

Information memorandum regarding the Acquisition of Assets by Purchasing Ordinary Shares in Oxygen Asset Co., Ltd., from Saha Pathana Inter-Holding Public Company Limited which is a Connected Person

The Board of Directors' Meeting No. 8/2022 of Thanulax Public Company Limited (the "**Company**"), which was held on September 30, 2022, resolved to propose the Extraordinary General Meeting of Shareholders No.2/2022 to consider and approve an acquisition of assets by purchasing 900,000 shares representing 90 percent of total paid-up ordinary shares in Oxygen Asset Co., Ltd., ("**Oxygen**") which operate the loan with collateral for the entrepreneurs business from Saha Pathana Inter-Holding Public Company Limited ("**SPI**") in amount of THB 835.70 million, ("**Investment in Oxygen Transaction**").

The abovementioned transaction is regarded as an acquisition of assets pursuant to 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 (2004) (the "**Notifications on Acquisition or Disposition of Assets**"). Upon review of the transaction size, the transaction size is equal to 104.96 percent according to the total value of consideration paid or received criteria (total consideration value is THB 4,768.70 million) which is the criteria to calculate the highest transaction size based on the reviewed consolidated financial statements of the Company for 6 months period, ending as of June 30, 2020. However, these acquisitions do not constitute a type 4 asset acquisition transaction or backdoor listing, because it is not an acquisition of assets of a non-listed company. The calculation of the transaction size includes the value of the shares under the Investment in Oxygen Transaction amounting to THB 835.70 million and the existing credit limit which Oxygen and its subsidiaries owned to SPI (in accordance with its shareholding structure) as of September 30, 2022 in the amount of THB 3,933 million calculated from the outstanding credit limit between Oxygen and SPI as of August 31, 2022 amounting to THB 4,370 million). Thus, the grand total consideration value for the Investment in Oxygen Transaction is THB 4,768.70 million, and when including the acquisition of assets size for the past 6 months of THB 162 million¹ and other acquisition of asset on this occasion (detailed in Enclosure 5) of THB 2,501.72 million, the grand total consideration value is THB 7,432.42 million and total transaction size is

¹ The acquisition transaction for the period of 6 months prior amounting to THB162 million, consisting of 2 transactions: 1) the Investment in the ordinary shares of King Square Development Co., Ltd. transaction amounting to 160,000 shares, representing 20% of the registered capital of the company with a par value of THB1,000 per share totaling THB160.00 million 2) Incorporate of 2 subsidiaries of the Company as follows: (1) TNLX Company Limited ("**TNLX**") with registered capital of THB 1.00 million with 10,000 ordinary shares with a par value of THB100 per share and (2) TN Company L Alliance Company Limited ("**TNLA**") with registered capital of THB1.00 million, with 10,000 ordinary shares with a par value of THB100 per share, of which the Company holds 9,998 shares in TNLX and TNLA, representing 99.98% of the registered capital of each company.

equal to 163.59 percent according to total value of consideration paid or received criteria, which is the criteria to calculate the highest transaction size.

Therefore, the Investment in Oxygen Transaction is classified as a “Class 1 Transaction” under the Notifications on Acquisition and Disposition of Assets, i.e. transaction between the listed company which has a transaction value equal to 50% or higher. The Company is, therefore, obliged to prepare a report and disclose the information in respect of the entry into the transaction, whereby there must be an information memorandum comprising at least as many details as required in List (1) of the Notifications on Acquisition and Disposition of Assets, and request for the approve from the Shareholders, with affirmative votes of not less than three-fourths of the total number of votes of the shareholders who attend the meeting and are entitled to vote, discarding the interested persons including appoint an independent financial advisor (IFA) who is a financial advisor approved by the Securities and Exchange Commission of Thailand (“SEC Office”).

In addition, Investment in Oxygen Transaction is also regarded as a connected transaction about assets and services of a listed company 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**”) by having total value of consideration of THB 4,768.70 million representing the maximum value of transaction size at 122.27 percent of the Company’s Net Tangible Assets (NTA) (NTA from the Reviewed Financial Statements of the Company as of June 30, 2022 equaling THB 3,900.11 million.) which calculated from maximum value of transaction size under the investment in Oxygen transaction amounting to THB 835.70 million and the existing credit limit which Oxygen and its subsidiaries owned to SPI (in accordance with its shareholding structure) as of September 30, 2022 amounting to THB 3,933 million (calculated from the outstanding credit limit between Oxygen and SPI as of August 31, 2022 amounting to THB 4,370 million). Thus, the grand total consideration value for the Investment in Oxygen Transaction is THB 4,768.70 million, and consider from the reviewed Company’s financial statements over the 6 months period ended June 30, 2022. (NTA from the Reviewed Financial Statements of the Company as of June 30, 2022 equaling THB 3,900.11 million.) In this regard, the Company has not entered into any connected transaction or related persons and close relatives of SPI during 6 months prior the agreement of entering into this transaction. This transaction has the total transaction size more than 3 percent of the net tangible assets of the Company. Therefore, the Company is required to prepare and disclose information on the connected transactions to the SET according to the Notifications on Connected Transactions, including obtaining the approval for the transaction from the Board of Directors and the shareholders’ meeting of the Company which must be approved by the Shareholders’ meeting by affirmative votes of not less

than three-fourths of the total number of votes of the shareholders who attend the meeting and are entitled to vote (detailed in Enclosure 6), discarding the interested persons including appoint an independent financial advisor (IFA) who is a financial advisor approved by SEC Office.

Therefore, the Company would like to disclose the information memorandum regarding by purchasing ordinary shares in Oxygen from SPI which is a connected person in accordance with the Notifications on Acquisition or Disposition of Assets and the Notifications on Connected Transactions to the Stock Exchange of Thailand ("SET").

1. Date of the Transaction

The Company will enter into the share purchase agreement and the relevant documents (if any) on September 30, 2022 after the Board of Directors' Meeting No. 8/2022 held on the same date, by having the condition precedent and the significant terms as specified in Clause 11 which including the approval from the Extraordinary General Meeting of Shareholders No. 2/2022 to enter into the Transaction. The Company expects that the process of share purchase will be completed within December 2022 after the completion of the condition precedent under the share purchase agreement, or lenient, or waived by the relevant parties, and proceed to complete the Transaction as specified in the share purchase agreement with a significant condition precedent and terms.

2. Parties involved and their relationship with the Company

Purchaser	: Thanulax Public Company Limited (the " Company ")
Seller	: Saha Pathana Inter-Holding Public Company Limited (" SPI " or the " Seller ")
Relationship with the Company	: SPI is a major shareholder of the Company which is the connected person, as of September 30, 2022, SPI hold 87,237,766 shares of the Company representing 69.75 percent of the total issued and sold shares of the Company.

3. General Description of the Transaction

The Company will enter into a transaction to purchase ordinary shares of 90 percent of the total sold shares in Oxygen Asset Co., Ltd. ("**Oxygen**"), where Oxygen has a subsidiary (Oxygen holds 100 percent of the total sold shares) which is Oxygen Asset Management Co., Ltd. which operates asset management business that has been

licensed by the Bank of Thailand, which currently on the process to commence of the business operation. In addition, SPI will directly hold shares in Oxygen in proportion of 10 percent of total sold shares, which will not conflict with the Notification of the Capital Market Supervisory Board No. TorJor. 39/2559, as SPI which is the major shareholders of the Company does not hold shares exceeding 10 percent of the total sold shares in Oxygen.

In addition, SPI holding shares in Oxygen will benefit Oxygen by such shareholding is a strategic shareholding which able to benefit Oxygen, as SPI will be able to directly promote and support Oxygen in the matter of the Company's business network including but not limited to business alliances, partners, including the customers in the industrial estates of SPI that operate several types of business and being a group that has the potential to help promote the growth of Oxygen, especially increasing the opportunity to lend additional loan as Oxygen accentuate in lending the loan with collateral which mostly are business customers. Therefore, the Company has considered that this structure is the best interests for the Company.

The details of the ordinary shares acquired in this Transaction are as follows:

3.1 Description of the acquired ordinary shares

Ordinary shares of	Business type	Registered and paid up capital (shares)	Par value (THB per share)	Acquired proportion of the Company (percent)
Oxygen	Providing secured loan to entrepreneurs	1,000,000	100.00	90.00

3.2 Total value of considerations and valuation criteria

Ordinary shares of	Number of purchased shares (shares)	Acquired proportion of the Company (percent)	Purchasing value (THB)	Shares' book value As of December 31, 2021 (million THB) ^{1/}
Oxygen	900,000	90.00	835,702,843.50	103.69

1/ reference: Financial statements for the 6-month period (unaudited) ending December 31, 2021.

3.3 The Criteria for Valuation of Consideration

The Company determined the consideration based on the principles of being cautious and prudent by taking into account the following factors:

- (1) The agreed price according to the negotiation and the agreement under the share purchase agreement;
- (2) The valuation of fair market value by Dividend Discount Model, which is a universal method for valuation of financial businesses, by estimating the cash flow of Oxygen's dividend income in the period of 10 years (between 2022 – 2031) and based on the assumptions from the due diligence by comparing with reasonable Discount Rate to risk.
- (3) The due diligence on accounting and taxes by KPMG Poomchai Audit Co., Ltd. and legal due diligence by Kudun and Partners Company Limited.

According to the factors aforementioned, an appropriate valuation range to purchase 90 percent of the ordinary shares of Oxygen are THB 777.20 – 904.10 million. Therefore, the agreed price to acquire 90 percent of the ordinary shares of Oxygen is reasonable.

3.4 Payment Conditions

The Company will make a payment for the ordinary shares by cash in the amount of THB 835,702,843.50 to SPI as specified in the share purchase agreement after all of the condition precedent under the share purchase agreement, or lenient, or waived by the related parties, and proceed to complete the Transaction as specified in the share purchase agreement with a significant condition precedent and terms as specified in Clause 11, and after the approval from Extraordinary General Meeting of Shareholders No. 2/2022 to enter into the Transaction.

In addition, the Company will make a repayment for the outstanding liabilities (to use the investment fund for granting credit to the operator) that Oxygen has with SPI for the actual amount accrued as of the date receiving the transfer of shares in the Oxygen (As of August 31, 2022, Oxygen has outstanding loan with SPI in the total amount of THB 2,420 million which is the outstanding loan balance from the credit term between Oxygen and its subsidiary and SPI as of September 30, 2022 amounting to THB 4,370), after the issuance and offering of newly issued shares to the existing shareholders of the proportionate to their shareholding percentage (Right Offering), which is expected to be completed within the first quarter of 2023 (will not exceeding financial amount with SPI). In this case, if the Company has sufficient working capital and/or receiving the additional credit from bank, the

Company shall repay the partial outstanding debts to SPI before the issuance and offering of newly issued shares to the existing shareholders proportionate to their shareholding percentage (Right Offering).

However, after the entering into the Investment in Oxygen Transaction, during there is the outstanding debts between Oxygen and SPI, SPI shall request the Company to bring shares in Oxygen, in the amount of 90% which purchased from SPI to pledge with SPI for guarantee to the repayment of the remaining credit limit with SPI. Such shares pledge will be withdrawn when Oxygen making the repayment to SPI in full.

4. Details of acquired assets

Types of asset: ordinary shares

Oxygen Asset Co., Ltd. ("Oxygen")

General Information of Oxygen

Company's name : Oxygen Asset Co., Ltd.

Corporate registered : 0105564143531
number

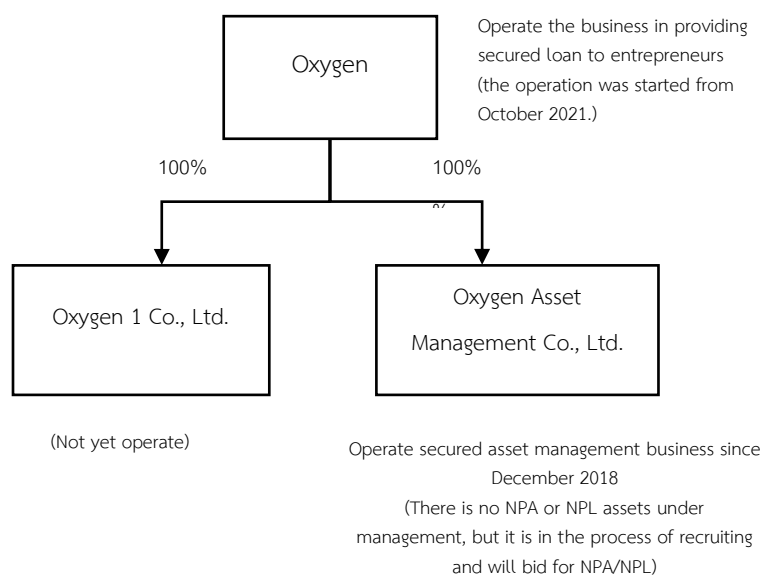
Company's registered : October 4, 2021
date

Address : 530, Soi Sathupradit 58, Bangpongpan Sub-district, Yannawa District,
Bangkok

Registered capital : THB 100,000,000

Paid up capital : THB 100,000,000

Business type : The business providing secured loan to entrepreneurs which Oxygen currently holds 100 percent in Oxygen Asset Management Co., Ltd. which operates a secured asset management business licensed by the Bank of Thailand which currently commencing of the operation process, and holds 100 percent of shares in Oxygen 1 Co., Ltd., which has not operated.



Shareholding Structure

List of shareholders prior entering into the Transaction as appear in the share register book of Oxygen as of September 30, 2022 consists of:

No.	Shareholder	Before entering into the Transaction1/		After entering into the Transaction	
		(share)	(percent)	(share)	(percent)
1.	Company and/or subsidiary	-	-	900,000	90.00
2.	SPI	999,997	99.99	99,997	9.99

No.	Shareholder	Before entering into the Transaction ^{1/}		After entering into the Transaction	
		(share)	(percent)	(share)	(percent)
3.	3 Individual persons which are the representatives of SPI for the establishment of Oxygen.	3	0.01	3	0.01
	Total	1,000,000	100.00	1,000,000	100.00

1/ reference from list of shareholders as of December 9, 2021

The Board of Director of Oxygen

As of September 30, 2022, the board of directors of Oxygen consists of:

- | | | |
|----|--|----------|
| 1 | Mr. Boonsithi Chokwatana ^{2/} | Director |
| 2. | Mr. Samrerng Manoonpol ^{2/} | Director |
| 3. | Mr. Manu Leelanuwatana ^{1/} | Director |
| 4. | Miss Sirikul Dhanasarnsilp ^{2/} | Director |
| 5. | Mr. Pipope Chokvathana ^{2/} | Director |
| 6. | Mr. Vichai Kulsomphob ^{2/} | Director |
| 7. | Miss Kessara Sumkanjanaruk | Director |

1/ remark: Director of the Company

2/ remark: Director of SPI

Key financial information of Oxygen

Key financial information of Oxygen based on the audited financial statements the fiscal year ended December 31, 2021 audited by a certified public accountant can be summarized as follows:

Summary of financial statement

Fiscal year ended at	December 31, 2021
Unit: million THB	(audited)
Total assets	586,781
Total liabilities	483,094
Registered capital	100,000
Issued and paid up capital	100,000
Total Shareholders' Equity	103,687
Total income	11,096
Administration expense	(2,726)
Financial cost	(3,762)
Corporate income tax expense	(921)
Net Profit (Loss)	3,687
Retain Earnings which is not allocated (Loss)	3,687

Reference: Audited financial statements for the fiscal year ended December 31, 2021

5. Size Calculation of the asset acquisition transaction

The Company has calculated the transaction size of the transaction under Notifications on Acquisition and Disposition of Assets, which is calculated from the latest reviewed financial statements of the Company for the six-month period ended June 30, 2022 and the latest reviewed financial statements of Oxygen the fiscal year ended at December 31, 2021 which calculate the size of transaction by including the value of purchased shares under the Investment in Oxygen Transaction and the 90 percent of loan credit limit that Oxygen currently has with SPI as of September 30, 2022 in the amount of THB 3,933 million.

The details are as follows:

(1) Net Tangible Asset (NTA)				
Transaction Size	=	$\frac{(\text{NTA of Oxygen} \times 90\%) \times 100}{\text{NTA of the Company}}$	=	$\frac{(103.69 \text{ mTHB}^{1/} \times 90\%) \times 100}{3,900.11 \text{ mTHB}^{2/}} = 2.39\%$
(2) Net Profit from the operation criteria				
Transaction Size	=	$\frac{(\text{Net profit of Oxygen} \times 90\%) \times 100}{\text{Net profit of the Company}}$	=	$\frac{(3.69 \text{ mTHB}^{3/} \times 90\%) \times 100}{62.82 \text{ mTHB}^{4/}} = 5.28\%$
(3) Total value of consideration criteria				
Transaction Size	=	$\frac{\text{Total value of considerations} \times 100}{\text{Total assets of the Company}}$	=	$\frac{4,768.70 \text{ mTHB}^{5/} \times 100}{4,543.38 \text{ mTHB}^{6/}} = 104.96\%$
(4) Value of securities issued for payment of assets criteria				
This criteria cannot be calculated as the company does not issue new shares to pay for the asset.				
<p>Remark</p> <p>1/ Net Tangible Asset (NTA) of Oxygen in accordance with the reviewed financial statements at fiscal year ended at December 31, 2021.</p> <p>2/ Net Tangible Asset (NTA) of the Company in accordance with the audited financial statements for 6 months period ended at June 30, 2022.</p> <p>3/ Net profit of Oxygen during the last 12 months from the reviewed financial statements at fiscal year ended at December 31, 2021.</p> <p>4/ The net profit attributable to the Company during the past 12 months from July 1, 2021 - June 30, 2022 which is calculated from the consolidated financial statements of the Company ended at June 30, 2021 and 2022, which were reviewed by the certified public accountant, and from the consolidated financial statements of the Company ended at December 31, 2021 which have been audited by a certified public accountant.</p> <p>5/ Total value of consideration calculated from the purchase price of Oxygen's ordinary shares amounting to THB 835.70 million and the existing credit limit which Oxygen and its subsidiaries owned to SPI (in accordance with its shareholding structure) as of September 30, 2022 amounting to THB 3,933 million (calculated from the outstanding credit limit between Oxygen and SPI as of August 31, 2022 amounting to THB 4,370 million). Thus, the grand total consideration value for the Investment in Oxygen Transaction is THB 4,768.70 million.</p> <p>6/ Total assets of the Company according to the consolidated financial statements of the Company ended on June 30, 2022, reviewed by a certified public accountant.</p>				

The Investment in Oxygen Transaction is considered as an asset acquisition transaction according to the Notifications on Acquisition and Disposition of Assets, which can be calculate the transaction size equal to 104.96 percent according to total value of consideration paid or received criteria which is the criteria that calculate the

maximum transaction size by considering from the Company's reviewed consolidated financial statements for the six-month period ended June 30, 2022, which consider the overall transaction size by include the share purchasing value in the Investment in Oxygen Transaction amounting to THB 835.70 million and the existing credit limit which Oxygen and its subsidiaries owned to SPI (in accordance with its shareholding structure) as of September 30, 2022 in the amount of THB 3,933 million (calculated from 90% the outstanding credit limit between Oxygen and SPI as of August 31, 2022 amounting to THB 4,370 million). If including the acquisition of assets size for the past 6 months of THB 162 million¹ and other asset acquisition transactions which (the details are as appeared in Enclosures 5) amounting to THB 2,501.72 million, thus, the grand total value of consideration is THB 7,432.42 million representing the total size of the transaction is equal to the 163.59 percent according to total value of consideration paid or received criteria, which is the criteria that calculates the maximum transaction size. Therefore, such transaction is classified as a "Class 1 Transaction" under the Notifications on Acquisition and Disposition of Assets, i.e. transaction between the listed company which has a transaction value equal to 50% or higher. The Company is, therefore, obliged to prepare a report and disclose the information in respect of the entry into the transaction, whereby there must be an information memorandum comprising at least as many details as required in List (1) of the Notifications on Acquisition and Disposition of Assets, and request for the approve from the Shareholders, with affirmative votes of not less than three-fourths of the total number of votes of the shareholders who attend the meeting and are entitled to vote, discarding the interested persons including appoint an independent financial advisor (IFA) who is a financial advisor approved by the SEC Office.

6. Calculation of the Connected Transaction

The Investment in Oxygen Transaction is an asset or service transaction in which the highest transaction value is 122.27 percent of the Company's net tangible assets (NTA), which is considered from the Company's reviewed consolidated financial statements for the six-month period ending on June 30, 2022 (NTA of the Company as of June 30, 2022 equaling THB 3,900.11 million). However, the Company has not entered into any other connected transaction with the same connected person or related person of SPI during the 6 months prior to the date of this transaction.

¹ The acquisition transaction for the period of 6 months prior amounting to THB162 million, consisting of 2 transactions: 1) the Investment in the ordinary shares of King Square Development Co., Ltd. transaction amounting to 160,000 shares, representing 20% of the registered capital of the company with a par value of THB1,000 per share totaling THB160.00 million 2) Incorporate of 2 subsidiaries of the Company as follows: (1) TNLX Company Limited ("TNLX") with registered capital of THB 1.00 million with 10,000 ordinary shares with a par value of THB100 per share and (2) TN Company L Alliance Company Limited ("TNLA") with registered capital of THB1.00 million, with 10,000 ordinary shares with a par value of THB100 per share, of which the Company holds 9,998 shares in TNLX and TNLA, representing 99.98% of the registered capital of each company.

7. The approval from the relevant Authority

To entering into this transaction, the Company must be approved by the Shareholders' Meeting, but does not require the permission or an approval from any other authority.

8. Sources of funds and methods of payment of compensation

The Company will make payment for ordinary shares of Oxygen to SPI in cash in the amount of THB 835,702,843.50. The source of the capital for this transaction come from issuing and offering the newly issued ordinary shares by way of private placement to BTS Group Holdings Public Company Limited and/or the subsidiary as designated by BTS Group Holdings Public Company Limited ("BTS") in the amount of THB 2,884,080,543.96 and/or cash or disposable investments including the Company's working capital and/or requesting a credit limit from a financial institution, which expected that such loan has no condition that affect the rights of the shareholders of the Company.

In addition, the Company will make a repayment of the outstanding liabilities (to use as the investment fund for granting credit to the operator) with SPI for the actual amount accrued as of the date receiving the transfer of shares in Oxygen. After the issuance and offering of newly issued shares to all shareholders of the Company by way of right offering, which is expected to be completed within the first quarter of 2023. If the Company has sufficient working capital and/or obtains additional loans from commercial banks, it will consider repaying some of the outstanding liabilities pay able to SPI before issuing and offering newly issued ordinary shares to all shareholders in proportion to their shareholding percentage (Right Offering).

Summary of sources of funds and payment of compensation

Sources of funds	Amount (THB)
1. Private Placement	2,884,080,543.96
2. Right Offering	3,051,765,227.88
3. Estimated Cash, Available for sale securities including Company's working capital	1,100,000,000.00 – 1,700,000,000.00
Total	7,035,845,771.84 – 7,635,845,771.84

Payment of compensation ^{1/}	Amount (THB)
1. Payment of 90 percent of the ordinary shares of Oxygen	835,702,843.50
2. Estimated loan repayment in proportion of shareholding of Oxygen which is considered in size calculation of the share acquisition of Oxygen and the credit limit that Oxygen currently has with SPI (Proportionately) as of September 30, 2022 which equal to THB 3,933 million.	3,933,000,000.00
3. Payment of the ordinary shares of 7 companies which operate in real estate development business	531,924,790.00
4. Estimated loan repayment in proportion of shareholding of 7 companies operating in real estate development business. The calculation is estimated from projected outstanding liabilities of 7 companies which equal to THB 1,741.12 million as at 31 December 2022 that is the expected transaction completion timeframe.	1,741,123,008.00
Total	7,041,750,641.50

1/ total value of consideration for the Investment in Oxygen Transaction (amounting THB 4,768.70 million) and the acquisition as details in Enclosure 5 (amounting to THB 2,501.72 million) totaling THB 7,270.42 million which is not equaling to the payment of the compensation because the payment of compensation does not include the expected net capital which the Company shall pay additionally according to the shareholding proportion in each Target Company until the projects of Target Company will be completed amounting to THB 228.68 million (as the details in Enclosure 5).

In the event that the issuance and offering of newly issued ordinary shares and offering by way of private placement (Private Placement) to BTS is unsuccessfully implemented, The source of funds for the payment of the ordinary

shares of Oxygen amounting to THB 835.70 million and the estimated loan repayment according to the proportion of shareholding of Oxygen in the amount of not more than THB 3,933.00 million, which total amount is not more than THB4,768.70 million will come from cash and working capital of the Company and/or loans from financial institutions and/or issuing the newly issued ordinary shares and offering to the existing shareholders proportionate to their shareholding percentage (Right Offering).

9. Interested directors

To consider the agenda of the Board of Directors' Meeting No. 8/2022, held on September 30, 2022 to approve the Investment in Oxygen Transaction, Mr. Manu Leelanuwatana, a chairman of the Board of Directors and a Director of Oxygen, not attend the meeting and cast the vote on such agenda.

10. Expected benefits to the Company

The Company foresees that in entering into the Transaction to purchase the ordinary share in Oxygen will benefit the Company as follows:

- (1) The Company has expanded the investments in new businesses, such as business in providing secured loan to entrepreneurs and the secured asset management business which authorized by the Bank of Thailand, through Oxygen Asset Management Co., Ltd. which Oxygen holds 100 percent of shares and the Company has deliberated and viewed that this business has a good growth prospects, potential and limited competitors in the market especially in the medium-sized customer market. This is a good opportunity for the Company's growth in the future.
- (2) Oxygen has team and executives with knowledge, capability and experience in lending business including having a strong business network which will be able to help the Company to enter into the new business with more stability.
- (3) The business which providing secured loan to the entrepreneurs is the business which has return and satisfied profit ratio, when comparing to the risk, as it is appropriate loan to value of the potential security and is in demand of the market.
- (4) The Company's capital structure has a very low debt-to-equity ratio, including having convertible investment fund that can be converted into a large amount of cash, which facilitates in financing for loan and asset management businesses that requires capital incentive. Therefore, this will help the Company to manage the return from investment more efficiently.

- (5) The investment in new business will benefit the Company by broadening the scope of the Company's business and making it more diverse. This helps to diversify risk away from the main business by diversifying the Company's investments, as well as to mitigate potential impacts due to uncertain economic crises that may affect the Company's business operations, such as the COVID-19 pandemic.

11. Significant condition precedent to the Transaction

The execution of the Investment in Oxygen Transaction must be approved by Shareholders' Meeting to approve the entering into the Transaction with affirmative votes of not less than three-fourths of the total number of votes of the shareholders who attend the meeting and are entitled to vote, discarding the interested persons, including appoint an independent financial advisor (IFA) who is a financial advisor approved by SEC Office. Including the conditions precedent as stipulated in the share purchase agreement, other agreements and other documents relating to such Transactions have been completed. The significant condition precedent can be summarized as follows:

- (1) The Representations and Warranties of the Company and SPI are true as of Closing Date.
- (2) As of the Closing Date, there is no any events or action which cause the material negative to Oxygen or obstruct the entering into the transaction specified in the Share Purchase Agreement.
- (3) The Board of Directors and/or the Shareholders' Meeting of the SPI (as the case may be) has the resolution to approve the entering into the Investment in Oxygen Transaction and the execution and comply with the Share Purchase Agreement. In this case, there is no the requirement of the approval from the shareholders' meeting of BTS because the transaction size is not required.
- (4) SPI has provided the additional disclosure letter to the Company within 1 month from the date of the shares purchase agreement provided that if there is a material issue which would materially affect Oxygen, the Parties agreed that the SPI shall indemnify any loss arising of such issue.

In addition, after entering into the Transaction, the Company may appoint some of existed directors to remain as the director of Oxygen, as they have knowledge and expertise in the business and the Company will further appoint a representative of the Company to become a director in Oxygen.

12. **Opinion of the Board of Directors on entering into the Transaction**

The Board of Directors resolved to approve the Investment in Oxygen Transaction because it was determined that purchasing ordinary shares in Oxygen is reasonable and will benefit the Company and its shareholders because it will use the Company's existing assets, which are cash and capital, to be more profitable.

The investment in a new potential business that can generate a high return and growth rate will allow the Company to recognize profit immediately. It also helps to spread the risk of relying solely on the fashion and textile industries, which are both traditional businesses.

13. **Opinion of the Audit Committee and/or directors which differs from the opinion of the Board of Directors**
-None-

14. **Considerations on the Company's financial business operation after entering into the Investment in Oxygen Transaction Asset Co., Ltd. which operating the business in providing secured loan to the entrepreneurs and the secured asset management business through the subsidiary, and the measures to prevent the conflicts of interest**

As the Company considers investing in Oxygen that providing secured loan to entrepreneurs and secured asset management business according to the details above, it is in accordance with the Company's objectives and strategic direction which aims to generating growth through the investment in new business or potential assets apart from the Company's original business with the goal to driving the growth and a satisfied returns for the Company and the shareholders in short term and long term, and will also become the additional revenue channels for the Company and a risk diversification from the Company's core business.

For the best interests of the Company and shareholders in entering into this financial business, the Company only focuses on secured asset management and providing secured loan and asset management with securities to the entrepreneurs, as the Company sees an opportunity that there is still few competitors in the market and has an acceptable level of risk. In addition, the Company will not operate the microfinance lending business and/or micro asset management with no securities as it is a highly competitive business and there are many competitors in the market. Therefore, the Company will focus on the secured asset management and providing secured loan with securities to the entrepreneurs.

To prevent the conflict of interest in respect of the finance business in case of SPI is the major shareholder and BTS will become one of the major shareholders of the Company which both companies operate various

businesses and investments and may possible have conflict with the invested business of the Company (even there are clear modules and details and the operation of such business)

- SPI currently does not invest in the finance business and/or asset management but the operation of such business is the shareholding in the Company.
- BTS currently directly and indirectly holds the shares in the microfinance lending business, but BTS does not have control over the microfinance lending business and asset management business. However, such business is not competitive with the Company as there is the different target.

In addition, to ensure transparency and to prevent conflicts of interest between the Company and the major shareholders of the Company which is SPI and BTS that operate several businesses and investments, and may including financial business which related to providing loan and asset management. Although, SPI and BTS have clear different model and details of business operation from the Company which will not conflict with the invested business of the Company. However, to build trust of the shareholders and all stakeholders and to ensure that there will be no conflict in business operations, the Company will conduct the following actings:

- (1) Under the Company's operational plan, the two major shareholders, SPI and BTS, will have check and balance to supervise and manage the Company's business by considering the interests of all shareholders and the Company under the relevant laws and regulations.
- (2) In the event that the Company wishes to operate a business that may have a potential conflict of interest with SPI, or BTS, or its subsidiaries, associated company of such major shareholder, the representative director of such shareholder will be deemed to have an interest and cannot make any decision in the Board of Directors' Meeting to consider such matter, and all of the independent directors must attend the Board of Directors' Meeting to consider the reasonableness of such matter and the reasonableness in doing such business.

In this regard, the Company will establish a follow-up process regarding the measures and mechanisms to prevent conflict of interest that have been established by the Company. Audit Committee will be reported as an oversight mechanism in order to ensure that the Company follow the standards of the measures and mechanisms to prevent conflict of interest in the case where the risks of conflict of interest arise. Hence, the Company will ensure that Audit Committee is reported on an appropriate timely basis. In addition, the Company will also disclose the measures to prevent conflict of interest that that have been established in the form of 56-1 One Report on annual

basis from 2022 onwards. The Company believes that the Company's measures to prevent conflicts of interest are transparent enough and appropriate to prevent future conflicts of interest.

Please be informed accordingly.

Sincerely yours,

-Ms. Dusadee Soontrontumrong-

(Ms. Dusadee Soontrontumrong)

Authorized Director

-Ms. Yupaporn Jearrakul-

(Ms. Yupaporn Jearrakul)

Authorized Director