

Information Memorandum in regards of the Connected Transaction
SG Capital Public Company Limited (IM2)

Regarding to the Board of Directors Meeting No. 5/2024 of SG Capital Public Company Limited (the “**Company**” or “**SGC**”) held on 1 July 2024 has considered and approved from the resolution from the Audit Committee Meeting No. 4/2024 held on 20 June 2024 has deemed appropriate to propose to the shareholders regarding to an Extraordinary General Meeting (“**EGM**”) to consider and approve the financial assistance transaction by executing loan agreement with Singer Thailand Public Company Limited (“**SINGER**”) for the credit limit of THB 6,100 million with the tenor of 4 years. The interest rate will be either the average Minimum Lending Rate (MLR) of four commercial banks plus 0.25% per year or SINGER's actual financial cost plus 0.25% per year, whichever is higher. This loan is intended as a reserve for the company to use for repaying existing debt with SINGER, if necessary, to maintain financial liquidity for working capital in business operations.

However, the Transaction is considered as a connected transaction classified as financial assistance transaction under the Notification of the Capital Market Supervisory Board No. TorJor. 21/2551, regarding the rules for connected transactions, dated 31 August 2008, and the Notification of the Board of Governors of the Stock Exchange of Thailand No. TorJor/Por. 22-01, regarding the disclosure and practices of listed company in connected transaction, B.E. 2546, dated 19 November 2003 (including subsequent amendments) (“**Notification on Connected Transactions**”), as SINGER is a major shareholder in SGC, holding 74.92% of total issued and paid-up capital. The total compensation value is THB 1,798.28 million, referencing from an average of Minimum Loan Rate for first-class customers (“**MLR**”) from 4 big financial institutions, including Bangkok Bank, Krungthai Bank, Kasikorn Bank, and Siam Commercial Bank as at 21 June 2024, (which equivalents to 7.12% p.a.) plus premium of 0.25% p.a. (Total of 7.37% p.a.). (compared to SINGER's current financial cost of 5.725% p.a. plus a margin of 0.25% per annum (Total of 5.975% p.a.), which is lower than the average MLR of the four mentioned banks). The transaction value represents 58.16% of the company's net tangible assets (NTA) of THB 3,091.99 million, according to the financial statements as of 31 March 2024. This transaction exceeds 3.00% of the NTA. The company has not entered into any connected party financial assistance transactions in the past six months from the date the Board of Directors approved this transaction. Therefore, this qualifies as a large related party transaction, and the company must comply with the relevant regulations as follows:

1. Disclose information about the connected transaction to the SET;
2. Appoint an independent financial advisor (“**IFA**”) to provide an opinion on the connected transactions to the Company's shareholders. The Company has appointed S14 Advisory Company Limited (“**S14**”) to act as an IFA which S14 has been approved by the Securities and Exchange Commission (the “**SEC**”);
3. Circulate a shareholder's meeting invitation to shareholders at least 14 days in advance, containing the information specified in the connected transaction; and

4. Obtain approval for the Transaction from the shareholders' meeting with at least three-fourth of the total votes of shareholders who attending the meeting and entitled to vote, excluding the votes of interested shareholders.

(1) Information Memorandum in regards of the Connected Transaction

1. Date of the Transaction

The Company will execute the loan agreement with SINGER once received approval from Extraordinary Shareholder Meeting No.1/2024 on 7 August 2024. The Company will appropriately drawdown the credit to increase liquidity status and replace loan obligation that will be due in 2025.

2. Related Counter Party and Relationship with the Company

Lender	Singer Thailand Public Company Limited or "SINGER"
Borrower	SG Capital Public Company Limited or "SGC" or the "Company"
Relationship with the Company	SINGER is a major shareholder of the Company, holding 2,449.98 million shares, or equivalent to 74.92% of total issued and paid-up capital.

3. Transaction Details

Details of the financial assistance transaction can be summarized below:

Loan type	Unsecured loan
Credit limit	THB 6,100.00 million
Loan objective:	To stabilize the Company's liquidity status and/or replace loan obligation which would be due in 2025. However, the drawdown objective is solely for loan replacement.
Interest rate	Average of Minimum Loan Rate for first-class customer (MLR) from 4 big financial institutions, including Bangkok Bank, Krungthai Bank, Kasikorn Bank and Siam Commercial Bank as at 21 June 2024, which is equivalent to 7.12% p.a. plus premium of 0.25% p.a. or actual financing cost of SINGER plus premium of 0.25% p.a., whichever is higher.
Drawdown Period	From 1 January 2025 to 31 December 2025, the company has the right to draw on the credit facility multiple times, subject to the following conditions for each drawdown: <ol style="list-style-type: none">1. The existing debt owed by the company to SINGER is due for repayment, and2. The company needs to maintain financial liquidity for use as working capital in business operations.

	If there is any undrawn credit remaining, the lender will automatically cancel the remaining undrawn amount.
Loan tenor	Regardless of when the company draws on the credit facility, the company must repay the principal and all accrued interest by December 2028.
Repayment term	Interest payment in every end of month and repay principal at due date
Prepayment Fee	None
Collateral	None
Conditions on maintaining financial ratio	None
Conditions that might impact to shareholders	None – This financial assistance transaction has no different conditions compared to previous agreement, as well as there is no collateral required to the lender in the Transaction and no limitation on dividend policy

Regarding the propose of approval to this EGM, the Company would like to propose to the EGM for providing an authority to Board of Directors for proceeding the Transaction as follow:

1. To determine details, terms and conditions regarding the financial assistance transaction as well as other actions regarding to the document execution
2. To sign agreements and/or other documents related to the financial assistance transaction, financial-related transaction, as well as other related documents

4. Total Transaction Value, Calculation Methodology, Total Consideration Value and Terms of Payment

Value of the Transaction will be calculated from interests occurred during the loan agreement period, referencing from average MLR of 4 big financial institutions as of 21 June 2024 with the credit limit of THB 6,100 million with no more than 4 tenors counted from each drawdown. Therefore, the total transaction value will be THB 1,798.28 million, or equivalents to 58.16% of NTA based on reviewed financial statement as of 31 March 2024.

Financial Details of the Company

Details	Unit: THB million
Total assets	13,755.10
Deduct:	
intangible assets ^{/1}	47.36
Total liabilities	10,615.75

Non-controlling interests	-
Net tangible assets (NTA)	3,091.99
Total consideration value	1,798.28
Transaction Size	58.16
Connected transactions in the past six months	-
Total Transaction Size	58.16

Remark: ¹ intangible assets include intangible assets and deferred tax assets

Source: Reviewed financial statement as of 31 March 2024

Calculation of consideration value	
Credit Limit (THB million)	6,100
Interest rate (per annum)	7.37
Tenor (Year)	4
Total Consideration Value (THB million)	1,798.28

Therefore, prior to executing the Transaction, the Company is required to proceed with the following procedure:

1. Disclose information about the connected transaction to the SET;
2. Appoint an independent financial advisor to provide an opinion on the connected transactions to the Company's shareholders. The Company has appointed S14 Advisory Company Limited to act as an independent financial advisor approved by the Securities and Exchange Commission (the "SEC");
3. Circulate a shareholder's meeting invitation to shareholders at least 14 days in advance, containing the information specified in the connected transaction; and
4. Obtain approval for the Transaction from the shareholders' meeting with at least three-fourth of the total votes of shareholders who attending the meeting and entitled to vote, excluding the votes of interested shareholders.

5. Characteristic and Scope of Interests of Connected Person from the Connected Transaction

The Transaction is the transaction between the Company and its major shareholder, considering as a connected transaction classified as financial assistance transaction under the Notification of the Capital Market Supervisory Board No. TorJor. 21/2551, regarding the rules for connected transactions, dated 31 August 2008, and the Notification of the Board of Governors of the Stock Exchange of Thailand No. TorJor/Por. 22-01, regarding the disclosure and practices of listed company in connected transaction, B.E. 2546, dated 19 November 2003 (including subsequent amendments).

Considering with the transaction size calculation method, the transaction size is more than 3.00% of NTA based on reviewed financial statement as of 31 March 2024, thus the Transaction is considered as a

large connected transaction and the Company is require to propose for an approval from Board of Directors and shareholders, together with disclose information regarding the Transaction to the SET.

6. Interested Persons

Interested Person	Position in the Company
Mr. Narathip Wirunechatapant	Board of Director/ Chairman of the Executive Committee/ Member of the Nomination and Remuneration Committee

Regard the Board of Directors meeting No. 5/2024 held on 1 July 2024, there are total of 7 board of directors attended the meeting, in which aforementioned director did not attend the meeting as well as not eligible to vote in regards of the Transaction.

7. Conditions for the Transaction

As this Transaction is considered as a large transaction based on Notification of the Connected Transaction, therefore the Company is required to obtain approval from shareholders with at least three-fourth of the total votes of shareholders who attend the meeting and entitle to vote, excluding the votes of interested shareholders.

8. Opinion from the Board of Directors regarding the Transaction

Board of Directors of the Company (excluding interested director) has an opinion that this Transaction is appropriate and necessary as the conditions to the Transaction is reasonable from the following reasons:

As the Company has plan to expand its mobile phone credit business which has growth potential and high return, as well as to diversify business risks. An execution of loan agreement in this Transaction is to reserve the Company's liquidity as a replacement to repay loan with SINGER which will be due in 2025. In relevant to the Transaction, interest rate is calculated based from an average MLR of 4 big financial institutions including Bangkok Bank, Krungthai Bank, Kasikorn Bank and Siam Commercial Bank as of 21 June 2024 with premium of 0.25% p.a. or financing cost of SINGER plus premium of 0.25% p.a., whichever is higher.

Conditions to the Transaction is reasonable as the Company can repay the loan with no prepayment fee. This will increase an opportunity to the Company to decrease debt obligation if the Company has remaining cash on hand to repay the debt. Furthermore, Board of Directors has considered loan agreement and view that the agreement is appropriate and beneficial to the Company. Therefore, Board of Directors deemed appropriate to propose to the shareholders to consider and approve the Transaction.

9. Different Opinion from Audit Committee and/or Company's Board of Directors

-None-

(2) Other Information Memorandum

1. Obligation of Board of Directors to Information Memorandum

Board of Directors are responsible for information specified in this information memorandum as well as other documents/information circulated to shareholders. However, Board of Directors has reviewed considerably such information and confirm that information in this memorandum and other documents circulated to shareholders are correct and no incorrect information as well as intentional fact avoidance which are required to have or identify together with no misleading information.

2. Company Information and Business Overview

Business Overview of SG Capital Public Company Limited

Company Name	SG Capital Public Company Limited
Business Overview	Financial services as non-financial institution with headquarter located in Bangkok, which services including (1) Leasing of electronic equipment, household equipment and electrical in terms of commercial and industrial (2) Car leasing (3) Debt consolidation (4) Gold leasing and (5) other leasing, i.e. leasing for consummation under brand "SG Capital"
Company ID	0107564000383
Headquarter	72 NT Bangrak Tower, Floor 20, Charoen Krung Road, Bangrak, Bangkok 10500
Registered Capital	THB 3,270,000,000.00 (3,270,000,000 shares at THB 1.00 par value) (as of 19 June 2024)
Paid-up Capital	THB 3,270,000,000.00 (3,270,000,000 shares at THB 1.00 par value (as of 19 June 2024)

3. List of Management and Top 10 Shareholders

As of 30 June 2024, SGC has 4 managements as follows:

	Name	Position
1	Mr. Anothai Sritiapetch ¹	Managing Director
2	Ms. Jatuporn Konghun ²	Chief Financial Officer
3	Mr. Noppadol Sangpratoom	Assistant Executive Vice President of Sales Management / VP Sales Department (Acting)
4	Ms. Nattaya Uppamaame	Senior Vice President of Operations & Credit Approval Division

Source: 56-1 One report

Shareholding Structure (as of 7 May 2024)

No.	Shareholders	Shares	%
1	Singer Thailand PCL ^{/1}	2,449,998,000	74.92
2	JMART Group Holding PCL ^{/2}	145,798,585	4.46
3	Rabbits Holding PCL ^{/3}	71,966,133	2.20
4	Mr. Nattapon Nititnattakul	20,000,000	0.61
5	Mr. Kobpong Phrompanya	19,163,500	0.59
6	Mr. Songyos Uewattana	15,000,000	0.46
7	Mr. Jittiporn Juntarach	13,500,000	0.41
8	Mr. Anon Paijitrojjana	12,600,068	0.39
9	Mr. Chao Gara	12,210,000	0.37
10	Ms. Wilai Jiraitiwanna	11,888,400	0.36
11	Other shareholders	497,875,314	15.23
	Total	3,270,000,000	100.00

Source: Company information

Remarks:

^{/1} Singer Thailand PCL (SINGER) is a listed company in the SET (As of 27 February 2024, top 10 shares are as follows)

	Shareholders	Shares	%
1.	JMART Group Holdings PCL ^{/2}	208,871,053	25.2
2.	Rabbit Holdings PCL ^{/3}	196,889,196	23.75
3.	Mr. Chao Gara	19,702,017	2.38
4.	Ms. Kulissara Gara	17,854,300	2.15
5.	Singer Thailand PCL	13,890,000	1.68
6.	Mr. Attawat Sirisiththongchai	12,950,000	1.56
7.	SOUTH EAST ASIA UK (TYPE C) NOMINEES LIMITED	11,634,275	1.4
8.	NVDR	9,930,610	1.2
9.	Mr. Thanasin Pipat Kittikul	8,600,000	1.04
10.	Mr. Direk Takru	7,218,878	0.87

^{/2} JMART Group Holdings PCL (JMART) is a listed company in the SET (As of 27 February 2024, top 10 shareholders are as follow)

	Shareholders	Shares	%
1.	VGI PCL ^{/4}	199,161,600	13.66
2.	Mr. Adisak Sukhumwittaya	188,088,916	12.9
3.	Rabbit Holdings PCL ^{/3}	148,861,318	10.21
4.	Mr. Ekachai Sukhumwittaya	122,389,718	8.4
5.	Ms. Jutamart Sukhumwittaya	79,633,277	5.46
6.	Ms. Yuwadee Pongatcha	57,117,454	3.92
7.	Mr. Attawat Sirisiththongchai	33,170,000	2.28
8.	NVDR	32,980,182	2.26
9.	Mr. Peeranard Chokwattana	28,916,985	1.98
10.	SOUTH EAST ASIA UK (TYPE C) NOMINEES LIMITED	17,826,400	1.22

^{/3} Rabbit Holdings PCL (RABBIT) is a listed company in the SET (As of 22 March 2024, top 10 shareholders are as follow)

Shareholders	Shares	%
1. BTS Group Holdings PCL by Metha Securities Co Ltd.	1,380,000,000	19.87
2. BTS Group Holdings PCL ^{/5}	584,916,952	8.42
3. NVDR	426,410,051	6.14
4. Mr. Chaloechai Mahakitsiri	250,000,000	3.6
5. EAST FOURTEEN LIMITED-DFA EMERG MARKET CORE EQ PORT	62,421,381	0.9
6. Mr. Chaiyaanan Chakarakul	59,264,896	0.85
7. CGS International Securities Hong Kong Limited.	47,029,700	0.68
8. Mr. Nam Cholsaipan	42,004,111	0.6
9. Mr. Dendanai Hutajutha	39,410,000	0.57
10. Mr. Netthirat Pongnaruesorn	38,000,000	0.55

^{/4} VGI PCL (VGI) is a listed company in the SET (As of 11 June 2024, top 10 shareholders are as follow)

Shareholders	Shares	%
1. BTS Group Holdings PCL ^{/5}	6,391,656,950	57.1
2. Bangkok Bank PCL	935,966,761	8.36
3. BTS Group Holdings PCL by Metha Securities Co Ltd.	451,104,742	4.03
4. NVDR	379,701,465	3.39
5. CGS International Securities Hong Kong Limited.	312,139,040	2.79
6. Mr. Taweechatra Churankul	210,766,806	1.88
7. SOUTH EAST ASIA UK (TYPE C) NOMINEES LIMITED	188,326,381	1.68
8. UBS AG HONG KONG BRANCH	155,133,550	1.39
9. Mr. Naret Ngamapichon	97,000,000	0.87
10. Mr. Keeree Karnchanapas	67,886,000	0.61

^{/5} BTS Group Holdings PCL (BTS) is a listed company (As of 18 June 2024, top 10 shareholders are as follow)

Shareholders	Shares	%
1. Mr. Keeree Karnchanapas	4,160,394,752	31.6
2. NVDR	1,333,719,226	10.13
3. Mr. Kavin Karnchanapas	745,664,295	5.66
4. Social Security Office	421,746,300	3.2
5. K 2 J Holding Co Ltd.	400,818,000	3.04
6. SOUTH EAST ASIA UK (TYPE C) NOMINEES LIMITED	293,758,645	2.23
7. Bangkok Bank PCL	239,461,128	1.82
8. LTF BBL	185,899,100	1.41
9. Bualuang Securities PCL	145,841,400	1.11
10. THE HONGKONG AND SHANGHAI BANKING CORPORATION LIMITED, HONGKONG BRANCH	100,100,000	0.76

4. Connected Transaction for the year 2023 and 3 months ended 31 March 2024

4.1 Singer Thailand PCL, major shareholders of the company, holding 74.92% of total capital

Nature of transaction	Amount (million baht)		Necessity and reasonableness	Opinion of the Audit Committee
	Jan – Dec 2023	Jan – Mar 2024		
1. The Company acquires products from SINGER for utilization in its hire purchase loan business: <ul style="list-style-type: none"> - Purchase of products - Trade accounts payable - Other receivables 	398.34 69.70 3.56	72.71 64.50 4.12	This transaction is integral to the hire purchase loan business as the Company specializes in providing such loans for various products, including electrical appliances, household appliances, and commercial items distributed by SINGER. The hire purchase lender assumes ownership through this process. Consequently, acquiring products from SINGER initiates ownership, enabling delivery to the customer and facilitating subsequent hire purchase contracts.	This transaction aligns with the Company's ordinary business transactions, adhering to standard pricing and trading conditions consistent with those offered by SINGER to third parties.
2. Commission <ul style="list-style-type: none"> - Commission - Other payable 	- -	0.05 0.03	SINGER refers customers to apply for Car 4 Cash loan. SINGER will receive commission only from selling loans that have been approved and customers have received the credit limit.	The mentioned transaction aligns with general commercial conditions and does not result in any loss of benefits for the Company.
3. Subsidized income from SINGER <ul style="list-style-type: none"> - Interest subsidy income (Deferred income) 	2.18	1.53	This item refers to interest subsidy income from SINGER, derived from a mutual agreement in the past. Presently, no such item exists. The items presented in the financial statements are subsidy items recognized progressively based on the installment payments of the loan contract. For both 2023, there are no cash receipts recorded from subsidy income	This transaction is designed to support the business operations between the Company and SINGER, reflecting a common practice in loan businesses. Both entities have collaboratively agreed upon and adjusted the criteria to align with the overall situation of the Company, prioritizing the maximum benefits for both parties.

Nature of transaction	Amount (million baht)		Necessity and reasonableness	Opinion of the Audit Committee
	Jan – Dec 2023	Jan – Mar 2024		
4. Debt Collection fee - Debt Collection fee - Other creditors	 10.30 2.31	 1.21 0.82	As the Company specializes in providing hire purchase loans for electrical appliances distributed by SINGER, which boasts a direct distribution channel and a team of proficient sales staff with in-depth product knowledge, close customer relationships, and a thorough understanding of customer needs, the Company relies on SINGER for debt collection services from its debtors. The service fee, ranging from 1% - 10%, is determined through mutual agreement, considering factors such as the number of customers to be charged and the debt collection efficiency. This service rate is consistent with those paid to other companies.	This transaction is both reasonable and advantageous for the company. Leveraging SINGER's sales staff with strong customer relationships and product knowledge enhances the convenience and flexibility in collecting debtor installments. Moreover, the service rates serve as incentives for employees, fostering a higher quality of debt collection work.
5. Management fee - Management fee - Management fee payable	 12.00 2.14	 2.76 2.95	Historically, the Company engaged SINGER to deliver management services encompassing administrative personnel, support personnel, consulting, and information systems. Service rates are determined by actual expenses, employing the Pro Rata Basis for consistent allocation based on each company's actual usage. The scope of services and service rates undergo annual review.	The sharing of resources, including personnel, leads to cost savings through economies of scale. The opinion is that the allocation of service costs, consistent with actual usage based on the Pro Rata Basis, is appropriate. Furthermore, it is noted that the service rates are deemed reasonable and align with general commercial conditions

Nature of transaction	Amount (million baht)		Necessity and reasonableness	Opinion of the Audit Committee
	Jan – Dec 2023	Jan – Mar 2024		
6. Other expenses			The Company purchases products from SINGER for distribution to customers, employees with specified service periods, and retired employees as a gesture of appreciation for their long service and to foster unity within the organization. Additionally, products are purchased for use in donations, such as contributing to schools, serving as an additional avenue to enhance the Company's brand. The purchase prices align with general trading conditions.	This transaction is deemed reasonable and advantageous for the Company.
- Purchased goods from SINGER	0.76	-		
- Other creditors	0.24	-		
7. Rental expenses, service charges, and total utilities cost			The transaction resulted from a rental arrangement where a leasing company utilizes SINGER's premises for various purposes: (1) Sub-office area for a revenue-generating vehicle, serving as a workspace for credit service-related activities; (2) Warehouse for storing repossessed goods; (3) Work area for credit department employees. In total, there are 16 locations, reflecting a reduction of 6 places from the previous year. This reduction primarily stems from consolidating sub-office spaces for Rod Tam Ngoen to enhance efficiency in management and target group clarity. The rental rate for SINGER-owned spaces will be comparable to neighboring spaces owned by others. For the rented areas, rates will be allocated based on the actual space used, with an additional 15% for common service fees such as cleaning, security, and parking. Actual utility costs will be proportionally covered by the company based on the rented space.	The utilization of shared resources results in cost savings through economies of scale. The allocation of service costs, consistent with actual usage based on the Pro Rata Basis, is considered appropriate and beneficial to the Company.
- Other expenses	2.80	0.01		
- Other payables	1.68	0.09		

Nature of transaction	Amount (million baht)		Necessity and reasonableness	Opinion of the Audit Committee
	Jan – Dec 2023	Jan – Mar 2024		
8. Financial costs - Long-term loans - Interest expense	10,072.67 591.01	10,372.67 146.98	The mentioned transaction originated from a loan obtained from SINGER, given SINGER's status as a publicly-listed company with access to a broader range of funding sources, including issuing bonds. The Company borrowed funds from SINGER, its parent company, to facilitate continued expansion in lending activities. The loan agreement with SINGER stipulates an interest rate equivalent to SINGER's rate derived from the average bond issuance, plus a 0.25% premium to cover SINGER's expenses in bond issuance.	The inter-company loan transactions of the Company are considered both reasonable and advantageous.
9. Loss Adjustment Income - Other Income - Other receivables	1.95 0.97	- 0.97	The transaction is a result of a mutual agreement between the two companies to safeguard against damages arising from work lapses and/or employee corruption. In the event that the Company confirms that the loan contract, initiated by SINGER's employees, causes damage—such as customer contract rejection due to intentional misconduct by SINGER's employees—the Company retains the right to claim damages. Subsequently, SINGER will pursue damages from the responsible employees. The charge rate is determined based on the actual damages incurred.	The transaction is deemed reasonable and aligns with general commercial conditions. It is conducted with the objective of optimizing the Company's benefits.

Nature of transaction	Amount (million baht)		Necessity and reasonableness	Opinion of the Audit Committee
	Jan – Dec 2023	Jan – Mar 2024		
10. Promotional income			In this transaction, SINGER provides financial support to the Company to boost sales of products under the SINGER trademark. The Company is required to allocate personnel and resources to facilitate swift customer responses. The credit contract terms are set by the Company, ensuring no harm to its interests. Both companies are mutually responsible for loan quality control. In case bad debt rates rise, joint discussions and considerations are necessary. The project can be terminated based on the agreement made in the 4th quarter of 2023.	This transaction supports business operations between the two companies, and the service rate is deemed appropriate, causing no harm to the Company.
- Other income	4.58	-		
- Other receivables	3.16	-		
- Accrued income	1.63	-		
11. Loan payments via SINGER top-up machines			The mentioned item represents the actual funds received from the Company's customers who make loan installment payments through SINGER's cash register. This channel serves to facilitate customers in paying their installments.	The mentioned transaction aligns with general commercial conditions and does not result in any loss of benefits for the Company.
- Other receivables	0.29	0.23		
12. Service income (SG Tracking system)			The transaction is for use in tracking the work of salesman. SINGER has requested to use such a system. The company charges fees based on the number of system users.	The mentioned transaction aligns with general commercial conditions and does not result in any loss of benefits for the Company.
- – Other income	-	0.03		
- – Other receivables	-	0.03		

4.2 SG Broker Company Limited (“SGB”) is subsidiary of SINGER and has common director

Nature of transaction	Amount (million baht)		Necessity and reasonableness	Opinion of the Audit Committee
	Jan – Dec 2023	Jan – Mar 2024		
1. Commission income from insurance sales			<p>The transaction involves offering insurance policy products to the Company's loan customers, including car insurance and credit line protection insurance, to mitigate risks related to the loan customers' repayment ability. This is particularly applicable in the event of damage to the collateral vehicle or a severe event resulting in the disability or death of the loan applicant. The Company serves as a channel for connecting customers with insurance, while SGB, holding an insurance sales agent license, collaborates with insurance companies. The Company will receive a commission share from SGB based on jointly established objectives and the scope of work.</p> <p>The share ratios are annually reviewed collaboratively to align with the goals and scope of work.</p>	<p>These transactions are reasonable and reflect actual services that bring benefits to the company.</p>
- Commission income	19.58	5.85		
- Accrued income	5.88	4.71		
- Other receivables	0.04	2.50		

4.3 SG Service Plus Company Limited (“SGS”) is subsidiary of SINGER and has common director

Nature of transaction	Amount (million baht)		Necessity and reasonableness	Opinion of the Audit Committee
	Jan – Dec 2023	Jan – Mar 2024		
1. Venue rental list with SGS - Other expenses	0.48	0.01	The Company has subleased a portion of a warehouse building in Phra Nakhon Si Ayutthaya from SGS for the operational needs of the telephone debt collection department. The rental cost is determined by apportioning SGS's rental expenses based on the Company's actual space usage. An additional 15% is added to cover service-related expenses within the area, including cleaning, security, car parking services, etc. Utility bills are to be paid based on the proportional use of space, as allocated from actual utility invoices.	Utilizing shared resources leads to cost savings through economies of scale. The allocation of service costs is in line with actual usage based on the pro-rata basis, making it a deemed appropriate and advantageous asset for the Company.
2. Area service fee, Repairs and maintenance of tools and appliances service fee - Other expenses - Other payables	0.29 0.29	- -	The Company employs services for the maintenance and repair of tools and equipment, including products repossessed from customers, to ensure the functionality of company-owned assets. The service rate aligns with market prices.	These transactions align with general commercial conditions, and the service rates are in accordance with market norms.
3. Human Resource management fee - Other income - Other receivable	- -	0.26 0.28	The company provides customer relations services to SGS for a fee based on actual costs and allocated based on the percentage of work performed for the subscriber plus a 5% markup for an administrative fee.	These transactions align with general commercial conditions, and the service rates are in accordance with market norms.

4.4 JMART Group Holdings PCL (“JMART”) is an indirect major shareholder of the Company which JMART holds shares in SINGER equivalent to 25.20% of total capital and a direct shareholder of the Company equivalents to 4.46% of total capital SG Service Plus Company Limited (“SGS”) is subsidiary of SINGER and has common director

Nature of transaction	Amount (million baht)		Necessity and reasonableness	Opinion of the Audit Committee
	Jan – Dec 2023	Jan – Mar 2024		
1. Service Expense - Other expense	1.54	0.22	The Company has engaged a related business to conduct an inspection of its operational processes, and the professional fee for this service is comparable to fees charged by other companies.	These transactions align with general commercial conditions, and the service rates are in accordance with market norms.

4.5 JMT Network Services PCL (“JMT”) is a subsidiary of JMART which JMART is an indirect major shareholder of the Company

Nature of transaction	Amount (million baht)		Necessity and reasonableness	Opinion of the Audit Committee
	Jan – Dec 2023	Jan – Mar 2024		
1. Income from sales of receivables - Revenue from the transfer of debt claims - Other receivables	110.31 61.75	0.70 4.25	The Company offers loans and hire purchase loans, exposing it to the risk of default by loan debtors, resulting in non-performing loans. To recover cash flow and enhance the overall quality of the loan portfolio, the Company engages in the sale of claims on receivables as per loan agreements through auctions of non-performing loans. The Company invites at least 3 non-performing debt management business operators to participate in the auction through invitation letters.	The transaction aligns with the general commercial conditions of the loan business.
2. Debt collection service fee - Debt collection service fee - Other payables - Other expenses	18.33 1.25 4.35	0.52 1.34 1.13	The Company provides loans and hire purchase loans, which carry the risk of being unable to collect installments as scheduled. In cases where the Company is unable to collect debts as scheduled, and there are debtors who have been overdue for an extended period, this situation impacts the classification of the debtor's status and the provision for expected credit losses. It may also lead to	The process of tracking down debts, reclaiming assets, filing lawsuits, conducting asset investigations, and enforcing cases is an essential procedure for businesses. This requires expertise to manage debts and minimize damages from payment defaults. The service rate is a mutually agreed-upon price based on market criteria. Work

Nature of transaction	Amount (million baht)		Necessity and reasonableness	Opinion of the Audit Committee
	Jan – Dec 2023	Jan – Mar 2024		
			<p>additional operating expenses in the event of litigation or legal action.</p> <p>The Company, therefore, engages debt collection services for overdue debts, property possession, litigation, property investigation, and enforcement from external service providers (Outsource), with JMT being one of the service providers. The Company evaluates the capabilities of each service provider and allocates a loan portfolio to each service provider for debt collection based on their expertise, cost-effectiveness, and the best offer of each service provider.</p> <p>However, the Company routinely evaluates the performance (KPI) of JMT and other service providers. If the results do not meet the Company's specifications, the Company has the right to terminate the contract and engage another company with better performance. Debt collection rates remain consistent across all service providers. Regarding expenses incurred in legal proceedings, these are actual costs such as court fees and various document fees collected by government agencies.</p>	<p>efficiency is measured, and the engagement can be terminated if performance does not meet the Company's standards. This is a reasonable and beneficial action for the Company.</p>
<p>3. Rod Tam Ngoen loans commission</p> <p>Other expenses</p>	0.04	0.02	<p>The Company has a partnership with JMT for a Rod Tam Ngoen project. JMT is responsible for customer acquisition, conducting loan sales, coordinating with the loan approval department, and collecting necessary documents from customers for submission to the Company. JMT will receive</p>	<p>This transaction serves as one of the channels for acquiring customers for the company, and the service fee is deemed appropriate.</p>

Nature of transaction	Amount (million baht)		Necessity and reasonableness	Opinion of the Audit Committee
	Jan – Dec 2023	Jan – Mar 2024		
			<p>a commission for each approved loan sale, and the customer will be granted the approved credit limit.</p> <p>When evaluating JMT's commission rate, the Company compared it to standard sales transactions involving expenses for sales representatives and staff. This includes commissions for customer-recommending agents, sales staff responsible for customer interaction, car inspection, coordination with the credit analysis department, and document collection from customers. Upon comparison, there is no discernible difference in the commission rate paid to JMT.</p>	
<p>4. Service fee for using the checking program to assess customer status</p> <ul style="list-style-type: none"> - Other expense - Other Payable 		<p>0.35</p> <p>0.11</p>	<p>Service fee for using a checking program to evaluate customer status or customer group information for use in credit consideration.</p>	<p>These transactions align with general commercial conditions, and the service rates are in accordance with market norms.</p>

4.6 JMART Mobile Company Limited (“JMB”) is a subsidiary of JMART which JMART is an indirect major shareholder of the Company

Nature of transaction	Amount (million baht)		Necessity and reasonableness	Opinion of the Audit Committee
	Jan – Dec 2023	Jan – Mar 2024		
<p>1. The Company purchase products from JMB for utilization in its hire purchase loan business</p> <ul style="list-style-type: none"> - Purchase of products - Trade accounts payable 	<p>29.78</p> <p>4.67</p>	<p>15.43</p> <p>3.79</p>	<p>The transaction originated from JMB's mobile phone leasing business. The Company placed orders with JMB to facilitate mobile phone leasing services, with product delivery to customers managed through JMB's access, coordination, and documentation. The exchange of mobile phones between the Company and JMB involves specifying</p>	<p>This transaction constitutes a credit-based business model, necessitating a purchase process for ownership. The acquisition of mobile phone occurs at market prices prevailing at the time of purchase. Consequently, this transaction is considered</p>

Nature of transaction	Amount (million baht)		Necessity and reasonableness	Opinion of the Audit Committee
	Jan – Dec 2023	Jan – Mar 2024		
			purchase/sale prices based on market rates at the time of the transaction.	both reasonable and advantageous for the company.

4.7 JMART Insurance PCL (“JMI”) is a subsidiary of JMT

Nature of transaction	Amount (million baht)		Necessity and reasonableness	Opinion of the Audit Committee
	Jan – Dec 2023	Jan – Mar 2024		
1. Insurance Premium			The Company holds property risk insurance, director and officer liability insurance with JMI at prices consistent with those offered by other insurance companies.	The mentioned transaction is both reasonable and advantageous for the Company.
- Other expenses	0.29	0.06		
- Other receivables	0.16	0.10		

4.8 J Ventures Company Limited (“JVC”) is a subsidiary of JMART

Nature of transaction	Amount (million baht)		Necessity and reasonableness	Opinion of the Audit Committee
	Jan – Dec 2023	Jan – Mar 2024		
1. Software development			The Company has engaged JVC to develop a software system, primarily focusing on the SG Tracking system for efficiently managing debt collection through field debt collectors. The system accurately stores customer addresses (latitude, longitude), enabling precise tracking of field employees' movements for work monitoring and expense disbursement purposes. The procurement transaction involved a price comparison based on the company's general conditions, and the agreed price aligns with market rates.	The transaction adheres to general commercial conditions, and the pricing is considered reasonable.
- Intangible assets	2.11	1.31		
- Other Payable	-	0.87		
2. System maintenance fees			The Company has engaged JVC for the maintenance of the cloud network system responsible for storing data related to the SG Tracking system.	The transaction adheres to general commercial conditions, and the pricing is considered reasonable.
- Other expenses	0.11	0.01		
- Other A/P	0.07	0.02		

4.9 Beanandbrown Company Limited (“BB”) is a subsidiary of JMART

Nature of transaction	Amount (million baht)		Necessity and reasonableness	Opinion of the Audit Committee
	Jan – Dec 2023	Jan – Mar 2024		
1. Purchase of products			This involves purchase of products, such as coffee machines and coffee beans, for business use. The purchase is made at market prices and is comparable to those of other brands.	The transaction adheres to general commercial conditions, and the pricing is considered reasonable.
- Other expenses	0.09	0.01		
- Other payables	0.02	0.01		

4.10 Jay Elite Company Limited (“JElite”) is a subsidiary of JMART

Nature of transaction	Amount (million baht)		Necessity and reasonableness	Opinion of the Audit Committee
	Jan – Dec 2023	Jan – Mar 2024		
1. Promotional costs			The Company initiated a promotional project with its affiliates, offering J Points from related businesses to retail customers participating in the Debt Consolidation project. The pricing of J Points aligns with market rates and is comparable to points offered by other companies.	The mentioned transaction serves to support business operations within the group and acts as an incentive for the Company's customers and/or customers of affiliated companies to engage with the Company. The established price is consistent with the reference price from other companies.
- Other expenses	0.01	0.01		
- Other payables	0.01	0.01		

Necessity and Reasonableness of Intercompany Transactions

In the Audit Committee Meeting No. 2/2567, held on May 13, 2024, the intercompany transactions of the company as of March 31, 2024, were reviewed. This review included inquiries with the company’s management and an examination of information as specified in the notes accompanying the audited financial statements by the company’s auditor. It was concluded that the intercompany transactions as of March 31, 2024, are necessary and beneficial for the company’s business operations and/or are conducted under general commercial terms similar to those that a reasonable person would engage in with a general contractual party under the same circumstances, with negotiating power free from influence due to the counterparty’s status as a potentially conflicted party (Arm’s Length Basis).

5. 3-Year Financial Summary and 1st Quarter of 2024 with Management Discussions and Analysis (MD&A)

5.1. Financial Position

THB million	31 Dec 2021		31 Dec 2022		31 Dec 2023		31 Mar 2024	
	Audited		Audited		Audited		Reviewed	
	THB million	%	THB million	%	THB million	%	THB million	%
Assets								
Current Assets								
Cash and cash equivalents	391.37	3.42	3,106.14	17.47	154.00	1.14	624.25	4.54
S-T portion of lease that due within 1 year	3,076.26	26.91	3,438.46	19.34	855.86	6.36	688.50	5.01
A/R of debtor that due within 1 year	1,225.05	10.72	2,006.26	11.28	2,263.28	16.82	2,361.96	17.17
Other A/R	228.98	2.00	67.32	0.38	212.46	1.58	156.45	1.14
Accrued revenue	25.57	0.22	11.67	0.07	7.52	0.06	4.71	0.03
Assets on sales	-	0.00	39.05	0.22	181.74	1.35	152.07	1.11
Other current assets	0.01		0.08					
Total current assets	4,947.24	43.28	8,668.98	48.75	3,674.86	27.31	3,987.94	28.99
Non-current assets								
Debtor from leasing agreement	2,076.04	18.16	1,918.40	10.79	715.58	5.32	775.41	5.64
Debtor from loans	4,277.93	37.43	7,030.47	39.53	8,325.44	61.88	8,251.07	59.99
Building improvement and equipment	14.32	0.13	21.47	0.12	21.97	0.16	21.33	0.16
Right of use assets	14.90	0.13	18.94	0.11	26.04	0.19	24.17	0.18
Intangible assets	4.72	0.04	6.27	0.04	13.57	0.10	23.19	0.17
Deferred tax assets	93.63	0.82	116.91	0.66	674.97	5.02	669.67	4.87
Other non-current assets	1.46	0.01	1.92	0.01	2.44	0.02	2.33	0.02
Total non-current assets	6,482.99	56.72	9,114.39	67.74	9,780.01	72.69	9,767.16	71.01
Total assets	11,430.24	100.00	17,783.36	100.00	13,454.87	100.00	13,755.10	100.00
Current liabilities								
Short term loans from financial institution	-	0.00	55.00	0.31	-	0.00	-	0.00
A/P	1,179.63	10.32	486.48	2.74	75.19	0.56	69.23	0.50
Other A/P	263.44	2.30	163.96	0.92	127.50	0.95	118.11	0.86
Loans from parent company that due within 1 year	9.89	0.09	10.48	0.06	2,353.83	17.49	3,948.46	28.71

THB million	31 Dec 2021		31 Dec 2022		31 Dec 2023		31 Mar 2024	
	Audited		Audited		Audited		Reviewed	
	THB million	%	THB million	%	THB million	%	THB million	%
S-T portion of lease agreement that due within 1 year	7.55	0.07	9.02	0.05	14.21	0.11	13.88	0.10
Deferred tax liabilities	49.26	0.43	92.40	0.52	-	0.00	-	0.00
Total current liabilities	1,509.77	13.21	817.33	4.60	2,570.72	19.11	4,149.67	30.17
Non-current liabilities								
Long-term loans from parent company	7,463.09	65.29	11,172.67	62.83	7,718.84	57.37	6,424.22	46.70
Long-term loans from financial institutions	14.44	0.13	3.92	0.02	-	0.00	-	0.00
Debt from lease agreement	8.61	0.08	11.77	0.07	12.31	0.09	10.87	0.08
Employee benefits obligation	19.14	0.17	24.14	0.14	17.95	0.13	17.71	0.13
Employee insurance	1.20	0.01	2.14	0.01	13.61	0.10	13.28	0.10
Total non-current liabilities	7,506.48	65.67	11,214.64	63.06	7,762.71	57.69	6,466.08	47.01
Total liabilities	9,016.25	78.88	12,031.97	67.66	10,333.43	76.80	10,615.75	77.18
Shareholders' equity								
Registered capital								
Registered capital								
(3,270,000,000 shares at THB 1 par value)	3,270.00	28.61	3,270.00	18.39	3,270.00	0.24	3,270.00	23.77
Paid-up capital								
(3,270,000,000 shares at THB 1 par value)	2,450.00	21.43	3,270.00	18.39	3,270.00	0.24	3,270.00	23.77
Shares premium								
Shares premium	-	0.00	2,292.00	0.12	2,292.00	17.03	2,292.00	16.66
Non-controlling interests	(974.12)	8.52	(974.12)	0.05	(0.97)	7.23	(0.97)	0.01
Retained earnings								
Distributed								
Legal reserves	176.02	1.54	209.38	1.18	209.38	1.56	209.38	1.52
Retained (loss) earnings	762.09	6.67	954.13	5.37	1,675.82	12.46	1,657.92	12.05
Total shareholders' equity	2,413.99	21.12	5,751.40	32.34	3,121.44	23.20	3,139.35	22.82

THB million	31 Dec 2021		31 Dec 2022		31 Dec 2023		31 Mar 2024	
	Audited		Audited		Audited		Reviewed	
	THB million	%	THB million	%	THB million	%	THB million	%
Total liabilities and shareholders' equity	11,430.24	100.00	17,783.36	100.00	13,454.87	100.00	13,755.10	100.00

5.2. Profit and loss statement

Unit : THB million	31 Dec 2021	31 Dec 2022	31 Dec 2023	31 Mar 2024
	Audited	Audited	Audited	Reviewed
	THB million	THB million	THB million	THB million
Revenue				
Interest income	1,735.93	2,399.08	2,089.38	424.33
Other revenues	45.88	39.68	80.11	12.20
Total revenue	1,781.82	2,438.76	2,169.49	436.53
Expenses	-	-		
Operating expenses	491.63	641.60	640.54	137.41
Total expenses	491.63	641.60	640.54	137.41
Operating profits	1,290.18	1,797.15	1,528.95	299.12
Finacce cost	(353.29)	(600.22)	(592.72)	(147.37)
Estimated credit loss	(211.37)	(395.21)	(3,770.82)	(128.53)
EBT	725.51	801.73	(2,834.59)	23.21
Tax	(132.48)	(134.49)	559.31	(5.31)
Net profit (loss)	593.03	667.24	(2,275.28)	17.91

Management Discussions and Analysis

Total Revenue

Total revenue comprises of interest income from (1) leasing agreement on electric equipment (2) car leasing and (3) Other leasing, for example, leasing for employee allowance, gold leasing ("Click2Gold") and other leasing and other revenues such as transaction fees and commission fees

For 1st quarter of 2024, the company had total revenue of THB 436 million, decreasing of THB 222 million, or 34% for the same quarter of previous year, which resulting from decrease in interest income from lease agreement and loans.

For 1st quarter of 2024, the Company had interest income from leasing and loan business of THB 424 million, decreasing THB 222 million or 34% for the same quarter of previous year, resulting from the Company has more strict credit approval policy, lower portfolio of electric leasing, as well as increasing in non-performing loans.

These results to interest income recognition, which is around 82% compared to previous year. On the other hand, revenue from car leasing and leasing from employee allowance increased around 11% compared to previous year.

Operating Expenses

For 1st quarter of 2024, the Company had operating expenses of THB 137 million, decreasing THB 39 million or 22% compared to previous year in the same quarter. This results from expense control policy, especially in human resource management and increase efficiency in every function, led by KPI as indicator and continuously control expenses.

Finance Cost

For 1st quarter of 2024, the Company had finance cost of THB 147 million, decreasing THB 10 million or 6% compared to previous year at the same period. This resulted from the principal repayment of THB 1,100 million to SINGER in 2023.

Estimated Credit Loss

For 1st quarter of 2024, the Company had estimated credit loss of THB 129 million, decreasing THB 625 million or 83% compared to previous year at the same period. This resulted from the decrease of electrical leasing portfolio which the Company has more strictly approval process. Furthermore, in 1st quarter of 2023, the Company has estimated the credit loss will increase significantly for the client in electrical leasing business who left the supportive project of COVID-19 pandemic and cannot repay on time. Furthermore, the Company has increased debt collection policy, resulting of higher estimated credit loss in 1st quarter of 2024.

Net Profit (Loss) for the Period

For 1st quarter of 2024, the Company has net profit of THB 18 million while in there was net loss of THB 368 million in previous year. This resulted from enhancement of expense control and decrease of estimated credit loss in electrical leasing segment.

Financial Position

Total Assets

Total assets as of 31 March 2024 and 31 December 2023 was THB 13,755 million and THB 13,455 million, respectively, increasing THB 300 million or 2% compared to previous year which mostly resulted from:

Cash and cash equivalents as of 31 March 2024 of THB 624 million, increasing THB 470 million or 305% compared to previous years. This resulted from increase of cash flow from operations, including more strictly leasing approval policy and more efficient cost management

Debtor from leasing agreement as of 31 March 2024 of THB 1,464 million, decreasing THB 108 million or 7% compared to previous year. This resulted from decrease of electrical leasing portfolio from more strictly credit approval policy which led to lower new leasing portfolio.

Debtor from loan as of 31 March 2024 of THB 10,613 million, increasing THB 25 million or 2% compared to previous year. This resulted from expansion of leasing portfolio of employee allowance.

Liabilities

Total liabilities as of 31 March 2024 and 31 December 2023 were THB 10,616 million and THB 10,334 million, respectively, increasing THB 282 million or 3% compared to previous year. This resulted from an execution of lease agreement with parent company amounting THB 300 million in 1st quarter of 2024.

Shareholders' Equity

Shareholders' equity as of 31 March 2024 and 31 December 2023 were THB 3,139 million and THB 3,121 million, respectively, increasing THB 18 million or 1% compared to previous period. This resulted from profits from operation in 1st quarter of 2024 explained above

Management Outlook

Management has positive view in both financial position and future business operation as economic situation is recovering from COVID-19 pandemic situation, resulting to higher capability of debtor to repay debts. In 2024, the Company has offered new financial products in relevant to mobile phone leasing which could be locked if customer cannot repay the debt, in other word as "Locked Phone". This product has utilized technology to increase efficiency of credit application and approval process. Management is confident that this new product can boost the company performance.

6. Other information which could impact investment consideration (if any)

-None-

7. Connected Person and/or Interested Persons

Connected Person	Shareholding in the Company	%
Singer Thailand PCL	2,449,998,000	74.92

8. Asset Approval from independent valuer in the situation of assets acquisition/divestment

-None-

9. Opinion from Independent Financial Advisor

- Rationale and Benefits from the Connected Transaction

Independent financial advisor views that this financial assistance transaction from SINGER is beneficial to the Company which increase operational liquidity to the Company which has tenor of 4 years. The specification of loan amount, interest rate (MLR-reference from financial institutions) and terms and conditions would not have significant negative impact to the Company.

- **Fairness of Pricing and Conditions of the Connected Transaction**

Independent financial advisor views that the definition and specification of interest rate is fair and beneficial to the Company. The interest rate is compared between (1) Reference of interest rate with financial institutions (average MLR) and (2) actual finance cost of SINGER is appropriate when comparing with financing cost and operational timeline when seeking funding from other sources, for example, loans from financial institution, bond issuance. However, the consideration of financial assistance of the company will consider internal cash flow first.

- **Shareholders Resolution to this Connected Transaction**

Shareholders should approve this transaction referring from rationales and benefits from the connected transaction together with fairness of pricing and conditions of this connected transaction.

10. Litigation or claims that under the process

-None-

11. Letter of authorization with at least 1 Audit Committee to receive authorization from shareholders

Attachment 7

12. Opinion from Board of Directors in relation to the connected transaction with rationale and benefits to the Company compared to execution the transaction with independent outsiders

-None-

13. Different Opinion from Audit Committee and/or Company's Board of Directors

-None-

The Company hereby certifies that entering in this Transaction, the Company has considered with reasonableness based on the interests of shareholders as priority and the Company hereby certifies that the information contained in this information memorandum is true in all respects.

(Mr. Anothai Sritiapetch)

Managing Director