

Information Memorandum on the disposal of ordinary shares in TNLX Company Limited, the Company's subsidiary, to connected persons of the Company

As a result of the Extraordinary General Meeting of Shareholders No. 2/2022 held on November 30, 2022, it was resolved for Thanulux Public Company Limited (the "**Company**") to issue additional issued shares of the by the way of Private Placement to BTS Group Holdings Company Limited ("**BTSG**"), which is considered as a strategic partner of the Company. Additionally, the meeting approved the issuing and offering of additional issued shares to the existing shareholders of the Company in proportion to their shareholding (Right Offering) for the purpose of funding investment in new businesses with potential. These investments are aimed at expanding and creating sustainable growth in both revenue and profits for the Company in the future. At the same time, the Extraordinary General Meeting of Shareholders No. 2/2022 approved the investment in 90 percent of ordinary shares in Oxygen Asset Company Limited ("**OXA**"), which operates a secured loan business, and approved the investment in 50 percent of ordinary shares in 7 joint venture companies engaged in real estate development. (The Company holds shares in these 7 joint venture companies through TNL Alliance Company Limited ("**TNLA**"), a subsidiary in which the Company holds 99.97 percent of shares, serving as the central juristic person for investing in these 7 famous joint venture companies.)

Later, on January 18, 2023, the Company purchased all ordinary shares in Oxygen Asset Management Co., Ltd. ("**OAM**"), which operates an asset management business that has received the license from the Bank of Thailand, in the proportion of 99.99 percent from OXA, with the objective of clearly organizing the business structure and shareholding of the group of companies.

Additionally, for the purpose of clearly organizing the Company's business structure, increasing efficiency in business management of the group of companies, and separating business risk management, the Annual General Meeting of Shareholders No.49 on April 25, 2023, passed a resolution approving the partial business transfer. This included the business of producing and distributing ready-made clothing and leather goods ("**Textile and Apparel Business**") to TNLX Company Limited ("**TNLX**"), a subsidiary of the Company in which the Company holds 100.00 percent of the shares. The said partial business transfer was completed on July 1, 2023.

From restructuring the Company's business as detailed above, the Company has carefully considered the results of operations and is of the view that the Company's new businesses, including the financial business (OXA and OAM) and the real estate development business (TNLA), present opportunities for growth and high gross profit margins. The gross profit of OXA, OAM, and TNLA was 55¹ percent, 81² percent, and 68³ percent, respectively, while TNLX, the Company's traditional business, had a gross profit of 39⁴ percent. Additionally, net profit from the Textile and Apparel Business accounts for approximately 8 percent of net profit according to the Company's consolidated financial statements. Although TNLX still shows a tendency for gradual growth, its growth potential remains lower compared to other businesses, and its profitability level is also lower. Therefore,

¹ Data from the Notes to Financial Statement No .28 - Segmentation according to the audited consolidated financial statements for the year ended December 31, 2023.

² As mentioned in 1.

³ As mentioned in 1.

⁴ As mentioned in 1.

considering the resources required to operate management and business operations, the Company aims to devote management resources to creating growth through new businesses in the future.

Furthermore, upon considering the potential synergy and mutual support among businesses, it was observed that secured lending business (managed through OXA), NPLs/NPAs management business (operating via OAM), and real estate investments (managed by TNLA) can complement each other. By divesting TNLX ordinary shares and directing attention towards these interconnected ventures, it will enhance investor and stakeholder comprehension of the Company's strategic objectives and operational endeavors.

Regarding to the rational mentioned above, the Board of Directors' Meeting No. 2/2024 of Thanulux Public Company Limited (the "**Company**") held on February 26, 2024 has passed the resolution to dispose 6,000,000 ordinary shares representing 100 percent of the total issued and sold shares that the Company is holding in TNLX Company Limited ("**TNLX**"), which operates a business in textiles and clothing, at the offering price of THB 111.65 per share. The shares will be offered to 4 buyers namely (1) I.C.C. International Public Company Limited ("**ICC**") which is a connected person because the Company and ICC have SPI as a common major shareholder. in the amount of 4,200,000 shares (2) BSC So In Company Limited ("**BSC**") which is a connected person of the Company because Mr. Thamarat Chokwatana, the director of the Company, is the major shareholders of BSC in the amount of 600,000 shares (3) Saha Pathana Inter-holding Public Company Limited ("**SPI**") which is a connected person because SPI is a major shareholder of the Company in the amount of 540,000 shares and (4) I.D.F. Company Limited ("**IDF**") which is not a connected person in the amount of 660,000 shares, at a totalling price of THB 669,900,000. Entering into the transaction with buyers named in (1) - (3) is considered a connected transaction 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 (2003) dated November 19, 2003 (as amended) (the "**Notifications on Connected Transactions**"). The board of directors of the Company deemed it appropriate to propose to the 50th Annual General Meeting of Shareholders to consider and approve entry into this connected transaction. The objective is to structure the business in a clear and sustainable manner, focusing on growth through financial services and related sectors that mutually reinforce each other, aligning with the company's strategic goals. After the disposition of ordinary share, TNLX will no longer be the Company's subsidiary.

The summarized timetable for entering into this transaction is shown as follows;

February 26, 2024	The Board of Directors Meeting No. 2/2024 unanimously resolved the proposal to present to the Annual General Meeting of Shareholders No. 50 for consideration the transaction of disposal of TNLX ordinary shares to ICC BSC and SPI, both of which are connected persons. In addition, it was unanimously approved for the Company to engage in a transaction to dispose TNLX's ordinary shares to IDF, which is not a connected party.
Within February 2024	The Company has entered into share purchase agreements with each buyer (" Share Purchase Agreement ") after the

	resolution of the Board of Directors Meeting No. 2/2024 to approve the transaction. The Company will seek approval to enter the mentioned transaction at the Annual General Meeting of Shareholders No.50.
February 26, 2024 to within July 2024	<p>To fulfil the essential conditions precedent in the Share Purchase Agreement can be summarized as shown below and disclosed in Item 11 of this information memorandum.</p> <ol style="list-style-type: none"> (1) The representations and warranties of the Company and the buyer are true and correct in all respects on the completion date of the transaction. (2) On the completion date, there are no events or actions that may have a Material Adverse Effect on TNLX or impede the execution of the share sale and purchase agreement. (3) The board of directors' meeting and/or shareholders' meeting of the Company and the buyer (as applicable) have passed resolutions approving the share sale and purchase transaction in TNLX and the execution of TNLX share sale and purchase agreement. (4) The Company has taken steps to ensure that the buyer receives resignation letters from the representative directors from the Company who serve as directors of TNLX. This is in the event that the buyer desires to nominate new directors in TNLX based on the shareholding ratio after the completion date. (5) The Company must qualify for exemptions from value-added tax under category 4, specific business tax under category 5, and stamp duty under category 6, as per the Revenue Code re: tax exemptions (No. 516) B.E. 2554, for the partial business transfer to the Company.
Withiin July 2024	The transaction will be executed by transferring TNLX's ordinary shares to buyers and receive payment in cash.

The above transaction is considered as a disposition of assets under 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 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 and Disposition of Asset B.E. 2547 (2004) (as amended) (collectively referred to as "**Notification of the Acquisition and Disposition**"). Upon calculation of the transaction size, the transaction value is equal to 6.27 percent, based on value the net tangible assets method, which is the basis of highest transaction value, from the Company's financial statements for the year ending December 31, 2023. In consideration of the disposition of assets over the past six months before entering into this transaction, the transaction size will be 9.14 percent based on value the net tangible assets method which is the basis of highest transaction value, therefore, entry into

this transaction has less than 15% transaction size, and is not deemed as acquisition or disposal of significant assets of a listed company according to the Notification of the Acquisition and Disposition.

Moreover, the disposition of TNLX ordinary shares to buyer (1) – (3) is considered a transaction in the type of assets and services under the Notifications on Connected Transactions. The total value of consideration and transaction size entering with each buyers are (1) value of consideration for the transaction with ICC is THB 468.93 million, having the value of 4.80 percent of the Company's net tangible assets (NTA) (the auditor-reviewed consolidated financial statement for the year ending December 31, 2023, indicates that the Company's NTA amount to THB 9,763.30 million) (2) value of consideration for the transaction with BSC is THB 66.99 million, having the value of 0.69 percent of the Company's NTA and (3) value of consideration for the transaction with SPI is THB 60.29 million, having the value of 0.62 percent of the Company's NTA and when including other assets and services type of transactions with SPI or related persons of SPI over the past six months before entering into this transaction, the total transaction size will be equal to 0.75 percent of the Company's NTA. Additionally, when combining with other connected transactions with SPI for the acquisition of ordinary shares in Oxygen Asset Company Limited from SPI (details set out in Enclosure 5), which is proposed to be considered and approved by the Annual General Meeting of Shareholders No.50 held concurrently, the total transaction size will be 7.58 percent of the Company's NTA. In this regard, the Company has not entered into any other connected transactions with the connected persons or related persons of the buyer (1) – (2) in the past six months before entering into this assets and services type of transaction.

Therefore, the size of transaction with ICC whom a buyer no. (1) and SPI whom a buyer no. (3) is equal to or more than THB 20 million or more than 3 percent of the Company's NTA, whichever number is higher. As a result, the Company shall obtain approval from the Board of Directors of the Company. The Company must also prepare and report the information memorandum on such transaction to the Stock Exchange of Thailand (the "SET") according to the Notifications on Connected Transactions and must obtain approval from the shareholders' meeting by receiving three-fourths of all votes of shareholders attending the meeting and entitled to vote, excluding shareholders who have a conflict of interest in the transaction. In addition, the Company must also appoint an independent financial advisor, certified by the Securities and Exchange Commission (the "SEC"), to provide its opinions on the Company's connected transactions.

The entering into the transaction with BSC, buyer no. (2) is more than THB 1 million but less than THB 20 million, or more than 0.03 percent but less than 3 percent of the NTA, whichever number is higher, requiring approval from the Board of Directors and disclosure to the SET without approval from the shareholders' meeting. Nevertheless, the Board of Directors' meeting resolved that entering into the transaction with BSC and SPI are a connected transaction and is of similar in nature to transaction with ICC whom a buyer no. (1), therefore, it deemed appropriate to request approval from the shareholders in this Annual General Meeting of Shareholders by receiving three-fourths of all votes of shareholders attending the meeting and entitled to vote, excluding shareholders who have a conflict of interest in the transaction. In addition, the Company must also appoint an independent financial advisor certified by the SEC to provide its opinions on the Company's connected transactions.

The Company would like to inform the details of the disposal of asset as the ordinary shares in TNLX Company Limited, a subsidiary of the Company, to connected persons under the Notification

of the Acquisition and Disposition and Notifications on Connected Transactions to the Stock Exchange of Thailand (“**SET**”) as follows:

1. **Date of the transaction**

The Company has entered into a share purchase agreement with each buyer on February 26, 2024 (“**Share Purchase Agreement**”) following the Company's Board of Directors Meeting No. 2/2024, held on the same day. There are conditions precedent and important requirements as specified in item 11 of this Information Memorandum on the disposal of ordinary shares in TNLX Company Limited, the Company's subsidiary, to connected persons of the Company, including receiving approval to enter in to the transaction from the Annual General Meeting of Shareholders No. 50. The Company expects that the entire sale and purchase will be completed by July 2024 after all conditions precedent specified in the share sale and purchase agreement have been fulfilled or waived by the relevant party and taken necessary action as outlined in the share sale and purchase agreement.

2. **Parties involved**

Seller : Thanulux Public Company Limited (the “**Company**”)

Buyer and : (1) I.C.C. International Public Company Limited (“**ICC**”)

relationship with
the Company

ICC is a connected person of the Company because the Company and ICC have Saha Pathana Inter-holding Public Company Limited (“**SPI**”) as a common major shareholder. SPI holds 42.14 percent of the issued and sold shares of the Company and holds 24.81 percent of the issued and sold shares of ICC (*information as of February 26, 2024*).

(2) BSC So In Company Limited (“**BSC**”)

, BSC is a connected person of the Company because Mr. Thamarat Chokwatana, the director of the Company, and the persons under Section 258 of the Securities and Exchange Act B.E. 2535 (as amended) of Mr. Thamarat Chokwatana whom a major shareholders of BSC in the portion of 14.00 percent of the the issued and sold shares of BSC.

(3) Saha Pathana Inter-holding Public Company Limited (“**SPI**”)

SPI is a connected person because SPI is a major shareholder of the Company holding 42.14 percent of the issued and sold shares of the Company.

(4) I.D.F. Company Limited (“**IDF**”)

IDF is not a connected person of the Company.

3. General Information of the Transaction and Transaction Size

The Company is entering into the disposal of ordinary shares in the amount of 100 percent of the total issued and sold shares of TNLX Company Limited (“**TNLX**”) that the Company is currently holding to 4 buyers to be consistent with the business structure plan being clear and suitable for sustainable growth in the future. Detail of the ordinary shares disposed in this transactions are as follows:

3.1 Details of the disposed ordinary shares

Ordinary share of	Type of business	Registered and paid-up shares (shares)	Par value (Baht per share)	Proportion of the Company's sale (percent)
TNLX	Textile and clothing business. A manufacturer and distributor of ready-to-wear clothing and leather products.	6,000,000	100.00	100.00

3.2 Total value of consideration and valuation criteria

	Buyer	Shares being sold	Number of sale shares (share)	Proportion of the Company's sale (percent)	Purchasing price (Baht per share)	Sale value (Baht)
1	ICC which is a connected person because the Company and ICC have SPI as a common major shareholder.	TNLX	4,200,000	70.00	111.65	468,930,000
2	BSC which is a connected person because Mr. Thamarat Chokwatana,	TNLX	600,000	10.00	111.65	73,689,000

	Buyer	Shares being sold	Number of sale shares (share)	Proportion of the Company's sale (percent)	Purchasing price (Baht per share)	Sale value (Baht)
	the director of the Company is the major shareholders of BSC					
3	SPI which is a connected person because SPI is a major shareholder of the Company.	TNLX	540,000	9.00	111.65	66,990,000
4	IDF which is not a connected person	TNLX	660,000	11.00	111.65	60,291,000
	Total		6,000,000	100.00		669,900,000

Remarks: The ordinary shares of TNLX has a par value of THB 100 per share and a book value of THB 103.71 per share according to the financial statements ending December 31, 2023, which have been audited by a certified public accountant.

3.3 Criteria for evaluating the value of consideration

The Company has carefully considered and determined the value of consideration based on the following factors:

- (1) It is a price agreed between the parties of the share sale and purchase agreement which has been negotiated;
- (2) Fair value assessment for TNLX using the Discounted Cash flow Method, which is the most appropriate method to TNLX's business which has a continuing operation. We estimated TNLX's operating performance and cash flow over a 10-year period and compared to a risk-appropriate discount rate of 10.23 percent.

From the abovementioned factor, the range of price that the company considers appropriate for the sale and purchase of all TNLX's ordinary shares is THB 629.53 - 678.23 million.

Therefore, the price that the company has agreed for the sale and purchase of TNLX's ordinary shares is a reasonable price.

3.4 Payment condition

Each buyer will pay a consideration in cash totaling THB 669,900,000 to the Company, as outlined in the share sale and purchase agreement, provided that, the conditions precedent specified in the share sale and purchase agreement have been fulfilled or waived by the relevant party, and taken necessary actions as outlined in the share sale and purchase agreement with the conditions precedent and important requirements as specified in item 10 has been carried out and obtain approval from the Annual General Meeting of Shareholders No. 50 of the Company for transactions involving the 3 buyers who are related parties to the companies ICC, BSC, and SPI

4. General Information of the Disposed Assets

Type of asset: Ordinary share

TNLX Company Limited (“TNLX”)

General information of TNLX

Company Name	:	TNLX Company Limited
Company Registration Number	:	0105565204525
Company Registration Date	:	December 28, 2022
Office Address	:	129/1 Chong Nonsi Road, Chong Nonsi Sub0district, Yan Nawa District, Bangkok
Registered Capital	:	THB 600,000,000
Issued and Paid-up Capital	:	THB 600,000,000
Type of Business	:	The business engages in the textile and garment industry, serving as a manufacturer and distributor of ready-to-wear clothing and leather goods for men, women, and children under the internationally trademarked brand TNLX. TNLX holds the rights to the trademark and trade name for distribution both domestically and internationally.

TNLX's products can be categorized as follows:

(a) *Ready-to-wear clothing*

The ready-to-wear products of TNLX cater to a diverse customer base, including gentlemen, ladies, and children. The product range encompasses shirts, t-shirts, trousers, suits, jackets, sleepwear, underwear, neckties, towels, scarves, swimwear, activewear, and socks under the trademark ARROW, EXCELLENCY, GETAWAY, COOL, Guy Laroche, DAKS, ELLE HOMME, Takeo Kikuchi, Olymp, HORNBILL, ICON, Positive, MIX-SELF and Erawon, as for gentlemen and ladies. For children products, TNLX manufacturing and distributing clothing for newborns up to 8 years old, TNLX also offers a range of products, including diapers, bedding, shoes, socks, toys, and accessories for infants, all under its trademark Absorba.

(b) *Leather goods*

products for both men and women, including wallets, handbags, and belts, under the trademark ARROW, EXCELLENCY, GETAWAY, Guy Laroche, DAKS, and LOUIS FONTAINE.

(c) *Other goods*

e.g. food items, beverages, household supplies, beauty products under the trademark Era-won and healthcare products

Detail of TNLX's factories, locations, and production capacity are as follows:

Factory location	Type of product	Production capacity per year (unit)
129/1 Chong Nonsi Road, Chong Nonsi Sub-district, Yan Nawa District, Bangkok	Clothing Leather goods	367,200 90,000
9 9 / 3 Moo 5 , Saha Group Industrial Park-Lamphun, Paasak Sub-district, Muang Lamphun District, Lamphun Province.	Leather goods	450,000
125 Moo 5, Saha Group Industrial Park-Kabinburi,	Clothing	658,000

Suwannason Road, Nonsi Sub-district, Kabinburi District, Prachin Buri Province.		
269/15 Moo 15, Saha Group Industrial. Park-Mae Sot, Mae Kasa Sub-district, Mae Sot District, Tak Province.	Leather goods	186,000
Total		1,751,200

In this regard, TNLX has undergone a Partial Business Transfer (PBT), encompassing the manufacturing and distribution of ready-to-wear clothing and leather goods both domestically and internationally under the internationally trademarked brand that the company holds rights. This transfer includes the transfer of assets, liabilities, contracts, rights, benefits, and all associated personnel used in the textile and garment business. The legal transfer was completed and effective on July 1, 2023, and TNLX has been conducting the textile and garment business, recognizing revenue since July 1, 2023.

Shareholding structure

List of shareholders before entering into the transaction as showed on TNLX's shareholders registration as at June 29, 2023 are:

No.	Shareholder	<u>Before entering to transaction^{1/}</u>		<u>After entering to transaction</u>	
		(share)	(percent)	(share)	(percent)
1	The Company	5,999,997	100.00	-	-
2	ICC	-	-	4,200,000	70.00
3	IDF	-	-	660,000	11.00
4	BSC	-	-	600,000	10.00
5	SPI	-	-	540,000	9.00
7	3 individual, acting as representatives of TNLX, are appointed for the incorporation.	3	0.00	-	-

No.	Shareholder	Before entering to transaction ^{1/}		After entering to transaction	
		(share)	(percent)	(share)	(percent)
	Total	6,000,000	100.00	6,000,000	100.00

Remark: 1/ Data from the shareholder registered book of TNLX as of June 29, 2023.

Board of directors of TNLX

As of February 26, 2024, TNLX's board of directors consists of

- | | | |
|----|---------------------------------------|----------|
| 1 | Mr. Thamarat Chokwatana ^{1/} | Director |
| 2. | Miss Dusadee Soontrontumrong | Director |
| 3. | Miss Marin Leelanuwatana | Director |
| 4. | Miss Yupaporn Jearrakul | Director |
| 5. | Mr. Suchart Layluxsiri | Director |
| 6. | Mr. Vichai Kulsomphob ^{2/} | Director |
| 7. | Miss Suthida Jongjenkit ^{3/} | Director |

Remark: 1/ being director of the Company and director of ICC

2/ being executive director of the Company and director of SPI

3/ being director of the Company and executive of SPI

Key financial information of TNLX

The key financial information of TNLX is based on the financial statements audited and authorized by the certified accountants, concluding on December 31, 2022, and 2023. TNLX was registered on December 28, 2022, for the purpose of receiving the transfer of textile and garment business from the Company. Therefore, in the year 2022, the operational results may not be reflected in TNLX's financial statements. TNLX received a partial business transfer, including the manufacturing and distribution of ready-to-wear clothing and leather goods, effective from July 1, 2023. Consequently, TNLX recognized revenue from the textile and garment business starting from July 1, 2023.

Financial ending	December 31, 2022	December 31, 2023
Unit: million Baht	<i>(audited)</i>	<i>(audited)</i>
Total assets	1.00	908.88

Financial ending	December 31, 2022	December 31, 2023
Unit: million Baht	<i>(audited)</i>	<i>(audited)</i>
Total liabilities	0.04	286.64
Registered capital	1.00	600.00
Issued and paid - up share capital	1.00	600.00
Total shareholders' equity	0.96	622.24
Revenue	-	778.16
Net Profit (loss)	(0.04)	22.28
Retained Earnings – Unappropriated (loss)	(0.04)	22.24

Summary of key information from the financial statements

Source: the audited financial statements for the year ended December 31, 2022 and 2023.

5. Calculation of a disposition of asset size

The Company has calculated the size of the disposition transaction under the Notifications on the Acquisitions or Disposition of Assets, by referencing the most recently audited financial statements of the Company for the year ending December 31, 2023, and the latest audited financial statements of TNLX for the year ending December 31, 2023. Considering the overall transaction size by combining the value of the ordinary share under the disposition of ordinary shares in TNLX to each of the 4 buyers. The details are as follows:

(1) NTA Method			
Transaction size =	$\frac{(\text{NTA of TNLX} \times 100\%) \times 100}{\text{NTA of the Company}}$	=	$\frac{(\text{THB } 612.33 \text{ million}^{1/1} \times 100\%) \times 100}{\text{THB } 9,763.30 \text{ million}^{2/}}$ = 6.27%
(2) Net operating profit Method			
Transaction size =	$\frac{(\text{Net operating profit of TNLX} \times 90\%) \times 100}{\text{The Company's net profit}}$	=	$\frac{(\text{THB } 22.28 \text{ million}^{3/} \times 100\%) \times 100}{\text{THB } 503.38 \text{ million}^{4/}}$ = 4.43%
(3) Total value of consideration Method			
Transaction size =	$\frac{\text{Total value of consideration} \times 100}{\text{Total asset of the Company}}$	=	$\frac{\text{THB } 669.90 \text{ million}^{5/} \times 100}{\text{THB } 13,420.42 \text{ million}^{6/}}$ = 4.99%
(4) Value of securities issued for the payment of assets Method			

Unable to calculate by this method because the Company does not issue new share for the payment of assets.

Remark

1/ NTA of TNLX according to the audited financial statements of for the year ending December 31, 2023

2/ NTA of the Company according to the audited financial statements of for the year ending December 31, 2023

3/ Net profit of TNLX in the past 12 months according to the audited financial statements of for the year ending December 31, 2023

4/ Net profit of the Company in the past 12 months according to the audited financial statements of for the year ending December 31, 2023

5/ Total value of consideration was calculated from the value of the ordinary shares being sold under the disposition of TNLX shares to the 4 buyers, totaling THB 669.90 million. However, as of December 31, 2023, the Company has no available funds for loans, liabilities, or other encumbrances to TNLX.

6/ Total asset of the Company according to the audited financial statements of for the year ending December 31, 2023

The disposition of ordinary shares in TNLX is classified as a transaction involving the disposition of the Company's assets, as per the Notification of the Acquisition and Disposition. The size of the transaction is calculated as 6.27 percent of value of the net tangible assets, which is the highest size calculated. This is determined by considering the financial statements for the year ending December 31, 2023. If the cumulative size of the transactions involving the disposition of assets over the preceding six month period, the total transaction size would be 9.14 percent based on value of the net tangible assets method, which is the highest size calculated. Therefore, the Company's transaction has a size not exceeding 15.00 percent, and it does not fall within the category of an acquisition or disposition of significant asset of the listed company, as per the criteria set out in the Notification of the Acquisition and Disposition.

6. Calculation of the connected transaction

The disposition of ordinary shares in TNLX to connected party, consisting of 3 entities, namely (1) ICC, (2) BSC, and (3) SPI, is considered a transaction in the type of as assets or services. The transaction sizes for each party are evaluated based on the audited consolidated financial statements for the year ending December 31, 2023, as detailed below

(1) Size of connected transaction with ICC

$$\text{Transaction size} = \frac{\text{Total value of consideration} \times 100}{\text{NTA of the Company}} = \frac{(\text{THB } 468.93 \text{ million}^{1} \times 100)}{\text{THB } 9,763.30 \text{ million}^{2}} = 4.80\%$$

(2) Size of connected transaction with BSC

$$\text{Transaction size} = \frac{\text{Total value of consideration} \times 100}{\text{NTA of the Company}} = \frac{(\text{THB } 73.69 \text{ million Baht}^{1} \times 100)}{\text{THB } 9,763.30 \text{ million}^{2}} = 0.75\%$$

(3) Size of connected transaction with SPI

$$\text{Transaction size} = \frac{\text{Total value of consideration} \times 100}{\text{NTA of the Company}} = \frac{(\text{THB } 60.29 \text{ million Baht}^{1} \times 100)}{\text{THB } 9,763.30 \text{ million}^{2}} = 0.62\%$$

Remark

1/ Total consideration value calculated from the value of the ordinary shares being sold under the disposition of TNLX shares.

2/ NTA of the Company was referenced from the audited financial statements of for the year ending December 31, 2023.

For the transaction with ICC and BSC whom a buyer no. (1) and (2), the Company has not engaged in any transactions with other connected person or related parties of the connected person buyers during the past six months before entering into this transaction. However, the Company has entered into other connected transaction with SPI who a buyer no. (3) or related persons of SPI over the past six months before entering into this transaction,

7. Approval from the regulator

To enter into this transaction, the Company must obtain approval from the shareholders' meeting for engaging in transactions with the 3 buyers: ICC, BSC, and SPI, whom are connected parties to the Company. However, there is no requirement to seek approval from other entities. the total transaction size will be equal to 0.75 percent of the Company's NTA. Additionally, when combining with other connected transactions with SPI for the acquisition of ordinary shares in Oxygen Asset Company Limited from SPI (details set out in Enclosure 5), which is proposed to be considered and approved by the Annual General Meeting of Shareholders No.50 held concurrently, the total transaction size will be 7.58 percent of the Company's NTA.

8. Plan on Utilization of Proceeds Obtained from the Sale

The Company has plans to utilize the funds received from this transaction for business expansion. The Company aims to focus on growing its financial business and/or directly related ventures and/or to settle the Company's debts and/or the Company's working capital.

9. Expected Benefits for the Company

The Company foresees that in entering into the disposition of TNLX share transaction will be beneficial to the Company for the following important reasons:

- (1) In accordance with the Company's restructuring of business and management structures in the past year, which includes analyzing the operational performance of each business, the Company has a strategy to focus on generating growth through synergy between its financial and directly related businesses. TNLX, engaged in the textile and apparel business, is perceived by the Company as having had a stable historical operational performance but lacking direct synergy with the financial business that the Company emphasizes. Therefore, the disposition of ordinary shares in TNLX is expected to contribute to a clearer and more streamlined structure for the Company's new business model, enhancing resource allocation and management efficiency.

However, after the disposition of ordinary shares in TNLX, the revenue structure in the Company's financial statements will change. Previously, it consisted mainly of

sales revenue (derived from TNLX), (representing a 56 percent of the total revenue⁵). It will now transition to a primary revenue structure in the consolidated financial statements, comprising (1) interest income (from the credit and asset management business) and (2) income from consulting and project supervision fees (from the real estate development business).

Nevertheless, even though the revenue in the consolidated financial statements is expected to decrease due to the disposition of ordinary shares in TNLX and the changing revenue structure, the Company believes that the net profit of the Company will not be significantly impacted. This is because, upon analyzing the profit by segment, it was found that TNLX contributes a net profit equivalent to 8 percent of the Company's overall net profit. This demonstrates the financial impact of the sale of common stock in TNLX.

	2023 ^{1/} (included TNLX) (THB million)	2023 (excluded TNLX) (THB million)	difference (THB million)	difference (percentage)
Total revenue	2,870	1,251	(1,619)	(56%)
Net profit	513	470	(43)	(8%)
Ratio of net profit to total income	18%	38%		21%

1/ according to the audited consolidated financial statement for the year ending December 31, 2023. TNLX's total revenue and net profit are calculated from the sum of the operating results of the Textile and Apparel business segment during January to June 2023, as recognized in the Company's financial statements (before the partial business transfer to TNLX), and TNLX's operating results for 2023.

- (2) The Company will receive cash from the disposition of ordinary shares in TNLX to be utilized for expanding the business areas aligned with the Company's strategic plan and/or for repaying the Company's outstanding loans to reduce financial costs.

10. Impact on operations and financial position after entering into the transaction

Regarding the disposal of ordinary shares in TNLX, it will impact the revenue structure and net profit of the Company as outlined in Item 9. The Company believes that the disposal of these shares will not significantly affect its net profit. This conclusion stems from an analysis revealing that TNLX contributes 8 percent of the Company's net profit. Upon the sale of TNLX ordinary shares, the Company will receive proceeds totaling THB 669.90 million. These funds will be utilized to expand the Company's focused business areas in alignment with its strategic plan, and/or to make loan payments, thereby reducing financial costs. It is

⁵ according to the audited financial statements for the year ending December 31, 2023

anticipated that these spending plans will prevent any significant negative impact on the Company resulting from the sale of TNLX ordinary shares at this time.

Furthermore, since the transaction is expected to be completed by July 2024, the Company will continue to recognize revenue and operating results of TNLX in its consolidated financial statements for the period spanning January to July 2024, until the transfer of TNLX ordinary shares to the buyers becomes effective.

11. Conditions precedent for doing the Transaction

Entering into the disposition of ordinary shares in TNLX to connected parties of the Company must obtain approval from the shareholders' meeting by receiving three-fourths of all votes of shareholders attending the meeting and entitled to vote, excluding shareholders who have a conflict of interest in the Transaction. In addition, the Company must also appoint an independent financial advisor (IFA) certified by the SEC to give opinion regarding the connected transaction of the Company and the conditions precedent as specified in the share sale and purchase agreement, along with other terms, agreements, and relevant documents associated with the aforementioned transaction, the essential conditions precedent can be summarized as follows:

- (1) The representations and warranties of the Company and the buyer are true and correct in all respects on the completion date of the transaction.
- (2) On the completion date, there are no events or actions that may have a Material Adverse Effect on TNLX or impede the execution of the share sale and purchase agreement.
- (3) The board of directors' meeting and/or shareholders' meeting of the Company and the buyer (as applicable) have passed resolutions approving the share sale and purchase transaction in TNLX and the execution of TNLX share sale and purchase agreement.
- (4) The Company has taken steps to ensure that the buyer receives resignation letters from the representative directors from the Company who serve as directors of TNLX. This is in the event that the buyer desires to nominate new directors in TNLX based on the shareholding ratio after the completion date.
- (5) The Company must qualify for exemptions from value-added tax under category 4, specific business tax under category 5, and stamp duty under category 6, as per the Revenue Code re: tax exemptions (No. 516) B.E. 2554, for the partial business transfer to the Company.

12. Directors who have conflicts of interest

The board of directors' meeting of the Company no. 2/2024, held on February 26, 2024, passed a resolution approving the disposition of ordinary shares in TNLX. Directors with conflicts of interest have abstained from voting on the related agendas as follows:

	Agenda approving the disposition of ordinary shares in TNLX to	Directors who have a conflicted interest and abstain from voting	Conflicts of interest
1	ICC which is a connected person because the Company and ICC have SPI as a common major shareholder.	Mr. Thamarat Chokwatana	A director and executive of ICC.
2	BSC which is a connected person because Mr. Thamarat Chokwatana, the director of the Company is the major shareholders of BSC.	Mr. Thamarat Chokwatana	A direct and indirect major shareholder of BSC in the amount of 14.00 percent of the issued and sold shares of BSC and a director of BSC.
3	SPI which is a connected person because SPI is a major shareholder of the Company.	Ms. Suthida Jongjenkit	An executive of SPI

13. List of shareholders who have no right to vote

13.1 Disposition of TNLX's ordinary shares to ICC transaction

The interested shareholders	Number of shares holding in the Company (shares)	Percent of issued and sold shares of the Company (percent)	Relationship
Saha Pathana Inter-Holding Public Company Limited	125,535,000	42.19	A major shareholder of ICC.
I.C.C. International Public Company Limited	19,135,709	6.28	Interested person for this transaction.
I.D.F. Company Limited	1,217,391	0.40	A major shareholder of ICC.
Mr. Thamarat Chokwatana	362,637	0.12	Director and managing director of ICC.
Mr. Boonkiet Chokwatana	717,391	0.24	Director of ICC.
Mr. Thipaporn Chokwatana	22,669	0.01	Person under Section 258 of Mr. Boonkiet

The interested shareholders	Number of shares holding in the Company (shares)	Percent of issued and sold shares of the Company (percent)	Relationship
			Chokwatatna
Trika Company Limited	1,549	0.00	Person under Section 258 of Mr. Boonkiet Chokwatatna

13.2 Disposition of TNLX's ordinary shares to BSC transaction

The interested shareholders	Number of shares holding in the Company (shares)	Percent of issued and sold shares of the Company (percent)	Relationship
BSC So-In Company Limited	934,443	0.31	Interested person for this transaction.
Mr. Thamarat Chokwatatna	362,637	0.12	A major shareholder of BSC.

13.3 Disposition of TNLX's ordinary shares to SPI transaction

The interested shareholders	Number of shares holding in the Company (shares)	Percent of issued and sold shares of the Company (percent)	Relationship
Saha Pathana Inter-Holding Public Company Limited	125,535,000	42.19	Interested person for this transaction.
Yi Yong Tian Tai BSC Company Limited	2,943,500	0.97	Person under Section 258 of Mr. Boonsithi Chokwatatna (Director of SPI)
Mr. Boonkiet Chokwatatna	717,391	0.24	Director of SPI.
Mr. Thipaporn Chokwatana	22,669	0.01	Person under Section 258 of Mr. Boonkiet Chokwatatna
Trika Company Limited	1,549	0.00	Person under Section 258 of Mr. Boonkiet Chokwatatna

The interested shareholders	Number of shares holding in the Company (shares)	Percent of issued and sold shares of the Company (percent)	Relationship
Mr. Boonchai Chokwatatna	6,000	0.00	Director of SPI.
Ms. Ladda Chokwatatna	8,000	0.00	Person under Section 258 of Mr. Boonchai Chokwatatna
Ms. Kesara Sumkanjanaruk	71,739	0.02	Executive of SPI.
Mr. Vorayos Thongtan	405,000	0.13	Executive of SPI.
Ms. Suthida Jongjenkit	308,300	0.10	Executive of SPI.

14. Opinion of the Board of Directors

The board of directors' meeting of the Company has resolved to approve the execution of the sale of ordinary shares in TNLX. This decision was made after considering that the sale of ordinary shares in TNLX be reasonable and beneficial to the Company and its shareholders. This transaction is the restructuring of the Company's businesses which aligns with the Company's new business plan, focusing on fostering growth in the financial and directly related business sectors. Additionally, the Company anticipates receiving cash flow from the sale of ordinary shares in TNLX, which will be utilized to expand and enhance the business growth. The board of directors believes that this transaction is both justified and reasonable, considering the transaction rationale and the agreed-upon purchase price.

15. Opinion of the Audit Committee Members and/or Directors which is different from the Opinion of the Board of Directors as mentioned in Item 14.

-None-

Please be informed accordingly.

Yours sincerely,

-Kittichai Treerachataphong-

(Mr. Kittichai Treerachataphong)

Chief Executive Officer