall be made via the big lot trading process of the Stock Exchange of Thailand.
<b>Important conditions precedent that are purchaser's responsibility</b>	<ul style="list-style-type: none"> <li>• The Board of Directors' meeting of the Offeror shall pass a resolution approving the execution of the Share Purchase Agreement, including the entry into transactions and any actions as specified in the Share Purchase Agreement.</li> <li>• No event having a material adverse effect on the Business shall have occurred.</li> </ul>
<b>Important conditions precedent that are seller's responsibility</b>	<ul style="list-style-type: none"> <li>• The Board of Directors' meeting of the Seller shall pass a resolution approving the execution of the Share Purchase Agreement, including the entry into transactions and any actions as specified in the Share Purchase Agreement.</li> <li>• No event having a material adverse effect on the Business shall have occurred.</li> </ul>
<b>Purchaser's representations and warranties</b>	<ul style="list-style-type: none"> <li>• The Purchaser is not in a state of bankruptcy or insolvent.</li> <li>• The Purchaser has the legal power to enter into and perform its obligations under the Share Purchase Agreement, including any documents and/or other agreements related to the Share Purchase Agreement and the entry into and performance of obligations under the Share Purchase Agreement.</li> </ul>

<b>Seller's representations and warranties</b>	<ul style="list-style-type: none"><li>• The Seller is not in a state of bankruptcy or insolvent.</li><li>• The Seller has the legal power to enter into and perform its obligations under the Share Purchase Agreement, including any documents and/or other agreements related to the Share Purchase Agreement, and the entry into and performance of obligations under the Share Purchase Agreement and any other related documents or agreements are in compliance with the law.</li><li>• The Seller is the legal owner of the Sale Shares, free from any encumbrances and claims of any kind whatsoever, and the Seller has the capacity and right to dispose of, transfer, and sell the Sale Shares to the Purchaser without any terms or conditions.</li></ul>
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<p><b>Termination of agreement</b></p>	<ul style="list-style-type: none"> <li>• The Share Purchase Agreement may be terminated for the following reasons: <ul style="list-style-type: none"> <li>(a) When both parties mutually agree in writing to terminate the Share Purchase Agreement.</li> <li>(b) If either party breaches a material term of the Share Purchase Agreement, and the other party has given written notice to remedy the breach, but the breaching party fails to remedy within 14 (fourteen) days from the date of receiving such notice.</li> <li>(c) If either party becomes bankrupt, receives an absolute receivership order, is subject to a business rehabilitation order, or consents to allow others to manage all of its assets, the other party has the right to terminate the Share Purchase Agreement by giving notice to that party.</li> <li>(d) If there is a law or regulation of a government agency which results in: <ul style="list-style-type: none"> <li>(1) Either party being unable to comply with any material terms of the Share Purchase Agreement, or</li> <li>(2) Either party being unable to buy or sell the Sale Shares under the conditions and criteria specified in the Share Purchase Agreement.</li> </ul> </li> </ul> </li> <li>• The termination of the Share Purchase Agreement, for whatever reason, shall not affect the rights, remedies, duties, or liabilities of each party that arose before the date of termination of the Share Purchase Agreement, including claims for damages resulting from breach of the Share Purchase Agreement which occurred on or before the date of termination.</li> </ul>
<p><b>Governing law and dispute resolution</b></p>	<p>Thai law</p>



(3) Share Purchase Agreement between the Offeror and BSC So In Co., Ltd.

Agreement parties	<ul style="list-style-type: none"> <li>The Offeror (as the Purchaser)</li> <li>BSC So In Co., Ltd. (as the Seller)</li> </ul>
Signing date	October 17, 2024
Shares for sale and purchase	BSC So In Co., Ltd. will sell 4,072,100 ordinary shares in the Business, representing 4.24 percent of the Business's total issued and paid-up shares and total voting rights, ("Sale Shares") to the Offeror.
Sale and purchase price	Baht 9 per share, totaling Baht 36,648,900 (Baht thirty-six million six hundred forty-eight thousand and nine hundred only)
Completion date	October 17, 2024 or such other date in October 2024 as the Offeror and the Seller may agree
Sale and purchase method	The sale and purchase of the Sale Shares shall be made via the big lot trading process of the Stock Exchange of Thailand.
Important conditions precedent that are purchaser's responsibility	<ul style="list-style-type: none"> <li>The Board of Directors' meeting of the Offeror shall pass a resolution approving the execution of the Share Purchase Agreement, including the entry into transactions and any actions as specified in the Share Purchase Agreement.</li> <li>No event having a material adverse effect on the Business shall have occurred.</li> </ul>
Important conditions precedent that are seller's responsibility	<ul style="list-style-type: none"> <li>The Board of Directors' meeting of the Seller shall pass a resolution approving the execution of the Share Purchase Agreement, including the entry into transactions and any actions as specified in the Share Purchase Agreement.</li> <li>No event having a material adverse effect on the Business shall have occurred.</li> </ul>
Purchaser's representations and warranties	<ul style="list-style-type: none"> <li>The Purchaser is not in a state of bankruptcy or insolvent.</li> <li>The Purchaser has the legal power to enter into and perform its obligations under the Share Purchase Agreement, including any documents and/or other agreements related to the Share Purchase Agreement and the entry into and performance of obligations under the Share Purchase Agreement.</li> </ul>

<p><b>Seller's representations and warranties</b></p>	<ul style="list-style-type: none"><li>• The Seller is not in a state of bankruptcy or insolvent.</li><li>• The Seller has the legal power to enter into and perform its obligations under the Share Purchase Agreement, including any documents and/or other agreements related to the Share Purchase Agreement, and the entry into and performance of obligations under the Share Purchase Agreement and any other related documents or agreements are in compliance with the law.</li><li>• The Seller is the legal owner of the Sale Shares, free from any encumbrances and claims of any kind whatsoever, and the Seller has the capacity and right to dispose of, transfer, and sell the Sale Shares to the Purchaser without any terms or conditions.</li></ul>
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<p><b>Termination of agreement</b></p>	<ul style="list-style-type: none"> <li>• The Share Purchase Agreement may be terminated for the following reasons: <ul style="list-style-type: none"> <li>(a) When both parties mutually agree in writing to terminate the Share Purchase Agreement.</li> <li>(b) If either party breaches a material term of the Share Purchase Agreement, and the other party has given written notice to remedy the breach, but the breaching party fails to remedy within 14 (fourteen) days from the date of receiving such notice.</li> <li>(c) If either party becomes bankrupt, receives an absolute receivership order, is subject to a business rehabilitation order, or consents to allow others to manage all of its assets, the other party has the right to terminate the Share Purchase Agreement by giving notice to that party.</li> <li>(d) If there is a law or regulation of a government agency which results in: <ul style="list-style-type: none"> <li>(1) Either party being unable to comply with any material terms of the Share Purchase Agreement, or</li> <li>(2) Either party being unable to buy or sell the Sale Shares under the conditions and criteria specified in the Share Purchase Agreement.</li> </ul> </li> </ul> </li> <li>• The termination of the Share Purchase Agreement, for whatever reason, shall not affect the rights, remedies, duties, or liabilities of each party that arose before the date of termination of the Share Purchase Agreement, including claims for damages resulting from breach of the Share Purchase Agreement which occurred on or before the date of termination.</li> </ul>
<p><b>Governing law and dispute resolution</b></p>	<p>Thai law</p>

(4) Share Purchase Agreement between the Offeror and I.D.F. Co., Ltd.

Agreement parties	<ul style="list-style-type: none"> <li>The Offeror (as the Purchaser)</li> <li>I.D.F. Co., Ltd. (as the Seller)</li> </ul>
Signing date	October 17, 2024
Shares for sale and purchase	I.D.F. Co., Ltd. will sell 3,790,000 ordinary shares in the Business, representing 3.95 percent of the Business's total issued and paid-up shares and total voting rights, ("Sale Shares") to the Offeror.
Sale and purchase price	Baht 9 per share, totaling Baht 34,110,000 (Baht thirty-four million one hundred and ten thousand only)
Completion date	October 17, 2024 or such other date in October 2024 as the Offeror and the Seller may agree
Sale and purchase method	The sale and purchase of the Sale Shares shall be made via the big lot trading process of the Stock Exchange of Thailand.
Important conditions precedent that are purchaser's responsibility	<ul style="list-style-type: none"> <li>The Board of Directors' meeting of the Offeror shall pass a resolution approving the execution of the Share Purchase Agreement, including the entry into transactions and any actions as specified in the Share Purchase Agreement.</li> <li>No event having a material adverse effect on the Business shall have occurred.</li> </ul>
Important conditions precedent that are seller's responsibility	<ul style="list-style-type: none"> <li>The Board of Directors' meeting of the Seller shall pass a resolution approving the execution of the Share Purchase Agreement, including the entry into transactions and any actions as specified in the Share Purchase Agreement.</li> <li>No event having a material adverse effect on the Business shall have occurred.</li> </ul>
Purchaser's representations and warranties	<ul style="list-style-type: none"> <li>The Purchaser is not in a state of bankruptcy or insolvent.</li> <li>The Purchaser has the legal power to enter into and perform its obligations under the Share Purchase Agreement, including any documents and/or other agreements related to the Share Purchase Agreement and the entry into and performance of obligations under the Share Purchase Agreement.</li> </ul>

<p><b>Seller's representations and warranties</b></p>	<ul style="list-style-type: none"><li>• The Seller is not in a state of bankruptcy or insolvent.</li><li>• The Seller has the legal power to enter into and perform its obligations under the Share Purchase Agreement, including any documents and/or other agreements related to the Share Purchase Agreement, and the entry into and performance of obligations under the Share Purchase Agreement and any other related documents or agreements are in compliance with the law.</li><li>• The Seller is the legal owner of the Sale Shares, free from any encumbrances and claims of any kind whatsoever, and the Seller has the capacity and right to dispose of, transfer, and sell the Sale Shares to the Purchaser without any terms or conditions.</li></ul>
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<p><b>Termination of agreement</b></p>	<ul style="list-style-type: none"> <li>• The Share Purchase Agreement may be terminated for the following reasons: <ul style="list-style-type: none"> <li>(a) When both parties mutually agree in writing to terminate the Share Purchase Agreement.</li> <li>(b) If either party breaches a material term of the Share Purchase Agreement, and the other party has given written notice to remedy the breach, but the breaching party fails to remedy within 14 (fourteen) days from the date of receiving such notice.</li> <li>(c) If either party becomes bankrupt, receives an absolute receivership order, is subject to a business rehabilitation order, or consents to allow others to manage all of its assets, the other party has the right to terminate the Share Purchase Agreement by giving notice to that party.</li> <li>(d) If there is a law or regulation of a government agency which results in: <ul style="list-style-type: none"> <li>(1) Either party being unable to comply with any material terms of the Share Purchase Agreement, or</li> <li>(2) Either party being unable to buy or sell the Sale Shares under the conditions and criteria specified in the Share Purchase Agreement.</li> </ul> </li> </ul> </li> <li>• The termination of the Share Purchase Agreement, for whatever reason, shall not affect the rights, remedies, duties, or liabilities of each party that arose before the date of termination of the Share Purchase Agreement, including claims for damages resulting from breach of the Share Purchase Agreement which occurred on or before the date of termination.</li> </ul>
<p><b>Governing law and dispute resolution</b></p>	<p>Thai law</p>

(5) Share Purchase Agreement between the Offeror and First United Industry Co., Ltd.

<b>Agreement parties</b>	<ul style="list-style-type: none"> <li>• The Offeror (as the Purchaser)</li> <li>• First United Industry Co., Ltd. (as the Seller)</li> </ul>
<b>Signing date</b>	October 17, 2024
<b>Shares for sale and purchase</b>	First United Industry Co., Ltd. will sell 2,186,666 ordinary shares in the Business, representing 2.28 percent of the Business's total issued and paid-up shares and total voting rights, ("Sale Shares") to the Offeror.
<b>Sale and purchase price</b>	Baht 9 per share, totaling Baht 19,679,994 (Baht nineteen million six hundred seventy-nine thousand nine hundred and ninety-four only)
<b>Completion date</b>	October 17, 2024 or such other date in October 2024 as the Offeror and the Seller may agree
<b>Sale and purchase method</b>	The sale and purchase of the Sale Shares shall be made via the big lot trading process of the Stock Exchange of Thailand.
<b>Important conditions precedent that are purchaser's responsibility</b>	<ul style="list-style-type: none"> <li>• The Board of Directors' meeting of the Offeror shall pass a resolution approving the execution of the Share Purchase Agreement, including the entry into transactions and any actions as specified in the Share Purchase Agreement.</li> <li>• No event having a material adverse effect on the Business shall have occurred.</li> </ul>
<b>Important conditions precedent that are seller's responsibility</b>	<ul style="list-style-type: none"> <li>• The Board of Directors' meeting of the Seller shall pass a resolution approving the execution of the Share Purchase Agreement, including the entry into transactions and any actions as specified in the Share Purchase Agreement.</li> <li>• No event having a material adverse effect on the Business shall have occurred.</li> </ul>
<b>Purchaser's representations and warranties</b>	<ul style="list-style-type: none"> <li>• The Purchaser is not in a state of bankruptcy or insolvent.</li> <li>• The Purchaser has the legal power to enter into and perform its obligations under the Share Purchase Agreement, including any documents and/or other agreements related to the Share Purchase Agreement and the entry into and performance of obligations under the Share Purchase Agreement.</li> </ul>

<b>Seller's representations and warranties</b>	<ul style="list-style-type: none"><li>• The Seller is not in a state of bankruptcy or insolvent.</li><li>• The Seller has the legal power to enter into and perform its obligations under the Share Purchase Agreement, including any documents and/or other agreements related to the Share Purchase Agreement, and the entry into and performance of obligations under the Share Purchase Agreement and any other related documents or agreements are in compliance with the law.</li><li>• The Seller is the legal owner of the Sale Shares, free from any encumbrances and claims of any kind whatsoever, and the Seller has the capacity and right to dispose of, transfer, and sell the Sale Shares to the Purchaser without any terms or conditions.</li></ul>
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<p>Termination of agreement</p>	<ul style="list-style-type: none"> <li>• The Share Purchase Agreement may be terminated for the following reasons: <ul style="list-style-type: none"> <li>(a) When both parties mutually agree in writing to terminate the Share Purchase Agreement.</li> <li>(b) If either party breaches a material term of the Share Purchase Agreement, and the other party has given written notice to remedy the breach, but the breaching party fails to remedy within 14 (fourteen) days from the date of receiving such notice.</li> <li>(c) If either party becomes bankrupt, receives an absolute receivership order, is subject to a business rehabilitation order, or consents to allow others to manage all of its assets, the other party has the right to terminate the Share Purchase Agreement by giving notice to that party.</li> <li>(d) If there is a law or regulation of a government agency which results in: <ul style="list-style-type: none"> <li>(1) Either party being unable to comply with any material terms of the Share Purchase Agreement, or</li> <li>(2) Either party being unable to buy or sell the Sale Shares under the conditions and criteria specified in the Share Purchase Agreement.</li> </ul> </li> </ul> </li> <li>• The termination of the Share Purchase Agreement, for whatever reason, shall not affect the rights, remedies, duties, or liabilities of each party that arose before the date of termination of the Share Purchase Agreement, including claims for damages resulting from breach of the Share Purchase Agreement which occurred on or before the date of termination.</li> </ul>
<p>Governing law and dispute resolution</p>	<p>Thai law</p>

(6) Share Purchase Agreement between the Offeror and Sinparadorn Co., Ltd.

<b>Agreement parties</b>	<ul style="list-style-type: none"> <li>• The Offeror (as the Purchaser)</li> <li>• Sinparadorn Co., Ltd. (as the Seller)</li> </ul>
<b>Signing date</b>	October 17, 2024
<b>Shares for sale and purchase</b>	Sinparadorn Co., Ltd. will sell 1,629,333 ordinary shares in the Business, representing 1.69 percent of the Business's total issued and paid-up shares and total voting rights, ("Sale Shares") to the Offeror.
<b>Sale and purchase price</b>	Baht 9 per share, totaling Baht 14,663,997 (Baht fourteen million six hundred sixty-three thousand nine hundred and ninety-seven only)
<b>Completion date</b>	October 17, 2024 or such other date in October 2024 as the Offeror and the Seller may agree
<b>Sale and purchase method</b>	The sale and purchase of the Sale Shares shall be made via the big lot trading process of the Stock Exchange of Thailand.
<b>Important conditions precedent that are purchaser's responsibility</b>	<ul style="list-style-type: none"> <li>• The Board of Directors' meeting of the Offeror shall pass a resolution approving the execution of the Share Purchase Agreement, including the entry into transactions and any actions as specified in the Share Purchase Agreement.</li> <li>• No event having a material adverse effect on the Business shall have occurred.</li> </ul>
<b>Important conditions precedent that are seller's responsibility</b>	<ul style="list-style-type: none"> <li>• The Board of Directors' meeting of the Seller shall pass a resolution approving the execution of the Share Purchase Agreement, including the entry into transactions and any actions as specified in the Share Purchase Agreement.</li> <li>• No event having a material adverse effect on the Business shall have occurred.</li> </ul>
<b>Purchaser's representations and warranties</b>	<ul style="list-style-type: none"> <li>• The Purchaser is not in a state of bankruptcy or insolvent.</li> <li>• The Purchaser has the legal power to enter into and perform its obligations under the Share Purchase Agreement, including any documents and/or other agreements related to the Share Purchase Agreement and the entry into and performance of obligations under the Share Purchase Agreement.</li> </ul>

<b>Seller's representations and warranties</b>	<ul style="list-style-type: none"><li>• The Seller is not in a state of bankruptcy or insolvent.</li><li>• The Seller has the legal power to enter into and perform its obligations under the Share Purchase Agreement, including any documents and/or other agreements related to the Share Purchase Agreement, and the entry into and performance of obligations under the Share Purchase Agreement and any other related documents or agreements are in compliance with the law.</li><li>• The Seller is the legal owner of the Sale Shares, free from any encumbrances and claims of any kind whatsoever, and the Seller has the capacity and right to dispose of, transfer, and sell the Sale Shares to the Purchaser without any terms or conditions.</li></ul>
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<p>Termination of agreement</p>	<ul style="list-style-type: none"> <li>• The Share Purchase Agreement may be terminated for the following reasons: <ul style="list-style-type: none"> <li>(a) When both parties mutually agree in writing to terminate the Share Purchase Agreement.</li> <li>(b) If either party breaches a material term of the Share Purchase Agreement, and the other party has given written notice to remedy the breach, but the breaching party fails to remedy within 14 (fourteen) days from the date of receiving such notice.</li> <li>(c) If either party becomes bankrupt, receives an absolute receivership order, is subject to a business rehabilitation order, or consents to allow others to manage all of its assets, the other party has the right to terminate the Share Purchase Agreement by giving notice to that party.</li> <li>(d) If there is a law or regulation of a government agency which results in: <ul style="list-style-type: none"> <li>(1) Either party being unable to comply with any material terms of the Share Purchase Agreement, or</li> <li>(2) Either party being unable to buy or sell the Sale Shares under the conditions and criteria specified in the Share Purchase Agreement.</li> </ul> </li> </ul> </li> <li>• The termination of the Share Purchase Agreement, for whatever reason, shall not affect the rights, remedies, duties, or liabilities of each party that arose before the date of termination of the Share Purchase Agreement, including claims for damages resulting from breach of the Share Purchase Agreement which occurred on or before the date of termination.</li> </ul>
<p>Governing law and dispute resolution</p>	<p>Thai law</p>

3.2 Shareholding, whether direct or indirect, by the Offeror or persons with binding authority for the Offeror (where the Offeror is a juristic person) in the Business or its major shareholder (where the Business's major shareholder is a juristic person)

3.2.1 Shareholding by the Offeror or persons with binding authority for the Offeror in the Business

As of the date of submission of the Tender Offer, the Offeror holds 40,696,764 ordinary shares, representing 42.39 percent of the total issued and paid-up shares and total voting rights of the Business.

Moreover, the shareholding by the Offeror's directors (including related persons under Section 258 of the Securities and Exchange Act B.E. 2532 (1992) (as amended) ("the Securities and Exchange Act.") ("Related persons under Section 258") of the directors) in the Business as of September 30, 2024, the latest shareholder register book closing date of the Business, is as follows:

Name	Shareholding in the Business			Related persons under Section 258	Shareholding in the Business			Shareholding in the Business by directors and their related persons under Section 258		
	No. of shares	As a percentage of total issued shares	As a percentage of total voting rights		No. of shares	As a percentage of total issued shares	As a percentage of total voting rights	No. of shares	As a percentage of total issued shares	As a percentage of total voting rights
Mr. Somkid Jatusripitak	-	-	-	-	-	-	-	-	-	-
Mr. Boonsithi Chokwatana	-	-	-	Yi Tong Tian Tai BSC Co., Ltd.	5,305,999	5.527	5.527	5,495,825	5.725	5.725
				BSTR 408 Co., Ltd.	189,826	0.198	0.198			
Mr. Samreng Manoonpol	-	-	-	-	-	-	-	-	-	-
Mr. Vichai Kulsomphob	-	-	-	Spouse	224,550	0.234	0.234	224,550	0.234	0.234
Miss Sirikul Dhanasarnsilp	452,733	0.472	0.472	-	-	-	-	452,733	0.472	0.472
Mr. Pipope Chokvathana	-	-	-	-	-	-	-	-	-	-
Mr. Pipat Paniangvait	-	-	-	-	-	-	-	-	-	-
Mr. Sujarit Patchimnan	-	-	-	-	-	-	-	-	-	-
Mr. Boonkiet Chokwatana	2,700,000	2.813	2.813	Trika Co., Ltd.	4,965,533	5.172	5.172	7,755,533	8.079	8.079
				Spouse	90,000	0.094	0.094			
Mr. Piriya Khempon	-	-	-	-	-	-	-	-	-	-

Name	Shareholding in the Business			Related persons under Section 258	Shareholding in the Business			Shareholding in the Business by directors and their related persons under Section 258		
	No. of shares	As a percentage of total issued shares	As a percentage of total voting rights		No. of shares	As a percentage of total issued shares	As a percentage of total voting rights	No. of shares	As a percentage of total issued shares	As a percentage of total voting rights
Mr. Vorayos Thongtan	-	-	-	-	-	-	-	-	-	-
Mr. Nipon Poapongsakorn	-	-	-	-	-	-	-	-	-	-
Mrs. Punnee Worawuthichongsathit	-	-	-	-	-	-	-	-	-	-
Mrs. Atchaka Sibunruang	-	-	-	-	-	-	-	-	-	-
Mr. Ruangroj Poonpol	-	-	-	-	-	-	-	-	-	-

3.2.2 Shareholding by the Offeror or persons with binding authority for the Offeror in the major shareholder of the Business

As of the date of submission of the Tender Offer, the major shareholder of the Business is Thanulux Plc. (“TNL”). As of September 30, 2024, the Offeror held 128,949,100 ordinary shares in TNL, representing 42.33 percent of TNL’s total issued and paid-up shares and total voting rights.

Moreover, the shareholding by the Offeror’s directors (including related persons under Section 258 of the directors) in TNL is as follows:

Name	Shareholding in TNL			Related persons under Section 258	Shareholding in TNL			Shareholding in TNL by directors and their related persons under Section 258		
	No. of shares	As a percentage of total issued shares	As a percentage of total voting rights		No. of shares	As a percentage of total issued shares	As a percentage of total voting rights	No. of shares	As a percentage of total issued shares	As a percentage of total voting rights
Mr. Somkid Jatusripitak	-	-	-	-	-	-	-	-	-	-
Mr. Boonsithi Chokwatana	-	-	-	Yi Tong Tian Tai BSC Co., Ltd.	2,943,500	0.966	0.966	2,991,923	0.982	0.982
				BSTR 408 Co., Ltd.	48,423	0.016	0.016			
Mr. Samreng Manoonpol	-	-	-	-	-	-	-	-	-	-
Mr. Vichai Kulsomphob	-	-	-	Spouse	59,615	0.020	0.020	59,615	0.020	0.020
Miss Sirikul Dhanasarnsilp	-	-	-	-	-	-	-	-	-	-

Name	Shareholding in TNL			Related persons under Section 258	Shareholding in TNL			Shareholding in TNL by directors and their related persons under Section 258		
	No. of shares	As a percentage of total issued shares	As a percentage of total voting rights		No. of shares	As a percentage of total issued shares	As a percentage of total voting rights	No. of shares	As a percentage of total issued shares	As a percentage of total voting rights
Mr. Pipope Chokvathana	-	-	-	-	-	-	-	-	-	-
Mr. Pipat Paniangvait	-	-	-	-	-	-	-	-	-	-
Mr. Sujarit Patchimnan	-	-	-	-	-	-	-	-	-	-
Mr. Boonkiet Chokwatana	717,391	0.236	0.236	Trika Co., Ltd.	1,549	0.001	0.001	741,609	0.244	0.244
				Spouse	22,669	0.007	0.007			
Mr. Piriya Khempon	-	-	-	-	-	-	-	-	-	-
Mr. Vorayos Thongtan	405,000	0.133	0.133	-	-	-	-	405,000	0.133	0.133
Mr. Nipon Poapongsakorn	-	-	-	-	-	-	-	-	-	-
Mrs. Punnee Worawuthichongsathit	-	-	-	-	-	-	-	-	-	-
Mrs. Atchaka Sibunruang	-	-	-	-	-	-	-	-	-	-
Mr. Ruangroj Poonpol	-	-	-	-	-	-	-	-	-	-

### 3.3 Shareholding, whether direct or indirect, by the Business or major shareholders or directors of the Business in the Offeror (where the Offeror is a juristic person)

#### 3.3.1 Shareholding by the Business in the Offeror

As of September 30, 2024, the Business held 2,363,758 ordinary shares in the Offeror, representing 0.41 percent of the Offeror's total issued and paid-up shares and total voting rights. The Business has no related persons under Section 258.

The Board of Directors' Meeting No. 5 (Board #31) of the Offeror, held on October 17, 2024, resolved to approve the purchase of 27,468,098 ordinary shares in the Business, representing 28.61 percent of the total issued and paid-up shares and total voting rights of the Business, at a price of Baht 9.00 per share from six shareholders of the Business, namely (1) Thanulux Plc., (2) Yi Tong Tian Tai BSC Co., Ltd., (3) BSC So In Co., Ltd., (4) I.D.F. Co., Ltd., (5) First United Industry Co., Ltd., and (6) Sinparadom Co., Ltd. (please see the details in the Information Memorandum on the Acquisition of Assets disclosed by the Offeror to the SET on October 17, 2024). Such share purchase transaction, completed on October 17, 2024, increased the Offeror's shareholding in the Business from 13,228,666 shares or 13.78 percent of the total

issued and paid-up shares and total voting rights of the Business to 40,696,764 shares or 42.39 percent of the total issued and paid-up shares and total voting rights of the Business.

Furthermore, as the aforementioned transaction results in the Offeror holding more than 25.00 percent of the total issued and paid-up shares and total voting rights of the Business, while the Business already holds 2,363,758 shares in the Offeror, representing 0.41 percent of the total issued and paid-up shares and total voting rights of the Offeror, this leads to non-compliance with the cross-shareholding criteria according to the Notification of the Capital Market Supervisory Board No. TorJor. 39/2559 Re: Rules on Application for Approval and Granting of Approval for Offering of Newly Issued Shares (as amended) (“**Notification TorJor. 39/2559**”). However, the final number of shares that the Offeror will hold in the Business from this Tender Offer cannot be determined until completion of this Tender Offer. If the Offeror holds more than 50.00 percent of the total issued and paid-up shares and total voting rights of the Business, this will lead to non-compliance with the cross-shareholding criteria according to Notification TorJor. 39/2559. In this regard, the Offeror will submit such matter to the Board of Directors of the Business and/or the Board of Directors of the Offeror for consideration to take any appropriate remedial action to ensure compliance with the cross-shareholding criteria under Notification ToJor. 39/2559, taking into account the best interests of the Business, the Offeror, and the shareholders such as selling all shares in the Offeror held by the Business to interested investors at an appropriate and beneficial price for the Business, or any other actions that the Board of Directors of the Business and/or the Board of Directors of the Offeror consider appropriate and most beneficial to the Business and the shareholders to ensure compliance with the cross-shareholding criteria under Notification TorJor. 39/2559 and the best interests of the Business, the Offeror, and the shareholders. The Offeror and the Business will address this issue for discussion with the Board of Directors of the Offeror and/or the Board of Directors of the Business at the board meeting of the Offeror and/or the Business after completion of this Tender Offer, and will report progress on resolving this issue to the shareholders of the Business from time to time.

### 3.3.2 Shareholding by the major shareholder of the Business in the Offeror

As of September 30, 2024, TNL, the major shareholder of the Business, held a total of 1,826,019 shares in the Offeror, representing 0.32 percent of the total issued and paid-up shares and total voting rights of the Offeror. Related persons under Section 258<sup>1</sup> of TNL held a total of

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<sup>1</sup> Companies that are related persons under Section 258 of TNL with shareholding greater than 30.00 percent consist of (1) BTS Group Holdings Plc., (2) Oxygen Asset Co., Ltd., (3) Oxygen Asset Management Co., Ltd., and (4) TNL Alliance Co., Ltd.



11,138,269 shares in the Offeror, representing 1.95 percent of the total issued and paid-up shares and total voting rights of the Offeror. Therefore, TNL and related persons under Section 258 of TNL held a total of 12,964,288 shares in the Offeror, representing 2.27 percent of the total issued and paid-up shares and total voting rights of the Offeror.

### 3.3.3 Shareholding by directors of the Business in the Offeror

As of September 30, 2024, the directors of the Business (including related persons under Section 258 of the directors) held shares in the Offeror as follows:

Name	Shareholding in the Offeror			Related persons under Section 258	Shareholding in the Offeror			Shareholding in the Offeror by directors and their related persons under Section 258		
	No. of shares	As a percentage of total issued shares	As a percentage of total voting rights		No. of shares	As a percentage of total issued shares	As a percentage of total voting rights	No. of shares	As a percentage of total issued shares	As a percentage of total voting rights
Mr. Boonkiet Chokwatana	5,292,468	0.925	0.925	Trika Co., Ltd.	383,893	0.067	0.067	5,906,285	1.032	1.032
				Spouse	229,924	0.040	0.040			
Mr. Chailert Manoonpol	-	-	-	-	-	-	-	-	-	-
Mr. Viritpol Chaithavomsathien	-	-	-	Spouse	1,337,942	0.234	0.234	1,337,942	0.234	0.234
Mrs. Sunan Niyomnaitham	3,100	0.001	0.001	-	-	-	-	3,100	0.001	0.001
Mrs. Somporn Tiyaviboonsiri	14,053	0.002	0.002	-	-	-	-	14,053	0.002	0.002
Mrs. Teerada Ambhanwong	528,373	0.092	0.092	-	-	-	-	528,373	0.092	0.092
Mrs. Kityaporn Chaithavomsathien	1,337,942	0.234	0.234	-	-	-	-	1,337,942	0.234	0.234
Mr. Piranart Chokwatana	210	0.000	0.000	-	-	-	-	210	0.000	0.000
Mr. Khachornsakdi Vanaratseath	-	-	-	-	-	-	-	-	-	-
Gen. Konecharnart Chunnabhata	-	-	-	-	-	-	-	-	-	-
Mr. Santi Bangor	-	-	-	-	-	-	-	-	-	-
Mrs. Nuchanart Thammanomai	-	-	-	-	-	-	-	-	-	-
Mrs. Chorthip Pramoj Na Ayudhya	-	-	-	-	-	-	-	-	-	-

### 3.4 Any relationship or agreement between directors of the Business and the Offeror

As of the date of submission of the Tender Offer, the Business and the Offeror have a common director as follows:

Name	Position in	
	The Business	The Offeror
Mr. Boonkiet Chokwatana	Chairman of the Board / Chairman of Remuneration Committee / Chairman of Nomination Committee	Director

### 3.5 Related party transactions

Related party transactions between the Business and the Offeror in 2023 and the third quarter of 2024 were as follows:

Name / Nature of relationship	Type of transaction	Transaction value (Baht thousand)		Conditions and pricing policy / necessity and reasonableness
		2023	2024 (Jan-Sep)	
The Offeror – Saha Pathana Inter-Holding Plc. (The Offeror holds ordinary shares in the Business equivalents to 13.78 percent of the total issued and paid-up ordinary shares and total voting rights of the Business and the Business holds ordinary shares in the Offeror equivalents to 0.41 percent of the total issued and paid-up ordinary shares and total voting rights of the Offeror and has 1 common director, Mr. Boonkiet Chokwatana)	Royalty fee <sup>1/</sup>	11	1	The contractual price which is subject to general trade terms similar to those granted to external parties, whereby the Audit Committee has reviewed and considered that the rates are appropriate and have been determined in good faith in commercial terms
	Dividend paid <sup>2/</sup>	2,646	2,646	According to the declared rate approved by the shareholders' meeting
	Common area service fee <sup>3/</sup>	78	59	The contractual price which is subject to general trade terms similar to those granted to external parties, whereby the Audit Committee has reviewed and considered that the rates are appropriate and have been determined in good faith in commercial terms

Name / Nature of relationship	Type of transaction	Transaction value		Conditions and pricing policy / necessity and reasonableness
		(Baht thousand)		
		2023	2024 (Jan-Sep)	
	Other expenses <sup>4/</sup>	892	770	The contractual price or mutually agreed price which is subject to general trade terms similar to those granted to external parties, whereby the Audit Committee has reviewed and considered that the rates are appropriate and have been determined in good faith in commercial terms
Thanulux Plc. and its subsidiaries (related person under Section 258 of the Offeror)	Sales income	10,750	5,461	Mutually agreed price which is subject to general trade terms similar to those granted to external parties, whereby the Audit Committee has reviewed and considered that the rates are appropriate and have been determined in good faith in commercial term
	Other expenses <sup>5/</sup>	892	770	Mutually agreed price which is subject to general trade terms similar to those granted to external parties, whereby the Audit Committee has reviewed and considered that the rates are appropriate and have been determined in good faith in commercial term
	Purchase of raw materials	138	80	Mutually agreed price which is subject to general trade terms similar to those granted to external parties, whereby the Audit Committee has reviewed and considered that the rates are appropriate and have been determined in good faith in commercial term

Name / Nature of relationship	Type of transaction	Transaction value		Conditions and pricing policy / necessity and reasonableness
		(Baht thousand)		
		2023	2024 (Jan-Sep)	
Pitakkij Co., Ltd. (related person under Section 258 of the Offeror)	Security expenses	1,246	934	The contractual price which is subject to general trade terms similar to those granted to external parties, whereby the Audit Committee has reviewed and considered that the rates are appropriate and have been determined in good faith in commercial term
	Building and facility renovation costs	399	204	The contractual price which is subject to general trade terms similar to those granted to external parties, whereby the Audit Committee has reviewed and considered that the rates are appropriate and have been determined in good faith in commercial term

Remark: 1/ Royalty fee is compensation for the use of trademarks under the trademark license agreement between the Offeror and the Business, which depends on the sales of product under the aforementioned trademark. Due to a decrease in sales revenue, the royalty fee for the nine-month period ending September 30, 2024, significantly differ from the twelve-month period ending December 31, 2023. However, the royalty fee for the nine-month period ended September 30, 2024, was incurred only from January to June 2024, as the Business terminated the trademark license agreement with the Offeror on June 30, 2024.

2/ In addition to the above information, the Business paid dividends to the Offeror at the rate of Baht 0.20 per share, which was the same rate paid to all shareholders according to the resolutions of the shareholders' meetings held on April 25, 2023 and April 23, 2024, with dividend payment dates set for May 24, 2023 and May 21, 2024 for the 12-month period ended December 31, 2023 and the nine-month period ended September 30, 2024 respectively.

3/ Common area service fee is the common fee for the use of basic utilities within the Saha Group Industrial Park of the Offeror.

4/ Other expenses mainly consist of expenses on organizing trade fairs, which were held in June 2023 and June 2024. As a result, other expenses for the nine-month period ended September 30, 2024 are similar in value to the 12-month period ended December 31, 2023.

5/ Other expenses include costs for organizing shareholder meetings and booth exhibition fees.

3.6 Any mutual contract or agreement made or to be made in various matters (such as management, etc.)

- None -

4. Opinion of the Board of Directors of the Business provided to the securities holders

The Board of Directors' Meeting of the Business No. 4/2024, held on November 12, 2024, considered the Tender Offer Form (Form 247-4) (including any amendment thereto) proposed by the Offeror and the opinion report of Advisory Plus Co., Ltd., the independent financial advisor to the shareholders ("IFA"), regarding the Tender Offer. There were 13 directors, out of the total 13 board members, attending such Board of Directors' meeting, thus constituting a quorum.

Name	Position	Attending the Board of Directors' Meeting of the Business No. 4/2024	Interest in this Tender Offer	Voting on the agenda related to this Tender Offer
1. Mr. Boonkiet Chokwatana	Chairman of the Board	✓	✓	X
2. Mr. Chailert Manoonpol	Vice Chairman	✓	X	✓
3. Mr. Viritpol Chaithavornsathien	Director	✓	X	✓
4. Mrs. Sunan Niyomnaitham	Director	✓	X	✓
5. Mrs. Somporn Tiyaviboonsiri	Director	✓	X	✓
6. Mrs. Teerada Ambhanwong	Director	✓	X	✓
7. Mrs. Kityaporn Chaithavornsathien	Director	✓	X	✓
8. Mr. Piranart Chokwatana	Director	✓	X	✓
9. Mr. Khachornsakdi Vanaratseath	Independent Director / Chairman of Audit Committee	✓	X	✓
10. Gen. Konecharnart Chunnabhata	Independent Director	✓	X	✓
11. Mr. Santi Bangor	Independent Director / Member of Audit Committee	✓	X	✓
12. Mrs. Nuchanart Thammanomai	Independent Director / Member of Audit Committee	✓	X	✓
13. Mrs. Chorthip Pramoj Na Ayudhya	Independent Director	✓	X	✓

For transparency and independence in the Business's opinion regarding the Tender Offer, Mr. Boonkiet Chokwatana, a director having an interest in this Tender Offer, did not attend the Meeting to consider the

Tender Offer. The remaining 12 directors who have no interest participated in considering this Tender Offer and unanimously passed a resolution to recommend the Business' shareholders to **reject** the Tender Offer based on the following reasons:

#### 4.1 Reasons to accept and/or to reject the Tender Offer

The Business's Board of Directors has considered the Tender Offer Form (Form 247-4) and the opinion of the IFA, and agrees with the IFA's opinion that the Tender Offer price for the Business's securities is inappropriate. Therefore, the Board has unanimously resolved to recommend that the Business's shareholders **reject the Tender Offer** for the following reasons:

- (1) The Tender Offer price of Baht 9.00 per share is inappropriate because it is lower than the fair value assessed by the IFA, who considers the Adjusted Book Value Approach as the most appropriate method for valuing the Business's shares in this case. Although this method cannot reflect the Business's future profit potential, it effectively reflects the fair value of the Business 's net assets, particularly in adjusting the fair value of the Business's land and buildings, most of which were invested in since the Business's establishment. Currently, the value of the Business's land and buildings has increased significantly. Moreover, when considering the Business's Return on Assets (ROA) for 2021, 2022, 2023, and the trailing 12 months from October 1, 2023, to September 30, 2024, which were 0.83 percent, 2.69 percent, 1.58 percent, and 0.36 percent per year respectively, it shows that the Business has relatively low returns on assets. This reflects that the utilization of assets may not align with their highest and best use under current circumstances. Therefore, while the Discounted Cash Flow Approach would effectively reflect future cash flows and operations, in this case, it cannot fully reflect the Business's true value as it is not based on assumptions of profit-seeking operations that align with the highest and best use of the Business's existing assets. Thus, the Adjusted Book Value Approach is more appropriate as it references the fair value of assets assessed by independent appraisers, based on market prices that best reflect general investor expectations for the highest and best use of these assets at that time. The fair value of the Business's shares calculated using the Adjusted Book Value Approach is Baht 18.65 per share, which is higher than the tender offer price of Baht 9.00 per share by Baht 9.65 per share or 107.22 percent. Therefore, shareholders should reject this Tender Offer.
- (2) Although the Tender Offer price is lower than the fair value of the Business's shares as assessed by the IFA, when considering the liquidity of the Business's common shares trading volume over the past 12 months (between October 17, 2023 - October 16, 2024) of 3,699,300 shares, or an average of 17,126.39 shares per day, this Tender Offer could be considered an

opportunity for shareholders holding significant positions who normally cannot sell all or part of their shares through the SET in a single transaction due to the relatively low liquidity of the Business's shares. The Tender Offer price of Baht 9.00 per share is higher than the market price of the Business's shares over the past 1-12 months (counting back from October 16, 2024), which ranged between Baht 8.85 - 8.95 per share, by Baht 0.05 - 0.15 per share or 0.56 - 1.67 percent higher. However, shareholders who accept this Tender Offer should be aware that accepting the Tender Offer would mean selling their common shares at a price lower than the fair value of Baht 18.65 per share as assessed by the IFA, or (lower than) the fair value by (107.22) percent.

The above Board of Directors' opinion is only one component for shareholders to consider. In deciding whether to accept or reject this Tender Offer. Shareholders should study the information in the Tender Offer Form (Form 247-4), the Opinion of the Business on the Tender Offer for Securities Form (Form 250-2), and this IFA's Opinion to support their decision-making process in accepting or rejecting the Tender Offer. The decision to accept or reject the Tender Offer primarily depends on each shareholder's discretion and judgment. If shareholders believe in the Business's business potential or wish to hold the Business's shares for long-term investment, rejecting the Tender Offer is also an option for shareholders.

**4.2 Opinions and reasons of the individual directors and number of shares held by each of them (in case where the board opinion in 4.1 is not unanimous)**

- None -

**4.3 Benefits or impacts from the plans and policies indicated in the Tender Offer and the viability of such plans and policies**

**4.3.1 Status of the Business**

The Offeror indicates in the Tender Offer that the Offeror has no intention to have the securities of the Business delisted from the SET during the next 12 months following the end of the Tender Offer period, unless the Offeror is obliged to do so in order to comply with applicable laws, rules and regulations effective at the time.

However, if a substantial number of minority shareholders of the Business accept the Tender Offer, this may affect the qualification of the Business in maintaining the status of a listed company on the SET regarding the share distribution of minority shareholders (free float). According to the SET's requirement, the Business must have no less than 150 minority shareholders and whose combined shareholding must be no less than 15 percent of the total paid-up capital of the Business. In that case, the Offeror and the Business will discuss with the SET regarding the share distribution plan of minority shareholders to ensure the Business could fully

meet the SET's free float requirement, with solution and progress thereof to be periodically disclosed to shareholders of the Business.

#### Opinion of the Board of Directors

The Board of Directors is of the opinion that the Offeror has no intention to delist the securities of the Business from the SET during the 12-month period from the end of the Tender Offer period. The Business will therefore continue to have its securities listed and traded on the SET and its shareholders can still trade the shares on the SET, hence no impact on the shareholders. However, in the case where the Tender Offer results in the Business failing to satisfy the SET's free float requirement, under which the Business must have no less than 150 minority shareholders and whose combined shareholding must be no less than 15 percent of the total paid-up capital of the Business, the SET will post a CF symbol (Caution - Free Float) for the Business and the Business will have to hold a public presentation within 15 days from the date the SET places the CF symbol and on a quarterly basis to report its shareholders on the measures that the Business will undertake in order to resolve the CF symbol. If the CF symbol is not resolved within 1 year, the SET will change the symbol to SP (Suspension) according to the SET's rules on temporary trade suspension until the free float requirement are met. If the Business continues to hold SP symbol for 1 year, the listing status of such company may be revoked (reference to SET Circular Letter Bor.Jor. (Wor) 2/2024 RE: Revision of the Regulations of the Stock Exchange of Thailand to step up the supervision of listed companies and information disclosure, which came into effect on March 25, 2024).

However, if such a case occurs, the Offeror has intention to consider with the Business to devise the minority shareholding distribution plan to ensure it could fully meet the SET's free float requirement and will seek remedial solution and keep the shareholders informed of the progress thereof from time to time.

#### 4.3.2 Policy and plan for business operation

##### (1) *Business objectives*

The Offeror indicates in the Tender Offer that, during the 12-month period from the end of the Tender Offer period, the Offeror has no plan or policy to change the objectives of the Business that may affect its core business for the time being, and intends to focus on the business operation as usual. However, the Offeror will provide support to the Business to conduct a more detailed study in order to seek opportunities to improve and develop a plan for the existing core business aiming to enhance efficiency, effectiveness, and sustainability while maximizing profit potential.



Nevertheless, the Offeror intends to engage in discussions with the Business to explore opportunities for developing the existing core business plans and/or expanding businesses that support the Business's current operations. This will include refining investment expansion plans and improving the Business's financial structure to align with prevailing conditions and opportunities, with the goal of fostering long-term growth and maximizing the Business's benefits. In the case of any changes to the main business objectives which differ from those specified in this Tender Offer, the Offeror will ensure that the Business duly obtains an approval from the Board of Directors' meeting and/or the shareholders' meeting of the Business, including any other necessary approvals, in accordance with the Business's policies so as to comply with the relevant rules, laws and regulations of the SEC and the SET, taking into account the best interests of the Business and the shareholders.

#### Opinion of the Board of Directors

The Board of Directors is of the opinion that, during the 12-month period from the end of the Tender Offer period, the Offeror has no plan or policy to change the objectives of the Business that may affect its core business for the time being, but may revise and develop its core business plan in order to enhance efficiency and effectiveness, ensuring sustainable operations and maximizing profitability, which will be beneficial to the Business and the shareholders. Therefore, the Board of Directors' meeting views that the Offeror will likely support the Business and carry on business management according to the objective and plan for business operation of the Business. Moreover, the Offeror intention to collaborate with the Business to explore opportunities for refining core business plans and/or expanding businesses that support the Business's current operations. This will include refining investment expansion plans and improving the Business's financial structure to align with prevailing conditions and opportunities in a bid to strengthen and drive further growth for the Business, which will be beneficial to the Business in the long term.

However, if the Offeror intends to change the objectives of core business operation of the Business, which differs from that specified in the Tender Offer, the Offeror and the Business will ensure an approval is duly obtained from the Board of Directors' meeting and/or the shareholders' meeting of the Business, including any other necessary approvals, in accordance with the Business's policies, and must comply with the relevant rules, laws, regulations, notifications, orders or requirements of the authorities that are effective at the time.

#### (2) *Operational efficiency improvement and/or investment expansion*

The Offeror indicates in the Tender Offer that, during the 12-month period from the end of the Tender Offer period, the Offeror plans to consider working with the Business in conducting a more detailed study for the purpose of assisting the Business in seeking opportunities to expand

the investment or increase production capacity for the existing core business, and consider supporting the Business in the expansion of new investment opportunities in other potential businesses that can generate satisfactory returns and foster long-term growth for the Business. The Offeror may consider seeking prospective business partners with investment potential and interest, which, as viewed by the Business, have the expertise and capability to strengthen and drive future growth for the Business. In addition, the Offeror plans to consider working alongside the Business to explore and develop strategies that could enhance its value, including considering investments in various securities and/or financial instruments, as well as investments in companies whose business objectives align with the goals and strategic plans for growth of the Business. However, the expansion of such investments remains uncertain and will depend on a further detailed review of information to identify appropriate investment opportunities for the Business.

The joint discussion plan between the Offeror and the Business for the purpose of improving the operational efficiency of the Business or expanding the Business's investments, as mentioned above, will not lead to any significant changes in the main business operation during the 12-month period from the end of the Tender Offer period. However, in the event that such changes occur regarding the Business's investment expansion plan, which differs from that specified in the Tender Offer, the Offeror and the Business will together consider and decide whether it is beneficial to the Business and in the best interests of the Business and the shareholders, and will ensure that an approval is duly obtained from the Board of Directors' meeting and/or the shareholders' meeting of the Business in accordance with the Business's policies so as to comply with the relevant rules, laws and regulations of the SEC and the SET. This is mainly conducted for the appropriateness and the best interests of the shareholders and the Business.

#### Opinion of the Board of Directors

The Board of Directors is of the opinion that, during the 12-month period from the end of the Tender Offer period, the Offeror has plan to consider collaborating with the Business in considering the expansion of investment or increase in production capacity according to the usual investment plan for the current core business, i.e. manufacturing of ready-made garments, which will help to enhance efficiency in the operation of the Business.

The expansion of investment in new businesses remains uncertain and will be based on the detailed study to further create a suitable investment opportunity. Such expansion of investment in new businesses may affect the Business's future operation and performance, depending yet upon the study of details, type and structure of the business in which the Business will decide to invest. The Offeror will still have to conduct a feasibility study of the investment plan

at that time to make sure that such investment expansion could help improve the Business's performance, taking into account the interest of the Business. However, the Business will consider the investment that could deliver a satisfactory rate of return and foster long-term growth for it. Thus, the future investment expansion plan of the Offeror, though remaining uncertain, will likely be viable and beneficial to the Business.

The consideration to seek business partners who are interested in the joint investment remains uncertain and unclear. Nonetheless, if there are any business partners desiring to enter a joint venture with the Business, the Offeror and the Business will jointly consider and decide on their expertise and business potentials to make certain that the said joint investment could strengthen and drive further growth for the Business in the future, and will ensure an approval is obtained from the Board of Directors' meeting and/or the shareholders' meeting of the Business. If the joint investment with the business partners is deemed as an acquisition and/or disposal of assets, the Business and the Offeror must act in accordance with the Notification of the Capital Market Supervisory Board No. TorJor. 20/2551 Re: Rules on Entering into Material Transactions Deemed as Acquisition or Disposal of Assets (as amended) and the Notification of the Board of Governors of the Stock Exchange of Thailand Re: Disclosure of Information and Other Acts of Listed Companies Concerning the Acquisition or Disposition of Assets B. E. 2547 (as amended). Moreover, if this constitutes a connected transaction, the Business and the Offeror must also comply with the Notification of the Capital Market Supervisory Board No. TorJor. 21/2551 Re: Rules on Connected Transactions dated August 31, 2008 (as amended) and the Notification of the Board of Governors of the Stock Exchange of Thailand Re: Disclosure of Information and Other Acts of Listed Companies Concerning the Connected Transactions B.E. 2546 dated November 19, 2003 (as amended).

Besides, the Offeror and the Business may consider the investment in securities and/or financial instruments and also in the entities whose objectives align with the goal and strategic plan for growth of the Business, as appropriate. In this regard, the Business will consider the investment that could deliver a satisfactory return and create growth for it in both the short term and the long term, taking into account the Business's risk exposure and financial liquidity at the time and the best interests of the Business and the shareholders.

In the case of any changes in the Business's investment expansion plan which differ from those specified in the Tender Offer, the Offeror and the Business will jointly consider and decide whether it is beneficial to the Business and in the best interests of the Business and the shareholders, and will ensure that an approval is duly obtained from the Board of Directors' meeting and/or the shareholders' meeting of the Business in accordance with the Business's policies so as to comply with the relevant rules, laws and regulations of the SEC and the SET, and

that this is mainly conducted for the appropriateness and the best interests of the shareholders and the Business.

If the Business's investment expansion plan is deemed as an acquisition and/or disposal of assets, the Business and the Offeror must act in accordance with the Notification of the Capital Market Supervisory Board No. TorJor. 20/2551 Re: Rules on Entering into Material Transactions Deemed as Acquisition or Disposal of Assets (as amended) and the Notification of the Board of Governors of the Stock Exchange of Thailand Re: Disclosure of Information and Other Acts of Listed Companies Concerning the Acquisition or Disposition of Assets B. E. 2547 (as amended).

(3) *Organization restructuring, management and employment*

The Offeror indicates in the Tender Offer that, as of the date of completion of the Tender Offer, the Offeror has no policy to change the composition of the Business's Board of Directors. Except for during the Tender Offer period and/or within 12 months from the end of the Tender Offer period, any directors wish to resign or their terms of office expire, the Business may change those directors or the Offeror may nominate individuals for appointment as directors and/or independent directors, as deemed appropriate, for the best interests of the Business, whereby the Offeror will work closely with the Business to obtain an approval from both the Board of Directors' meeting and the shareholders' meeting of the Business in the event of any changes to the number or structure of the Board of Directors of the Business.

Nevertheless, the structure of the Board of Directors will maintain the composition of independent directors and the Audit Committee in accordance with the relevant laws as well as the Business's policies and Article of Association, laws, and regulations of the SEC and the SET.

In addition, as of the date of completion of the Tender Offer, the Offeror has no intention of changing the organization structure and management or reducing the number of employees of the Business. Except for during the 12-month period from the end of the Tender Offer period, any management wish to resign or their terms of office expire, the Offeror may discuss with the Business regarding the appointment of additional executives and/or personnel with knowledge and capability or replacement of any individuals who resign, as appropriate, for the best interests of the Business and the shareholders, including operating plan, competitiveness, investment expansion, and future growth to improve the efficiency of the Business's main operation. The Offeror and the Business will jointly consider recruiting individuals with relevant knowledge, experience, and ability, where the candidates will be nominated at the Board of Directors' meeting and/or the shareholders' meeting of the Business for further consideration and appointment. This process aims to align with the Business's future operational plans, which will support the objectives of the Business and its ongoing investment expansion.

Nevertheless, in the case of any changes to management or board structure, the Offeror will ensure an approval is duly obtained from the Board of Directors' meeting and/or the shareholders' meeting of the Business in accordance with the Business's policies so as to comply with the relevant rules, laws and regulations of the SEC and the SET.

#### Opinion of the Board of Directors

The Board of Directors is of the opinion that the Offeror has no policy to change the composition of the Business's Board of Directors. Except for during the Tender Offer period and/or within 12 months from the end of the Tender Offer period, any directors wish to resign or their terms of office expire, the Business may change those directors or the Offeror may nominate individuals for appointment as directors and/or independent directors, as deemed appropriate. The Business will ensure that the persons nominated as its directors and/or independent directors have knowledge, capability and experience that can properly contribute to its business management. In case the Business can acquire persons to assume the posts of directors and/or independent directors who have the ethics, knowledge, capability, and potential to strengthen and drive growth for the Business with fair compensation, this will have a positive impact on the Business and the shareholders in the future. In addition, despite the changes to the number or structure of the Board of Directors, the Business still is required to maintain the proportion of independent directors and the Audit Committee in accordance with the relevant laws and the rules and regulations of the SEC and the SET effective at the time. In this respect, the Business will ensure an approval is obtained from its Board of Directors' meeting and shareholders' meeting.

In addition, as of the date of completion of the Tender Offer, the Offeror has no intention of changing the organization structure and management or reducing the number of employees of the Business. Except for during the 12-month period from the end of the Tender Offer period, any management wish to resign or their terms of office expire, the Business may consider the appointment of additional executives and/or personnel or replacement of any individuals who resign. The Business will ensure that the persons recruited as its executives and/or personnel have knowledge, experience and capability that can properly contribute to its business management. The changes in its organization structure and management aim to align with the Business's future operational plans, which will support the objectives of the Business and its investment expansion and will likely have a positive impact on its business management and future performance.

In the case of any changes to the board structure or management of the Business, the Offeror and the Business will ensure an approval is duly obtained from the Board of Directors' meeting and/or the shareholders' meeting of the Business in accordance with the Business's policies so as to comply with the relevant rules, laws and regulations of the SEC and the SET.

(4) *Core asset acquisition or disposal plans of the Business or its subsidiaries*

The Offeror indicates in the Tender Offer that, during the 12-month period from the end of the Tender Offer period, the Offeror still has no intention for the Business materially acquire and/or dispose of key assets inconsistent with the Business's usual investment plan unless it is acquisition or disposal of assets from normal operation or for financial asset management. However, the Business may consider acquisition of assets from investment expansion in other businesses that are able to generate long-term growth but still subject to detailed studies upon proper business or investment opportunities.

However, the plan to acquire or dispose of assets will depend on the Business's overall business and investment strategies. Therefore, if the Offeror deems that any action may benefit the business operation, the Offeror may take any necessary measures to maximize the benefits for the Business and the shareholders.

Nevertheless, in the case of any changes in the plan to allow the Business to acquire and/or dispose of core business assets which differ from those specified in this Tender Offer, the Offeror will ensure that an approval is duly obtained from the Board of Directors' meeting and/or the shareholders' meeting of the Business in accordance with the Business's policies so as to comply with the relevant rules, laws and regulations of the SEC and the SET, taking into account the best interests of the Business and the shareholders.

Opinion of the Board of Directors

The Board of Directors is of the opinion that, during the 12-month period from the end of the Tender Offer period, the Business will still not materially acquire and/or dispose of the core assets related to its main business which is inconsistent with its usual investment plan, except for an acquisition or disposal of assets in the usual course of business or under its normal investment or capacity expansion plan of the current core business or for management of financial assets.

However, there may be an acquisition of assets that arise from expansion of investment to other businesses. If the Business acquires high-quality assets with proven potential to enhance performance, supported by an appropriate investment fund and structure with satisfactory returns, this will be beneficial to the Business and the shareholders. In the case of any changes in the Business's core asset acquisition or disposal plans which differ from those specified in this Tender Offer, the Offeror will ensure an approval is duly obtained from the Board of Directors' meeting and/or the shareholders' meeting of the Business in accordance with the Business's policies so as to comply with the relevant rules, laws and regulations of the SEC and the SET, taking into account the best interests of the Business and the shareholders.

If the Business's investment expansion plan is deemed as an acquisition and/or disposal of assets, the Business and the Offeror must act in accordance with the Notification of the Capital Market Supervisory Board No. TorJor. 20/2551 Re: Rules on Entering into Material Transactions Deemed as Acquisition or Disposal of Assets and the Notification of the Board of Governors of the Stock Exchange of Thailand Re: Disclosure of Information and Other Acts of Listed Companies Concerning the Acquisition or Disposition of Assets B. E. 2547.

(5) *Financial restructuring plan*

The Offeror indicates in the Tender Offer that, during the 12-month period from the end of the Tender Offer period, the Offeror has no plan to significantly change the Business's financial structure. However, the financial structure may be adjusted if the Business has opportunities to expand investments in other businesses that could generate significant growth, and/or if potential partners decide to invest in the Business. The initial guidelines for financial restructuring are as follows:

1. Funds may be raised through additional debt at a rate suitable for the Business's financial structure, for investment expansion in other businesses based on business opportunities;
2. If required, the Business may issue its new ordinary shares for rights offering to the existing shareholders with consideration on its capital requirement, or issue the new shares by the way of private placement for potential business partners who are deemed to have the expertise, capability, and investment potential to foster long-term growth.

Nevertheless, in the case of any change in the financial structure, such transaction must be deemed reasonable with appropriate financial structure in line with the operation and financial position of the Business, taking into account the best interests of the Business and the shareholders. The Offeror will ensure an approval is duly obtained from the Board of Directors' meeting and/or the shareholders' meeting of the Business in accordance with the Business's policies so as to comply with the relevant rules, laws and regulations of the SEC and the SET.

Opinion of the Board of Directors

The Board of Directors is of the opinion that, during the 12-month period from the end of the Tender Offer period, the Business will not make any significant change to its financial structure. However, if the Business expands investment to other businesses that could create significant growth for the Business and/or if potential partners decide to invest in the Business which will be beneficial to the Business in the long term, this may lead to additional capital requirement or change in the Business's capital structure. In this case, the Business may preliminarily take the following actions:

1. Incurrence of debt: As of September 30, 2024, the Business had not raised any loans from financial institutions and recorded only lease liabilities of Baht 5.69 million, representing 0.34 percent of its total assets. Its debt to equity ratio stood at only 0.15 time, which is a level allowing it to incur additional debts if deemed necessary in the future.
2. Issuance and offering of new shares: The Business may consider either issuing new ordinary shares for rights offering to its existing shareholders or issuing and offering new ordinary shares by the way of private placement for potential business partners, who are interested and have investment capability and are deemed by the Business to have expertise and business capacity in developing long-term growth for the Business.

Any capital increase may impact shareholders in terms of (1) price dilution, (2) earnings dilution, and (3) control dilution. However, in the issuance and offering of its new shares, the Business will take into consideration not only the reasonableness of the transaction and financial structure that must suit its operation and financial position, but also the best interests of the Business and the shareholders. Moreover, it will ensure an approval is duly obtained from the Board of Directors' meeting and/or the shareholders' meeting of the Business in accordance with the Business's policies so as to comply with the relevant rules, laws and regulations of the SEC and the SET.

(6) *Dividend policy*

The Offeror indicates in the Tender Offer that, during the 12-month period from the end of the Tender Offer period, the Offeror has no plan or policy to change the dividend policy of the Business. At present, the Business has a policy to pay dividend not exceeding 50 percent of its net profit, depending mainly on its business performance and the economic condition. When the Board of Directors resolves to approve the annual dividend payment, they must obtain approval from the shareholders' meeting. However, for the interim dividend payment, the Board of Directors has the authority to approve the payment and must report it to the shareholders at the next meeting.

Nevertheless, in the case of material change in dividend policy, such change must be duly approved by the Board of Directors' meeting and/or the shareholders' meeting of the Business in accordance with its policies so as to comply with the relevant rules, laws and regulations of the SEC and the SET.



Opinion of the Board of Directors

The Board of Directors is of the opinion that the shareholders will not be affected since the Offeror has no plan or policy to materially change the dividend policy during the period of 12 months from the end of the Tender Offer period. If there is any material change to the Business's dividend policy in the future, it must be duly approved by the Board of Directors' meeting and/or the shareholders' meeting of the Business in accordance with the Business's policies so as to comply with the relevant rules, laws and regulations of the SEC and the SET.

(7) *Related party transactions*

The Offeror indicates in the Tender Offer that, as of the Tender Offer date, the Business has established the policies, procedures and approval process for related party transactions in compliance with the regulations of the SET and the SEC in order to prevent any conflict of interests arising from related party transactions between the Business and its related companies and/or any other persons who may have a conflict of interest.

Prior to this Tender Offer, the Business has entered into related party transactions with the Offeror and the related persons under Section 258 of the Securities and Exchange Act of the Offeror, with details as presented below:

Unit: Baht thousand

Individual/juristic persons with potential conflict of interest	Relationship as of June 30, 2024	Type of transaction of the Business	For the 12-month period ended December 31, 2023	For the 6-month period ended June 30, 2024	Reasonableness of the related party transactions
Saha Pathana Inter-Holding Plc.	The Business holds ordinary shares in the Offeror equivalent to 0.41 percent of the total issued and paid-up ordinary shares and total voting rights of the Offeror and has 1 common director, Mr. Boonkiet Chokwatana	Royalty fee <sup>1/</sup>	11	1	The contractual price which is subject to general trade terms similar to those granted to external parties, whereby the Audit Committee has reviewed and considered that the rates are appropriate and have been determined in good faith in commercial terms
		Dividend paid <sup>2/</sup>	2,646	2,646	According to the declared rate approved by the shareholders' meeting
		Common area service fee <sup>3/</sup>	78	39	The contractual price which is subject to general trade terms similar to those granted to external parties, whereby the

Individual/juristic persons with potential conflict of interest	Relationship as of June 30, 2024	Type of transaction of the Business	For the 12-month period ended December 31, 2023	For the 6-month period ended June 30, 2024	Reasonableness of the related party transactions
					Audit Committee has reviewed and considered that the rates are appropriate and have been determined in good faith in commercial terms
		Other expenses <sup>4/</sup>	892	749	The contractual price or mutually agreed price which is subject to general trade terms similar to those granted to external parties, whereby the Audit Committee has reviewed and considered that the rates are appropriate and have been determined in good faith in commercial terms
Thanulux Plc. and its subsidiaries	Related person under Section 258 of the Offeror	Sales income	10,750	4,895	Mutually agreed price which is subject to general trade terms similar to those granted to external parties, whereby the Audit Committee has reviewed and considered that the rates are appropriate and have been determined in good faith in commercial terms
		Other expenses <sup>5/</sup>	13	21	Mutually agreed price which is subject to general trade terms similar to those granted to external parties, whereby the Audit Committee has reviewed and considered that the rates are appropriate and have been determined in good faith in commercial terms
		Purchase of raw materials	138	21	Mutually agreed price which is subject to general trade terms similar to those granted to external parties, whereby the Audit Committee has reviewed

Individual/juristic persons with potential conflict of interest	Relationship as of June 30, 2024	Type of transaction of the Business	For the 12-month period ended December 31, 2023	For the 6-month period ended June 30, 2024	Reasonableness of the related party transactions
					and considered that the rates are appropriate and have been determined in good faith in commercial terms
Pitakkij Co., Ltd.	Related person under Section 258 of the Offeror	Security expenses	1,246	623	The contractual price which is subject to general trade terms similar to those granted to external parties, whereby the Audit Committee has reviewed and considered that the rates are appropriate and have been determined in good faith in commercial terms
		Building and facility renovation costs	399	124	The contractual price which is subject to general trade terms similar to those granted to external parties, whereby the Audit Committee has reviewed and considered that the rates are appropriate and have been determined in good faith in commercial terms

Remark: 1/ Royalty fee is compensation for the use of trademarks under the trademark license agreement between the Offeror and the Business, which depends on the sales of product under the aforementioned trademark. Due to a decrease in sales revenue, the royalty fee for the six-month period ending June 30, 2024, significantly differ from the twelve-month period ending December 31, 2023.

2/ In addition to the above information, the Business paid dividends to the Offeror at the rate of Baht 0.20 per share, which was the same rate paid to all shareholders according to the resolutions of the shareholders' meetings held on April 25, 2023 and April 23, 2024, with dividend payment dates set for May 24, 2023 and May 21, 2024 for the 12-month period ended December 31, 2023 and the six-month period ended June 30, 2024, respectively.

3/ Common area service fee is the common fee for the use of basic utilities within the Saha Group Industrial Park of the Offeror.

4/ Other expenses mainly consist of expenses on organizing trade fairs, which were held in June 2023 and June 2024. As a result, other expenses for the six-month period ended June 30, 2024 are similar in value to the 12-month period ended December 31, 2023.

5/ Other expenses include costs for organizing shareholder meetings and booth exhibition fees.

Nevertheless, during the 12-month period from the end of the Tender Offer period, the Offeror and the related persons under Section 258 of the Securities and Exchange Act of the Offeror may enter into transactions with the Business, including normal business transactions which are in line with business operation plan of the Business and/or other related party transactions with the Business, subject to necessity and reasonableness of such transactions after the Tender Offer. The Offeror will ensure that the Business shall comply with the policy, regulations and procedures for approval of related party transactions of the Business, including the rules and/or regulations of the SET, the SEC, and the Capital Market Supervisory Board under the Notification of the Capital Market Supervisory Board No. TorJor. 21/2551 Re: Rules on Connected Transactions dated August 31, 2008 (as amended) and the Notification of the Board of Governors of the Stock Exchange of Thailand Re: Disclosure of Information and Other Acts of Listed Companies Concerning the Connected Transactions B.E. 2546 dated November 19, 2003 (as amended), including the relevant laws, notifications, rules or regulations of the concerned authorities.

In addition, in the future during the 12-month period from the end of the Tender Offer period, the Offeror and the Business plan to hold a joint discussion to identify the most suitable approach to the restructure and/or management of investments or assets of the Business as appropriate, taking into account the best interests of the Business and the shareholders of both the Offeror and the Business subject to consideration of the management and/or the Board of Directors of the Business, excluding persons who may have a conflict of interest in the transactions, as well as compliance with the Notification of the Capital Market Supervisory Board No. TorJor. 21/2551 Re: Rules on Connected Transactions dated August 31, 2008 (as amended) and the Notification of the Board of Governors of the Stock Exchange of Thailand Re: Disclosure of Information and Other Acts of Listed Companies Concerning the Connected Transactions B.E. 2546 dated November 19, 2003 (as amended). Nevertheless, in the event that any changes occur other than those specified in this Tender Offer, the Offeror will ensure an approval is duly obtained from the Board of Directors' meeting and/or the shareholders' meeting of the Business in accordance with the Business's policy so as to comply with the regulations, laws, and rules of the SEC and the SET.

#### Opinion of the Board of Directors

The Board of Directors is of the opinion that, during the 12-month period from the end of the Tender Offer period, the related party transactions between the Business and the Offeror and/or the related persons under Section 258 of the Offeror will continue, as the Offeror will not change the terms and conditions of such related party transactions, which have the rate of return

and trade terms applied in general, and the Business has already considered that those transactions are necessary and reasonable.

The related party transactions between the Business and the Offeror from January 1, 2023 to September 30, 2024 are as follows:

Name / Nature of relationship	Type of transaction	Transaction value (Baht thousand)		Conditions and pricing policy / necessity and reasonableness
		2023	2024 (Jan-Sep)	
The Offeror - Saha Pathana Inter-Holding Plc. (The Offeror holds ordinary shares in the Offeror equivalents to 13.78 percent of the total issued and paid-up ordinary shares and total voting rights of the Business and	Royalty fee <sup>1/</sup>	11	1	The contractual price which is subject to general trade terms similar to those granted to external parties, whereby the Audit Committee has reviewed and considered that the rates are appropriate and have been determined in good faith in commercial terms
The Business holds ordinary shares in the Offeror equivalents to 0.41 percent of the total issued and paid-up ordinary shares and total voting rights of the Offeror and	Dividend paid <sup>2/</sup>	2,646	2,646	According to the declared rate approved by the shareholders' meeting
has 1 common director, Mr. Boonkiet Chokwatana)	Common area service fee <sup>3/</sup>	78	59	The contractual price which is subject to general trade terms similar to those granted to external parties, whereby the Audit Committee has reviewed and considered that the rates are appropriate and have been determined in good faith in commercial terms
	Other expenses <sup>4/</sup>	892	770	The contractual price or mutually agreed price which is subject to general trade terms similar to those granted to external parties, whereby the Audit Committee has reviewed and considered that the rates are appropriate and have been determined in good faith in commercial term

Name / Nature of relationship	Type of transaction	Transaction value (Baht thousand)		Conditions and pricing policy / necessity and reasonableness
		2023	2024 (Jan-Sep)	
Thanulux Plc. and its subsidiaries (related person under Section 258 of the Offeror)	Sales income	10,750	5,461	Mutually agreed price which is subject to general trade terms similar to those granted to external parties, whereby the Audit Committee has reviewed and considered that the rates are appropriate and have been determined in good faith in commercial term
	Other expenses <sup>5/</sup>	13	21	Mutually agreed price which is subject to general trade terms similar to those granted to external parties, whereby the Audit Committee has reviewed and considered that the rates are appropriate and have been determined in good faith in commercial term
	Purchase of raw materials	138	80	Mutually agreed price which is subject to general trade terms similar to those granted to external parties, whereby the Audit Committee has reviewed and considered that the rates are appropriate and have been determined in good faith in commercial term
Pitakkij Co., Ltd. (related person under Section 258 of the Offeror)	Security expenses	1,246	934	The contractual price which is subject to general trade terms similar to those granted to external parties, whereby the Audit Committee has reviewed and considered that the rates are appropriate and have been determined in good faith in commercial term

Name / Nature of relationship	Type of transaction	Transaction value (Baht thousand)		Conditions and pricing policy / necessity and reasonableness
		2023	2024 (Jan-Sep)	
	Building and facility renovation costs	399	204	The contractual price which is subject to general trade terms similar to those granted to external parties, whereby the Audit Committee has reviewed and considered that the rates are appropriate and have been determined in good faith in commercial term

Remark: 1/ Royalty fee is compensation for the use of trademarks under the trademark license agreement between the Offeror and the Business, which depends on the sales of product under the aforementioned trademark. Due to a decrease in sales revenue, the royalty fee for the nine-month period ending September 30, 2024, significantly differ from the twelve-month period ending December 31, 2023. However, the royalty fee for the nine-month period ended September 30, 2024, was incurred only from January to June 2024, as the Business terminated the trademark license agreement with the Offeror on June 30, 2024.

2/ In addition to the above information, the Business paid dividends to the Offeror at the rate of Baht 0.20 per share, which was the same rate paid to all shareholders according to the resolutions of the shareholders' meetings held on April 25, 2023 and April 23, 2024, with dividend payment dates set for May 24, 2023 and May 21, 2024 for the 12-month period ended December 31, 2023 and the nine-month period ended September 30, 2024, respectively.

3/ Common area service fee is the common fee for the use of basic utilities within the Saha Group Industrial Park of the Offeror.

4/ Other expenses mainly consist of expenses on organizing trade fairs, which were held in June 2023 and June 2024. As a result, other expenses for the nine-month period ended September 30, 2024 are similar in value to the 12-month period ended December 31, 2023.

5/ Other expenses include costs for organizing shareholder meetings and booth exhibition fees.

In addition, regarding the policy on related party transactions indicated in the Tender Offer, the Board of Directors is of the opinion that it will not have an impact on the shareholders since the Offeror will not materially change such policy during the 12-month period from the end of the Tender Offer period. The Offeror and the related persons under Section 258 of the Offeror may enter into transactions with the Business, including normal business transactions which are in line with business operation plan of the Business and/or other related party transactions with the Business, subject to necessity and reasonableness of such transactions. Also, the Offeror and the Business may restructure and/or manage the investments or assets as appropriate, considering the best interests of the Business and its shareholder.

At present, the Business has established the policy, regulations and procedures for approval of related party transactions in compliance with the rules and regulations stipulated by the SET and the SEC to prevent any conflict of interest and ensure fairness to the shareholders in the execution of related party transactions between the Business and its related persons and/or any persons who may have a conflict. Therefore, if in the future the Offeror enters into related party transactions with the Business, the Offeror and the Business will pay attention primarily to the interests of the Business and will execute and disclose information on the related party transactions in accordance with the relevant laws, rules, notifications, orders or regulations applicable to the Business at that time to make certain that the related party transactions are executed under the same criteria as the arm's-length transactions. For the transactions between the Business and its connected persons, they must not provide any special conditions or benefits so as to conform with the regulations of the SET and the SEC and ensure that the related party transactions are executed under the same criteria as the arm's-length transactions. The Audit Committee of the Business must consider and render opinion necessary for any transactions before proposing them to the Board of Directors' meeting and/or the shareholders' meeting of the Business (as the case may be) for further approval.

#### 4.3.3 Plan for sale of the Business's shares

The Offeror indicates in the Tender Offer that, as of the Tender Offer date, the Offeror has no intention to sell or transfer a significant amount of the ordinary shares of the Business that it holds before the Tender Offer and the shares that will be acquired from this Tender Offer to other persons during the 12-month period from the end of the Tender Offer period, except in the following cases:

1. The Offeror must comply with requirements to maintain the Business's free float qualification according to listing maintenance criteria, or the Offeror must comply with applicable laws and regulations in effect at that time.
2. The Offeror sells or transfers shares to the related persons under Section 258 of the Securities and Exchange Act B.E. 2535 (as amended) for the purpose of appropriate internal shareholding structure arrangement of the Offeror.
3. Business restructuring is approved by a future shareholders' meeting of the Business (if any).
4. The Offeror may consider selling some securities of the Business as deemed appropriate in cases where early principal repayment is necessary, or in case of forced collateral execution if unable to comply with credit facility agreement conditions.



5. The Offeror may consider selling some securities of the Business as deemed appropriate to business partners who are interested in co-investing in the Business and have investment potential, who are considered to have expertise and business potential that can strengthen and drive additional growth for the Business in the future, with primary consideration for the best interests of the Business. Nevertheless, the sale of some securities of the Business will not reduce the Offeror's holding, including those held by persons under Section 258, to be below 25 percent of the total issued and paid-up ordinary shares and total voting rights of the Business. This ownership level is considered appropriate for investment and preserves the capacity for collaborative management, organizational development, and business expansion with partners to maximize benefits for all parties.

However, if any sale or transfer of the Business's shares occurs within 12 months following the end of the tender offer period, as specified in items 1 to 5 above (except for item 4 where the Offeror does not have control and/or decision-making power authority), it will not reduce the Offeror's holding, including those held by persons under Section 258, to be below 25 percent of the total issued and paid-up ordinary shares and total voting rights of the Business.

Accordingly, if the Offeror sells or transfers the Business's securities, it will be obliged to report the disposal of its ordinary shares. The Offeror shall comply with any relevant laws, rules and/or regulations of the Securities and Exchange Commission and/or the Stock Exchange of Thailand regarding the disposal of assets based on the value or size of the transaction as stipulated in the Notification of the Capital Market Supervisory Board No. TorJor. 20/2551 Re: Rules on Entering into Material Transactions Deemed as Acquisition or Disposal of Assets , which requires compliance by listed companies as per the SET's requirement. Furthermore, if these transactions involve a connected person of the Offeror under the relevant connected transaction notification, the Offeror shall comply with the laws, rules and/or regulations of the SEC and/or the SET related to the criteria for related party transactions based on the size of the transaction, and disclose information to the SET as required by the Capital Market Supervisory Board Announcement regarding the connected transactions.

#### Opinion of the Board of Directors

The Board of Directors is of the opinion that the minority shareholders of the Business will not be affected by the Offeror's plan for sale of shares since the Offeror discloses in the Tender Offer Form (Form 247-4) that it has no plan to sell a substantial amount of shares in the Business during the 12-month period from the end of the Tender Offer period, except in the following cases:

1. The Offeror is duty-bound to comply with the relevant laws and/or regulations effective at that time. The Board of Directors is of the opinion that this case will take place in the event that the Business fails to fully meet the qualifications for maintaining the listed company status with respect to the minority shareholding distribution. If this happens, the Offeror will consider selling a portion of shares in the Business so as to maintain the share liquidity and meet the SET's free float qualification, and will still retain its majority shareholding in the Business. As a result, the minority shareholders will benefit from the greater share liquidity.
2. The Offeror sells or transfers shares to the related persons under Section 258 of the Securities and Exchange Act B.E. 2535. In this case, the Board of Directors is of the opinion that the minority shareholders will not be impacted because this will be only a change in shareholding within the group of the major shareholder.
3. The Offeror undergoes a business restructuring as a result of the approval of the shareholders' meeting of the Business. The Board of Directors is of the opinion that if there is a significant restructuring of the Business, the Business must seek to obtain an approval from its Board of Directors and/or shareholders in compliance with the relevant laws, rules and regulations effective at that time.
4. The Offeror may consider selling a portion of the Business's securities as deemed appropriate in case where it is necessary early loan repayment or will face collateral enforcement if it fails to comply with credit facility agreement conditions. The Board of Directors is of the opinion that if this is the sale of only a portion of shares to reduce financial burden while a significant shareholding proportion is still retained in the Business, there will be no impact on investors' confidence since the management and business operation will remain unchanged.
5. The Offeror may consider selling a portion of the Business's securities as deemed appropriate to business partners who are deemed by the Business to have expertise, investment potential and business potential to strengthen and drive long-term growth for the Business, or to other investors who are interested in the Business such as venture capital investors or funds or investors interested in making a joint venture in the Business, etc. If the Business deems that such investors have the potential to strengthen its business and growth, this will help enhance its operational capability in the long term with respect to its current core business and other businesses that could deliver favorable returns in the future. Meanwhile, having the well-known financial partners and institutional investors becoming its shareholders will help

create additional opportunities for the Business in the future and attract more investors' attention to the Business's shares, thus likely boosting the trading volume and liquidity of its shares in the future. Nevertheless, the sale of some securities of the Business will not reduce the Offeror's holding, including those held by persons under Section 258, to be below 25 percent of the total issued and paid-up ordinary shares and total voting rights of the Business. This ownership level is considered appropriate for investment and preserves the capacity for collaborative management, organizational development, and business expansion with partners to maximize benefits for all parties.

However, if any sale or transfer of the Business's shares occurs within 12 months following the end of the tender offer period, as specified in items 1 to 5 above (except for item 4 where the Offeror does not have control and/or decision-making power authority), it will not reduce the Offeror's holding, including those held by persons under Section 258, to be below 25 percent of the total issued and paid-up ordinary shares and total voting rights of the Business.

Accordingly, if the Offeror sells or transfers the Business's securities, it will be obliged to report the disposal of its ordinary shares. The Offeror shall comply with any relevant laws, rules and/or regulations of the Securities and Exchange Commission and/or the Stock Exchange of Thailand regarding the disposal of assets based on the value or size of the transaction as stipulated in the Notification of the Capital Market Supervisory Board No. TorJor. 20/2551 Re: Rules on Entering into Material Transactions Deemed as Acquisition or Disposal of Assets which requires compliance by listed companies as per the SET's requirement. Furthermore, if these transactions involve a connected person of the Offeror under the relevant connected transaction notification, the Offeror shall comply with the laws, rules and/or regulations of the SEC and/or the SET related to the criteria for related party transactions based on the size of the transaction, and disclose information to the SET as required by the Capital Market Supervisory Board Announcement regarding the connected transactions.

**4.4 Additional opinion of the Board of Directors of the Business (only in the case of a tender offer for delisting of securities in accordance with the Stock Exchange of Thailand's requirements)**

- None -

This Tender Offer is not for the purpose of delisting of securities from the SET.

## 5. Opinion of the Independent Financial Advisor

Please refer to an attached document of Independent Financial Advisor Opinion on the Tender Offer of People's Garment Public Company Limited which is prepared by Advisory Plus Company Limited.

We hereby certify that all above information is true, complete and correct and there is neither any information that could lead to material misstatement nor any concealment of crucial information that should be explicitly disclosed.

### People's Garment Public Company Limited

- *Mr. Viritpol Chaithavornsathien* -

(Mr. Viritpol Chaithavornsathien)

Authorized Director

- *Mrs. Sunan Niyomnaitham* -

(Mrs. Sunan Niyomnaitham)

Authorized Director

(Translation)

Opinion of the Independent Financial Advisor on the Tender Offer for  
Securities of the Business

of



People's Garment Public Company Limited

The Offeror:

Saha Pathana Inter-Holding Public Company Limited

Independent Financial Advisor:



Advisory Plus Company Limited

November 15, 2024

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## Definitions

“The Business” or “PG”	People’s Garment Plc.
“The Offeror” or “SPI”	Saha Pathana Inter-Holding Plc.
“Form of Intention” or “Form 247-3”	Form of Announcement of Intention to Make a Tender Offer (Form 247-3) by Saha Pathana Inter-Holding Plc., dated October 18, 2024
“Tender Offer” or “Form 247-4”	Tender Offer for Securities (Form 247-4) of People’s Garment Plc. by Saha Pathana Inter-Holding Plc., dated October 29, 2024, and the Amendment to the Tender Offer, dated November 7, 2024 and November 14, 2024
“Offering Price”	Baht 9.00 per share
“Tender Offer Period”	25 business days from October 30, 2024 to December 3, 2024 during the office hours of 9.00 a.m. to 4.00 p.m.
“Independent Valuer” or “AA”	American Appraisal (Thailand) Ltd.
“Independent Financial Advisor” or “IFA”	Advisory Plus Co., Ltd.
“SET”	Stock Exchange of Thailand
“SEC”	Office of the Securities and Exchange Commission
“Notification TorChor. 12/2554”	Notification of the Capital Market Supervisory Board No. TorChor. 12/2554 Re: Rules, Conditions and Procedures for the Acquisition of Securities for Business Takeovers, dated May 13, 2011, (as amended)
“Notification TorChor. 14/2554”	Notification of the Capital Market Supervisory Board No. TorChor. 14/2554 Re: Actions or Omission of Actions Which may Affect the Tender Offer of the Business (as amended)

- TRANSLATION -

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

AP. 029 / 2567

November 15, 2024

Subject Opinion of the Independent Financial Advisor on the tender offer for securities of People's Garment Plc. by Saha Pathana Inter-Holding Plc.

To Shareholders of People's Garment Plc.

On October 17, 2024, Saha Pathana Inter-Holding Plc. ("**the Offeror**" or "**SPI**") purchased ordinary shares in People's Garment Plc. ("**the Business**" or "**PG**") from six existing shareholders of the Business in a total amount of 27,468,098 shares, representing 28.61% of the total issued and paid-up shares and total voting rights of the Business, (collectively called "**Share Purchase Transaction**"). When combined with the existing 13,228,666 ordinary shares originally held by the Offeror in the Business, representing 13.78% of the total issued and paid-up shares and total voting rights of the Business, the Offeror holds, after completion of the said Share Purchase Transaction with the existing shareholders on October 17, 2024, a total of 40,696,764 shares in the Business, representing 42.39% of the total issued and paid-up shares and total voting rights of the Business, the details of which are as follows:

In the table shows the list of the major shareholders of the Business as of 30 September 2024, which is the latest book-closing date prior to the amendment of the number of shares in the Business that the Offeror has received from the Seller and the list of the major shareholders of the Business as appeared on the latest shareholders' register book of the Business as of 30 September 2024, which is the latest book-closing date, adjusted with the number of shares that the Offeror received from the Sellers as a result of the Share Purchase Agreement for 27,468,098 shares (Twenty-Seven Million Four Hundred Sixty-Eight Thousand Ninety-Eight shares ) or 28.61 percent of the total issued and paid-up shares of the Business are as follows:





No.	Major shareholders	Prior to the amendment of the number of shares that the Offeror received from the Sellers		After the amendment of the number of shares that the Offeror received from the Sellers	
		No. of Ordinary Shares (Shares)	As a Percentage of Paid-up Capital and Total Voting Rights	No. of Ordinary Shares (Shares)	As a Percentage of Paid-up Capital and Total Voting Rights
1	Saha Pathana Inter-Holding Plc.	13,228,666	13.78	40,696,764	42.39
2	Thanulux Plc.	10,484,000	10.92	-	-
3	Saha Pathanapibul Plc.	8,450,000	8.80	8,450,000	8.80
4	Yi Tong Tian Tai BSC Co., Ltd.	5,305,999	5.53	-	-
5	I.C.C. International Plc.	5,040,000	5.25	5,040,000	5.25
6	Trika Co., Ltd.	4,965,533	5.17	4,965,533	5.17
7	BSC So In Co., Ltd.	4,072,100	4.24	-	-
8	I.D.F. Co., Ltd.	3,790,000	3.95	-	-
9	Mrs. Kityaporn Chaithavornsathien	3,538,633	3.69	3,538,633	3.69
10	E-Commerce Digital Thai Holding Co., Ltd.	3,500,000	3.65	3,500,000	3.65
11	First United Industry Company Limited	2,186,666	2.28	-	-
12	Mr. Boonkiet Chokwatana	2,700,000	2.81	2,700,000	2.81
13	Thai NVDR Co., Ltd.	2,320,805	2.42	2,320,805	2.42
14	Mr. Piranart Chokwatana	1,922,900	2.00	1,922,900	2.00
15	Sinparadorn Co., Ltd	1,629,333	1.70	-	-
16	Mrs. Sirina Pavarolarvidya	1,468,133	1.53	1,468,133	1.53
<b>Total Major Shareholders</b>		<b>74,602,768</b>	<b>77.71</b>	<b>74,602,768</b>	<b>77.71</b>
Other shareholders		21,397,232	22.29	21,397,232	22.29
<b>Total</b>		<b>96,000,000</b>	<b>100.00</b>	<b>96,000,000</b>	<b>100.00</b>

Source: Clarification of Big Lot Transaction and Change in Shareholder Structure of the Business, dated October 17, 2024, and copy of the Tender Offer for Securities of the Business, dated October 29, 2024, including the Amendment to the Tender Offer, dated November 7, 2024 and November 14, 2024, see further details at the SET's website ([www.set.or.th](http://www.set.or.th)).



Subsequent to the change in shareholder structure of the Business, SPI's increased shareholding in the Business has reached or exceeded 25% of the total issued and paid-up shares and total voting rights of the Business, which triggers the obligation of the Offeror to launch a tender offer for all securities of the Business pursuant to the Notification of the Capital Market Supervisory Board No. TorChor. 12/2554 Re: Rules, Conditions and Procedures for the Acquisition of Securities for Business Takeovers, dated May 13, 2011, (as amended) ("**Notification TorChor. 12/2554**").

The Offeror submitted the Form of Announcement of Intention to Make a Tender Offer ("**Form of Intention**" or "**Form 247-3**") to the Office of the Securities and Exchange Commission ("**SEC**"), the Stock Exchange of Thailand ("**SET**") and the Business on October 18, 2024, and the Business received a copy of the Form of Tender Offer for Securities of the Business from the Offeror on October 29, 2024 and the Amendment to the Tender Offer on November 7, 2024 and November 14, 2024 (hereinafter collectively called the "**Tender Offer**" or "**Form 247-4**"). The Business accordingly appointed Advisory Plus Co., Ltd. as the independent financial advisor to provide opinion to the minority shareholders of the Business regarding such Tender Offer.

Advisory Plus Co., Ltd., as the independent financial advisor ("**IFA**") approved by the SEC and appointed by the Business to provide opinion to the minority shareholders regarding the Tender Offer, has studied information in the Tender Offer of the Offeror, information and documents obtained from the Business and the Tender Offer Preparer and/or publicly available information such as annual registration statement (Form 56-1), auditor's report, financial statements, financial projection and related assumptions, property appraisal reports, other relevant information, information derived from interviews with the Business's management, the Offeror and other concerned parties, and also from the assessment of industry situation and other relevant economic factors, as a basis for our analysis and rendering of opinion. The opinion given herein is based on the assumption that the information in the Tender Offer and all information and documents obtained from the Business and/or the Tender Offer Preparer and from interviews with the Business's management and the Offeror are complete, true and correct. It is also based on the economic condition and information known at the time of conducting this study only. If there is any change or any incident that causes these factors to change significantly from the current status, it could materially affect the business operation and the financial projection. The IFA's opinion is rendered without commitment in relation to a change, revision or confirmation of any impact that may arise in the future and the shareholders' decision on such Tender Offer.

We have prepared this opinion report originally in Thai version and also provided an English translation for the convenience of non-Thai shareholders. If there are any discrepancies between this English translation and the Thai version, the original Thai version of the report shall prevail.



In deciding whether to accept or reject the Tender Offer, the shareholders can consider the reasons and opinion in various aspects provided herein by the IFA. The final decision whether to accept or reject the Tender Offer depends primarily on the shareholders' individual judgment. The IFA's opinion is as follows:

**Executive Summary**

On October 17, 2024, Saha Pathana Inter-Holding Plc. (“the Offeror” or “SPI”) purchased ordinary shares in People’s Garment Plc. (“the Business” or “PG”) from six existing shareholders of the Business in a total amount of 27,468,098 shares, representing 28.61% of the total issued and paid-up shares and total voting rights of the Business, (collectively called “Share Purchase Transaction”). When combined with the existing 13,228,666 ordinary shares originally held by the Offeror in the Business, representing 13.78% of the total issued and paid-up shares and total voting rights of the Business, the Offeror holds, after completion of the said Share Purchase Transaction with the existing shareholders on October 17, 2024, a total of 40,696,764 shares in the Business, representing 42.39% of the total issued and paid-up shares and total voting rights of the Business, the details of which are as follows:

In the table shows the list of the major shareholders of the Business as of 30 September 2024, which is the latest book-closing date prior to the amendment of the number of shares in the Business that the Offeror has received from the Seller and the list of the major shareholders of the Business as appeared on the latest shareholders’ register book of the Business as of 30 September 2024, which is the latest book-closing date, adjusted with the number of shares that the Offeror received from the Sellers as a result of the Share Purchase Agreement for 27,468,098 shares (Twenty-Seven Million Four Hundred Sixty-Eight Thousand Ninety-Eight shares ) or 28.61 percent of the total issued and paid-up shares of the Business are as follows:

No.	Major shareholders	Prior to the amendment of the number of shares that the Offeror received from the Sellers		After the amendment of the number of shares that the Offeror received from the Sellers	
		No. of Ordinary Shares (Shares)	As a Percentage of Paid-up Capital and Total Voting Rights	No. of Ordinary Shares (Shares)	As a Percentage of Paid-up Capital and Total Voting Rights
1	Saha Pathana Inter-Holding Plc.	13,228,666	13.78	40,696,764	42.39
2	Thanulux Plc.	10,484,000	10.92	-	-
3	Saha Pathanapibul Plc.	8,450,000	8.80	8,450,000	8.80
4	Yi Tong Tian Tai BSC Co., Ltd.	5,305,999	5.53	-	-
5	I.C.C. International Plc.	5,040,000	5.25	5,040,000	5.25
6	Trika Co., Ltd.	4,965,533	5.17	4,965,533	5.17
7	BSC So In Co., Ltd.	4,072,100	4.24	-	-
8	I.D.F. Co., Ltd.	3,790,000	3.95	-	-



No.	Major shareholders	Prior to the amendment of the number of shares that the Offeror received from the Sellers		After the amendment of the number of shares that the Offeror received from the Sellers	
		No. of Ordinary Shares (Shares)	As a Percentage of Paid-up Capital and Total Voting Rights	No. of Ordinary Shares (Shares)	As a Percentage of Paid-up Capital and Total Voting Rights
9	Mrs. Kityaporn Chaithavornsathien	3,538,633	3.69	3,538,633	3.69
10	E-Commerce Digital Thai Holding Co., Ltd.	3,500,000	3.65	3,500,000	3.65
11	First United Industry Company Limited	2,186,666	2.28	-	-
12	Mr. Boonkiet Chokwatana	2,700,000	2.81	2,700,000	2.81
13	Thai NVDR Co., Ltd.	2,320,805	2.42	2,320,805	2.42
14	Mr. Piranart Chokwatana	1,922,900	2.00	1,922,900	2.00
15	Sinparadorn Co., Ltd	1,629,333	1.70	-	-
16	Mrs. Sirina Pavarolarvidya	1,468,133	1.53	1,468,133	1.53
Total Major Shareholders		74,602,768	77.71	74,602,768	77.71
Other shareholders		21,397,232	22.29	21,397,232	22.29
Total		96,000,000	100.00	96,000,000	100.00

Source: Clarification of Big Lot Transaction and Change in Shareholder Structure of the Business, dated October 17, 2024, and copy of the Tender Offer for Securities of the Business, dated October 29, 2024, including the Amendment to the Tender Offer, dated November 7, 2024 and November 14, 2024, see further details at the SET's website ([www.set.or.th](http://www.set.or.th)).

Subsequent to the change in shareholder structure of the Business, SPI's increased shareholding in the Business has reached or exceeded 25% of the total issued and paid-up shares and total voting rights of the Business, which triggers the obligation of the Offeror to launch a tender offer for all securities of the Business pursuant to the Notification of the Capital Market Supervisory Board No. TorChor. 12/2554 Re: Rules, Conditions and Procedures for the Acquisition of Securities for Business Takeovers, dated May 13, 2011, (as amended) ("Notification TorChor. 12/2554").

The Offeror submitted the Form of Announcement of Intention to Make a Tender Offer ("Form of Intention" or "Form 247-3") to the Office of the Securities and Exchange Commission ("SEC"), the Stock Exchange of Thailand ("SET") and the Business on October 18, 2024, and the Business received a copy of the Form of Tender Offer for Securities of the Business from the Offeror on October 29, 2024 and the Amendment to the Tender Offer on November 7, 2024 and November 14, 2024 (hereinafter collectively called the "Tender Offer" or "Form 247-4"). Here is a summary of the Tender Offer:



The Offeror	:	Saha Pathana Inter-Holding Plc.
Number of securities offered to purchase	:	55,303,236 shares with a par value of Baht 1 per share, representing 57.61% of the Business's total issued and paid-up shares and total voting rights
Offering price	:	Baht 9.00 (Baht nine) per share

The shareholders who accept the Tender Offer (each an "Offeree") shall be subject to a brokerage fee of 0.25% of the offering price and value added tax of 7.00% of such brokerage fee. Thus, the net offering price receivable by the Offeree will be equal to Baht 8.975925 (Baht eight point nine seven five nine two five) per share.

The Offeror will make payment for the tendered securities in cash. In calculating the amount payable to each Offeree, Bualuang Securities Plc. (the "Tender Offer Agent") will multiply the net offering price by the number of shares tendered by each Offeree and any fraction of a result of which shall be rounded up or down to two decimal places. Where a numeral in the third decimal place is more than or equals 5, it will be rounded up, but if it is less than 5, it will be discarded.

Tender Offer period	:	25 business days from October 30, 2024 to December 3, 2024, during the office hours of 9.00 a.m. – 4.00 p.m. of the Tender Offer Agent. Such Tender Offer period is the final period which will not be extended unless any of the following conditions arises:
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- (1) The Offeror may reduce the Tender Offer price or extend the Tender Offer period if an event occurs and causes severe damage to the status or assets of the Business during the Tender Offer period.
- (2) The Offeror may change the terms of this Tender Offer or extend the Tender Offer period to compete with another offeror who has also submitted a tender offer to purchase securities of the Business during the Tender Offer period.

Source of funds	:	In the event that all other existing shareholders express their intention to sell all the remaining 55,303,236 shares of the Business at the offering price of Baht 9.00 per share, the Offeror will require an aggregate fund of Baht 497,729,124 (Baht four hundred ninety-seven million seven hundred twenty-nine thousand one hundred and twenty-four) for the Tender Offer. The
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source of funds that will be used to finance the Tender Offer is as follows:

A credit facility from Krung Thai Bank Plc. (“KTB”) in the amount of Baht 600,000,000 (Baht six hundred million) pursuant to a confirmation letter issued by KTB, as of October 17, 2024, to provide financial support to the Offeror for the purpose of making payment for the Tender Offer under the credit line of Baht 600,000,000 (Baht six hundred million) covering a period from October 17, 2024 until the final date of the Tender Offer.

The provision of this credit line by KTB is subject to the following significant conditions:

- (1) The Offeror shall not declare dividends in the form of cash if the Offeror has not fully repaid the principal and/or interest on the loan that is due to KTB.
- (2) The Offeror agrees with KTB that this credit line has conditions that are not inferior to the debentures (*pari passu*).
- (3) The Offeror agrees to maintain the net debt to equity ratio at a level not exceeding 2.00 to 1.00.
- (4) In the event that the Offeror defaults on the principal and/or interest on this loan, the Offeror agrees to allow KTB to adjust the default interest rate to the highest rate as announced by the Bank of Thailand from the date of default until the debt is fully repaid. The Offeror also agrees to calculate the default interest rate based on the principal amount in default, except in case where KTB has exercised its right to require the Offeror to repay all outstanding debt.

Conditions for  
cancellation of the Tender  
Offer

The Offeror may cancel the Tender Offer upon the occurrence of any of the following events:

- (1) any event or action occurring after the submission of the Tender Offer to the Office of the Securities and Exchange Commission (the “SEC”) but within the Tender Offer period, which causes or may cause severe damage to the status or assets of the Business, where such event or action has not resulted from the action of the Offeror or action for which the Offeror is responsible; or
- (2) any action conducted by the Business after the submission of the Tender Offer to the SEC but within the Tender Offer period, which



- causes a significant decrease in value of the Business's shares; or
- (3) any action conducted by the Business which may affect the Tender Offer pursuant to the Notification of the Capital Market Supervisory Board No. TorChor. 14/2554 Re: Actions or Omission of Actions Which may Affect the Tender Offer of the Business (as amended).

We have considered the Tender Offer (Form 247-4), the Tender Offer price, and other relevant information of the Business as a basis for providing opinion to the minority shareholders, and has determined appropriateness of price and reasons as to whether the minority shareholders should accept and/or reject the Tender Offer, the details of which can be summed up as follows:

We are of the opinion that the offering price of Baht 9.00 per share is not a reasonable price because such offering price is lower than a fair value appraised herein using the adjusted book value (ABV) approach. We view that the ABV approach is a suitable method for valuing the Business's shares because, although it cannot reflect future profitability of the Business, the ABV approach can well reflect a fair value of its net assets, especially in terms of adjustment to fair value of its land and buildings most of which have been invested in since the start of business and the actual value of which has increased significantly. Moreover, judging from the Business's return on assets (ROA) of 0.83%, 2.69%, 1.58%, and 0.36% per year in 2021, 2022, 2023, and the 12-month period from October 1, 2023 to September 30, 2024 respectively, it is evident that its ROA has been somewhat low, demonstrating that the ability to use the assets may not align with the highest and best use of those assets in the present circumstances. Therefore, although the discounted cash flow approach can well reflect future cash flow and operation, the use of this approach for fair value measurement of the Business's shares in this case cannot fully reflect the true value of the Business because it is not based on the assumption on generation of profit from operation that aligns with the highest and best use of existing assets of the Business. As such, the share valuation by the ABV approach is considered more suitable since this method is based on the assets' fair value appraised by the Independent Valuer according to market price that can best reflect general investors' expectation on the basis of the highest and best use of such assets at that time. The fair value calculated by the ABV approach is equal to Baht 18.65 per share, which is higher than the offering price of Baht 9.00 per share by Baht 9.65 per share or 107.22%. For this reason, it is recommended that the shareholders should reject the Tender Offer.

The said offering price is lower than the fair value of the Business's shares appraised by the IFA. However, taking into account the share liquidity over the previous 12 months (October 17, 2023 – October 16, 2024) during which the total trading volume of the Business's shares amounted to 3,699,300 shares or equal to 17,126.39 shares per day, it can be deemed that this Tender Offer will provide an opportunity for the shareholders, who hold a substantial amount of shares and normally cannot sell their shares partly or wholly on one occasion through the SET due to low liquidity of the Business's shares, to sell their shares at the





offering price of Baht 9.00 per share, which is higher than the market price over the previous -1-12 months (up to October 16, 2024), which was in a range of Baht 8.85 – 8.95 per share, by Baht 0.05 – 0.15 per share or 0.56% – 1.67%. Nonetheless, the shareholders who accept the Tender Offer should be aware that, under this Tender Offer, they will sell their shares in the Business at a price that is (lower) than the fair value of Baht 18.65 per share as appraised by the IFA by (107.22)%.

In deciding whether to accept or reject the Tender Offer, the shareholders are recommended to study information in the Tender Offer (Form 247-4), the Business's opinion on the Tender Offer (Form 250-2), and the opinion of the IFA provided herein as a basis for your decision-making. However, the final decision whether to accept or reject the Tender Offer depends primarily on the shareholders' individual judgment.

Details of the IFA's opinion are as follows:



## Opinion of the Independent Financial Advisor

### 1. Appropriateness of the offering price

Under this Tender Offer, the Offeror has offered to purchase the Business's shares at a price of Baht 9.00 per share. We have measured a fair value of the shares by using different valuation approaches and compared the derived fair value with the offering price, as well as identified the appropriateness of share valuation by each approach in order to express our opinion regarding the reasonableness of such offering price, as follows:

- 1.1. Book value approach
- 1.2. Adjusted book value approach
- 1.3. Market comparable approach
  - (1) Price to book value ratio approach
  - (2) Price to earnings ratio approach
  - (3) EV/EBITDA ratio approach
- 1.4. Market value approach
- 1.5. Discounted cash flow approach

Details of share valuation by each approach are as follows:

#### 1.1. Book value approach

By this approach, the shares are appraised from net book value of assets (total assets less total liabilities and non-controlling interests in subsidiaries (if any)) or equivalent to only equity attributable to owners of the Business, divided by number of shares to obtain book value of the shares.

We appraise a fair value of the Business's shares using information from its financial statements as of September 30, 2024, which were reviewed by Miss Orwan Techawatanasirikul, CPA Registration No. 4807, of EY Office Ltd. Details of the share valuation are as follows:



Items, as of September 30, 2024	Baht million
Issued and paid-up capital	96.00
Premium on share capital	325.20
Retained earnings	
Appropriated	
Statutory reserve	9.60
General reserve	2.50
Unappropriated	759.82
Other components of shareholders' equity	251.84
<b>Equity attributable to owners of the Business</b>	<b>1,444.96</b>
Par value (Baht/share)	1.00
<b>Number of shares (million shares)</b>	<b>96.00</b>
<b>Book value per share (Baht)</b>	<b>15.05</b>

By the book value approach, the Business's shares are appraised at Baht 15.05 per share (par value of Baht 1.00 per share), which is higher than the offering price of Baht 9.00 per share by Baht 6.05 per share or 67.22%.

The share valuation by this approach reflects the Business's financial position as of September 30, 2024 only, but does not reflect current market value of its assets, nor its profitability in the future.

## 1.2. Adjusted book value approach

Under this method, the shares are valued by adjusting the book value shown on the Business's financial statements as of September 30, 2024 for the items that materially affect value of assets and liabilities in order to reflect the net asset value as close as possible to the present value. WE have considered the significant items on such financial statements for the book value adjustment as follows:

- (a) Surplus (discount) on revaluation of properties

The Business has engaged American Appraisal (Thailand) Ltd. ("Independent Valuer" or "AA"), with Mr. Subhaddhar Luengmahamongkhon as the supervisor (WorThor.227), an SEC-approved independent valuer, to appraise for public purposes a fair value of the land, buildings and component parts on the land, and machinery that are owned by the Business and are free of mortgage. AA prepared seven property appraisal reports No. 2024/345 - 2024/346 and 2024/348 - 2024/352 during October 21 – 29, 2024.

AA appraised the properties using two approaches as follows:



- *Market comparison approach*

This approach values the properties based on sales/purchase information of other similar or comparable properties, with price adjustment for the differences between the appraised properties and the comparable market data.

- *Cost approach*

The property valuation by this approach is based on the replacement cost of the properties, less depreciation cost arising from physical depreciation, usage depreciation, and depreciation caused by external or economic factors.

Opinion of the IFA on property appraisal approaches

AA examined and considered various factors relating to the valuation such as appropriateness of use or development for further use, general market condition and limitations, specific features of the properties, and legal rights before selecting the appraisal methods that suit the nature of such properties, as follows:

- The use of market approach for land appraisal: We consider this appropriate because the properties were appraised at value that is as close as possible to a fair value through comparison with market prices of properties which have characteristics similar to the Business's properties. AA considered all details of the appraised properties and various factors that affect value of the appraised properties such as the location, area, level, and shape of the land, transportation, public utilities, land use restrictions and town planning, and sufficiency of market price data in nearby areas for comparison. The appraisal of property which is land by the market approach is in line with the general guidelines on land valuation . Therefore, we view that such appraisal method is appropriate.
- The use of cost approach for appraisal of buildings and component parts on the land and machinery: We consider this appropriate because AA appraised those properties on the basis of reconstruction of the appraised buildings, component parts on the land or machinery at a replacement cost, deducted by depreciation cost according to physical condition and useful life of the buildings, component parts on the land, and machinery, in order to obtain value that could reflect the value in present condition of such buildings, component parts on the land, and machinery. The valuation of reconstruction cost and replacement cost of machinery and the assumption on depreciation according to physical condition are in line with the guidelines set out by the Valuers Association of Thailand and the Thai Valuers Association. Therefore, we view that such appraisal method is appropriate.



The seven reports on land and buildings appraisal are summarized in the table below:

Unit: Baht million

The assets in brief	Fair value appraised by AA (1)	Book value as of Sep 30, 2024 (2)	Surplus (Discount) on property revaluation (3) = (1) - (2)	Deferred tax (liabilities) assets (4) = 20% * (3)	Gain (Loss) on property revaluation (5) = (3) - (4)	
<b>A. Property, plant and equipment</b>						
<b>1. Plants for goods production</b>						
<b>1.1 Lamphun District, Lamphun Province (Lamphun Plant)</b>						
Located at No. 77 Moo 6, Chiang Mai – Lampang Road, Ban Klang Subdistrict, Mueang Lamphun District, Lamphun Province						
Land	One plot of land with an area of 39 rai 2 ngan 20 square wah or 39.55 rai	181.91	8.91	173.00	34.60	138.40
Buildings and component parts on the land	Totaling 27 items as follows: (1) warehouse and sewing building, (2) office building, (3) restroom building 1, (4) first aid building, (5) clock in/out building & car park, (6) plant building 1, (7) goods storage building 1, (8) plant building 2, (9) goods storage building 2, (10) canteen, (11) restroom building 2, (12) boiler building 1, (13) boiler building 2, (14) air compressor building, (15) fire pump building, (16) waste sorting building, (17) shop building, (18) guard house, (19) open space with roof, (20) parking garage 1, (21) parking garage 2 and concrete yard, (22) water tower, (23-24) water filtration building and water tanks 1 and 2, (25) project fence, (26) road in the plant area, and (27) fence gate	31.70	1.63	30.07	6.01	24.06
Machinery and equipment	Comprising knitting machine, automatic fabric cutting machine, boiler, yarn spinning machine, button shank wrapping machine, single needle sewing machine, blind stitch sewing machine, etc., totaling 659 items	43.06	17.49	25.57	5.11	20.45
Total properties of Lamphun Plant		256.67	28.03	228.64	45.73	182.91
<b>1.2 Kabin Buri District, Prachin Buri Province (Kabin Buri Plant)</b>						
Located at No. 216 Moo 5, SPI Group Project Road, off Suwannason Road, Nonsi Subdistrict, Kabin Buri District, Prachin Buri Province						
Land	Two plots of land (contiguous) with a total area of 9-1-04 rai or 9.26 rai	24.10	8.33	15.77	3.15	12.61



Unit: Baht million

The assets in brief		Fair value appraised by AA (1)	Book value as of Sep 30, 2024 (2)	Surplus (Discount) on property revaluation (3) = (1) - (2)	Deferred tax (liabilities) assets (4) = 20% * (3)	Gain (Loss) on property revaluation (5) = (3) - (4)
Buildings and component parts on the land	Totalling 11 items as follows: (1) new plant building, (2) plant building, (3) warehouse building, (4) canteen, (5) boiler building 1, (6) boiler building 2, (7) air chiller building, (8) guard house, (9) road and drainage channel, (10) parking garage, and (11) water tank	61.40	25.94	35.46	7.09	28.36
Machinery and equipment	Comprising knitting machine, automatic fabric cutting machine, boiler, yarn spinning machine, button shank wrapping machine, etc., totaling 410 items	44.75	8.51	36.24	7.25	28.99
Total properties of Kabin Buri Plant		130.25	42.79	87.46	17.49	69.97
<b>1.3 Welgrow Industrial Estate, Chachoengsao Province</b>						
Located at No. 114 Moo 5, Welgrow Industrial Estate, Theppharat Road, Bang Samak Subdistrict, Bang Pakong District, Chachoengsao Province						
Land	Two plots of land (contiguous) with a total area of 7-1-22 rai or 7.305 rai	87.70	24.63	63.07	12.61	50.45
Buildings and component parts on the land	Totalling seven items as follows: (1) plant building, (2) canteen and shop, (3) guard house, (4) road and drainage channel, (5) fence, (6) parking garage, and (7) open space with roof	9.70	1.47	8.23	1.65	6.59
Total land, buildings and component parts on the land		97.40	26.10	71.30	14.26	57.04
<b>2. Machinery</b>						
<b>2.1 Machinery located at the five-storied Head Office, which is a rented building, Bangkok</b>						
Located at No. 666 Rama 3 Road, Bang Phongphang Subdistrict, Yan Nawa District, Bangkok						
Machinery and equipment	Comprising single needle chainstitch sewing machine, blind stitch sewing machine, single needle sewing machine, double needle overlock sewing machine, Mauser Lock sewing machine, buttonholing machine, etc., totaling 241 items	5.50	0.87	4.63	0.93	3.70
<b>3. Commercial building and condominium used for employee welfare</b>						
<b>3.1 Mueang District, Lamphun Province</b>						
Located at No. 107/17-18 Moo 4, road in Industrial Estate Authority of Thailand, off Ban Thi – San Kamphaeng Road, Ban Klang Subdistrict, Mueang District, Lamphun Province						



Unit: Baht million

The assets in brief		Fair value appraised by AA (1)	Book value as of Sep 30, 2024 (2)	Surplus (Discount) on property revaluation (3) = (1) - (2)	Deferred tax (liabilities) assets (4) = 20% * (3)	Gain (Loss) on property revaluation (5) = (3) - (4)
Commercial building	Land and two units of commercial building of three stories with a mezzanine, address No. 107/17 (corner unit) and No. 107/18 (title deed No. 74997 with land area of 29.9 sqw. and title deed No. 74998 of 17.2 sqw., totaling 47.1 sqw.)	11.00	0.35	10.65	2.13	8.52
3.2 <u>Pak Chong District, Nakhon Ratchasima Province</u> Located at No. 151/14 Moo 5, Kensington Khao Yai Project, off Yothathikan Road 2213, Wang Katha Subdistrict, Pak Chong District, Nakhon Ratchasima Province						
Townhome	Land and a three-storied townhome (title deed No. 89700 of 29 sqw.)	14.00	7.01	6.99	1.40	5.59
3.3 <u>Cha-am District, Phetchaburi Province</u> Located at Building C, Baan Thew Talay Aquamarine Condominium, road in Baan Thew Talay World Project, off Phet Kasem Road, Cha-am Subdistrict, Cha-am District, Phetchaburi Province						
Residential condominium	Unit No. 779/253, Fl. 14, room area of 81.56 sqm. and balcony area of 15.98 sqm., totaling 97.54 sqm.	8.8	4.45	4.35	0.87	3.48
<b>B. Investment property</b>						
<u>Lamphun Plant (partly rented out)</u> Located at No. 77 Moo 6, Chiang Mai – Lampang Road, Ban Klang Subdistrict, Mueang Lamphun District, Lamphun Province						
Land and Lamphun plant building (partly)	Land area of 2 rai 3 ngan 82 square wah (4,728 square meters)	13.59	0.39	13.20	2.64	10.56
	A warehouse and sewing building with a total area of 1,300 square meters	4.40	-	4.40	0.88	3.52
<b>Grand total</b>		<b>541.61</b>	<b>109.98</b>	<b>431.63</b>	<b>86.33</b>	<b>345.30</b>

## (b) Financial assets

As of September 30, 2024, the Business had investments in financial assets including unit trusts, fixed bank deposits, SET-listed equity securities, and debt securities. Such investments were recorded in accordance with the accounting standards, whether fair value measurement based on market price for the SET-listed equity securities and non-listed equity securities or measurement by the amortized cost method for held-to-maturity securities, etc. Therefore, we have not made any adjustment to this item.

However, after the date of the nine-month financial statements ended September 30, 2024, the Business sold its investment in SET-listed equity securities, i.e. ordinary shares in MC Group Plc. ("MC"), between October 1, 2024 and November 11, 2024 in a total amount of 290,000 shares at an average price of Baht 12.62 per share amounting to Baht 3.66 million in total, as detailed below:



Investment sold	No. of shares sold (shares)	Selling price (Baht/share)	Sale value (Baht)
MC	290,000.00	12.62	3,660,000.00

The value of such investment sold, calculated at cost and market price, is as follows:

Investment sold	No. of shares sold (shares)	Cost price (Baht/share)	Cost value (Baht)	Market price as of Sep 30, 2024 (Baht/share)	Market value as of Sep 30, 2024 (Baht)
MC	290,000.00	9.66	2,800,046.83	12.00	3,480,000.00

Such investment was recorded at a fair value based on market price as at the end of the period and gain on sale of such investment measured at a fair value was already incorporated into other components of shareholders' equity. Therefore, this item must be wiped out and gain on sale of such investment was to be recognized in retained earnings, as follows:

- (1) Adjustment to gain on sale of investment measured at a fair value - other components of shareholders' equity

Items	Baht million
Adjustment to value of investment based on market price	(3.48)
<u>Less</u> Cost value	(2.80)
Surplus on fair value measurement based on market price	(0.68)
<u>Less</u> Deferred tax liabilities (20%)	(0.14)
Adjustment to gain on sale of investment measured at a fair value - other components of shareholders' equity	(0.54)

- (2) Recognition of gain on sale of investment in retained earnings

Items	Baht million
Sale value	3.66
<u>Less</u> Cost value	2.80
Gain on sale of investment	0.86
<u>Less</u> Income tax payable (20%)	0.17
Recognition of gain on sale of investment	0.69

- (c) Working capital

For trade accounts receivable and inventories as of September 30, 2024, the allowance for expected credit losses on trade accounts receivable and the allowance for a decline in value of inventories have already been estimated based on past experience and forecast of their future trend and in accordance with the accounting standards. Therefore, we have not made adjustment to this item.





## (d) Commitments and contingent liabilities

As of September 30, 2024, the Business had significant commitments including operating lease agreements, service and other agreements that cannot be terminated with a term of not over one year, bank guarantees such as letter of guarantee for usage of electricity, letter of guarantee for loan repayment to lenders, etc. However, since these commitments and contingent liabilities resulted from the usual course of business, we have not factored such item into the share valuation by the adjusted book value approach.

Details of the adjustment to the shares' book value are as follows:

Items, as of September 30, 2024	Baht million
Issued and paid-up capital	96.00
Premium on share capital	325.20
Retained earnings	
Appropriated	
Statutory reserve – The Business	9.60
General reserve	2.50
Unappropriated	759.82
(a) Adjusted by surplus on revaluation of properties	345.30
(b)(2) Adjusted by gain on sale of investment	0.69
Other components of shareholders' equity	251.84
(b)(1) Adjusted by gain on sale of investment resulting from fair value measurement	(0.54)
<b>Total shareholders' equity of the Business after adjustment</b>	<b>1,790.41</b>
Par value (Baht/share)	1.00
Number of shares (million shares)	96.00
Book value (Baht/share)	18.65

By the adjusted book value approach, the Business's shares are appraised at Baht 18.65 per share (par value of Baht 1.00 per share), which is higher than the offering price of Baht 9.00 per share by Baht 9.65 per share or 107.22%.

The share valuation by this approach could reflect the Business's net asset value that is more updated than the share valuation by the book value approach. However, this approach takes no account of the Business's future performance and profitability, nor the overall economic and industrial trends.

### 1.3. Market comparable approach

By this approach, the shares are valued based on various market ratios, including (a) price to book value (P/BV) ratio, (b) price to earnings (P/E) ratio, and (c) enterprise value to EBITDA (EV/EBITDA) ratio, of companies listed on the SET, which generate income from production and distribution or distributorship of



clothing and fashion products and have a market capitalization between Baht 500.00 million and Baht 2,000.00 million so as to align with the core activity of the Business, which generates income mainly from manufacturing and distribution of garment and fashion products and has a market capitalization of Baht 864.00 million as of October 16, 2024. They consist of four SET-listed companies, or called the “Peer Group.”

Details of the Peer Group are as follows:

Ticker symbol	Company's name	Nature of business	Market cap (Baht million) *
<b>SET-listed companies</b>			
1. CPH	Castle Peak Holdings Plc.	CPH engages in garment and real estate business. In 2023, its revenues from the garment business accounted for 99% of sales revenues.	584
3 NC	Newcity (Bangkok) Plc.	NC distributes clothing and cosmetics through wholesalers and retailers, and is an affiliate of Saha Group.	553
3 PAF	Pan Asia Footwear Plc.	PAF produces and distributes footwear, bags, and footwear parts, provides production services for moulds and injection moulding of plastic and natural rubber, and engages in organic agriculture business. In 2023, its revenues from distribution of footwear, bags, and footwear parts were more than 90% of revenues from sales and production services.	632
4 RSP	Rich Sport Plc.	RSP is an importer and distributor of fashion and lifestyle products under world-renowned brands in Thailand and Cambodia.	1,486

Source: [www.set.or.th](http://www.set.or.th)

Remark: \* As of October 16, 2024

(1) *Price to book value ratio approach*

Under the P/BV ratio approach, the shares are appraised by taking book value shown on the Business's financial statements as of September 30, 2024, equal to Baht 15.05 per share, multiplied by the average P/BV ratio of the Peer Group prevailing in different time periods of one month, three months, six months, nine months, and 12 months up to the cut-off date of October 16, 2024, which was the last business day before the date on which the Offeror's Board of Directors resolved to approve the Tender Offer on October 17, 2024.



Average P/BV ratio of the Peer Group:

Peer Group	Average of past 1 month	Average of past 3 months	Average of past 6 months	Average of past 9 months	Average of past 12 months
1 CPH	0.56	0.45	0.42	0.44	0.46
2 NC	1.20	0.92	0.90	1.05	1.19
3 PAF	1.04	1.01	1.05	1.12	1.09
4 RSP	0.92	0.88	0.91	0.96	0.97
<b>Average<sup>1/</sup></b>	<b>1.05</b>	<b>0.94</b>	<b>0.95</b>	<b>1.04</b>	<b>1.08</b>

Source: [www.setsmart.com](http://www.setsmart.com)

Remark 1/ P/BV ratio of CPH is excluded from the calculation because it is deemed the outlier.

Conclusion of the valuation of the Business's shares by the P/BV ratio approach

Period	Average P/BV ratio of Peer Group	Book value (Baht/share)	Fair value of the Business's shares (Baht/share)
Average of past 1 month	1.05	15.05	15.80
Average of past 3 months	0.94	15.05	14.15
Average of past 6 months	0.95	15.05	14.30
Average of past 9 months	1.04	15.05	15.65
Average of past 12 months	1.08	15.05	16.25

By the P/BV ratio approach, the Business's shares are appraised in a range of Baht 14.15 – 16.25 per share (par value of Baht 1.00 per share), which is higher than the offering price of Baht 9.00 per share by Baht 5.15 – 7.25 per share or 57.22% – 80.56%.

The share valuation by this approach is based on the Business's book value, which reflects its performance and financial position at a given period of time, but does not reflect its future profitability.

(2) *Price to earnings ratio approach*

By this method, the shares are appraised from the Business's net profit (excluding non-controlling interests in subsidiaries) for the previous 12 months (October 1, 2023 – September 30, 2024), equal to Baht 0.06 per share, multiplied by the average P/E ratio of the Peer Group prevailing in different time periods of one month, three months, six months, nine months and 12 months up to the cut-off date of October 16, 2024, which was the last business day before the date on which the Offeror's Board of Directors resolved to approve the Tender Offer on October 17, 2024.



## Average P/E ratio of the Peer Group:

Peer Group	Average of past 1 month	Average of past 3 months	Average of past 6 months	Average of past 9 months	Average of past 12 months
1 CPH	7.13	5.93	5.78	5.79	5.44
2 NC	46.40	33.59	28.01	28.18	28.17
3 PAF <sup>1/</sup>	N/A <sup>3/</sup>	121.73 <sup>2/</sup>	129.70	148.45	132.35
4 RSP	15.19	14.97	15.94	15.41	14.44
<b>Average<sup>1/</sup></b>	<b>22.91</b>	<b>18.16</b>	<b>16.58</b>	<b>16.46</b>	<b>16.02</b>

Source: www.setsmart.com

- Remark**
- 1/ P/E ratio of PAF is excluded from the calculation because it is deemed the outlier.
  - 2/ PAF's earnings per share in each quarter of the previous 12-month period were at a low level compared with the market price, leading to a P/E ratio as high as 121.73 - 148.45 times, which is deemed the outlier among the Peer Group.
  - 3/ From August 13, 2024 (one business day after submission of second-quarter financial statements) onward, PAF posted a net loss from its previous 12-month performance, hence inability to calculate its P/E ratio as from such date.

Conclusion of the valuation of the Business's shares by the P/E ratio approach

Period	Average P/E ratio of Peer Group	Earnings per share (Baht/share)	Fair value of the Business's shares (Baht/share)
Average of past 1 month	22.91	0.06	1.37
Average of past 3 months	18.16	0.06	1.09
Average of past 6 months	16.58	0.06	0.99
Average of past 9 months	16.46	0.06	0.99
Average of past 12 months	16.02	0.06	0.96

By the P/E ratio approach, the Business's shares are appraised in a range of Baht 0.96 – 1.37 per share (par value of Baht 1.00 per share), which is (lower) than the offering price of Baht 9.00 per share by Baht (8.04) – (7.63) per share or (89.32)% – (84.73)%.

The share valuation by this approach focuses only on the Business's profitability over the previous 12 months, but takes no account of its capability and profitability in the future.

(3) *EV/EBITDA ratio approach*

By this approach, the shares are appraised from the average EV/EBITDA ratio of the Peer Group, multiplied by EBITDA of the Business, then deducted by financial liabilities and non-controlling interests (if any), and added by cash of the Business. The formula for share value calculation by the EV/EBITDA ratio approach is as follows:



EV	=	Average EV/EBITDA of Peer Group × EBITDA
Total equity value	=	EV - Non-controlling interests - Financial liabilities + Cash
Share value	=	Total equity value / Total number of paid-up shares

Average EV/EBITDA ratio of the Peer Group:

Peer Group	Average of past 1 month	Average of past 3 months	Average of past 6 months	Average of past 9 months	Average of past 12 months
1 CPH	5.60	4.81	5.04	4.97	4.68
2 NC	38.07	30.89	25.81	26.13	26.51
3 PAF	14.95	14.64	14.24	15.53	15.40
4 RSP	6.53	6.35	6.20	6.29	5.96
<b>Average<sup>1/</sup></b>	<b>16.29</b>	<b>14.17</b>	<b>12.82</b>	<b>13.23</b>	<b>13.14</b>

Source: Bloomberg

As of September 30, 2024, the Business had cash and cash equivalents of Baht 4.60 million, financial liabilities of Baht 5.69 million, EBITDA for the previous 12 months (October 17, 2023 – October 16, 2024) of Baht 19.90 million, and no non-controlling interests in subsidiaries .

#### Conclusion of the valuation of the Business's shares by the EV/EBITDA ratio approach

Average of previous period	Average EV/EBITDA of Peer Group	EBITDA (Baht million)	EV (Baht million)	Total equity value (Baht million)	No. of issued and paid-up shares (million shares)	Fair value of the Business's shares (Baht/share)
1 month	16.29	19.90	324.17	323.08	96.00	3.37
3 months	14.17	19.90	281.98	280.89	96.00	2.93
6 months	12.82	19.90	255.12	254.03	96.00	2.65
9 months	13.23	19.90	263.28	262.19	96.00	2.73
12 months	13.14	19.90	261.49	260.40	96.00	2.71

By the EV/EBITDA ratio approach, the Business's shares are appraised in a range of Baht 2.65 – 3.37 per share (par value of Baht 1.00 per share), which is (lower) than the offering price of Baht 9.00 per share by Baht (6.35) – (5.63) per share or (70.56)% – (62.56)%

The share valuation by this approach focuses only on the Business's profitability over the previous 12 months, but takes no account of its capability and profitability in the future.

#### 1.4. Market value approach

Under this approach, the shares are appraised based on the weighted average market price (trading value/trading volume) of the Business's shares traded on the SET over different periods. Here, we have adopted the market price in different time periods of one month, three months, six months, nine months



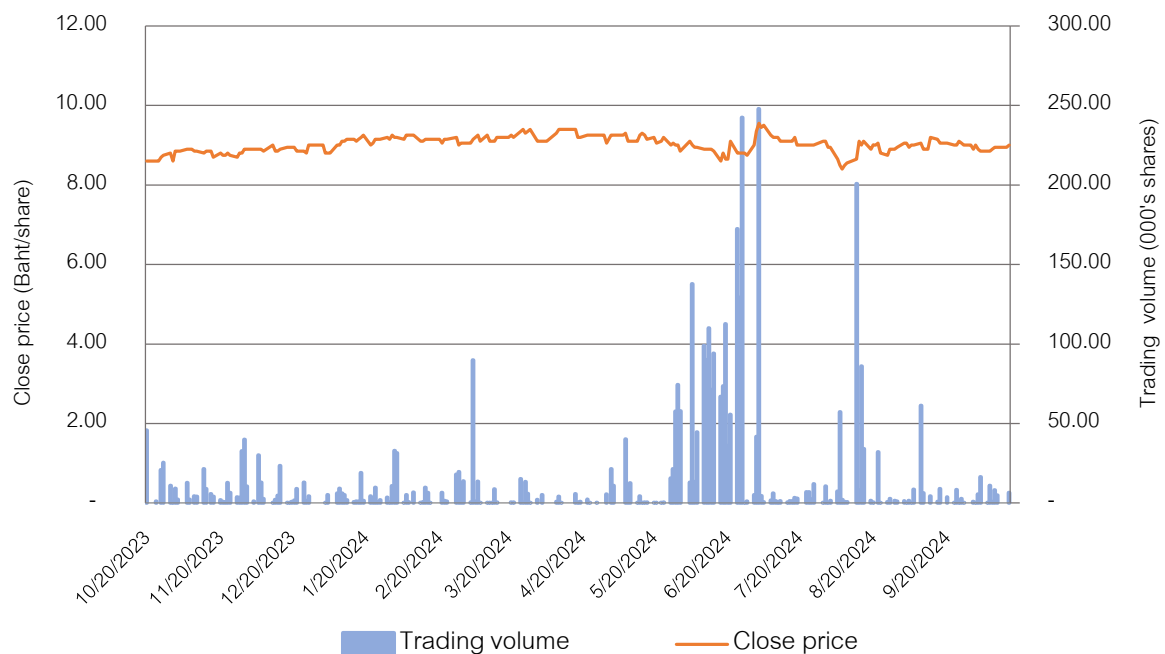
and 12 months up to the cut-off date of October 16, 2024, which was the last business day before the date on which the Offeror's Board of Directors resolved to approve the Tender Offer on October 17, 2024.

Conclusion of the valuation of the Business's shares by the market value approach

Period	Total trading value (Baht)	Total trading volume (shares)	Average daily trading volume (shares/day)	Weighted average market price (Baht/share)
Average of past 1 month	701,435	78,400	4,612	8.95
Average of past 3 months	5,733,720	648,100	12,002	8.85
Average of past 6 months	25,563,180	2,866,700	25,826	8.92
Average of past 9 months	28,971,465	3,240,300	20,002	8.94
Average of past 12 months	33,007,320	3,699,300	17,126	8.92

Source: [www.setsmart.com](http://www.setsmart.com)

Graph illustrating close price and trading volume of the Business's shares in previous one year  
(October 17, 2023 – October 16, 2024)



Source: [www.setsmart.com](http://www.setsmart.com)

By the market value approach, the Business's shares are appraised in a range of Baht 8.85 – 8.95 per share (par value of Baht 1.00 per share), which is (lower) than the offering price of Baht 9.00 per share by Baht (0.15) – (0.05) per share or (1.67)% – (0.56)%.

The daily trading volume of the Business's shares in the previous periods of one month, three months, six months, nine months and 12 months was in a range of 4,612 – 25,826 shares per day, and the



total trading volume over the previous 12 months amounted to 3,699,300 shares or 3.85% of its total paid-up shares, thereby demonstrating low liquidity of its shares. As such, the share value appraised by this approach might not properly reflect the demand for and supply of the Business's shares.

#### 1.5. Discounted cash flow approach

By this approach, the shares are valued based on the Business's future profitability by calculating net present value of free cash flow expected from its future operation under financial projection for a period of about five years from 2024 to 2028 with the assumption that the Business continues operation on a going concern basis and there is no material change taking place. It is also based on the economic condition and present circumstances where the business operation is under the current management team.

We have prepared the financial projection based on the information and assumptions obtained from the Business and the information received from interviews with the executives and staff concerned. The objective is to identify a fair value of the Business's shares and the appraised share value may not be used as a reference price for any purposes other than the objective mentioned above. We have reviewed such information according to professional standards and deem that the information is adequate and reliable for use in the share valuation.

However, if there is any material change from the established assumptions in the economic condition and other external factors that have an impact on the operation of the Business, as well as in the internal situation of the Business, the share value appraised by this approach may not be used as a reference price.

The key assumptions used in the financial projection of the Business are as follows:

- (a) Sales income
- (1) Income from sales of garment

The Business generates income primarily from production and distribution of garment that includes men's clothing, women's clothing, swimsuits, sportswear, men's underwear, and uniforms under ARROW and ELLE trademarks and its own house brands. The products are distributed in both domestic and international markets. During 2021-2023, income from sales of garment grew from Baht 585.58 million in 2021 by 14.11% to Baht 668.22 million in 2022 and by 0.43% to Baht 671.10 million in 2023, driven by a recovery following improvement in the COVID-19 situation and an increase in consumers' out-of-home spending. The growth of only Baht 2.88 million or 0.43% in sales of garment in 2023 was mainly ascribed to a shrinkage of Baht (49.82) million or (9.08)% in income from domestic sales as a result of a decrease in purchases by local distributors, the Business's major customers. On the contrary, income from international sales soared by Baht 52.70 million or 44.17% thanks to higher export volumes to the USA and Europe, spurred by consumers' confidence in the



capability and product quality and the Business's development and offering of more diverse and trendy product categories. In late 2023, the Business received a greater amount of purchase orders from the new offering of slacks products to trading firms, its principal customers whose main orders normally were short pants.

For 2024, the Business expects that sales income will grow around 10.77% y-o-y to Baht 743.35 million. It further predicts a y-o-y surge of 26.14% in income from international sales, spurred partly by growth in sales to its major customers who have tapped into new Asian markets and received overwhelming response and partly by a steady increase in orders for slacks since late 2023. Consequently, its product mix shows a rise in sales of slacks, which are higher in prices than short pants, resulting in a y-o-y increase of about 11.93% in the average overseas selling price in 2024. Domestic sales are forecast to grow slightly, by 5.47% y-o-y, as the major customers will increase their order placement around late 2024 after delaying their purchases according to their procurement policy. However, the average domestic selling price has gone up, propelled by sales of best seller products in 2024 such as Polo shirts and pants, which are of a higher price than underwear whose sales proportion has diminished in 2024.

For 2025, the Business predicts that sales income will increase by roughly 6.12% y-o-y to Baht 788.87 million, still bolstered by an expected 11.18% y-o-y growth in international markets, which the Business believes will expand continuously or in tandem with its major customers' ongoing diversification to new markets. Meanwhile, prices cannot be revised up considerably due to pricing competition and the aim to enable customers to stay competitive during their new market expansion. The domestic market is projected to grow around 4% y-o-y as the local major customers are anticipated to resume their normal order placement from 2026 until the end of the projection period. Overall, sales income is expected to increase by an average 4% per year, likely driven by approximately 2% per year growth in sales volume. The domestic market will still be focused on online distribution, which has a growth potential. The Business accordingly collaborates with and encourages its customers to boost their sales via offline, online, and all social media platforms that can quickly reach consumers, alongside development of new product models and raw materials in order to broaden customer base. For the international market that still has a growth potential, however, considering its robust growth in the previous two years due to new market expansion, it is anticipated to grow by about 2% per year, similar to the domestic market.

The average selling price is expected to rise by 2% per year since the Business views that the average price increase in 2024-2025 will come from the product mix that has already created a balanced portfolio, leading to a limited scope of price increase during the projection period with an aim to remain competitive amid fierce price competition from both local and international players in the current economic environment, further intensified by a vast quantity of pre-owned brand-name products entering the market.





Year	Historical			Projected				
	2021	2022	2023	2024	2025	2026	2027	2028
<u>Garment</u>								
Sales income (Baht million)	585.58	668.22	671.10	743.35	788.87	820.75	853.90	888.40
Change (%)		14.11	0.43	10.77	6.12	4.04	4.04	4.04
Sales volume (million pieces)	2.65	3.00	2.69	2.75	2.83	2.88	2.94	3.00
Change (%)		13.00	(10.25)	2.15	2.87	2.00	2.00	2.00
Selling price (Baht/piece)	220.71	222.89	249.42	270.46	279.02	284.60	290.29	296.09
Change (%)		0.99	11.90	8.43	3.16	2.00	2.00	2.00

## (2) Income from sales of fabric and garment parts

The Business earned income from sales of fabric and garment parts such as collars, sleeves, etc. in the amount of Baht 27.03 million, Baht 18.95 million and Baht 32.42 million in 2021-2023 respectively. This income arises from sales of fabric and garment parts, produced by the Business and remaining from use in its own garment production, to other smaller garment producers and distributors, who have been its regular customers. However, due to the intense competition and the COVID-19 impacts on the clothing and textile industry, the orders from those customers plunged from the pre-pandemic level of Baht 60 million – Baht 90 million to only Baht 19 million – Baht 32 million in 2021-2023 and, for 2024, income from sales of fabric and garment parts will likely drop by about 14% from the preceding year. In this regard, the Business is seeking to acquire new customers to compensate for the decline in sales and further boost sales volume. In late 2024, it received purchase orders from potential customers who began placing their orders from late 2024 onward. The Business will recognize such income mainly in 2025 and expects to continuously receive the orders in 2025. It is therefore projected that sales income in 2025 will rise by 10% y-o-y.

From 2026 until the end of the projection period, income from sales of fabric and garment parts is forecast to increase by 4% per year. The Business views that the distribution of fabric and garment parts could bring in extra income in addition to its core business, but, due to the tough competition, will grow only to a certain level.

Year	Historical			Projected				
	2021	2022	2023	2024	2025	2026	2027	2028
<u>Fabric and garment parts</u>								
Sales income (Baht million)	27.03	18.95	32.42	27.87	30.65	31.88	33.15	34.48
Change (%)		(29.92)	71.10	(14.04)	10.00	4.00	4.00	4.00

## (b) Other income



Other income, comprising income from medical services at Kabin Buri Plant occasionally provided to people in nearby areas, advisory fee income from accounting and payroll services provided to tenants at Lamphun Plant, income from public utility fees collected from tenants, and others, amounted to Baht 15.77 million, Baht 15.29 million and Baht 14.88 million in 2021-2023 respectively. Other income is forecast to be Baht 15.82 million in 2024, based on the actual data in the first nine months of 2024, and to increase by 2% per year (close to the average inflation rate in the past 25 years)<sup>1</sup> from 2025 until the end of the projection period.

Year	Historical			Projected				
	2021	2022	2023	2024	2025	2026	2027	2028
Other income (Baht million)	15.77	15.29	14.88	15.82	16.13	16.46	16.79	17.12
Change (%)		(3.05)	(2.69)	6.34	2.00	2.00	2.00	2.00

(c) Cost of sales (excluding depreciation and amortization)

Cost of sales (excluding depreciation and amortization) rose from Baht 502.30 million in 2021 to Baht 542.51 million in 2022 and Baht 547.14 million in 2023 in line with sales income growth in each year. The percentage of cost of sales (excluding depreciation and amortization) to sales income went down from 81.99% in 2021 to 78.95% in 2022 and 77.77% in 2023, thanks to the Business's endeavors in streamlining of work procedures to control cost of products and expenses to a competitive level.

In 2024, the Business expects the percentage of cost of sales to sales income to drop to 75.48%, helped mainly by raw material cost management and reduction by acquiring a new source of raw materials that are cheaper and meet customers' quality requirement. For 2025-2028, cost of sales (excluding depreciation and amortization) is forecast by the Business to be close to 2024 at 75.48% of sales income.

Year	Historical			Projected				
	2021	2022	2023	2024	2025	2026	2027	2028
Cost of sales* (Baht million)	502.30	542.51	547.14	582.12	618.59	643.57	669.56	696.60
As % of sales		78.95	77.77	75.48	75.48	75.48	75.48	75.48

Remark: \* Excluding depreciation and amortization.

<sup>1</sup> The average inflation rate in the past 25 years, 2000 – 2023, and projected for 2024 (source: Bank of Thailand) is 1.94% per year.



## (d) Selling and administrative expenses (excluding depreciation and amortization)

The projection of selling and administrative expenses is divided into two portions as follows:

## - Variable expenses

These expenses vary with income from domestic and international sales, comprised of advertising expense, transport cost, and commissions which vary with income from international sales. From past records, the percentage of these expenses to sales has been somewhat steady.

Advertising and promotion expense and transport cost vary with total sales income. Advertising and promotion expense and transport and storage cost are expected for 2024 to account for 0.46% and 1.55% of total sales income respectively, based on the actual data in the first nine months of 2024, and are assumed to remain constant at 0.38% and 1.48% respectively throughout the projection period, which is close to the past three years' average of each of such variable expenses.

Commissions are paid to overseas distributors of the Business and vary with income from international sales. Commissions are projected for 2024 at 2.05% of income from international sales, based on the actual data in the first nine months of 2024, and to remain constant at 2.14% of income from international sales throughout the projection period, which is close to the average commissions in the past three years.

Year	Historical			Projected				
	2021	2022	2023	2024	2025	2026	2027	2028
<b>Variable expenses (Baht million)</b>								
Advertising and promotion expense	1.42	3.15	1.62	3.52	3.13	3.25	3.38	3.52
Transport cost	9.93	9.08	10.99	11.92	12.10	12.59	13.10	13.62
Commissions	3.39	2.57	3.80	4.45	5.16	5.37	5.59	5.81
<b>As % of sales</b>								
Advertising expense	0.23	0.46	0.23	0.46	0.38	0.38	0.38	0.38
Transport cost	1.62	1.32	1.56	1.55	1.48	1.48	1.48	1.48
Commissions <sup>1/</sup>	2.11	2.16	2.21	2.05	2.14	2.14	2.14	2.14

Remark: 1/ As % of international sales.

## - Fixed expenses

Employee-related expenses, including salaries and welfare, are estimated by the Business to rise by 15.04% in 2024, resulting from an increase in employment and employee compensation in line with international sales growth in such year, and are assumed to increase by 5% per year from 2025 until the end of the projection period in accordance with the past pay increase rate.

Public utility fees are expected to decline in 2024 by (1.45)% from the previous year, based on the actual data in the first nine months of 2024, and to increase by 2% per year from 2025 until the end of the projection period (close to the average inflation rate in the past 25 years).



Computer and computer system expenses are projected to go up in 2024 by 9.24% from the previous year, due to increasing use of computers and Internet in the digital work environment, and to rise by 2% per year from 2025 until the end of the projection period (close to the average inflation rate in the past 25 years).

Other expenses such as maintenance cost, fuel cost, audit fee, etc. are forecast to increase by 2% per year from 2025 until the end of the projection period (close to the average inflation rate in the past 25 years).

Year	Historical			Projected				
	2021	2022	2023	2024	2025	2026	2027	2028
<b>Fixed expenses (Baht million)</b>								
Employee-related expenses	88.32	99.21	112.41	129.31	135.78	142.57	149.69	157.18
Public utility fees	11.61	14.97	18.03	17.76	18.12	18.48	18.85	19.23
Computer and computer system expenses	5.14	5.76	6.00	6.55	6.68	6.82	6.96	7.09
Other expenses	12.71	14.33	14.18	13.53	13.80	14.08	14.36	14.64
<b>Growth rate (%)</b>								
Employee-related expenses		12.33	13.31	15.04	5.00	5.00	5.00	5.00
Public utility fees		28.90	20.41	(1.45)	2.00	2.00	2.00	2.00
Computer and computer system expenses		12.04	4.18	9.24	2.00	2.00	2.00	2.00
Other expenses		12.74	(1.04)	(4.57)	2.00	2.00	2.00	2.00

(e) Capital expenditure

In 2024, the Business plans to invest around Baht 14.18 million in the solar rooftop project at its Lamphun Plant, aiming to cut down on electricity cost. In 2025, it will invest Baht 21 million in the improvement of Lamphun Plant building, installation of air-conditioning system and chillers, and purchase of two vehicles. From 2026 onward, it will spend about Baht 2 million a year on the regular repair and maintenance of buildings and equipment. As for intangible assets, the Business has invested Baht 0.73 million in computer software in 2024.

Year	Historical			Projected				
	2021	2022	2023	2024	2025	2026	2027	2028
Investment in property, plant and equipment (Baht million)	14.82	10.89	18.69	14.18	21.00	2.00	2.00	2.00
Investment in intangible assets (Baht million)	-	-	-	0.73	-	-	-	-



(f) Income tax

The Business is subject to the normal corporate income tax rate of 20% of pre-tax profit. However, it is entitled to a tax loss carryforward, which will gradually expire during 2024-2028, with the remaining amount of Baht 108.91 million. Therefore, the Business will have no tax obligations in 2024-2028.

(g) Working capital

Working capital is estimated based on historical data and assumed to remain constant throughout the projection period, as follows:

-	Trade and other current receivables	64	days
-	Inventories	237	days
-	Trade and other current payables	50	days
-	Estimated goods returned	4	days

(h) Terminal growth rate

Terminal growth rate is calculated using the perpetuity growth model because the clothing market has normally seen ongoing growth. Moreover, considering that the Business's products are under a variety of well-known brands, if it is able to only retain its existing market share, its sales income can still grow at least on a par with the clothing market. Thus, the Business expects that, after the projection period, it will likely be able to maintain the growth rate of cash flow at not less than 2% per year (close to the average inflation rate in the past 25 years).

(i) Non-operating assets

Currently, the Business has invested in other assets such as investment properties and financial assets. Since the investments in those assets are made for other purposes unrelated to the manufacturing and distribution of garment, which is its core business, the value of such assets has not yet been incorporated into the assumptions described above. Therefore, to reflect the true value of the Business, we have included the fair value of those assets in the fair value measurement of the Business's shares, the details of which are as follows:

- Investment in financial assets

As of September 30, 2024, the Business's investment in financial assets totaled Baht 922.75 million. However, after the date of the nine-month financial statements ended September 30, 2024, the Business sold its investment in equity securities of one SET-listed entity during October 1 – November 11,



2024, with value shown on the financial statements as of September 30, 2024 equal to Baht 3.48 million, thus resulting in the remaining financial assets according to the financial statements after the said transaction of Baht 919.27 million. The details are as follows:

Recognition of net sale value (after tax) of the financial assets sold during October 1 – November 11, 2024 is calculated as follows:

Unit: Baht million	Fair value/ Book value as of Sep 30, 2024 (0)	Cost price as of Sep 30, 2024 (1)	Value at selling price (2)	Gain on sale of investment (3) = (2) - (1)	Estimated corporate income tax (4) = 20%*(3)	Value at net selling price (5) = (2) – (4)
Sale of investment	3.48	2.80	3.66	0.86	0.17	3.49

Recognition of value of remaining financial assets at net fair value (after tax) is calculated as below:

Unit: Baht million	Fair value/Book value as of Sep 30, 2024	Deferred tax liabilities from recognition of gain on fair value measurement of financial assets as of Sep 30, 2024	Net fair value
Other financial assets	919.27	62.82	856.44

- Investment properties

Recognition of net fair value of investment properties is as shown below:

Unit: Baht million	Fair value appraised by AA (1)	Book value as of Sep 30, 2024 (2)	Surplus on fair value measurement (3) = (1) - (2)	Estimated corporate income tax (4) = 20%*(3)	Net fair value (5) = (1) - (4)
<u>Lamphun Plant (partly rented out)</u>					
Located at No. 77 Moo 6, Chiang Mai – Lampang Road, Ban Klang Subdistrict, Mueang Lamphun District, Lamphun Province					
Land area of 2 rai 3 ngan 82 square wah (4,728 square meters)	13.59	0.39	13.20	2.64	10.95
Warehouse and sewing building of 1,300 square meters	4.40	-	4.40	0.88	3.52
<b>Total</b>	<b>17.99</b>	<b>0.39</b>	<b>17.6</b>	<b>3.52</b>	<b>14.47</b>

Based on the assumptions for financial projection described above, we have determined a net value of shareholders' equity of the Business by calculating present value of cash flow obtained from projection of the Business's operating performance and financial position, using an appropriate discount rate. As of September 30, 2024, the Business recorded total financial liabilities of only Baht 5.69 million, which is less than 1% of its total assets of Baht 1,655.84 million. Therefore, we view that the appropriate discount rate



should be based on cost of equity (Ke), which is equal to 10.33% per year. Details of the calculation are as follows:

*Calculation of Ke:*

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

Where:

**Risk free rate (Rf)** Risk free rate of return on investment, derived from [www.thaibma.or.th](http://www.thaibma.or.th) as of October 16, 2024, is equal to 3.22% per year, based on bid yield on government bond with a maturity of 25 years which is a period that could reflect investment condition in different time periods better than shorter-term data.

**Beta ( $\beta$ )** This is a variance of SET return compared with a variance of return on investment in the Business's shares. We use the beta of three companies<sup>2</sup> in the Peer Group, as described in Section 'Market Comparable Approach,' based on the weekly trading statistics from Bloomberg over the past three years from October 17, 2021 to October 16, 2024. The beta of these reference companies is adjusted to arrive at an unlevered beta, which is then adjusted by the estimated debt to equity ratio of the Business to obtain a re-levered beta, which is equal to 0.6949.

**Rm** This is the average rate of return on the SET over the past 25 years, which is a period that could reflect investment condition in different time periods better than shorter-term data (source: SET data from November 1999 to October 2024), equal to 12.38% per year.

Based on the above assumptions, we could determine a fair value of the Business's shares at Baht 9.18 per share, being its shareholders' equity derived from the base case scenario, the details of which are tabulated below:

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<sup>2</sup> Excluding beta of CPH since it is deemed the outlier.



Unit: Baht million	Projection				
	Oct-Dec 2024	2025	2026	2027	2028
EBIT*(1-tax rate)	(0.20)	0.01	0.31	0.28	0.23
Add Depreciation and amortization	5.22	22.30	21.98	22.01	22.01
<i>Change in working capital:</i>					
Trade and other current receivables	25.27	(8.47)	(5.80)	(6.04)	(6.28)
Inventories	9.26	(23.27)	(16.20)	(16.86)	(17.54)
Trade and other current payables	(17.72)	5.00	3.42	3.56	3.70
Estimated goods returned	1.92	0.80	0.29	0.30	0.31
Capital expenditure	0.00	(21.00)	(2.00)	(2.00)	(2.00)
<b>Free cash flow to firm</b>	<b>23.75</b>	<b>(24.64)</b>	<b>1.99</b>	<b>1.25</b>	<b>0.44</b>
Terminal value					5.36
<b>Total cash flow</b>	<b>23.75</b>	<b>(24.64)</b>	<b>1.99</b>	<b>1.25</b>	<b>5.80</b>
Discount period	0.25	1.25	2.25	3.25	4.25
Discount rate	10.33%	10.33%	10.33%	10.33%	10.33%
Discount factor	0.98	0.88	0.80	0.73	0.66
<b>PV of cash flow</b>	<b>23.18</b>	<b>(21.79)</b>	<b>1.59</b>	<b>0.91</b>	<b>3.82</b>
<b>Value of garment production and distribution business</b>	<b>7.72</b>				
Less Financial liabilities <sup>1/</sup>	5.69				
Add Cash and cash equivalents <sup>1/</sup>	4.60				
Add Fair value of investment properties - net <sup>2/</sup>	14.47				
Add Value of sale of financial assets - net <sup>2/</sup>	856.44				
Add Value of other financial assets - net <sup>2/</sup>	3.49				
<b>Total value of shareholders' equity of the Business</b>	<b>881.03</b>				
Number of shares (million shares)	96.00				
<b>Share value (Baht/share)</b>	<b>9.18</b>				

Remark: 1/ Financial statements of the Business as of September 30, 2024

2/ Asper the details in Item 1.5 (i)

In addition, we have performed a sensitivity analysis on the valuation of the Business's shares to cover a range of impacts that are expected from changes to various factors as follows:

Change in sales income by +/- 2% from the base case

	-2.00%	-1.00%	0.00%	1.00%	2.00%
Change in sales income	-2.00%	-1.00%	0.00%	1.00%	2.00%
The Business's share value (Baht/share)	8.92	9.05	9.18	9.31	9.44

Change in percentage of cost of sales to total sales of between 74.98% and 75.98% of sales income

	74.98%	75.23%	75.48%	75.73%	75.98%
Change in percentage of cost of sales to total sales	74.98%	75.23%	75.48%	75.73%	75.98%
The Business's share value (Baht/share)	9.64	9.41	9.18	8.95	8.72





## Change in terminal growth rate of between 0% and 4% per year

Terminal growth rate	0.00%	1.00%	2.00%	3.00%	4.00%
The Business's share value (Baht/share)	9.17	9.17	9.18	9.18	9.19

## Change in Ke by +/- 2% from the base case

Change in Ke	-2.00%	-1.00%	0.00%	1.00%	2.00%
The Business's share value (Baht/share)	9.19	9.18	9.18	9.17	9.17

From the above sensitivity analysis with changes to various factors as described above, the fair value of the Business's shares is appraised in a range of Baht 8.72 – 9.64 per share, which is (lower) higher than the offering price of Baht 9.00 per share by Baht (0.28) – 0.64 per share or (3.11)% – 7.11%

## Table showing comparison of the appraised value of the Business's shares

Valuation approach	Appraised value (Baht/share)	Offering price (Baht/share)	Appraised value higher/(lower) than offering price	
			Baht/share	%
1. Book value approach	15.05	9.00	6.05	67.22
2. Adjusted book value approach	18.65	9.00	9.65	107.22
3. Market comparable approach				
(a) P/BV ratio approach	14.15 – 16.25	9.00	5.15 – 7.25	57.22 – 80.56
(b) P/E ratio approach	0.96 – 1.37	9.00	(8.04) – (7.63)	(89.32) – (84.73)
(c) EV/EBITDA ratio approach	2.65 – 3.37	9.00	(6.35) – (5.63)	(70.56) – (62.56)
4. Market value approach	8.85 – 8.95	9.00	(0.15) – (0.05)	(1.67) – (0.56)
5. Discounted cash flow approach	8.72 - 9.64	9.00	(0.28) – 0.64	(3.11) – 7.11

The strengths and weaknesses of each appraisal approach in determining the appropriateness of the shares' fair value are as follows:

(1) The share valuation by the book value approach focuses on financial position at a given period of time and book value of assets, but does not reflect the true market value of assets and the future profitability.

(2) The adjusted book value (ABV) approach could reflect the net asset value more accurately than the share valuation by the book value approach. This is because the appraised book value of shares in (1) is adjusted by value of property, plant and equipment and investment properties at a market value or fair value, and also by commitments and contingent liabilities, etc. It is a suitable method for determining a fair value of the Business's shares because, although it cannot reflect future profitability of the Business, the ABV approach can well reflect a fair value of its net assets, especially in terms of adjustment to fair value of its land and buildings most of which have been invested in since the start of business and whose present value has risen significantly. Moreover, the Business's return on assets (ROA), standing at 0.83%, 2.69%, 1.58% and 0.36% per year in 2021, 2022, 2023 and the previous 12-month period (October 1, 2023 – September 30,



2024) respectively, has been somewhat low, demonstrating that the current use of its assets may not align with the highest and best use of those assets in the present circumstances. Therefore, the share valuation by the ABV approach is considered more suitable since this method is based on the assets' fair value appraised by the Independent Valuer according to market price that can best reflect general investors' expectation on the basis of the highest and best use of such assets in any given period.

(3) The market comparable approach, comprising P/E ratio, P/BV ratio, and EV/EBITDA ratio approaches, may not reflect the true value of the Business due to the variation and difference in certain factors of the Peer Group in terms of business operation policy, marketing plan, customer base, future business plan, financial structure, and profitability of each company.

(4) The market value approach can well reflect demand for and supply of shares traded on the stock exchange in different time periods. However, since the Business's shares have low liquidity, this may not be the most suitable method for the valuation of its shares.

(5) The discounted cash flow (DCF) approach normally focuses on future operation and profitability of the Business by taking into account the net present value of future cash flow based on past operation, as well as the economic trend and future operation of the Business. Therefore, this approach normally can reflect the true value of the Business better than all other approaches. However, the Business's return on assets (ROA), standing at 0.83%, 2.69%, 1.58% and 0.36% per year in 2021, 2022, 2023 and the previous 12-month period from October 1, 2023 to September 30, 2024 respectively, has been somewhat low, demonstrating that the current use of its assets may not align with the highest and best use of those assets in the present circumstances. Therefore, although the fair value measurement of the Business's shares using the DCF approach can well reflect future cash flow and operation, in this case it cannot completely reflect the Business's actual value since it is not based on the assumption of profit generation from the operation that aligns with the highest and best use of its assets. Accordingly, the DCF approach may not be suitable for measuring a fair value of the Business's shares.

Based on the above reasons, we are of the opinion that the most suitable approach for valuing the Business's shares is the adjusted book value (ABV) approach because it is based on a fair value of the assets appraised by the Independent Valuer according to the market price that can best reflect general investors' expectation on the basis of the highest and best use of such assets in any given period. A fair value of the Business's shares appraised by the ABV approach is equal to Baht 18.65 per share, which is higher than the offering price of Baht 9.00 per share by Baht 9.65 per share or 107.22%.

Since the offering price of Baht 9.00 per share is lower than the fair value appraised by the IFA at Baht 18.65 per share, such offering price is considered not reasonable.



## 2. Reasons to accept and/or reject the Tender Offer

We have considered the Tender Offer (Form 247-4), the offering price and all relevant information of the Business in providing our opinion to the minority shareholders and has determined the appropriateness of price and reasons to recommend the shareholders to accept and/or reject the Tender Offer, the details of which are as follows:

### 2.1. Offering price

In our opinion, the offering price for the Business's shares of Baht 9.00 per share is not a reasonable price since such offering price is lower than a fair value we have appraised using the adjusted book value (ABV) approach. We view that the ABV approach is a suitable method for valuing the Business's shares because, although it cannot reflect future profitability of the Business, the ABV approach can well reflect a fair value of its net assets, especially in terms of adjustment to fair value of its land and buildings most of which have been invested in since the start of business and whose present value has risen significantly. Moreover, the Business's return on assets (ROA), standing at 0.83%, 2.69%, 1.58% and 0.36% per year in 2021, 2022, 2023 and the previous 12-month period from October 1, 2023 to September 30, 2024 respectively, has been somewhat low, demonstrating that the current use of its assets may not align with the highest and best use of those assets in the present circumstances. Therefore, the share valuation by the ABV approach is considered more suitable since this method is based on the assets' fair value appraised by the Independent Valuer according to market price that can best reflect general investors' expectation on the basis of the highest and best use of such assets in any given period. Meanwhile, although the fair value measurement of the Business's shares using the discounted cash flow (DCF) approach can well reflect future cash flow and operation, in this case it cannot completely reflect the Business's actual value since it is not based on the assumption of profit generation from the operation that aligns with the highest and best use of its assets. As such, the share valuation by the ABV approach is considered more suitable since this method is based on the assets' fair value appraised by the Independent Valuer according to market price that can best reflect general investors' expectation on the basis of the highest and best use of such assets in a given period. The fair value calculated by the ABV approach is equal to Baht 18.65 per share, which is higher than the offering price of Baht 9.00 per share by Baht 9.65 per share or 107.22%. For this reason, it is recommended that the shareholders should reject the Tender Offer.

The said offering price is lower than the fair value of the Business's shares appraised by the IFA. However, taking into account the share liquidity over the previous 12 months (October 17, 2023 – October 16, 2024) during which the total trading volume of the Business's shares amounted to 3,699,300 shares or equal to 17,126.39 shares per day, this Tender Offer will provide an opportunity for the Company's shareholders, who hold a substantial amount of shares and cannot sell their shares partly or wholly on one occasion through the SET due to the share liquidity being normally low, to sell their shares at the offering price of Baht 9.00 per shares, which is higher than the market price over the previous 1 - 12 months (up to October 16, 2024), which



was in a range of Baht 8.85 – 8.95 per share, by Baht 0.05 – 0.15 per share or 0.56% -1.67%. Nonetheless, the shareholders who accept the Tender Offer should be aware that, under this Tender Offer, they will sell their shares in the Business at a price that is (lower) than the fair value of Baht 18.65 per share as appraised by the IFA by (107.22)%.

In deciding whether to accept or reject the Tender Offer, the shareholders are recommended to study information in the Tender Offer (Form 247-4), the Business's opinion on the Tender Offer (Form 250-2), and the opinion of the IFA provided herein as a basis for your decision-making. However, the final decision whether to accept or reject the Tender Offer depends primarily on the shareholders' individual judgment.

### **3. Benefits or impacts from the plans and policies indicated in the Tender Offer and the viability of such plans and policies**

We have analyzed the benefits or impacts from the plans and policies indicated by the Offeror in the Tender Offer and the viability of such plans and policies, the details of which are as follows:

#### **3.1. Status of the Business**

The Offeror has no intention to have the securities of the Business delisted from the SET during the next 12 months following the end of the Tender Offer period, unless the Offeror is obliged to do so in order to comply with applicable laws, rules and regulations effective at the time.

However, in case there are a substantial number of minority shareholders of the Business accepting the Tender Offer, this may affect the qualification of the Business in maintaining the status of a listed company on the SET regarding the share distribution of minority shareholders (free float). According to the SET's requirement, the Business must have no less than 150 minority shareholders and whose combined shareholding must be no less than 15% of the total paid-up capital of the Business. In that case, the Offeror and the Business will discuss with the SET regarding the share distribution plan of minority shareholders to ensure the Business could fully meet the SET's free float requirement, with solution and progress thereof to be periodically disclosed to shareholders of the Business.

#### Opinion of the IFA

We are of the opinion that since the Offeror indicates that it has no intention to delist the Business's shares from the SET during the next 12 months following the end of the Tender Offer period, the Business will still maintain its listed company status and the shareholders are able to continue trading its securities on the SET. Moreover, the Business still is obligated to comply with the disclosure rules and the regulations and requirements of the SEC and the SET. Therefore, there will be no impact on the shareholders who intend not to sell their shares under this Tender Offer regarding availability of a secondary market for trading the Business's shares during such period.



Nevertheless, after completion of the Tender Offer, the Business will be exposed to a risk in case there are a substantial number of minority shareholders<sup>3</sup> of the Business accepting the Tender Offer, which may impact the share liquidity and the qualification of the Business in maintaining the status of a listed company on the SET regarding the share distribution of minority shareholders (free float). According to the SET's requirement, the Business must have no less than 150 minority shareholders and whose combined shareholding must be no less than 15% of the total paid-up capital of the Business. If so, the SET will post the CF (Caution – Free Float) sign on its securities and the Business must hold a public presentation meeting to provide information and explain remedial measures to investors and concerned parties on a quarterly basis. If, after the CF sign has been continuously posted for one year, the Business is still unable to rectify the free float shortfall, the SET will remove the CF sign and replace it with the SP (Suspension) sign according to its regulations and guidelines on temporary suspension of listed securities trading until the listed company could fully satisfy the free float requirement. When the SET posts the SP sign continuously for a period of one year, this will cause the ordinary shares of the Business to be subject to delisting (as per the SET's Circular No. BorChor.(Wor)2/2567 Re: Revision of Regulations of the Stock Exchange of Thailand to Enhance the Supervision of Listed Companies and the Disclosure of Information, effective March 25, 2024). In such case, the Offeror and the Business will have to devise the share distribution plan of minority shareholders and discuss with the SET to ensure the Business could fully meet the SET's free float requirement, with solution and progress thereof to be periodically disclosed to shareholders of the Business. However, during the free float rectification period, the Business must pay the additional annual fee to the SET until completion of the rectification process as required by the SET.

In the event that the Offeror needs to delist the Business's securities from the SET after the 12-month period from the end of the Tender Offer period, the Business must seek prior approval from its shareholders' meeting, with affirmative votes of not less than three-fourths of the total issued shares of the Business and without dissenting votes against the delisting of more than 10% of the total issued shares of the Business. In this regard, the minority shareholders have the right to vote either for or against the delisting. However, given that this issue is approved by the shareholders, the Offeror shall comply with the relevant laws, rules and regulations effective at the time.

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<sup>3</sup> The minority shareholding stood at 34.54% with a total number of 641 minority shareholders, latest information as of March 12, 2024 as disclosed at [www.set.or.th](http://www.set.or.th).



### 3.2. Policy and plan for business operation

#### (a) Business objectives

Within the 12-month period from the end of the Tender Offer period, the Offeror currently has no intention or policy to substantially change the main objectives of the Business that may affect the core business of the Business and intends to focus on the business operations as before. However, the Offeror will provide support to the Business to conduct a more detailed study in order to seek opportunities to improve and develop a business plan of the existing core business to operate with more efficiency and effectiveness and to be able to generate profits as per its potential.

Nevertheless, the Offeror intends to engage in discussions with the Business to explore opportunities for developing the existing core business plans and/or expanding businesses that support the Business's current operations. This will include refining investment expansion plans and improving the Business's financial structure to align with prevailing conditions and opportunities, with the goal of fostering long-term growth and maximizing the Business's benefits. In the case of any changes to the main business objectives of the Business which differ from those specified in this Tender Offer, the Offeror will proceed for the Business to obtain approval from the Board of Directors and/or Shareholders' meeting of the Business, including obtaining any other necessary approvals in accordance with its policies and relevant laws and regulations under SEC and SET, taking into account utmost benefits of the Business and the shareholders.

#### Opinion of the IFA

We are of the opinion that, during the 12-month period from the end of the Tender Offer period, the Offeror has no plan or policy to change the objectives of the Business that may affect its core business for the time being. Thus, the shareholders will not be affected by any material change in the objectives of the Business at least in the next 12 months following the end of the Tender Offer period. Furthermore, the Business intends to focus on the existing operation as usual and may conduct a more detailed study in order to seek opportunities to improve and develop a plan for the existing core business in order to operate with efficiency, effectiveness, and sustainability and to be able to generate profits as per its potential. Along with this, the Offeror plans to discuss with the Business in conducting additional detailed studies in order to seek various opportunities in the existing core business and/or businesses that support the current operation of the Business. They may also consider revising the Business's investment expansion plan and financial structure to align with the circumstances and business opportunities, which will likely create a positive impact and benefit to the Business and the shareholders in the long term.

However, the shareholders will be exposed to a risk if there are any changes in the core business objectives of the Business that differ from those specified in the Tender Offer and are deemed necessary by the Offeror in order to bring about the best interests to the Business and the shareholders. The Offeror will



ensure that an approval is duly obtained from the Board of Directors' meeting and/or the shareholders' meeting of the Business, including any other necessary approvals, in accordance with the Business's policies so as to comply with the relevant rules, laws and regulations of the SEC and the SET. Moreover, if it is stipulated under the relevant laws that such act be subject to prior approval from the shareholders' meeting of the Business, the shareholders may exercise their right to vote either for or against any such act.

(b) Operational efficiency improvement and/or investment expansion

During the 12-month period from the end of the Tender Offer period, the Offeror plans to consider working with the Business in conducting a more detailed study for the purpose of assisting the Business in seeking opportunities to expand the investment or increase production capacity for the existing core business, and also consider supporting the Business in the expansion of new investment opportunities in other potential businesses that can generate satisfactory returns and create long-term growth for the Business. The Offeror may consider seeking prospective business partners with investment potential and interest, which, as viewed by the Business, have the expertise and capability to strengthen and drive future growth for the Business. In addition, the Offeror plans to consider working alongside the Business to explore and develop strategies that could enhance its value, including considering investments in various securities and/or financial instruments, as well as investments in companies whose business objectives align with the goals and strategic plans for growth of the Business. However, the expansion of such investments remains uncertain and will depend on a further detailed review of information to identify appropriate investment opportunities for the Business.

The plan for a joint discussion between the Offeror and the Business for the purpose of improving the operational efficiency of the Business or expanding the Business's investments, as mentioned above, will not lead to any significant changes in the main business operation during the 12-month period from the end of the Tender Offer period. However, in the event that such changes occur regarding the Business's investment expansion plan, which differs from that specified in the Tender Offer, the Offeror and the Business will together consider and decide whether it is beneficial to the Business and in the best interests of the Business and the shareholders, and will ensure that an approval is duly obtained from the Board of Directors' meeting and/or the shareholders' meeting of the Business in accordance with the Business's policies so as to comply with the relevant rules, laws and regulations of the SEC and the SET. This is mainly conducted for the appropriateness and the best interests of the shareholders and the Business.

Opinion of the IFA

We are of the opinion that the Offeror plans to consider discussing with the Business in conducting a more detailed study for the purpose of seeking opportunities to expand the investment or increase production capacity for the existing core business, and also consider supporting the Business in the expansion of new investment opportunities in other potential businesses that can generate satisfactory returns



and create long-term growth for the Business. The Offeror may also consider seeking prospective business partners with investment potential and interest, which, as viewed by the Business, have the expertise and capability to strengthen and drive future growth for the Business. This will not lead to any significant changes in the main operation of the Business within the next 12 months following the end of the Tender Offer period.

The Offeror has a strong capability and financial position and the experience in investment in stocks of companies in the consumer product, food and beverage sector, including operation of industrial park development business and investment in other businesses. Therefore, the Offeror has profound knowledge and understanding of the garment production and distribution business, which is the core and supporting activity of the Business. The purchase of additional shares in the Business from the six existing shareholders (as described in “Executive Summary”), which leads the Offeror to become the major shareholder with its shareholding rising from 13.78% to 42.39% of the Business’s total issued shares and total voting rights, will likely enable the Offeror to support the Business in the expansion of new investment opportunities in other potential businesses that can generate satisfactory returns and create long-term growth for the Business. Also, the Business may acquire prospective business partners with investment potential and interest, which, as viewed by the Business, have the expertise and capability to strengthen and drive future growth for the Business through the Offeror, thus enabling the Business to expand the investment in businesses that could support its current business.

Apart from the good investment opportunities, the Business may have to additionally consider its preparedness in terms of, for example, personnel, capital, expertise, etc. If it is well prepared with sufficient capital and efficient management to achieve a satisfactory return on investment, the investment expansion will help diversify its business risk and enhance its growth potential in the long term, which will have a positive impact on the Business in the future. At the same time, the investment expansion, whether in the current core business or the supporting businesses, may involve a risk of lower-than-expected returns on such business expansion. Therefore, the Offeror and the Business may have to thoroughly conduct a detailed study on the investment plan, particularly the investment in new businesses in which the Business may have less expertise than in its current core business, and must take into account the best interests of the Business and the shareholders.

Moreover, the Offeror plans to consider working alongside the Business to explore and develop strategies that could enhance its value, including considering investments in various securities and/or financial instruments, as well as investments in companies whose business objectives align with the goals and strategic plans for growth of the Business. If such investments aim at efficient management of excess liquidity and align with the short-term and long-term investment plans of the Business, while also providing appropriate investment opportunities, this will likely be beneficial and enhance value to the shareholders in the long term. However, since the investments still involve a risk of lower-than-expected returns, the Offeror





and the Business may have to conduct a study and gain an understanding in details before making each investment so as to mitigate risks and increase the opportunity to succeed.

Nonetheless, the expansion of such investments remains uncertain and will depend on a further detailed review of information to identify appropriate investment opportunities.

In the case of any changes in the Business's investment expansion plan which differ from those specified in the Tender Offer, the Offeror and the Business will jointly consider and decide whether it is beneficial to the Business and in the best interests of the Business and the shareholders, and will ensure that an approval is duly obtained from the Board of Directors' meeting and/or the shareholders' meeting of the Business in accordance with the Business's policies so as to comply with the relevant rules, laws and regulations of the SEC and the SET, and that this is mainly conducted for the appropriateness and the best interests of the shareholders and the Business.

(c) Organization restructuring, management and employment

As of the date of completion of the Tender Offer, the Offeror has no policy to change the composition of the Business's Board of Directors. However, if during the Tender Offer period and/or within 12 months from the end of the Tender Offer period, any directors wish to resign or their terms of office expire, the Business may change those directors or the Offeror may nominate individuals for appointment as directors and/or independent directors, as deemed appropriate, for the best interests of the Business, whereby the Offeror will work closely with the Business to obtain an approval from both the Board of Directors' meeting and the shareholders' meeting of the Business in the event of any changes to the number or structure of the Board of Directors of the Business.

Nevertheless, the structure of the Board of Directors will maintain the composition of independent directors and the Audit Committee in accordance with the relevant laws as well as the Business's policies and Article of Association, laws, and regulations of the SEC and the SET.

In addition, as of the date of completion of the Tender Offer, the Offeror has no intention of changing the organization structure and management or reducing the number of employees of the Business. However, during the 12-month period from the end of the Tender Offer period, if any executives wish to resign or their terms of office expire, the Offeror may discuss with the Business regarding the appointment of additional executives and/or personnel with knowledge and capability or replacement of any individuals who resign, as appropriate, for the best interests of the Business and the shareholders, including operating plan, competitiveness, investment expansion, and future growth to improve the efficiency of the Business's main operation. The Offeror and the Business will jointly consider recruiting individuals with relevant knowledge, experience, and ability, where the candidates will be nominated at the Board of Directors' meeting and/or the shareholders' meeting of the Business for further consideration and appointment. This process aims to align



with the Business's future operational plans, which will support the objectives of the Business and its ongoing investment expansion.

However, in the case of any changes to management or board structure, the Offeror will ensure an approval is duly obtained from the Board of Directors' meeting and/or the shareholders' meeting of the Business in accordance with the Business's policies so as to comply with the relevant rules, laws and regulations of the SEC and the SET.

Opinion of the IFA

The Offeror may recommend changes to the directors or management, whether by the appointment of additional directors and/or executives or replacement of any individuals who resign or change of directors, executives and/or personnel with knowledge and capability as appropriate, for the best interests of the Business and the shareholders, including operating plan, competitiveness, investment expansion, and future growth to improve the efficiency of the Business's main operation.

If the Offeror and the Business jointly consider recruiting individuals with relevant knowledge, experience, and ability to align with the Business's future operational plans, which will support the objectives of the Business and its investment expansion, the Business may then change its management or board structure, increase the number of directors, and appoint new directors. These changes are subject to an approval from the Board of Directors' meeting and/or the shareholders' meeting of the Business and must comply with the Business's policies and the relevant rules, laws and regulations of the SEC and the SET.

In addition, in the case of change to any of the directors and/or management, the Business will consider the qualifications of any such individual in accordance with the relevant rules, laws and regulations of the SEC and the SET. As for any change to the structure of the Board of Directors, the Business will ensure that the new board structure maintains the composition of independent directors and the Audit Committee in accordance with the Business's Articles of Association, relevant laws and regulations of the SEC and the SET.

(d) Core asset acquisition and disposal plans of the Business or its subsidiaries

During the 12-month period from the end of the Tender Offer period, the Offeror still has no intention to have the Business materially acquire and/or dispose of key assets which is inconsistent with the Business's usual investment plan unless it is acquisition or disposal of assets from normal operation or for financial asset management. However, the Business may consider acquisition of assets from investment expansion in other businesses that are able to generate long-term growth but still subject to detailed studies upon proper business or investment opportunities.

However, the plan to acquire or dispose of assets will depend on the Business's overall business and investment strategies. Therefore, if the Offeror deems that any action may benefit the business operation,



the Offeror may take any necessary measures to maximize the benefits for the Business and the shareholders.

Nevertheless, in the case of any changes in the plan to allow the Business to acquire and/or dispose of core business assets which differ from those specified in the Tender Offer, the Offeror will ensure that an approval is duly obtained from the Board of Directors' meeting and/or the shareholders' meeting of the Business in accordance with the Business's policies so as to comply with the relevant rules, laws and regulations of the SEC and the SET, taking into account the best interests of the Business and the shareholders.

#### Opinion of the IFA

We view that the Offeror still has no intention to have the Business materially acquire and/or dispose of key assets which is inconsistent with the Business's usual investment plan unless it is acquisition or disposal of assets from normal operation or for financial asset management during the 12-month period from the end of the Tender Offer period in line with the Business's normal operation plan.

In the case where the Business may consider an acquisition of assets from investment expansion in other businesses that are able to generate long-term growth, this will be beneficial to the Business if such investment can deliver satisfactory returns and growth against the capital and risk involved. Still, the said investment expansion remains uncertain, subject to detailed studies upon proper business or investment opportunities.

In the case of any changes in the plan to allow the Business to acquire and/or dispose of core business assets which differ from those specified in the Tender Offer and may be deemed as an acquisition and/or disposal of assets, the Offeror will ensure that an approval is duly obtained from the Board of Directors' meeting and/or the shareholders' meeting of the Business in accordance with the Business's policies so as to comply with the relevant rules, laws and regulations effective at the time, as well as the Notification of the Capital Market Supervisory Board No. TorChor. 20/2551 Re: Rules on Entering into Material Transactions Deemed as Acquisition or Disposal of Assets (as amended) and the Notification of the Board of Governors of the Stock Exchange of Thailand Re: Disclosure of Information and Other Acts of Listed Companies Concerning the Acquisition or Disposition of Assets B. E. 2547 (as amended), taking into account the best interests of the Business and the shareholders. Moreover, if it is stipulated under the relevant laws that such act be subject to an approval from the shareholders' meeting of the Business, the shareholders may exercise their right to vote either for or against any such act.

#### (e) Financial restructuring plan

During the 12-month period from the end of the Tender Offer period, the Offeror has no plan to significantly change the Business's financial structure. However, the financial structure may be adjusted if the



Business has opportunities to expand investments in other businesses that could generate significant growth, and/or if potential partners decide to invest in the Business. The initial guidelines for financial restructuring are as follows:

1. Funds may be raised through additional debt at a rate suitable for the Business's financial structure, for investment expansion in other businesses based on business opportunities; and
2. If required, the Business may issue its new ordinary shares for rights offering to the existing shareholders with consideration on its capital requirement, or issue the new shares by the way of private placement for potential business partners, who are interested and have investment capability and are deemed by the Business to have expertise and business capacity in developing long-term growth for the Business.

Nevertheless, in the case of any change in the financial structure, such transaction must be deemed reasonable with appropriate financial structure in line with the operation and financial position of the Business, taking into account the best interests of the Business and the shareholders. The Offeror will ensure an approval is duly obtained from the Board of Directors' meeting and the shareholders' meeting of the Business in accordance with the Business's policies so as to comply with the relevant rules, laws and regulations of the SEC and the SET.

#### Opinion of the IFA

We are of the opinion that the Offeror will not significantly change the Business's financial structure during the 12-month period from the end of the Tender Offer period as it expects that the Business has sufficient liquidity for the current main operation.

However, if the Business has opportunities to expand investments in other businesses that could generate significant growth, and/or if potential partners decide to invest in the Business, which is deemed by the Offeror and the Business to be in the best interests of the Business but to possibly increase its capital requirement, the Offeror may adjust the Business's financial structure in line with the said opportunities to expand investments in other businesses. Our opinion on the Offeror's initial guidelines for financial restructuring is as follows:

1. Fund raising through additional debt incurrence: This is considered possible because, from the Business's financial position as of September 30 2024, the Business has not raised any loans from financial institutions and recorded only lease liabilities of Baht 5.69 million, representing 0.34% of its total assets, with its total debt to equity ratio standing at only 0.15 time. Therefore, should the Business desire to mobilize funds via debt financing, it is still capable of maintaining such ratio within the threshold set out in the terms and conditions of debentures of the Business and/or the loan agreement conditions (if any).



This demonstrates the Business's ability to raise additional funds through borrowing from financial institutions or issuance of various types of debt instruments.

2. Issuance of new shares for rights offering to the existing shareholders with consideration on the Business's capital requirement, or issuance of new shares by the way of private placement for potential business partners, who are interested and have investment capability and are deemed by the Business to have expertise and business capacity in developing long-term growth for the Business: There may be dilution effects on the shareholders caused by such capital increase, including (1) earnings dilution, (2) control dilution, and (3) price dilution. However, if it opts for such new share issuance, the Business will ensure that the transaction is reasonable with appropriate financial structure that aligns with its operation and financial position, taking into account the best interests of the Business and the shareholders.

If it is necessary to change the Business's financial structure as described above, the Offeror will ensure an approval is duly obtained from the Board of Directors and/or the shareholders of the Business (as the case may be) in accordance with the Business's policies so as to comply with the relevant rules, laws and regulations of the SEC and the SET. Moreover, if it is stipulated under the relevant laws that such transaction be subject to an approval from the shareholders' meeting of the Business, the shareholders may exercise their right to vote either for or against the said capital increase.

(f) Dividend policy

During the 12-month period from the end of the Tender Offer period, the Offeror has no plan or policy to change the dividend policy of the Business. At present, the Business has a policy to pay out dividend not exceeding 50% of the net profit, depending mainly on its business performance and the economic condition. When the Board of Directors resolves to approve the annual dividend payment, they must obtain approval from the shareholders' meeting. However, for the interim dividend payment, the Board of Directors has the authority to approve the payment and must report it to the shareholders at the next meeting.

Nevertheless, in the case of change in dividend policy in the future, such change must be duly approved by the Board of Directors' meeting and/or the shareholders' meeting of the Business in accordance with its policies so as to comply with the relevant rules, laws and regulations of the SEC and the SET.

Opinion of the IFA

We view that the shareholders will not be affected since the Offeror has no plan or policy to materially change the dividend policy during the period of 12 months from the end of the Tender Offer period. The Business's dividend payment in the past five years, from 2018 to 2023, is shown below:



Separate financial statements	Unit	Amount				
		2019	2020	2021	2022	2023
Net profit for the year	Baht million	3.02	(44.07)	10.64	43.50	25.99
No. of shares	Million shares	96.00	96.00	96.00	96.00	96.00
Earnings per share	Baht/share	0.03	(0.46)	0.11	0.45	0.27
Dividend per share	Baht/share	0.20	0.10	0.10	0.20	0.20
Total dividends paid	Baht million	19.20	9.60	9.60	19.20	19.20
Dividend payout ratio	%	636.60	-	90.21	44.14	73.89

Source: The Business's annual report 2023 and financial statements for the years ended December 31, 2020-2023

However, dividend payment is subject to change in the future, depending on the Business's operating results, economic condition, and other necessary and appropriate factors. Any change in the dividend policy must be duly approved by the Board of Directors' meeting and/or the shareholders' meeting of the Business in accordance with its policies so as to comply with the relevant rules, laws and regulations of the SEC and the SET.

### 3.3 Related party transactions

As of the Tender Offer date, the Business has put in place the policies, procedures and approval process for related party transactions in compliance with the regulations of the SET and the SEC in order to prevent any conflict of interest arising from related party transactions between the Business and its related companies and/or any other persons who may have a conflict of interest.

Prior to this Tender Offer, the Business has entered into related party transactions with the Offeror and the related persons under Section 258 of the Securities and Exchange Act of the Offeror, with details as presented below:

Unit: Baht thousand

Individual/juristic persons with potential conflict of interest	Relationship as of June 30, 2024	Type of transaction of the Business	For the 12-month period ended December 31, 2023	For the 6-month period ended June 30, 2024	Reasonableness of the related party transactions
Saha Pathana Inter-Holding Plc.	The Business holds shares in the Offeror, accounting for 0.41% of the Offeror's total issued shares and total voting rights, and they have one common director, Mr. Boonkiet Chokwatana	Royalty fee <sup>1</sup>	11	1	The contractual price which is subject to general trade terms similar to those granted to external parties, whereby the Audit Committee has reviewed and considered that the rates are appropriate and have been determined in good



Individual/juristic persons with potential conflict of interest	Relationship as of June 30, 2024	Type of transaction of the Business	For the 12-month period ended December 31, 2023	For the 6-month period ended June 30, 2024	Reasonableness of the related party transactions
					faith in commercial terms
		Dividend paid <sup>2</sup>	2,646	2,646	According to the declared rate approved by the shareholders' meeting
		Common area service fee <sup>3</sup>	78	39	The contractual price which is subject to general trade terms similar to those granted to external parties, whereby the Audit Committee has reviewed and considered that the rates are appropriate and have been determined in good faith in commercial terms
		Other expenses <sup>4</sup>	892	749	The contractual price or mutually agreed price which is subject to general trade terms similar to those granted to external parties, whereby the Audit Committee has reviewed and considered that the rates are appropriate and have been determined in good faith in commercial terms
Thanulux Plc. and its subsidiaries	Related person under Section 258 of the Offeror	Sales income	10,750	4,895	Mutually agreed price which is subject to general trade terms similar to those granted to external parties, whereby the Audit Committee has reviewed and considered that the rates are appropriate and have been determined in good faith in commercial terms



Individual/juristic persons with potential conflict of interest	Relationship as of June 30, 2024	Type of transaction of the Business	For the 12-month period ended December 31, 2023	For the 6-month period ended June 30, 2024	Reasonableness of the related party transactions
		Other expenses	13	21	Mutually agreed price which is subject to general trade terms similar to those granted to external parties, whereby the Audit Committee has reviewed and considered that the rates are appropriate and have been determined in good faith in commercial terms
		Purchase of raw materials	138	21	Mutually agreed price which is subject to general trade terms similar to those granted to external parties, whereby the Audit Committee has reviewed and considered that the rates are appropriate and have been determined in good faith in commercial terms
Pitakkij Co., Ltd.	Related person under Section 258 of the Offeror	Security expenses	1,246	623	The contractual price which is subject to general trade terms similar to those granted to external parties, whereby the Audit Committee has reviewed and considered that the rates are appropriate and have been determined in good faith in commercial terms
		Building and facility renovation costs	399	124	The contractual price which is subject to general trade terms similar to those granted to external parties, whereby





Individual/juristic persons with potential conflict of interest	Relationship as of June 30, 2024	Type of transaction of the Business	For the 12-month period ended December 31, 2023	For the 6-month period ended June 30, 2024	Reasonableness of the related party transactions
					the Audit Committee has reviewed and considered that the rates are appropriate and have been determined in good faith in commercial terms

Remark:

<sup>1/</sup> Royalty fee is compensation for the use of trademarks under the trademark license agreement between the Offeror and the Business, and is based on sales volume under any such trademark. Due to a decrease in sales, royal fee for the six-month period ended June 30, 2024 is substantially different from that in the 12-month period ended December 31, 2023.

<sup>2/</sup> In addition to the above information, the Business paid dividends to the Offeror at the rate of Baht 0.20 per share, which was the same rate paid to all shareholders according to the resolutions of the shareholders' meetings held on April 25, 2023 and April 23, 2024, with dividend payment dates set for May 24, 2023 and May 21, 2024 for the 12-month period ended December 31, 2023 and the six-month period ended June 30, 2024 respectively.

<sup>3/</sup> Common area service fee is the common fee for the use of basic utilities within the Saha Group Industrial Park of the Offeror.

<sup>4/</sup> Other expenses mainly consist of expenses on organizing trade fairs, which were held in June 2023 and June 2024. As a result, other expenses for the six-month period ended June 30, 2024 are similar in value to the 12-month period ended December 31, 2023.

<sup>5/</sup> Other expenses include cost of shareholders' meeting arrangement and cost of booth display.

Nevertheless, during the 12-month period from the end of the Tender Offer period, the Offeror and the related persons under Section 258 of the Securities and Exchange Act of the Offeror may enter into transactions with the Business, including normal business transactions which are in line with business operation plan of the Business and/or other related party transactions with the Business, subject to necessity and reasonableness of such transactions after the Tender Offer. The Offeror will ensure that the Business shall comply with the policy, regulations and procedures for approval of related party transactions of the Business, including the rules and/or regulations of the SET, the SEC, and the Capital Market Supervisory Board under the Notification of the Capital Market Supervisory Board No. TorChor. 21/2551 Re: Rules on Connected Transactions dated August 31, 2008 (as amended) and the Notification of the Board of Governors of the Stock Exchange of Thailand Re: Disclosure of Information and Other Acts of Listed Companies Concerning the Connected Transactions B.E. 2546 dated November 19, 2003 (as amended), including the relevant laws, notifications, rules or regulations of the concerned authorities.

In addition, in the future during the 12-month period from the end of the Tender Offer period, the Offeror and the Business plan to hold a joint discussion to identify the most suitable approach to the restructure and/or management of investments or assets of the Business as appropriate, taking into account



the best interests of the Business and the shareholders of both the Offeror and the Business subject to consideration of the management and/or the Board of Directors of the Business, excluding persons who may have a conflict of interest in the transactions, as well as compliance with the Notification of the Capital Market Supervisory Board No. TorChor. 21/2551 Re: Rules on Connected Transactions dated August 31, 2008 (as amended) and the Notification of the Board of Governors of the Stock Exchange of Thailand Re: Disclosure of Information and Other Acts of Listed Companies Concerning the Connected Transactions B.E. 2546 dated November 19, 2003 (as amended). Nevertheless, in the event that any changes occur other than those specified in the Tender Offer, the Offeror will ensure an approval is duly obtained from the Board of Directors' meeting and/or the shareholders' meeting of the Business in accordance with the Business's policy so as to comply with the regulations, laws, and rules of the SEC and the SET.

#### Opinion of the IFA

In our opinion, the related party transactions that took place prior to this Tender Offer, as shown in the below table, are deemed the transactions in the ordinary course of business which were duly considered by the Audit Committee before putting forward for the Board's consideration and approval, taking into account the necessity and reasonableness of the transactions. The said transactions are expected to be carried on.

The related party transactions entered into by the Business with the Offeror and the related persons under Section 258 of the Securities and Exchange Act of the Offeror in 2023 and the nine-month period ended September 30, 2024 are as follows:

Unit: Baht thousand

Individual/juristic persons with potential conflict of interest	Relationship as of June 30, 2024	Type of transaction of the Business	For the 12-month period ended December 31, 2023	For the 9-month period ended September 30, 2024	Reasonableness of the related party transactions
Saha Pathana Inter-Holding Plc.	The Offeror holds shares in the Business, accounting for 13.78% of the Business's total issued shares and total voting rights, and they have one common director, Mr. Boonkiet Chokwatana	Royalty fee <sup>/1</sup>	11	1	The contractual price which is subject to general trade terms similar to those granted to external parties, whereby the Audit Committee has reviewed and considered that the rates are appropriate and have been determined in good faith in commercial terms
		Dividend paid <sup>/2</sup>	2,646	2,646	According to the declared rate approved by the shareholders' meeting



Individual/juristic persons with potential conflict of interest	Relationship as of June 30, 2024	Type of transaction of the Business	For the 12-month period ended December 31, 2023	For the 9-month period ended September 30, 2024	Reasonableness of the related party transactions
		Common area service fee <sup>/3</sup>	78	59	The contractual price which is subject to general trade terms similar to those granted to external parties, whereby the Audit Committee has reviewed and considered that the rates are appropriate and have been determined in good faith in commercial terms
		Other expenses <sup>/4</sup>	892	770	The contractual price or mutually agreed price which is subject to general trade terms similar to those granted to external parties, whereby the Audit Committee has reviewed and considered that the rates are appropriate and have been determined in good faith in commercial terms
Thanulux Plc. and its subsidiaries	Related person under Section 258 of the Offeror	Sales income	10,750	5,461	Mutually agreed price which is subject to general trade terms similar to those granted to external parties, whereby the Audit Committee has reviewed and considered that the rates are appropriate and have been determined in good faith in commercial terms
		Other expenses <sup>/5</sup>	13	21	Mutually agreed price which is subject to general trade terms similar to those granted to



Individual/juristic persons with potential conflict of interest	Relationship as of June 30, 2024	Type of transaction of the Business	For the 12-month period ended December 31, 2023	For the 9-month period ended September 30, 2024	Reasonableness of the related party transactions
					external parties, whereby the Audit Committee has reviewed and considered that the rates are appropriate and have been determined in good faith in commercial terms
		Purchase of raw materials	138	80	Mutually agreed price which is subject to general trade terms similar to those granted to external parties, whereby the Audit Committee has reviewed and considered that the rates are appropriate and have been determined in good faith in commercial terms
Pitakkij Co., Ltd.	Related person under Section 258 of the Offeror	Security expenses	1,246	934	The contractual price which is subject to general trade terms similar to those granted to external parties, whereby the Audit Committee has reviewed and considered that the rates are appropriate and have been determined in good faith in commercial terms
		Building and facility renovation costs	399	204	The contractual price which is subject to general trade terms similar to those granted to external parties, whereby the Audit Committee has reviewed and considered that the rates are appropriate and have



Individual/juristic persons with potential conflict of interest	Relationship as of June 30, 2024	Type of transaction of the Business	For the 12-month period ended December 31, 2023	For the 9-month period ended September 30, 2024	Reasonableness of the related party transactions
					been determined in good faith in commercial terms

Remark:

- 1/ Royalty fee is compensation for the use of trademarks under the trademark license agreement between the Offeror and the Business, and is based on sales volume under any such trademark. Due to a decrease in sales, royal fee for the nine-month period ended September 30, 2024 is substantially different from that in the 12-month period ended December 31, 2023. However, royal fee for the nine-month period ended September 30, 2024 was incurred in the period from January to June 2024 only since the Business already terminated the trademark license agreement with the Offeror on June 30, 2024.
- 2/ In addition to the above information, the Business paid dividends to the Offeror at the rate of Baht 0.20 per share, which was the same rate paid to all shareholders according to the resolutions of the shareholders' meetings held on April 25, 2023 and April 23, 2024, with dividend payment dates set for May 24, 2023 and May 21, 2024 for the 12-month period ended December 31, 2023 and the nine-month period ended September 30, 2024 respectively.
- 3/ Common area service fee is the common fee for the use of basic utilities within the Saha Group Industrial Park of the Offeror.
- 4/ Other expenses mainly consist of expenses on organizing trade fairs, which were held in June 2023 and June 2024. As a result, other expenses for the nine-month period ended September 30, 2024 are similar in value to the 12-month period ended December 31, 2023.
- 5/ Other expenses include cost of shareholders' meeting arrangement and cost of booth display.

We are of the opinion that during the 12-month period from the end of the Tender Offer period, the Offeror and the related persons under Section 258 of the Securities and Exchange Act of the Offeror may enter into transactions with the Business, including normal business transactions which are in line with business operation plan of the Business and/or other related party transactions with the Business, subject to necessity and reasonableness of such transactions after the Tender Offer. In this regard, the Business is obligated to comply with the policy, regulations and procedures for approval of related party transactions of the Business, including the laws, rules, notifications, orders or regulations of the SET, the SEC, as well as to disclose information on connected transactions that are related to such transactions at the time. If it is required by laws that the related party transactions must be approved by the Board of Directors and/or the shareholders' meeting of the Business, as the case may be, the Business must arrange a meeting of the Audit Committee to consider and express opinion on the necessity and reasonableness of such transactions to make certain that the transactions are considered with due care and are executed on an arm's-length basis. Persons who may have a conflict of interest or a vested interest in the transactions are not entitled to participate in or vote on the



approval of those transactions to ensure transparency and prevent a conflict of interest in the related party transactions of the Business, the related companies and/or persons with a possible conflict of interest.

Moreover, the Offeror has a policy to probably restructure the business group and/or manage the investments or assets of the Business as appropriate, taking into account the best interests of the Business and the shareholders of both the Offeror and the Business. This, however, is subject to consideration of the management and/or the Board of Directors of the Business, excluding persons who have a conflict of interest in the transactions, as well as compliance with the Notification of the Capital Market Supervisory Board No. TorChor. 21/2551 Re: Rules on Connected Transactions dated August 31, 2008 (as amended) and the Notification of the Board of Governors of the Stock Exchange of Thailand Re: Disclosure of Information and Other Acts of Listed Companies Concerning the Connected Transactions B.E. 2546 dated November 19, 2003 (as amended) ("Notifications on Connected Transactions").

#### **3.4 Plan for sale of the Business's shares**

As of the Tender Offer date, the Offeror has no intention to sell or transfer a significant amount of the ordinary shares of the Business that it holds before the Tender Offer and the shares that will be acquired from this Tender Offer to other persons during the 12-month period from the end of the Tender Offer period, except in the following cases:

1. The Offeror must comply with requirements to maintain the Business's free float qualification according to listing maintenance criteria, or the Offeror must comply with applicable laws and regulations in effect at that time.
2. The Offeror sells or transfers shares to the related persons under Section 258 of the Securities and Exchange Act B.E. 2535 (as amended) for the purpose of appropriate internal shareholding structure arrangement of the Offeror.
3. Business restructuring is approved by a future shareholders' meeting of the Business (if any).
4. The Offeror may consider selling some securities of the Business as deemed appropriate in case of necessary early principal repayment, or in case of forced collateral execution if unable to comply with credit facility agreement conditions.
5. The Offeror may consider selling some securities of the Business as deemed appropriate to business partners who are interested in co-investing in the Business and have investment potential, whom the Business considers having expertise and business potential that can strengthen and drive additional growth for the Business in the future, with primary



consideration for the best interests of the Business. In this respect, the decision to sell some securities of the Business shall not result in the Offeror, including its related persons under section 258, holding shares in the Business below 25% of the total issued and paid-up shares and total voting rights of the Business, which is the share proportion that the Offeror deems appropriate for its investment in the Business and could maintain its ability to create the opportunity of joint business management and development with the business partners in the best interests of all parties.

Nonetheless, if the sale or transfer of shares of the Business takes place during the 12-month period from the end of the Tender Offer period as in cases 1 through 5 above (except for case 4 where the Offeror has no control and/or decision-making power), it will not result in the Offeror, including its related persons under section 258, holding shares in the Business below 25% of the total issued and paid-up shares and total voting rights of the Business.

In this regard, if the Offeror sells or transfers the Business's ordinary shares and, as a result, is obliged to report the said disposal of shares, the Offeror shall comply with any relevant laws, rules and/or regulations of the SEC and/or the SET.

#### Opinion of the IFA

We are of the opinion that the shareholders of the Business will not be affected by the Offeror's plan for sale of shares since the Offeror has no intention to sell or transfer a substantial amount of the ordinary shares of the Business that it holds before the Tender Offer and the shares that will be acquired from this Tender Offer to other persons during the 12-month period from the end of the Tender Offer period, except in the following cases:

1. The Offeror considers selling a portion of shares in the Business in order for the Business to meet the qualifications for maintaining the listed company status with respect to the minority shareholding distribution or in case the Offeror is duty-bound to comply with the relevant laws and regulations effective at that time. In this case, the Offeror will still retain its significant shareholding in the Business. Such shareholding distribution will provide the minority shareholders with the benefit from greater share liquidity.
2. The Offeror sells or transfers shares to the related persons under Section 258 of the Securities and Exchange Act B.E. 2535 (as amended) for the purpose of appropriate internal shareholding structure arrangement of the Offeror. In this case, the minority shareholders will not be impacted because this will be only a change in shareholding between the Offeror and its related persons under Section 258.



3. Business restructuring is approved by a future shareholders' meeting of the Business. Given a material restructuring, the Business will seek an approval from its Board of Directors and/or shareholders. If the shareholders' approval is obtained, the Business must comply with the relevant laws, rules and regulations effective at the time.
4. The Offeror may consider selling some securities of the Business as deemed appropriate in case of necessary early principal repayment, or in case of forced collateral execution if unable to comply with credit facility agreement conditions, while still retaining a substantial shareholding in the Business. As of June 30, 2024, the Offeror's debt to equity ratio stood at a low level of 0.28 time, suggesting that risk will remain minimal at least during the 12-month period from the end of the Tender Offer period.
5. The Offeror may consider selling some securities of the Business as deemed appropriate to business partners since the Offeror and the Business may see a business opportunity and deem that the acquisition of business partners who have expertise and business potential that can strengthen and drive additional growth for the Business in the future, with primary consideration for the best interests of the Business, will help drive its long-term growth with respect to its current core business plan development or investment expansion in other businesses. However, if such cooperation aims at investment expansion in other businesses, the Offeror and the Business should thoroughly study the plan for investments in other businesses to ensure the best interests of all parties under the relevant rules and regulations. Such sale of some securities of the Business will not result in the Offeror, including its related persons under section 258, holding shares in the Business below 25% of the total issued and paid-up shares and total voting rights of the Business, which is the share proportion that the Offeror deems appropriate for its investment in the Business and could maintain its ability to create the opportunity of joint business management and development with the business partners in the best interests of all parties.

Nonetheless, if the sale or transfer of shares of the Business takes place during the 12-month period from the end of the Tender Offer period as in cases 1 through 5 above (except for case 4 where the Offeror has no control and/or decision-making power), it will not result in the Offeror, including its related persons under section 258, holding shares in the Business below 25% of the total issued and paid-up shares and total voting rights of the Business.

In this regard, if the Offeror sells or transfers the Business's ordinary shares and, as a result, is obliged to report the said disposal of shares, the Offeror will comply with the rules and/or regulations of the SEC and/or the SET in relation to the disposal of assets of the value or size specified in the Notification of the Capital Market Supervisory Board No. TorChor. 20/2551 Re: Rules on Entering into Material Transactions





Deemed as Acquisition or Disposal of Assets, under which listed companies are required to comply with the SET's regulations. If the transaction is entered into with the connected person of the Offeror according to the Notifications on Connected Transactions, the Offeror will comply with the relevant rules and/or regulations of the SEC and/or the SET pursuant to the Notification of the Capital Market Supervisory Board Re: Rules on Connected Transactions according to transaction size, and will disclose information to the SET as required.

#### **4. Benefits to and impacts on the shareholders who reject the Tender Offer**

(only in case of a delisting tender offer)

-None-

This Tender Offer is not for the purpose of delisting the Business's securities from the SET.

#### **5. Conclusion of the Independent Financial Advisor's opinion**

We have considered the Tender Offer (Form 247-4), the offering price and other relevant information of the Business as a basis for providing our opinion to the minority shareholders, and has determined appropriateness of price and reasons as to whether the minority shareholders should accept and/or reject the Tender Offer, the details of which can be summed up as follows:

We are of the opinion that the offering price of Baht 9.00 per share is not a reasonable price because such offering price is lower than a fair value appraised herein using the adjusted book value (ABV) approach. We view that the ABV approach is a suitable method for valuing the Business's shares because, although it cannot reflect future profitability of the Business, the ABV approach can well reflect a fair value of its net assets, especially in terms of adjustment to fair value of its land and buildings most of which have been invested in since the start of business and the actual value of which has increased significantly. Moreover, judging from the Business's return on assets (ROA) of 0.83%, 2.69%, 1.58%, and 0.36% per year in 2021, 2022, 2023, and the 12-month period from October 1, 2023 to September 30, 2024 respectively, it is evident that its ROA has been somewhat low, demonstrating that the ability to use the assets may not align with the highest and best use of those assets in the present circumstances. Therefore, although the discounted cash flow approach can well reflect future cash flow and operation, the use of this approach for fair value measurement of the Business's shares in this case cannot fully reflect the true value of the Business because it is not based on the assumption on generation of profit from operation that aligns with the highest and best use of existing assets of the Business. As such, the share valuation by the ABV approach is considered more suitable since this method is based on the assets' fair value appraised by the Independent Valuer according to market price that can best reflect general investors' expectation on the basis of the highest and best use of such assets at that time. The fair value calculated by the ABV approach is equal to Baht 18.65 per share,



which is higher than the offering price of Baht 9.00 per share by Baht 9.65 per share or 107.22%. **For this reason, it is recommended that the shareholders should reject the Tender Offer.**

The said offering price is lower than the fair value of the Business's shares appraised by the IFA. However, taking into account the share liquidity over the previous 12 months (October 17, 2023 – October 16, 2024) during which the total trading volume of the Business's shares amounted to 3,699,300 shares or equal to 17,126.39 shares per day, it can be deemed that this Tender Offer will provide an opportunity for the shareholders, who hold a substantial amount of shares and normally cannot sell their shares partly or wholly on one occasion through the SET due to low liquidity of the Business's shares, to sell their shares at the offering price of Baht 9.00 per share, which is higher than the market price over the previous 1 - 12 months (up to October 16, 2024), which was in a range of Baht 8.85 – 8.95 per share, by Baht 0.05 – 0.15 per share or 0.56% – 1.67%. Nonetheless, the shareholders who accept the Tender Offer should be aware that, under this Tender Offer, they will sell their shares in the Business at a price that is (lower) than the fair value of Baht 18.65 per share as appraised by the IFA by (107.22)%.

In deciding whether to accept or reject the Tender Offer, the shareholders are recommended to study information in the Tender Offer (Form 247-4), the Business's opinion on the Tender Offer (Form 250-2), and the opinion of the IFA provided herein as a basis for your decision-making. However, the decision whether to accept or reject the Tender Offer depends primarily on the shareholders' individual judgment.

We hereby certify that we have provided our opinion with due care based on professional practices and in the interests of the shareholders.

Yours sincerely,

Advisory Plus Company Limited

..... - *Thawatchai Vorawandthanachai* - .....

(Mr. Thawatchai Vorawandthanachai)

Managing Director

.....- *Thanasak Boulowpetch* -.....

(Mr. Thanasak Boulowpetch)

Supervisor