

**Opinion of the Independent Financial Advisor Regarding the
Financial Assistance from Connected Person**

of



SG Capital Public Company Limited

To

Shareholders of SG Capital Public Company Limited

By



S 14 Advisory Company Limited

5 July 2024

5 July 2024

Subject Independent financial advisor opinion in regards of receiving financial assistance from connected person of SG Capital Public Company Limited

To Audit Committee and shareholders of SG Capital Public Company Limited

Attachments:

- 1) Business and financial summary of SG Capital Public Company Limited
- 2) Business and financial overview of Singer Thailand Public Company Limited

References:

- 1) Resolution from Board of Director meeting of SG Capital Public Company Limited no. 5/2024 on 1 July 2024 and related information memorandum: Financial assistance from connected person
- 2) Resolution from Audit Committee of SG Capital Public Company Limited no. 5/2024 on 20 June 2024: Financial assistance from connected person
- 3) 56-1 One Report of SG Capital Public Company Limited as of 31 December 2023
- 4) 56-1 One Report of Singer Thailand Public Company Limited as of 31 December 2023
- 5) Audited financial statement of SG Capital Public Company Limited for 12 months period as of 31 December 2023 and reviewed financial statement for 3 months period as of 31 March 2024
- 6) Audited financial statement of Singer Thailand Public Company Limited for 12 months period as of 31 December 2023 and reviewed financial statement for 3 months period as of 31 March 2024
- 7) Affidavit, Memorandum of Association, related documents and information together with interview with management and employees of SG Capital Public Company Limited

Reasons of the Transaction

In regards of Board of Director meeting of SG Capital Public Company Limited (the “**Company** or “**SGC**”) no. 5/2024 held on 1 July 2024 under the consideration and approval by Audit Committee meeting no. 4/2024 held on 20 June 2024 which has the resolution to propose to Extraordinary General Meeting to consider and approve financial assistance transaction by executing loan agreement with Singer Thailand Public Company Limited (“**SINGER**”) with the credit limit of THB 6,100.00 million for loan tenor of 4 years. The objective for this transaction is to use as a cash reserve for replacing existing loans executed with SINGER in the scenario that SGC is required to maintain financial liquidity for its working capital.

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 in this transaction is THB 1,798.28 million, referenced by an average of Minimum Loan Rate for first-class customers (“**MLR**”) from 4 commercial banks, including Bangkok Bank Public Company Limited, Krungthai Bank Public Company Limited, Kasikorn Bank Public Company Limited, and Siam Commercial Bank Public Company Limited as of 1 July 2024, which equivalent to 7.12% p.a. plus premium of 0.25% p.a., totaling 7.37% p.a. Therefore, the transaction size can be calculated at 58.16% of net tangible asset (“**NTA**”) of THB 3,091.99 million, based on reviewed financial statement as of 31 March 2024. Thus, the Transaction is considered as a large connected transaction. Therefore, the Company is required to proceed with the following procedure:

1. Disclose information about the connected transaction to the SET;
2. Obtain approval from Board of Director meeting in regards of the transaction;
3. Appoint independent financial advisor to provide an opinion in regards of the transaction to shareholders of the Company

The Company has appointed S 14 Advisory Company Limited (“**S14**” or “**Independent Financial Advisor**”) on 1 July 2024 to provide an opinion in regards of this transaction. S14 is a financial advisor approved by the Securities and Exchange Commission (the “**SEC**”);

4. Circulate a shareholder’s meeting invitation to shareholders at least 14 days in advance, containing the information specified in the connected transaction; and
5. 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.

Opinion from this independent financial advisor report has prepared based on information and documents from information memorandum which the Company disclosed to the SET, public information, audited

and reviewed financial statement, information from the Company and other documents/information in relevant to this transaction. Moreover, independent financial advisor has considered information from interview with management and related person including their opinion in regards of this transaction, which this information has been consolidated for the preparation of this report.

S14 Advisory as a financial advisory firm approved from the SEC with an independence to the Company, has considered and analyzed such information/documents with careful and rationality based on professional standard with considerable benefits to shareholders of the Company as priority. Opinion of independent financial advisor are based on assumptions that information and documents received from the Company as well as other related public available information and interview with management are true, correct and fullness. Such information and documents have assumed no significant changes that impact to the operation and performance of the Company. Furthermore, this report has been prepared under the consideration of the situation at the time of this transaction only. If some factors have been changed, there should affect the decision from shareholders in relation to this transaction. Therefore, this opinion from independent financial advisor cannot guarantee impacts from this transaction to the Company and shareholders in the future. However, the purpose of an opinion from independent financial advisor in this transaction is solely for this transaction which shareholders shall review advantages and disadvantages of this transaction, risks from the transactions as well as other consideration points with carefulness, which such information has attached with the shareholders' invitation letter. However, an opinion provided in this report does not confirm the approval status in this transaction and independent financial advisor is not responsible for any impact in regards of the transaction, either directly or indirectly.

Table of Contents

| | |
|---|----|
| Definitions | 2 |
| Part 1 : Executive Summary | 3 |
| Part 2: Characteristics and Details of the Transaction | 16 |
| 2.1 Source and General Characteristics of the Transaction..... | 16 |
| 2.2 Type and Size of the Transaction | 17 |
| 2.3 Date of the Transaction | 18 |
| 2.4 Related Parties and Relationships Between Parties | 18 |
| 2.5 Summary of Key Terms and Conditions of the Transaction..... | 21 |
| 2.6 Total Value of Consideration and Method of Payment..... | 22 |
| 2.7 Conditions for Entering into the Transaction..... | 23 |
| 2.8 Related Party Transactions Occurring Within 6 Months Prior to the Date of Agreement, Involving the Same Person, Related Parties, or Close Relatives | 23 |
| 2.9 Source of Funds of the Company Received from SINGER for Financial Assistance | 23 |
| 2.10 Funds for Repayment of Principal in the Transaction | 23 |
| 2.11 Participation and Voting in the Board Meeting by Interested Directors | 24 |
| 2.12 Conditions That May Affect Shareholders' Rights | 24 |
| 2.13 The Opinion of the Board of Directors on Entering into This Related Party Transaction | 24 |
| 2.14 Comments from the Audit Committee and/or Directors Differing from the Board of Directors' Opinion | 24 |
| Part 3 : Rationality and Advantages and Disadvantages of the Transaction | 25 |
| 3.1 Objective and Necessity of the Transaction..... | 25 |
| 3.2 Historical Financial Assistance of the Company..... | 25 |
| 3.3 Appropriateness of Interest Rate and Conditions of the Transaction | 26 |
| 3.4 Impact of the Transaction to Financial Position of the Company..... | 32 |
| 3.5 Advantages and Disadvantages for Proceeding the Transaction | 33 |
| 3.6 Advantages and Disadvantages for not proceeding the Transaction..... | 37 |
| 3.7 Advantages and Disadvantages for proceeding the transaction with connected person | 38 |
| 3.8 Advantages and Disadvantages for proceeding the transaction with external parties | 39 |
| 3.9 Risks from the Transaction..... | 40 |
| 3.10 Summary of IFA Opinion in regards to the Appropriateness of the Transaction..... | 41 |
| Part 4 : Summary of Independent Financial Advisor Opinion | 42 |
| Attachment 1 : Summary of SG Capital Public Company Limited | 43 |
| Attachment 2 : Summary of Singer Thailand Public Company Limited | 53 |

Definitions

| Abbreviation | Details |
|--|---|
| SGC or the Company | SG Capital Public Company Limited |
| SINGER | Singer Thailand Public Company Limited which is the major shareholder of the Company equivalent to 74.92% of registered and paid-up capital |
| Group of Company | SG Capital Public Company Limited and Singer Thailand Public Company Limited |
| Transaction | Financial assistance transaction from SINGER who is a major shareholder of the Company with the credit limit of 6,100.00 million with loan tenor of 4 years at floating interest rate referenced from minimum loan rate (MLR) from 4 commercial banks including Bangkok Bank PCL, Krungthai Bank PCL, Kasikorn Bank PCL, Siam Commercial Bank PCL plus premium of 0.25% p.a. or actual cost of SINGER plus 0.25% p.a. whichever is higher |
| The SEC | The Securities and Exchange Commission |
| The SET | The Stock Exchange of Thailand |
| IFA or Independent Financial Advisor | S14 Advisory Company Limited |
| The IFA Report or The Independent Financial Advisor report | Independent financial advisor report in regards of an opinion on connected transaction of SG Capital PCL |
| Notification on Connected Transactions | 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) |
| Public Limited Companies Act B.E. | Public Limited Companies Act B.E. 2002 (and amendments) |
| Securities and Exchange Act B.E. | Securities and Exchange Act B.E. 2002 (and amendments) |
| MLR | Minimum Loan Rate |
| NTA | Net Tangible Asset |

Part 1 : Executive Summary

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**”) no. 1/2024 held on 7 August 2024 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 repayment period due by 2028 (the “**Financial Assistance from SINGER**”). The objective for in this transaction is to utilize as cash reserves to repay existing loans with SINGER in the scenario that the Company is required to maintain financial liquidity for working capital.

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, referenced by an average of Minimum Loan Rate for first-class customers (“**MLR**”) from 4 commercial banks, including Bangkok Bank Public Company Limited, Krungthai Bank Public Company Limited, Kasikorn Bank Public Company Limited, and Siam Commercial Bank Public Company Limited as of 1 July 2024, which equivalents to 7.12% p.a. plus premium of 0.25% p.a., totaling 7.37%. Therefore, the transaction size can be calculated at 58.16% of net tangible asset (“**NTA**”) based on reviewed financial statement as of 31 March 2024. Thus, the Transaction is considered as a large connected transaction. Therefore, the Company is required to proceed with the following procedure:

1. Obtain approval from Board of Director meeting in regards of the transaction;
2. Disclose information about the connected transaction to the SET;
3. Appoint independent financial advisor to provide an opinion in regards of the transaction to shareholders of the Company

The Company has appointed S 14 Advisory Company Limited (“**S14**” or “**Independent Financial Advisor**”) on 1 July 2024 to provide an opinion in regards of this transaction. S14 is a financial advisor approved by the Securities and Exchange Commission (the “**SEC**”);

4. Circulate a shareholder’s meeting invitation to shareholders at least 14 days in advance, containing the information specified in the connected transaction; and
5. 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.

Based from the related information, such as interest rates, conditions of the transaction, advantages and disadvantages of the transaction executed with connected person compared to outsiders, together with risks from the transaction. An opinion from independent financial advisor could be summarized as follow:

Appropriateness of Loan Amount

This financial assistance from SINGER has credit limit of THB 6,100.00 million as details for source of credit amount are shown in the table below:

| Transaction | Amount (THB million) |
|---|----------------------|
| Loans with SINGER as of 31 March 2024 | 10,372.67 |
| Estimated principal repayment to SINGER in 2024 | 4,272.67 |
| Total loan amount in this transaction | 6,100.00 |

Loan details between SINGER and SGC as of 31 March 2024

| No. | Loans Due Details | Amount (THB million) |
|-----|--------------------------------|----------------------|
| 1 | Loans due in 2024 | 2353.83 |
| 2 | Loans due in 2025 | 7,718.84 |
| 3 | Loans due in 2026 | 300.00 |
| | Total loans with SINGER | 10,372.67 |

Source: Information from the Company

Remarks: The company had principal repayment of THB 200.00 million to SINGER in April 2024

Details of source of fund for loan repayment to SINGER in 2024

| No. | Source of funds for loan repayment | Amount (THB million) |
|-----|--|-------------------------------|
| 1 | Estimated loan repayment to SINGER from capital raising (PPO) to existing shareholders of the Company ¹ | Not exceeding 4,000.00 |
| 2 | Estimated internal cashflow for loan repayment to SINGER in 2024 ² | 272.67 |
| | Total loan repayment to SINGER in 2024 | Not exceeding 4,272.67 |

Source: Public information and information from the Company

Remarks: ¹ The Company has plan to seek an approval from shareholders to increase paid-up capital of 3,270 million shares, which estimated funding amount could be calculated by previous 7-day average price prior to the board of directors meeting (20 June 2024 – 28 June 2024) which is THB 1.89 per share, deducting with maximum discount of 15.00% equivalent to shares offering price of THB 1.61 per share times with number of shares offering

However, in the same agenda, the Company has plan to seek an approval from shareholders to consider and approve the issuance and offering of warrant to purchase ordinary shares of the Company no. 1 ("SGC-W1") and issuance and offering of warrant to purchase ordinary shares of the Company no. 2 ("SGC-W2"), which could be summarized in the table below

| Allocation Type | No. of Shares | Ratio | Exercise Period | Price | Objectives |
|---|----------------------------------|-------------------------------------|-----------------|---|-----------------|
| To reserve for the exercise of the warrants to purchase the Company's ordinary shares No. 1 ("SGC-W1") to be allocated to the existing shareholders in proportion (Before | Not exceeding 654,000,000 shares | 5 ordinary shares to warrant 1 unit | 1 year | Discount 10.00% of market price as at the date of determination of exercise price | Working Capital |

| Allocation Type | No. of Shares | Ratio | Exercise Period | Price | Objectives |
|---|------------------------------------|------------------------------------|-----------------|--|--|
| increase of capital this time) with no allocation to shareholders that would make the Company have duties under foreign law. | | | | | |
| To reserve for the exercise of the warrants to purchase the Company's ordinary shares No. 2 ("SGC-W2") to be allocated to the existing shareholders of the Company who have subscribed and received the allotment of the newly issued ordinary shares Issued and offered to the existing shareholders in proportion | Not exceeding 1,308,000,000 shares | Warrant 1 unit to 1 ordinary share | 3 years | Premium 10.00% of market price as at the date of determination of exercise price | Loan repayment to parent company and working capital. However, as this exercise period is 3 years, the Company decides to determine the loan amount referenced from PPO only |

² Estimated cash flow of the Company

From table above, the Company will have remaining loan with SINGER of THB 6,100.00 million which is the result of the determination of loan amount in this transaction. Therefore, IFA views that the loan amount of THB 6,100.00 million is appropriate as this can increase financial liquidity to the Company referring from an expansion of loan repayment to be due in 2028.

Appropriateness of Interest Rate and Conditions to Execute the Transaction

As repayment period is 4 years or due in 2028, with the fluctuation of interest rate in the market, the IFA considers to compare interest rate in this transaction with other financial costs, including interest rates from financial institution and interest rates from bond issuance to understand benefits and drawbacks in regards of this transaction.

For this transaction, the Company has considered to use interest rate compared between (1) Floating interest rate referenced by average MLR of 4 commercial banks, including Bangkok Bank PCL, Krungthai Bank PCL, Kasikorn Bank PCL and Siam Commercial Bank PCL. As of 1 July 2024, average MLR from these commercial banks was 7.12% p.a. plus premium of 0.25% p.a., totaling interest rates of 7.37% p.a. and (2) Actual financial cost of SINGER plus 0.25% p.a. whichever is higher.

However, as existing financial cost of SINGER cannot reflect financial cost in case SINGER will seek from external source, such as loans from financial institution (MLR ranges between 7.05% to 9.50%) or bond issuance and offering (interest rate of bonds at BB+ credit rating BB+ ranges between 4.00% to 7.00% p.a. for bonds issued and offered in 2023 and 2024. However, the determination of bond's interest rates is required to

consider other factors, including market sentiment and financial position of the issuers). Therefore, SINGER and SGC considers to use average MLR in order to reflect potential financial cost of SINGER that could be occurred from external source in this transaction.

In present, SINGER's interest-bearing debt is solely borne from bonds issuance an offering which interest rate are 5.70% and 5.75% p.a. or average of 5.725% p.a. Summary of SINGER's bonds are described in the table below:

| Details | SINGER249A | SINGER252A |
|---|-------------------|-------------------|
| Credit rating of SINGER as at issuance date | BBB- | BBB- |
| Offering value | THB 2,000 million | THB 1,700 million |
| Issuance and offering date | 24 March 2021 | 6 August 2021 |
| Duration | 3 years 6 months | 3 years 6 months |
| Maturity date | 24 September 2024 | 6 February 2025 |
| Investors | II/HNW | II/HNW |
| Interest rates | 5.75% | 5.70% |

Source: Thai BMA

As current financial cost of SINGER is lower than average MLR from 4 commercial banks, together with SINGER's credit rating that decrease from BBB- to BB+ (Rated on 14 March 2024 by TRIS) together with other factors to consider such as market sentiment and financial position. Therefore, IFA decided to use average MLR from 4 commercial banks to consider an appropriateness in this transaction which key conditions could be summarized in the table below.

| Conditions | Details | IFA Opinion |
|---------------|--|--|
| Loan type | Unsecured loan | <u>Appropriate</u> as no collateral required for the transaction |
| Currency | Thai Baht | <u>Appropriate</u> as the currency is similar to revenue's currency of the Company |
| Credit limit | Not exceeding THB 6,100.00 million | <u>Appropriate</u> as the amount is sufficient to repay existing loans, considering with the Company's repayment plan and business operation capability |
| Objective | To use as a cash reserve for loan repayment with SINGER in the situation that the Company is required to maintain financial liquidity for working capital | <u>Appropriate</u> as this increases the Company's liquidity |
| Interest rate | Floating interest rate referenced by average MLR from 4 commercial banks including Bangkok Bank PCL, Krungthai Bank PCL, Kasikorn Bank PCL and Siam Commercial Bank PCL which as of 1 July 2024, average MLR was 7.12 p.a. plus premium of 0.25% p.a., totaling 7.37% p.a. or actual financial cost of SINGER plus premium of 0.25% p.a. | <u>Appropriate</u> as interest rate is referenced from market rate As interest rate in this transaction is higher than interest rate of BB+ bonds issued in 2023 and 2024 which ranges between 4.00-7.00%, credit rating is required to evaluate again at the time of issuance. In such |

| Conditions | Details | IFA Opinion |
|--|--|--|
| | whichever is higher. In this case, actual financial cost of SINGER is based on bonds in the market which equivalent to 5.725% p.a. | scenario, non-rate bonds' interest rate ranges between 4.00-9.00% referenced from bonds issued in 2023 and 2024. Furthermore, the Company will have additional expenses from bond issuance, including financial advisor, legal advisor, underwriting fee, related expenses to the bond issuance and offering. |
| Drawdown period | 1 January 2025 - 31 December 2025 The Company has the right to drawdown periodically with below conditions: 1. Existing loan with SINGER is due and 2. The Company is required to maintain financial liquidity for working capital If there are remaining credit that would have not been drawdown, lender will automatically cancel such remaining credit | <u>Appropriate</u> as this supports to the Company to replace existing loan with SINGER that will be due in 2025 |
| Drawdown conditions | The Company is required to notice SINGER not less than 15 days before the date of drawdown with determination of existing loan portion and amount. | <u>Appropriate</u> as this condition does not have any negative impact to the Company |
| Repayment period | By 31 December 2028 | <u>Appropriate</u> as the Company has extra time for repayment |
| Repayment | Pay interest at the end of month and principal repayment at due date. However, the Company can prepay loans with no prepayment fee | <u>Appropriate</u> as the Company will have extra time to manage internal cash |
| Prepayment Fee | None | <u>Appropriate</u> as no obligation to the Company |
| Collateral | None | <u>Appropriate</u> as no obligation to the Company |
| Financial Covenant Ratio | None | <u>Appropriate</u> as this increase flexibility to business operation |
| Penalty Rates | Interest rate (MLR+0.25% or actual SINGER cost+0.25%) + 3.00 p.a. since the Company cannot pay interests or principal to SINGER until the late payment has been solved | <u>Appropriate</u> as the condition has no significant changes compared to current loans with SINGER |
| Conditions that might impact to shareholders | This financial assistance transaction has similar conditions with current loans with SINGER and there is no impact to shareholders from no requirement of collateral as well as changes on dividend policy. However, the Company will have | <u>Appropriate</u> as the condition has no significant changes compared to current loans with SINGER |

| Conditions | Details | IFA Opinion |
|------------|---|-------------|
| | higher financial cost from this transaction if drawdown has been proceeded. | |

Source: Draft loan agreement between SGC and SINGER and Thai BMA

IFA views that this financial assistance transaction from SINGER with the loan amount of THB 6,100.00 million, interest rate, and conditions specified in the table above are appropriate and would be beneficial to the Company in terms of (1) Increase the Company's financial liquidity and (2) appropriate financial cost that referenced from funding from external sources such as loans from financial institution or bonds issuance and offering (3) No obligation to the Company to use the credit which the Company has the right to consider the drawdown as appropriate. However, the Company will consider internal cash flow prior to the drawdown of loan in regards to this transaction

Calculation details of consideration value

| Conditions | Details |
|----------------------------------|--------------------------------|
| Credit limit | Not exceeding 6,100.00 million |
| Estimated interest rate | 7.37% p.a. |
| Repayment period | Not exceeding 4 years |
| Total consideration value | 1,798.28 |
| Transaction size | 58.16% |

Remarks: interest rate in this transaction would be changed if average MLR from 4 commercial banks are changed or actual cost of SINGER is higher than average MLR from 4 commercial banks

Calculation details of transaction size

| Details | Amount (THB million) |
|-------------------------------------|----------------------|
| Total assets | 13,755.10 |
| Less Intangible assets ¹ | 47.36 |
| Total liability | 10,615.75 |
| Non-controlling interest | - |
| NTA | 3,091.99 |
| Total consideration value | 1,798.28 |
| Transaction size (%) | 58.16 |

Remark: ¹ Intangible assets include intangible assets and right of use assets based on reviewed financial statement as of 31 March 2024

Advantages and Disadvantages for Proceeding the Transaction

Advantages of the Transaction

1. Enhancement of liquidity to the Company

As of 31 March 2024, the Company has loans due in 2024 with SINGER of THB 2,353.83 million and loans due in 2025 of THB 7,718.84 million. Therefore, this financial assistance from SINGER can increase the Company's flexibility and liquidity, resulting to efficient cash management. Furthermore, the Company can consider to drawdown as appropriate so there would be no interest at an execution date.

2. Decrease risks from external sources that might not achieve target of loan amount

Other external funding sources, such as loans from financial institution, bond issuance and offering, or capital raising need to consider market sentiment and the Company's financial position. Therefore, this could affect to the funding amount that might be less than loan amount target, as well as more strict conditions and longer process.

3. Flexible terms and conditions compared to loans from financial institution

The negotiation in this transaction will be proceeded with SINGER who is the major shareholder of the Company. Therefore, terms and conditions are flexible compared to external funding source, including fairness of interest rate determination, no collateral requirement, no prepayment fees, appropriate loan tenor, together with the approval process which use lesser time compared to proceed with financial institutions or bond issuance and offering.

4. Lower expenses compared to other external funding sources

This financial assistance transaction has lower cost from other funding sources. For instance, the Company will have to pay front-end fee, management fee, together with requirement of collateral when proceed with financial institution. On the other hand, the Company will have to pay financial advisory fee, legal advisory fee, underwriting fee, marketing and advertising fee in regards to bond issuance and offering.

Disadvantages of the Transaction

1. The Company has extra cost for the transaction

As this transaction is considered as large connected transaction from exceeding 3.00% of the Company's NTA, so the Company is required to follow Connected Transaction Notification to seek approval from shareholders in regards to this transaction. Therefore, the Company will have additional cost, including independent financial advisory fee, and related expenses in regards to the shareholders' meeting

However, the Company is required to disclosed such information referenced to Securities Act B.E. 2002 to follow fiduciary duty.

2. Higher interest rate compared to current interest rate with SINGER

Comparing current interest rate received from SINGER of 5.25% and 6.06% p.a., it can be seen that interest rate in this transaction (7.37%) is higher. This leads to the higher financial cost of the Company if the Company decides to drawdown. However, SINGER's cost of fund is potentially increased as higher current interest rate and decrease of SINGER's credit rating from BBB- to BB+.

However, considering MLR from 14 commercial banks in table below, MLR ranges between 7.05% to 9.50% p.a., or an average of 7.80% which is higher than estimated interest rate in this transaction.

| No. | Banks | MLR as of 1 July 2024 (%) |
|-----|--------------------|---------------------------|
| 1 | Krungthai Bank PCL | 7.05 |

| No. | Banks | MLR as of 1 July 2024 (%) |
|-----|----------------------------|---------------------------|
| 2 | Siam Commercial Bank PCL | 7.05 |
| 3 | Bangkok Bank PCL | 7.10 |
| 4 | Kasikorn Bank PCL | 7.27 |
| 5 | Bank of Ayudhya PCL | 7.28 |
| 6 | Standard Charters Bank PCL | 7.53 |
| 7 | ICBC (Thai) PCL | 7.75 |
| 8 | TTB PCL | 7.725 |
| 9 | LH Bank PCL | 8.075 |
| 10 | Tisco Bank PCL | 8.10 |
| 11 | Kiatnakin Phatra Bank PCL | 8.175 |
| 12 | UOB Bank PCL | 8.25 |
| 13 | CIMB (Thai) Bank PCL | 8.35 |
| 14 | Thai Credit Bank PCL | 9.50 |
| | Average | 7.80 |

Source: Bank of Thailand

3. Reliance on Connected Person as Major Creditor

This financial assistance transaction with the credit amount of THB 6,100.00 million or implied total interest rate of THB 1,798.28 million with SINGER only, who is the major shareholder of the Company. Therefore, it can be seen that the Company is rely on connected person who is a major creditor, which connected person might use authority to approve this transaction instead of other funding sources that might have better terms and conditions.

However, this transaction is required to have approval from Audit Committee, Board of Directors, which including 4 independent directors from total 7 directors, with 3 of directors are audited committee who has experiences in accounting and finance, and business of the Company. Therefore, this could mitigate conflict of interest risk that might be happened.

Advantages and Disadvantages of not proceeding the Transaction

Advantages of not proceeding the Transaction

1. The Company can seek external funding sources instead of loan with SINGER

If the Company does not proceed this transaction, the Company can proceed for other external funding sources including loans from financial institution, bond issuance and offering or equity fund raising that might have lower financial cost compared to this transaction. For instance, bonds at credit rating of BB+ have interest rate ranges between 4.00%-9.00%, so if the Company can issue with the interest rate less than 7.37%, the Company will have lower financial cost.

However, bond issuance and offering needs to consider other factors including financial position of the Company and market sentiment together with longer process. Therefore, the Company views that this transaction can reduce the risk of total loan amount, overall process and inaccurate interest rate.

Disadvantages of not proceeding the Transaction**1. The Company has lower financial liquidity for its operation and repayment of existing loans**

The Company has principal due in 2025 of THB 7,718.84 million with interest rate of 5.25% and 6.06% p.a. As of 31 March 2024, the Company has cash and cash equivalents of THB 624.25 million, so this can be seen that the Company has limit liquidity from the principal repayment in 2nd half of 2024 of THB 2,353.83 million, principal repayment of 1st half of 2025 of THB 3,602.73 million, and principal repayment of 2nd half of 2025 of THB 4,116.11 million. However, the Company will have interest obligation once drawdown has been proceeded only, therefore, overall financial position of the Company will be unchanged excepted for the higher interest.

Loan details between SINGER and SGC as of 31 March 2024

| Transaction | Amount (THB million) |
|---|----------------------|
| Loans due in 2 nd half of 2024 | 2,353.83 |
| Loans due in 1 st half of 2025 | 3,602.73 |
| Loans due in 2 nd half of 2025 | 4,116.11 |
| Loans due in 2569 | 300.00 |
| Total | 10,372.67 |

Source: Information from the Company

Remark: The Company had principal repayment of THB 200.00 million to SINGER in April 2024

Comparison of financial cost payment capability of the Company

| Details | No Transaction ¹⁾ | Estimated total drawdown amount of THB 6,100 million ¹⁾ |
|--|---|--|
| Interest rate | 5.25% and 6.06% p.a. | Estimated at 7.37% p.a. |
| Estimated interest payment | THB 1,478.64 million or THB 369.66 million per year (applied interest rate at 6.06% p.a.) | THB 1,798.28 million or THB 449.57 million per year |
| EBITDA LTM (1 April 2023 – 31 March 2024) | THB 1,373.06 million | |
| Interest Rate Coverage Ratio (times) (EBITDA/Interest Expense) | 3.71x | 3.05x |
| Net Profit Margin ²⁾ | 13.81% | 10.28% |

Remarks:

¹⁾ Assumptions for 2 cases are 1) No transaction and 2) Proceed the transaction will set similar assumptions of principal amount of THB 6,100.00 million and repayment period of not exceeding 4 years in order to have same principal amount for comparison (The Company has loans with SINGER amounting THB 10,372 million prior to proceed the transaction and repayment period less than 2 years referenced as of 31 March 2024)

²⁾ Net profit margin assumes 1) Similar revenue and 2) Similar expenses based on reviewed financial statement as of 31 March 2024 then annualized, except for different interest rate (financial cost). However, if interest rate is changed positively, the Company will have better net profit in the future. IFA does not reference audited financial statement for the year 2023 as the Company had loss from credit from write-off of debtors from Covid-19 and does not have capability for repayment. However, the calculation is estimation and cannot guarantee accurate outcome.

Source: Reviewed financial statement for 3 months period as of 31 March 2024

Other remarks: Other financial ratio is unchanged as there is no change in total principal amount.

Advantages and Disadvantages from proceeding the Transaction with Connected Person

Advantages from proceeding the Transaction with Connected Person

1. Flexibility of conditions and interest rate

The Company can negotiate and discuss favorable conditions and interest rate, for instance, repayment period, prepayment fee to be appropriate to both SGC and SINGER. Therefore, the Company has more flexibility for the negotiation in terms of relevant conditions from this financial assistance transaction.

2. Flexibility of negotiation and coordination

As SINGER is a major shareholder of the company with shareholding proportion of 74.92% of total registered and paid-up capital, so the coordination in regards to the transaction is smoother and more flexible compared to discussion and negotiation with external parties. Moreover, this transaction has shorter processing time as SINGER already understands SGC's business so the consideration and approval period use shorter time.

Disadvantages from proceeding the Transaction with Connected Person

1. Conflict of interests and reliance on connected person

Connected person is a major shareholder of the Company, may use authority to push this transaction instead of other external sources to get benefits from interests. However, the Company and Audited Committee and Board of Directors, comprising of 4 independent directors from 7 directors, with 3 are audited committee who are responsible to consider the rationale in this transaction, resulting to the mitigation of conflict of interests' risk that might be happened.

Advantages from proceeding the Transaction with external parties

1. The Company does not rely on connected person who is a major creditor of the Company

The Company will rely on sole creditor who is a major shareholder of the company which should raise conflict of interest in the future. This transaction will favor to SINGER for the potential interest payment of THB 1,798.28 million.

Disadvantages from proceeding the Transaction with External Parties

1. Loan amount may not be insufficient

As the Company is operating leasing business which cash and working capital is mandatorily required, together with new businesses that under development, so if the Company is required to seek funding from external sources, the Company may receive insufficient funding that the Company needs to operate the business.

2. Conditions are unmatched with the Company's requirement

The Company may need to have collateral for proceeding loans with external sources which might be unmatched with the Company's requirement.

Risks from the Transaction

Risks before proceeding the transaction

1. Risks from shareholders not approve the Transaction

This transaction is considered as large connected transaction from exceeding 3.00% of the Company's NTA. Therefore, the Company is required to arrange shareholders' meeting to approve this transaction with need to receive at least 3 out of 4 from total shareholders who attend the meeting regardless of shareholders who have interest, including SINGER. Therefore, the Company cannot proceed in this transaction if not receive approval from the shareholders' meeting.

Risks after proceeding the transaction

1. Risks from the Company's performance

In the scenario that the Company's performance is not resulted as expect, the Company may need to drawdown some loan portions of this transaction for principal repayment in order to maintain liquidity, the Company will have higher financial cost (based on average MLR+0.25% or actual cost of SINGER +0.25%, whichever is higher). Moreover, the Company will have the risk for fund sourcing to repay loans occurred from this transaction with interests.

However, based on reviewed financial statement as of 31 March 2024, the Company has total revenue and net profit of THB 436.53 million and THB 17.91 million, respectively, and cash and cash equivalents of THB 624.25 million. This can be seen that the Company has capability to manage internal cash flow which this transaction will also support to the Company for more flexible liquidity.

2. Risks from increase of interest rate

As interest rate from this transaction is referenced from MLR, so if MLR increases, the financial cost of the Company will increase accordingly.

However, as credit rating of SINGER decreased from BBB- to BB+, this will lead to higher funding cost of SINGER for its bond issuance and offering and the Company may have higher financial cost if interest rates of SINGER's bond is higher than MLR. However, bonds with the credit rating of BB+ issued in 2023 and 2024 has interest rate between 4.00% to 9.00% p.a. together with the consideration of market sentiment and financial performance of the issuer.

3. Risks from control of funding source by connected person who is a major creditor

As SINGER is a major shareholder of the Company and may use its authority to control that leads to the transaction that not most beneficial to the Company. However, the loan agreement has specified

clear terms and conditions and interest rates so this transaction will be transparent and appropriate to the Company.

Consideration Point of Interest Rate

| Consideration Points | Details |
|----------------------|---|
| Interest Rate | <p>Floating interest rate referenced from average MLR from 4 commercial banks including Bangkok Bank Public Company Limited, Krungthai Bank Public Company Limited, and Siam Commercial Bank Public Company Limited which has of 1 July 2024, an average MLR from 4 commercial banks was 7.12% p.a. plus premium of 0.25% p.a., totaling 7.37% p.a. or actual financial cost of SINGER plus 0.25% whichever is higher.</p> <p>Current financial cost of SINGER derived from issued bonds only which equivalents to 5.70% p.a. and 5.75% p.a., or average of 5.725% p.a. However, interest rate of SINGER's bonds cannot reflect current financial cost of SINGER as credit rating of SINGER decreased from BBB- to BB+ (rated on 14 March 2024 by TRIS) as well as the consideration of current market sentiment. Therefore, SINGER and SGC decides to determine interest rate that could be referenced with market rate, resulting of average MLR from 4 commercial banks.</p> |

For considering an appropriateness of interest rate in regards of the transaction, IFA has a limitation to compare financial cost of the Company as the Company has no other financial cost, except loans from SINGER. Therefore, IFA considers to compare interest rate in this transaction with other external sources of funding that the Company could explore, including loans from financial institution and bond issuance and offering which could be summarized below:

- In the scenario of proceeding loans from financial institution: Interest rate for long term loans is based on MLR which ranges between 7.05% p.a. to 9.50% p.a., or average of 7.80% p.a. based on 14 commercial banks as of 1 July 2024. However, such interest rate does not include other related fees, for instance, front-end fee, management fee and collateral (if any) (Refer to page 37)
- In the scenario of proceeding bond issuance and offering: The Company has credit rating at BB+ (rated on 14 March 2024). Considering bonds that issued in 2023 and 2024 with the similar credit rating, interest rate for BB+ bond ranges between 4.00% - 7.00% p.a. with average duration of 1-3 years, which lower than estimated interest rate in this transaction. On the others hand, considering non-rated bonds issued in 2023 and 2024, interest rate ranges between 4.00% - 9.00% p.a. (referenced from Thai BMA). Moreover, considering bonds with credit rating of BB+ or non-rated, that to be issued in July 2024 and August 2024, interest rate ranges between 5.45% - 7.25% p.a. (Refer to page 33)

However, there would be other factors to consider when issuing bonds to accurately determine interest rate, including business overview and financial position. Therefore, IFA views that interest rate from bond issuance and offering cannot apply to compare in regards to this transaction.

Considering external financing, it can be seen that estimated interest rate in this transaction (7.37% p.a.) is lower than average MLR of 14 commercial banks as of 1 July 2024 which is 7.80% p.a. and has not included other related expenses for the financing, for instance, front-end fee and management fee. Indicative financing cost from financial institutions could be estimated in the table below:

Summary of related expenses from financial institution

| Details | Fees ¹ (%) | Estimated expenses based on loan amount of THB 6,100 million (THB million) |
|--|-----------------------|--|
| 1. Front end fee | 0.50% - 3.00% | 30.50 – 183.00 |
| 2. Management fee) | 0.00% - 2.00% | 0.00 – 122.00 |
| 3. Registration fee for collateralization and stamp duty (if any) ² | 0.003% | 0.20 |
| Estimated expenses from financial institution ^{3/4/5} (One-time) | 0.503% - 5.003% | 30.70 – 305.20 |
| Estimated expenses from financial institution per year (4 years) | 0.13% - 1.25% | 7.68 – 76.30 |

¹ Referenced from Bank of Thailand based on 4 commercial banks including Bangkok Bank, Krungthai Bank, Kasikorn Bank, and Siam Commercial Bank

² Registration fee for collateralization and stamp duty is 1.00% of total mortgage value maximum at THB 200,000.

³ One-time expenses

⁴ Cancellation fee is estimated at 3.00%

⁵ Prepayment fee is estimated between 3.00% and 5.00%

Moreover, if considering MLR from 14 commercial banks, ranging between 7.05% - 9.50% p.a., it can be seen that estimated interest rate in this transaction (7.37%p.a.) is lower than MLR of 9 commercial banks excluding related expenses, together with the Company has not been supported from financial institution so it is unsure to the actual spread that financial institutions will be charged to the Company. Therefore, SGC decided to negotiate with SINGER to find the most appropriate solutions which resulting to this transaction. Therefore, IFA views that interest rate in this transaction (7.37% p.a.) is appropriate as it is referenced from market rate and no other hidden expenses. Moreover, estimated interest rate is lower than interest rate that the Company has charged to the client (minimum of 12.00% p.a.). Additionally, the Company has no obligation to provide collateral to execute in this transaction.

Based on rationale explained previously, IFA views that this financial assistance transaction from SINGER will support the Company to have flexible liquidity and increase efficiency of cash flow management as well as appropriate interest rate that referenced from market rate. Therefore, IFA views that this transaction is appropriate and shareholders should approve this financial assistance transaction. However, voting decisions to approve this transaction is at the discretion of shareholders. Shareholders should study information in documents attached to the invitation letter to the Extraordinary General Meeting (EGM) no. 1/2024 for use as supporting information to the voting decision.

Part 2: Characteristics and Details of the Transaction

2.1 Source and General Characteristics of the Transaction

At the Board of Directors' Meeting No. 5/2024 of SG Capital Public Company Limited ("the Company" or "SGC") on 01 July 2024, under the consideration and approval of the Audit Committee Meeting No. 4/2024 on 20 June 2024, a resolution was passed to propose to the Extraordinary General Meeting of Shareholders No. 1/2024 on 07 August 2024 for approval of receiving financial assistance from a related party. The transaction involves entering into a loan agreement with Singer Thailand Public Company Limited ("SINGER"), the major shareholder of the company, holding 74.92% of the total registered and paid-up capital. The loan amount will not exceed THB 6,100.00 million, with a repayment period by 2028. The interest rate is calculated based on the average MLR (Minimum Loan Rate) of four commercial banks plus a margin of 0.25% per year or SINGER's actual financial cost plus a margin of 0.25% per year, whichever is higher. The purpose of the loan is to provide a reserve fund for repaying the existing debt with SINGER if necessary to maintain the company's liquidity for business operations.

This transaction is classified as a related party transaction for receiving financial assistance according to the Capital Market Supervisory Board's Notification No. Tor.Jor. 21/2008 Re: Rules on Related Party Transactions, dated 31 August 2008, and its amendments, and the SET Notification Re: Disclosure of Information and Other Acts of Listed Companies Concerning the Related Party Transactions B.E. 2546, dated 19 November 2003, and its amendments ("Related Party Transaction Notifications"). As SINGER is the major shareholder of the company, holding 74.92% of the total registered and paid-up capital, the estimated interest value for the entire contract term is THB 1,798.28 million. This is based on a floating interest rate referenced from the average MLR (Minimum Loan Rate) of four commercial banks (Bangkok Bank Public Company Limited, Krung Thai Bank Public Company Limited, Kasikorn Bank Public Company Limited, and Siam Commercial Bank Public Company Limited), which as of 01 July 2024, averages 7.12% per year plus a margin of 0.25% per year, resulting in an interest rate of 7.37% per year. Comparatively, SINGER's current financial cost is 5.725% per year plus a margin of 0.25%, totaling 5.975% per year, which is lower than the average MLR of the four commercial banks. This transaction is equivalent to 58.16% of the company's NTA (Net Tangible Assets) of THB 3,091.99 million, based on the company's consolidated financial statements as of 31 March 2024, and exceeds 3.00% of NTA. Therefore, it is considered a large related party transaction, and the company must comply with the relevant regulations as follows:

1. Prepare and disclose information about the related party transaction to the SET.
2. Obtain approval for the transaction from the Board of Directors.
3. Appoint an independent financial advisor to provide an opinion on the related party transaction to the shareholders of the company.

The company has appointed S14 Advisory Company Limited ("S14" or "Independent Financial Advisor"), an advisor approved by the Securities and Exchange Commission (SEC), to act as an independent financial advisor to provide an opinion to the shareholders' meeting for this transaction.

4. Send a notice of the shareholders' meeting at least 14 days in advance, including information as required by the related party transaction notification.
5. Obtain approval from the shareholders' meeting for the transaction with at least three-fourths of the total votes of shareholders attending the meeting and eligible to vote, excluding interested shareholders' votes.

From the study of various relevant information, such as the conditions for entering into the transaction, the advantages and disadvantages of the transaction, the advantages and disadvantages of entering into the transaction with a related party compared to an external party, risks from entering into the transaction, and the appropriateness of the transaction, the opinion of the advisor can be summarized as follows:

2.2 Type and Size of the Transaction

The Board of Directors has approved the financial assistance transaction with SINGER, with a credit facility not exceeding THB 6,100.00 million. The interest rate is calculated based on the average MLR (Minimum Loan Rate) of four commercial banks: Bangkok Bank Public Company Limited, Krung Thai Bank Public Company Limited, Kasikorn Bank Public Company Limited, and Siam Commercial Bank Public Company Limited. As of 01 July 2024, the average MLR of these banks is 7.12% per year, plus a margin of 0.25% per year, resulting in an interest rate for this transaction of 7.37% per year. The repayment period is within 4 years from the drawdown date. The total value of the consideration is THB 1,798.28 million, or 58.16% of the NTA (Net Tangible Assets), which is THB 3,091.99 million, based on the company's reviewed consolidated financial statements for the three months ended 31 March 2024. The transaction size exceeds 3.00% of the NTA. The company has not entered into any related party transactions with the same related party within the past 6 months from the date the Board of Directors approved this transaction. However, the size of this transaction does not include normal business transactions and transactions supporting normal business with general trading conditions. Therefore, this transaction is considered a large related party transaction, and the company must comply with relevant regulations as detailed in the table below.

Calculation of the Total Value of Consideration

| | |
|--|-----------------|
| Loan Amount (THB million) | 6,100.00 |
| Interest Rate (%) | 7.37 |
| Term (years) | 4 |
| Total Consideration Value (THB million) | 1,798.28 |

Source: Draft loan agreement between the company and SINGER

Note: The size of this transaction does not include normal business transactions and transactions supporting normal business with general trading conditions.

Calculation of Transaction Size

| Description | Amount (THB million) |
|---------------------------|----------------------|
| Total Assets | 13,755.10 |
| Less: Intangible Assets/1 | 47.36 |
| Total Liabilities | 10,615.75 |

| Description | Amount (THB million) |
|---|----------------------|
| Non-controlling Interests | - |
| Net Tangible Assets (NTA) | 3,091.99 |
| Consideration Value | 1,798.28 |
| Transaction Size (%) | 58.16 |
| Transaction Size (6 months retrospective) | - |
| Total Transaction Size | 58.16 |

Note: ¹ Intangible assets include intangible assets and right-of-use assets, based on the company's reviewed consolidated financial statements for the three months ended 31 March 2024.

Therefore, since this transaction is considered a related party transaction according to the Capital Market Supervisory Board's Notification No. TorJor. 21/2008 Re: Rules on Related Party Transactions, dated 31 August 2008, and its amendments, and the SET Notification Re: Disclosure of Information and Other Acts of Listed Companies Concerning the Related Party Transactions B.E. 2546, dated 19 November 2003, and its amendments ("Related Party Transaction Notifications"), the company, which is 74.92% owned by SINGER, must disclose the relevant information to the SET and seek approval from the shareholders' meeting with at least three-fourths of the total votes of shareholders attending the meeting and eligible to vote, excluding interested shareholders' votes. SINGER and the company share a common director, Mr. Narathip Wirunachatapant

2.3 Date of the Transaction

After receiving approval for the transaction from the Extraordinary General Meeting of Shareholders No. 1/2024, which will be held on 07 August 2024 via electronic media (E-Meeting), the company expects the loan agreement with SINGER to be completed by September 2024.

2.4 Related Parties and Relationships Between Parties

The company will enter into a revolving credit facility agreement for financial assistance not exceeding THB 6,100.00 million.

Financial Assistance Provider: Singer Thailand Public Company Limited or SINGER

Financial Assistance Recipient: SG Capital Public Company Limited or the company or SGC

Relationship with the company: (1) SINGER is a major shareholder of the company, holding 74.92% of the total registered and paid-up capital.

(2) There is a shared director, Mr. Narathip Wirunachatapant

Shareholding Structure of the Company as of 07 May 2024

| No. | Name of Shareholder | Shares | % |
|-----|--|---------------|-------|
| 1 | Singer Thailand Public Company Limited ¹ | 2,449,998,000 | 74.92 |
| 2 | Jay Mart Group Holding Public Company Limited ² | 145,798,585 | 4.46 |
| 3 | Rabbit Holdings Public Company Limited ³ | 71,966,133 | 2.20 |
| 4 | Mr. Natthaphon Nithithanathakul | 20,000,000 | 0.61 |
| 5 | Mr. Kobpong Prompanya | 19,163,500 | 0.59 |

| No. | Name of Shareholder | Shares | % |
|-----|--------------------------|---------------|--------|
| 6 | Mr. Songyot Euawattana | 15,000,000 | 0.46 |
| 7 | Mr. Jittiporn Chantrach | 13,500,000 | 0.41 |
| 8 | Mr. Anon Paichitrojana | 12,600,068 | 0.39 |
| 9 | Mr. Chao Kara | 12,210,000 | 0.37 |
| 10 | Mrs. Wilai Jiraithivanna | 11,888,400 | 0.36 |
| 11 | Other minor shareholders | 497,875,314 | 15.23 |
| | Total | 3,270,000,000 | 100.00 |

Source: Information from the company

Note: Singer Thailand Public Company Limited is a listed company on the stock exchange. As of 27 February 2024, the top 10 shareholders are as follows:

| Name of Shareholder | Shares | % |
|---|-------------|-------|
| 1. Jay Mart Group Holding Public Company Limited ² | 208,871,053 | 25.20 |
| 2. Rabbit Holdings Public Company Limited ³ | 196,889,196 | 23.75 |
| 3. Mr. Chao Kara | 19,702,017 | 2.38 |
| 4. Ms. Kulisara Kara | 17,854,300 | 2.15 |
| 5. Singer Thailand Public Company Limited | 13,890,000 | 1.68 |
| 6. Mr. Attawat Sirisithongchai | 12,950,000 | 1.56 |
| 7. SOUTH EAST ASIA UK (TYPE C) NOMINEES LIMITED | 11,634,275 | 1.40 |
| 8. Thai NVDR Company Limited | 9,930,610 | 1.20 |
| 9. Mr. Thanasin Pipatkitikul | 8,600,000 | 1.04 |
| 10. Mr. Direk Takru | 7,218,878 | 0.87 |

2. Jay Mart Group Holding Public Company Limited (JMART) is a listed company on the stock exchange. As of 27 February 2024, the top 10 shareholders are as follows:

| Name of Shareholder | Shares | % |
|--|-------------|-------|
| 1. VGI Public Company Limited ⁴ | 199,161,600 | 13.66 |
| 2. Mr. Adisak Sukhumwitaya | 188,088,916 | 12.90 |
| 3. Rabbit Holdings Public Company Limited ³ | 148,861,318 | 10.21 |
| 4. Mr. Ekachai Sukhumwitaya | 122,389,718 | 8.40 |
| 5. Ms. Juthamas Sukhumwitaya | 79,633,277 | 5.46 |
| 6. Ms. Yuvadee Pongatcha | 57,117,454 | 3.92 |
| 7. Mr. Attawat Sirisithongchai | 33,170,000 | 2.28 |
| 8. Thai NVDR Company Limited | 32,980,182 | 2.26 |
| 9. Mr. Peeranat Chokwatana | 28,916,985 | 1.98 |
| 10. SOUTH EAST ASIA UK (TYPE C) NOMINEES LIMITED | 17,826,400 | 1.22 |

³ Rabbit Holdings Public Company Limited (RABBIT) is a listed company on the stock exchange. As of 22 March 2024, the top 10 shareholders are as follows:

| Name of shareholders | Shares | % |
|--|---------------|-------|
| 1. BTS GROUP HOLDINGS PUBLIC COMPANY LIMITED BY METHA ASSET MANAGEMENT COMPANY LIMITED | 1,380,000,000 | 19.87 |
| 2. BTS GROUP HOLDINGS PLC ⁵ | 584,916,952 | 8.42 |
| 3. Thai NVDR Company Limited | 426,410,051 | 6.14 |
| 4. MR. CHALERMCHAI MAHAGITSIRI | 250,000,000 | 3.60 |

| | Name of shareholders | Shares | % |
|-----|---|---------------|----------|
| 5. | EAST FOURTEEN LIMITED-DFA EMERG MARKET CORE EQ PORT | 62,421,381 | 0.90 |
| 6. | Mr. Chaiyan Chakarakul | 59,264,896 | 0.85 |
| 7. | CGS International Securities Hong Kong Limited. | 47,029,700 | 0.68 |
| 8. | Mr. Nam Chonlasaiphon | 42,004,111 | 0.60 |
| 9. | MR. Dendanai Hutajuta | 39,410,000 | 0.57 |
| 10. | MR. NATETHIRACH PONGNARUSORN | 38,000,000 | 0.55 |

⁴ VGI Public Company Limited (VGI) is a listed company on the stock exchange. As of 11 June 2024, the top 10 shareholders are as follows:

| | Name of Shareholder | Shares | % |
|-----|---|---------------|----------|
| 1. | BTS Group Holdings Public Company Limited ⁵ | 6,391,656,950 | 57.10 |
| 2. | Bangkok Bank Public Company Limited | 935,966,761 | 8.36 |
| 3. | BTS Group Holdings Public Company Limited by METHA Asset Management | 451,104,742 | 4.03 |
| 4. | Thai NVDR Company Limited | 379,701,465 | 3.39 |
| 5. | CGS International Securities Hong Kong Limited. | 312,139,040 | 2.79 |
| 6. | Mr. Taveechart Chulangkul | 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. Nares Ngamapichon | 97,000,000 | 0.87 |
| 10. | Mr. Keeree Kanjanapas | 67,886,000 | 0.61 |

⁵ BTS Group Holdings Public Company Limited (BTS) is a listed company on the stock exchange. As of 18 June 2024, the top 10 shareholders are as follows:

| | Name of Shareholder | Shares | % |
|-----|--|---------------|----------|
| 1. | Mr. Keeree Kanjanapas | 4,160,394,752 | 31.60 |
| 2. | Thai NVDR Company Limited | 1,333,719,226 | 10.13 |
| 3. | Mr. Kavin Kanjanapas | 745,664,295 | 5.66 |
| 4. | Social Securities Fund | 421,746,300 | 3.20 |
| 5. | K2J Holding Company Limited | 400,818,000 | 3.04 |
| 6. | SOUTH EAST ASIA UK (TYPE C) NOMINEES LIMITED | 293,758,645 | 2.23 |
| 7. | Bangkok Bank Public Company Limited | 239,461,128 | 1.82 |
| 8. | Bualuang Long-Term Equity Fund | 185,899,100 | 1.41 |
| 9. | Bualuang Securities Public Company Limited | 145,841,400 | 1.11 |
| 10. | THE HONGKONG AND SHANGHAI BANKING CORPORATION LIMITED, HONGKONG BRANCH | 100,100,000 | 0.76 |

Summary of Loans Between the Company and SINGER as of 31 March 2024:

| No. | Principal Repayment Date | Amount (THB million) |
|------------|---------------------------------|-----------------------------|
| 1 | Q3 2024 | 1,142.22 |
| 2 | Q4 2024 | 1,211.81 |
| 3 | Q1 2025 | 1,594.63 |
| 4 | Q2 2025 | 2,008.11 |
| 5 | Q3 2025 | 1,932.57 |

| No. | Principal Repayment Date | Amount (THB million) |
|-----|-----------------------------|----------------------|
| 6 | Q4 2025 | 2,183.54 |
| 7 | Q1 2026 | 300.00 |
| | Total Principal Due in 2024 | 2,353.83 |
| | Total Principal Due in 2025 | 7,718.84 |
| | Total Principal Due in 2026 | 300.00 |
| | Total | 10,372.67 |

Source: Information from the company

Note: The company had principal repayment of THB 200.00 to SINGER in April 2024.

2.5 Summary of Key Terms and Conditions of the Transaction

The company will enter into a financial assistance transaction with SINGER, a related party, for a loan facility not exceeding THB 6,100.00 million. The loan can be drawn within 2025 and the principal must be repaid by 2028. The key terms of the loan agreement are as follows:

| Condition | Details |
|-----------------------|---|
| Type of Loan | Unsecured loan |
| Loan Currency | Thai Baht |
| Credit Facility Limit | Not exceeding THB 6,100.00 million |
| Purpose of the Loan | To provide a reserve credit facility for the company to repay existing debt with SINGER if necessary to maintain liquidity for business operations. |
| Interest Rate | Floating rate based on the average MLR of four commercial banks (Bangkok Bank, Krung Thai Bank, Kasikorn Bank, and Siam Commercial Bank) plus a margin of 0.25% per year. As of 01 July 2024, the average MLR is 7.12% per year, resulting in an interest rate of 7.37% per year. Alternatively, the interest rate will be SINGER's actual financial cost plus a margin of 0.25% per year, whichever is higher. Currently, SINGER's financial cost is 5.725% per year. SINGER and the company have considered using the MLR rate from commercial banks to reflect the expected financial cost in case SINGER sources funds externally. This is because SINGER's current financial cost from bonds does not reflect expected financial costs due to SINGER's credit rating downgrade from BBB- to BB+, as well as market conditions and SINGER's current financial position. |
| Drawdown Period | 01 January 2025 to 31 December 2025. The company may request multiple drawdowns, subject to the following conditions: 1. The existing debt with SINGER is due for repayment. 2. The company needs to maintain liquidity for business operations. Any remaining undrawn credit will be automatically canceled by the lender. |

| Condition | Details |
|-----------------------------------|--|
| Withdrawal Requirements | The company must send a drawdown request letter to SINGER at least 15 days before each drawdown date, specifying the loan amount and the purpose for repaying the existing debt. |
| Loan Repayment Period | Repayment of the entire principal amount by 31 December 2028. |
| Repayment Method | Interest payments on the last business day of each month and principal repayment upon maturity. If the company has excess liquidity, it may prepay without a fee. |
| Prepayment Fee | None |
| Collateral | None |
| Financial Ratio Conditions | None |
| Default Interest Rate | Default interest rate plus 3.00% per year from the date of default until the company remedies the default or repays the debt in full to SINGER. |
| Conditions Affecting Shareholders | This financial assistance transaction does not introduce new conditions and does not significantly impact shareholders' rights, as no collateral is provided to the lender and there are no dividend distribution restrictions. However, the company will incur higher financial costs due to this loan agreement. |

Source: Draft loan agreement between the company and SINGER

Note: The default interest rate is the higher of the average MLR rate from four commercial banks plus a margin of 0.25% per year or SINGER's actual financial cost plus a margin of 0.25% per year.

2.6 Total Value of Consideration and Method of Payment

The financial assistance transaction involves a revolving credit facility of up to THB 6,100.00 million with an estimated interest rate of 7.37% per year. This rate is based on the floating MLR interest rate from four commercial banks plus a margin of 0.25% per year. The principal repayment period is not more than 4 years. For conservative purposes, the independent financial advisor has assumed that the company will draw down the entire loan and repay the principal over the maximum period of 4 years to calculate the total value of consideration over the contract term. The company's interest expenses from this transaction may increase or decrease if the MLR interest rate changes. Additionally, if SINGER's financial costs have an interest rate higher than the MLR rate of the four commercial banks, the company must adjust the interest rate based on SINGER's financial costs plus a margin of 0.25% per year instead.

| | |
|---|-----------------|
| Loan Amount (THB million) | 6,100.00 |
| Estimated Interest Rate (%) | 7.37 |
| Term (years) | 4 |
| Total Value of Consideration (THB million) | 1,798.28 |

Source: Draft loan agreement between the Company and SINGER

The payment of interest and principal for the loan from this transaction will be determined as appropriate at the company's discretion. The payment methods include bank transfer, cheque, or other suitable methods.

2.7 Conditions for Entering into the Transaction

In considering the financial assistance, the company will authorize the Board of Directors to review and amend the loan amount and conditions in the future as appropriate. Additionally, the authority will be granted to the Chief Executive Officer and President, or equivalent, and/or the Deputy CEO of Finance and Corporate Accounting, or the highest-ranking officer in the Finance and Corporate Accounting department, to carry out the following details:

- Specify the terms and conditions of the intercompany loan and take any actions related to the documentation, including related procedures, and consider modifying the terms of the agreement and/or related documents as necessary and appropriate. Such modifications must not involve material conditions. If there are any amendments, the management must present them to the Board of Directors for acknowledgment.
- Sign the intercompany loan agreements and/or related financial documents and any amendments or modifications thereof, as well as approve any fees, expenses, and taxes related to such agreements and/or documents

2.8 Related Party Transactions Occurring Within 6 Months Prior to the Date of Agreement, Involving the Same Person, Related Parties, or Close Relatives

- None -

2.9 Source of Funds of the Company Received from SINGER for Financial Assistance

The purpose of the withdrawal under the credit facility with SINGER is to replace the existing credit facility. Therefore, SINGER's financial position will remain unchanged, except for interest income if the company utilizes the credit facility from this transaction with SINGER. In this loan agreement, SINGER will not disburse cash since the purpose is to provide a limit for repaying the current outstanding loan. Thus, SINGER's cash-related financial ratios will not change.

However, SINGER will benefit from the increased interest from this transaction at a rate of 7.37% per year, compared to the current loan interest rates of 5.25% per year and 6.06% per year. This results in increased interest income for SINGER of 2.12% per year and 1.31% per year, respectively, according to the proportion of the loan. Nonetheless, SINGER will also incur higher financial costs.

2.10 Funds for Repayment of Principal in the Transaction

The company has sources of funds for the repayment of the principal for this financial assistance transaction from (1) funds from the exercise of warrants (SGC-W2) and (2) cash flow from operations. The estimated value from these sources of funds can be summarized in the table below:

| No. | Source of Funds | Estimated Value (THB million) |
|-----|---|---------------------------------|
| 1 | Proceeds from the conversion of warrants (SGC-W2) | Not exceeding THB 1,000 million |
| 2 | Internal cashflow (cash flow from operation) | Remaining balance |

2.11 Participation and Voting in the Board Meeting by Interested Directors

At the Board of Directors' Meeting No. 5/2024 on 01 July 2024, held to consider the approval of the related party transaction for financial assistance, one director had a conflict of interest. This director, Mr. Narathip Wirunachatapant, serves as both a director and an executive in the group of companies of the major shareholder involved in the transaction. Therefore, this director did not attend the meeting and did not vote on this agenda item.

2.12 Conditions That May Affect Shareholders' Rights

- None -

2.13 The Opinion of the Board of Directors on Entering into This Related Party Transaction

The Board of Directors' Meeting No. 5/2024 on 01 July 2024 considered and agreed that receiving financial assistance from related parties is a liquidity management option for the company. The interest rate charged by SINGER to the company is reasonable and beneficial to both the company and its shareholders. Therefore, the Board of Directors approved the proposal. The independent financial advisor's opinion on the reasonableness and benefits to the listed company, including the fairness of the price and terms (interest rate and financial costs), will be presented to the company's shareholders at the Extraordinary General Meeting No. 1/2024 on 07 August 2024 for consideration and approval of receiving financial assistance from related parties.

2.14 Comments from the Audit Committee and/or Directors Differing from the Board of Directors' Opinion

The Audit Committee agrees with the Board of Directors. There are no directors with differing opinions or abstentions.

Part 3 : Rationality and Advantages and Disadvantages of the Transaction

3.1 Objective and Necessity of the Transaction

The Company has notified to SINGER to request financial assistance with credit limit of THB 6,100.00 million for the purpose to use as a cash reserve for principal repayment of existing loans with SINGER in the situation that the Company is required to maintain financial liquidity for working capital for the loan amount that would be due within 2025. Nowadays, the Company has provided financial service as non-financial institution under name “SG Capital” with headquarter in Bangkok. Services of the Company includes (1) Leasing of electrical equipment (2) Car Leasing (Leasing of hire purchase with transfer of car registration book or car collateral) (3) Allowance Leasing (Debt Consolidation) (4) Gold Leasing (Click2Gold) and (5) Other Leasing, such as leasing for product purchase

The Company has a track record of connected transaction in relevant to business operation including financial assistance transaction to ensure sufficient financial liquidity of the business. However, the Company and Group of the Company has disclosed related party transaction in each of financial statements to inform shareholders periodically, together with disclosure of related loans details via the SET. Therefore, IFA has reviewed the transaction and summarized key considerations points in regards to the transaction as follows:

3.2 Historical Financial Assistance of the Company

As of 31 March 2024, the Company has outstanding loans from SINGER amounting THB 10,372.67 million with interest rate of 5.25% and 6.06% p.a. which has been summarized in the table below. However, the Company will have Board of Directors meeting to consider and approve for every loan execution which is the norm of the Company and Group of Company.

Current loan agreements have average repayment period of 3 years and all loans are unsecured. This transaction will support the Company to postpone the due date of principal repayment so the Company has managed internal liquidity efficiently.

Financial Assistance Summary from SINGER

| No. | Principal Due Date | Amount (THB million) |
|-----|-----------------------------------|----------------------|
| 1 | Q3/2024 | 1,142.22 |
| 2 | Q4/2024 | 1,211.81 |
| 3 | Q1/2025 | 1,594.63 |
| 4 | Q2/2025 | 2,008.11 |
| 5 | Q3/2025 | 1,932.57 |
| 6 | Q4/2025 | 2,183.54 |
| 7 | Q1/2026 | 300.00 |
| | Principal due date in 2024 | 2,353.83 |
| | Principal due date in 2025 | 7,718.84 |
| | Principal due date in 2026 | 300.00 |
| | Total | 10,372.67 |

Source: Information from the Company

Remarks: The Company had principal repayment of THB 200.00 million to SINGER in April 2024

3.3 Appropriateness of Interest Rate and Conditions of the Transaction

3.3.1 Appropriateness of Loan Amount

The determination of loan amount of the limit of THB 6,100.00 million could be summarized in the table below.

| Details | Amount (THB million) |
|--|----------------------|
| Outstanding loans between SINGER and SGC as of 31 March 2024 | 10,372.67 |
| Estimated loan repayment to SINGER in 2024 | 4,272.67 |
| Total loan amount for this transaction | 6,100.00 |

Outstanding loans between SINGER and SGC as of 31 March 2024

| No. | Principal Due Date | Amount (THB million) |
|-----|--------------------------------|----------------------|
| 1 | Principal due date in 2024 | 2,353.83 |
| 2 | Principal due date in 2025 | 7,718.84 |
| 3 | Principal due date in 2026 | 300.00 |
| | Total outstanding loans | 10,372.67 |

Remarks: The Company had principal repayment of THB 200.00 million to SINGER in April 2024

Details of source of fund for loan repayment to SINGER in 2024

| No. | Source of funds for loan repayment | Amount (THB million) |
|-----|--|-------------------------------|
| 1 | Estimated loan repayment to SINGER from capital raising (PPO) to existing shareholders of the Company ¹ | Not exceeding 4,000.00 |
| 2 | Estimated internal cashflow for loan repayment to SINGER in 2024 ² | 272.67 |
| | Total loan repayment to SINGER in 2024 | Not exceeding 4,272.67 |

Source: Public information and information from the Company

Remarks: ¹ The Company has plan to seek an approval from shareholders to increase paid-up capital of 3,270 million shares, which estimated funding amount could be calculated by previous 7-day average price prior to the board of directors meeting (20 June 2024 – 28 June 2024) which is THB 1.89 per share, deducting with maximum discount of 15.00% equivalents to shares offering price of THB 1.61 per share times with number of shares offering

However, in the same agenda, the Company has plan to seek an approval from shareholders to consider and approve the issuance and offering of warrant to purchase ordinary shares of the Company no. 1 ("SGC-W1") and issuance and offering of warrant to purchase ordinary shares of the Company no. 2 ("SGC-W2"), which could be summarized in the table below

| Allocation Type | No. of Shares | Ratio | Exercise Period | Price | Objectives |
|--|----------------------------------|-------------------------------------|-----------------|---|-----------------|
| To reserve for the exercise of the warrants to purchase the Company's ordinary shares No. 1 ("SGC-W1") to be allocated to the existing shareholders in proportion (Before increase of capital this | Not exceeding 654,000,000 shares | 5 ordinary shares to warrant 1 unit | 1 year | Discount 10.00% of market price as at the date of determination of exercise price | Working Capital |

| Allocation Type | No. of Shares | Ratio | Exercise Period | Price | Objectives |
|---|------------------------------------|------------------------------------|-----------------|--|--|
| time) with no allocation to shareholders that would make the Company have duties under foreign law. | | | | | |
| To reserve for the exercise of the warrants to purchase the Company's ordinary shares No. 2 ("SGC-W2") to be allocated to the existing shareholders of the Company who have subscribed and received the allotment of the newly issued ordinary shares Issued and offered to the existing shareholders in proportion | Not exceeding 1,308,000,000 shares | Warrant 1 unit to 1 ordinary share | 3 years | Premium 10.00% of market price as at the date of determination of exercise price | Loan repayment to parent company and working capital. However, as this exercise period is 3 years, the Company decides to determine the loan amount referenced from PPO only |

² Estimated cash flow of the Company

From table above, the Company will have remaining loan with SINGER of THB 6,100.00 million which is the result of the determination of loan amount in this transaction. Therefore, IFA views that the loan amount of THB 6,100.00 million is appropriate as this can increase financial liquidity to the Company referring from an expansion of loan repayment to be due in 2028.

3.3.2 Appropriateness of Interest Rate

For this transaction, the Company has considered to use interest rate compared between (1) Floating interest rate referenced by average MLR of 4 commercial banks, including Bangkok Bank PCL, Krungthai Bank PCL, Kasikorn Bank PCL and Siam Commercial Bank PCL. As of 1 July 2024, average MLR from these commercial banks was 7.12% p.a. plus premium of 0.25% p.a., totaling interest rates of 7.37% p.a. and (2) Actual financial cost of SINGER plus 0.25% p.a. whichever is higher.

However, as existing financial cost of SINGER cannot reflect financial cost in case SINGER will seek from external source, such as loans from financial institution (MLR ranges between 7.05% to 9.50%) or bond issuance and offering (interest rate of bonds at BB+ credit rating BB+ ranges between 4.00% to 7.00% p.a. for bonds issued and offered in 2023 and 2024. However, the determination of bond's interest rates is required to consider other factors, including market sentiment and financial position of the issuers). Therefore, SINGER and SGC considers to use average MLR in order to reflect potential financial cost of SINGER that could be occurred from external source in this transaction.

In present, SINGER's interest-bearing debt is solely borne from bonds issuance an offering which interest rate are 5.70% and 5.75% p.a. or average of 5.725% p.a. Summary of SINGER's bonds are described in the table below:

Details of SINGER's current bonds

| Details | SINGER249A | SINGER252A |
|---|-------------------|-------------------|
| Credit rating of SINGER as at issuance date | BBB- | BBB- |
| Offering value | THB 2,000 million | THB 1,700 million |
| Issuance and offering date | 24 March 2021 | 6 August 2021 |
| Duration | 3 years 6 months | 3 years 6 months |
| Maturity date | 24 September 2024 | 6 February 2025 |
| Investors | II/HNW | II/HNW |
| Interest rates | 5.75% | 5.70% |

As repayment period of this loan amount of THB 6,100.00 million is within 4 years or due in 2028, with the fluctuation of interest rate in the market, IFA considers to compare interest rate in this transaction with other financing sources, including interest rates from (1) loans from financial institution and (2) interest rates from bond issuance and offering to understand benefits and drawbacks in regards of this transaction.

Indicative Comparison of Financing in Different Sources of Funding

| Transaction | Financial Assistance from SINGER | Loans from Financial Institution | Bond Issuance and Offering |
|-----------------------------------|--|--|--|
| Interest rate determination | Floating interest rate referenced from MLR of 4 commercial banks plus premium of 0.25% or actual financial cost of SINGER plus 0.25% whichever is higher | Referenced from MLR of 14 commercial banks as of 1 July 2024 | Referenced from unsecured bonds with the credit rating BB+ and non-rated issued in 2023 and 2024 |
| Interest rate | In this case is equivalents to 7.37 p.a. (7.12+0.25) | 7.05% - 9.50% p.a. | 4.00% - 9.00% p.a. |
| Currency | Same condition | | |
| Duration | 4 years | To consider case by case | |
| Conditions of interest payment | End of month | To consider case by case | |
| Conditions of principal repayment | When principal is due | | |
| Approval process | Mutually agreement between companies | More than 1 month | 1-3 months |
| Prepayment fee | None | Upon consideration of financial institutions which ranges between 3.00-5.00% | None |
| Collateral | None | Upon consideration of financial institutions | None |

| Transaction | Financial Assistance from SINGER | Loans from Financial Institution | Bond Issuance and Offering |
|----------------------|---|--|--|
| Other related fees | IFA fee (estimated around THB 1.00 - 2.00 million), legal advisory fee (THB 1.00 – THB 2.00 million) and other operating cost, such as expenses related to shareholders meeting arrangement | Front-end fee and management fee | Financial advisory fee, legal advisory fee, underwriting fee, bond representative fee, etc. |
| Financing Capability | Possible. Both companies have mutually agreed in draft of loan agreement | Possible. However, approval will be based on financial institution's consideration including financial position, collateral in which the conditions would be different for each of financial institution | Possible. However, additional factors would be necessary to consider, including financial position, market sentiment, repayment capability, which would impact to the determination of interest rate for bond issuance |

Source: Draft loan agreement between SGC and SINGER, Bank of Thailand, publicly available information, ThaiBMA, and analysis from IFA

Moreover, loan from financial institution is another source of funding. Therefore, IFA considers to compare interest rate in this transaction with current interest rate (as of 1 July 2024) of commercial banks which MLR for 14 commercial banks could be summarized in the table below:

| No. | Banks | MLR as of 1 July 2024 (%) |
|-----|----------------------------|---------------------------|
| 1 | Krungthai Bank PCL | 7.05 |
| 2 | Siam Commercial Bank PCL | 7.05 |
| 3 | Bangkok Bank PCL | 7.10 |
| 4 | Kasikorn Bank PCL | 7.27 |
| 5 | Bank of Ayudhya PCL | 7.28 |
| 6 | Standard Charters Bank PCL | 7.53 |
| 7 | ICBC (Thai) PCL | 7.75 |
| 8 | TTB PCL | 7.725 |
| 9 | LH Bank PCL | 8.075 |
| 10 | Tisco Bank PCL | 8.10 |
| 11 | Kiatnakin Phatra Bank PCL | 8.175 |
| 12 | UOB Bank PCL | 8.25 |
| 13 | CIMB (Thai) Bank PCL | 8.35 |
| 14 | Thai Credit Bank PCL | 9.50 |
| | Average | 7.80 |

Source: Bank of Thailand

From table above, it can be seen that MLR from 14 commercial banks ranges between 7.05% - 9.50% p.a. in which estimated interest rate in this transaction (7.37% p.a.) is lower than MLR of 9 commercial banks

and higher than MLR of 5 commercial banks. However, such interest rate is not included related expenses, including, such as, front-end fee and management fee (Refer to page 34). Therefore, if including such expenses together with approval process of financing with financial institution, this transaction with SINGER, who is a connected person of the Company is more flexible and appropriate.

On the others hand, IFA has considered interest rate from bond issuance and offering at the credit rating of BB+ and non-rated for unsecured bonds which shall be subscribed in July 2024 and August 2025 which includes 5 companies. Interest rates range between 5.45%-7.25% p.a. with the duration of 1-3 years. However, because of there is no issuer who operate similar business with the Company, IFA then considers to refer to compare the interest rate with bonds credit rating of BB+ and non-rated in the situation that the Company has plan to issue bonds, which has summarized in the table below:

| No. | Issuers | Ticker | Bond Rating | Company Rating | Issued Date | Duration | Value (THB million) | Interest Rate (%) |
|-----|-------------------------------------|--------|-------------|----------------|---------------|------------------|---------------------|-------------------|
| 1 | Internet Thailand PCL | INET | Non-rated | Non-rated | 9 July 2024 | 2 years | 1,300.00 | 5.45 |
| 2 | Internet Thailand PCL | INET | Non-rated | Non-rated | 9 July 2024 | 2 years 7 months | 1,300.00 | 5.80 |
| 3 | Wind Energy Holding Company Limited | WEH | Non-rated | Non-rated | 16 July 2024 | 2 years | N/A | 6.75 |
| 4 | Siamese Asset PCL | SA | Non-rated | BB+ | 25 July 2024 | 1 year 1 month | N/A | 7.25 |
| 5 | Asset Five Group PCL | AFIVE | Non-rated | Non-rated | 2 August 2024 | 1 year 9 months | 500.00 | 7.00 |

Source: Thai BMA

Considering interest rate from bonds in table above, it can be seen that estimated interest rate in this transaction is comparable with bonds to be issued in July 2024 and August 2024. However, such interest rate excludes related fees such as financial advisory fee, legal advisory fee, underwriting fee, and etc.

Therefore, IFA views that the determination of interest rate in regards of this transaction is appropriate and beneficial to the Company from (1) interest rate referenced on interest rate of commercial banks and comparable with bonds' interest rate issued in 2023 and 2024 and (2) interest rate in this transaction is comparable or lower than other financing methodologies, for instance, loan from financial institution and bond issuance and offering as well as has shorter time for approval. However, the Company will consider a sufficient internal cash flow as priority.

3.3.3 Appropriateness of Loan Conditions

IFA has considered an appropriateness of loan conditions in regards to this transaction which could be summarized in the table below:

| Conditions | Details | IFA Opinion |
|---------------------|---|--|
| Loan type | Unsecured loan | <u>Appropriate</u> as no collateral required for the transaction |
| Currency | Thai Baht | <u>Appropriate</u> as the currency is similar to revenue's currency of the Company |
| Credit limit | Not exceeding THB 6,100.00 million | <u>Appropriate</u> as the amount is sufficient to repay existing loans, considering with the Company's repayment plan and business operation capability |
| Objective | To use as a cash reserve for loan repayment with SINGER in the situation that the Company is required to maintain financial liquidity for working capital | <u>Appropriate</u> as this increases the Company's liquidity |
| Interest rate | Floating interest rate referenced by average MLR from 4 commercial banks including Bangkok Bank PCL, Krungthai Bank PCL, Kasikorn Bank PCL and Siam Commercial Bank PCL which as of 1 July 2024, average MLR was 7.12 p.a. plus premium of 0.25% p.a., totaling 7.37% p.a. or actual financial cost of SINGER plus premium of 0.25% p.a. whichever is higher. In this case, actual financial cost of SINGER is based on bonds in the market which equivalent to 5.725% p.a. | <p><u>Appropriate</u> as interest rate is referenced from market rate</p> <p>As interest rate in this transaction is higher than interest rate of BB+ bonds issued in 2023 and 2024 which ranges between 4.00-7.00%, credit rating is required to evaluate again at the time of issuance. In such scenario, non-rate bonds' interest rate ranges between 4.00-9.00% referenced from bonds issued in 2023 and 2024.</p> <p>Furthermore, the Company will have additional expenses from bond issuance, including financial advisor, legal advisor, underwriting fee, related expenses to the bond issuance and offering.</p> |
| Drawdown period | <p>1 January 2025 - 31 December 2025</p> <p>The Company has the right to drawdown periodically with below conditions:</p> <ol style="list-style-type: none"> Existing loan with SINGER is due and The Company is required to maintain financial liquidity for working capital <p>If there are remaining credit that would have not been drawdown, lender will automatically cancel such remaining credit</p> | <u>Appropriate</u> as this supports to the Company to replace existing loan with SINGER that will be due in 2025 |
| Drawdown conditions | The Company is required to notice SINGER not less than 15 days before the date of drawdown with determination of existing loan portion and amount. | <u>Appropriate</u> as this condition does not have any negative impact to the Company |
| Repayment period | By 31 December 2028 | <u>Appropriate</u> as the Company has extra time for repayment |

| Conditions | Details | IFA Opinion |
|--|--|--|
| Repayment | Pay interest at the end of month and principal repayment at due date. However, the Company can prepay loans with no prepayment fee | <u>Appropriate</u> as the Company will have extra time to manage internal cash |
| Prepayment Fee | None | <u>Appropriate</u> as no obligation to the Company |
| Collateral | None | <u>Appropriate</u> as no obligation to the Company |
| Financial Covenant Ratio | None | <u>Appropriate</u> as this increases flexibility to business operation of the Company |
| Penalty Rates | Interest rate (MLR+0.25% or actual SINGER cost+0.25%, whichever is higher) + 3.00 p.a. since the Company cannot pay interests or principal to SINGER until the late payment has been solved | <u>Appropriate</u> as the condition has no significant changes compared to current loans with SINGER |
| Conditions that might impact to shareholders | This financial assistance transaction has similar conditions with current loans with SINGER and there is no impact to shareholders from no requirement of collateral as well as changes on dividend policy. However, the Company will have higher financial cost from this transaction if drawdown has been proceeded. | <u>Appropriate</u> as the condition has no significant changes compared to current loans with SINGER |

Source: Draft loan agreement between SGC and SINGER and ThaiBMA

IFA views that conditions in regards to this financial assistance transaction is appropriate and beneficial to the company which this transaction can increase alternatives to management internal cash flow in terms of source of funds and more flexible conditions compared with other sources, as well as there is no obligation to utilize loan for this transaction which Board of Director will be responsible to consider and approve drawdown action which subject to the Company's liquidity at potential drawdown period.

3.4 Impact of the Transaction to Financial Position of the Company

As drawdown period in this transaction starts in January 2025, so the Company will not have any impact to the financial statement. In the situation that the Company starts drawdown in 2025, the Company will obligation of interest payment which the interest rate depends on either market rate or actual financial cost of SINGER at such drawdown period. However, D/E ration and IBD/E ratio will be unchanged or lower as there is no additional cash received in regards of this transaction. The Company will have higher interest rate (estimated at 7.37% p.a.) once drawdown compared to existing interest rate at 5.25% p.a. and 6.06% p.a., or equivalents to total interest expense of THB 1,798.28 million or THB 449.57 million per year.

Summary of liabilities and shareholders' equity as of 31 March 2024

| Details | Amount (THB million) |
|---|----------------------|
| Account payables | 69.23 |
| Other account payables | 118.11 |
| Current portion of long-term loan that due within 1 year | 3,948.46 |
| Current portion of lease liabilities that due within 1 year | 13.88 |
| Total current liabilities | 4,149.67 |
| Long-term loans from parent company | 6,424.22 |
| Lease liabilities | 10.87 |
| Employee benefits obligation | 17.71 |
| Employee insurance | 13.28 |
| Total non-current liabilities | 6,466.08 |
| Registered and paid-up capital | 3,270.00 |
| Premium on ordinary shares | 2,292.00 |
| Surplus on changes in ownership interest in subsidiaries | (974.12) |
| Retained earnings (Distributed) – Legal reserve | 209.38 |
| Retained earnings (undistributed) | (1,657.92) |
| Total shareholders' equity | 3,139.35 |
| Debt to equity ratio (times) | 3.38 |
| Interest-bearing debt to equity ratio (times) | 3.30 |

Source: Reviewed financial statement as of 31 March 2024

3.5 Advantages and Disadvantages for Proceeding the Transaction

3.5.1 Advantages of proceeding the transaction

3.5.1.1 Enhancement of liquidity to the Company

As of 31 March 2024, the Company has loans due in 2024 with SINGER of THB 2,353.83 million and loans due in 2025 of THB 7,718.84 million. Therefore, this financial assistance from SINGER can increase the Company's flexibility and liquidity, resulting to efficient cash management. Furthermore, the Company can consider to drawdown as appropriate so there would be no interest at an execution date.

3.5.1.2 Decrease risks from external sources of funding that might not receive funding target

Other external funding sources, such as loans from financial institution, bond issuance and offering, or capital raising need to consider market sentiment and the Company's financial position. Therefore, this could affect to the funding amount that might be less than loan amount target, as well as more strict conditions and longer process.

3.5.1.3 Flexible terms and conditions compared to loan from financial institutions

The negotiation in this transaction will be proceeded with SINGER who is the major shareholder of the Company. Therefore, terms and conditions are flexible compared to external funding source, including fairness of interest rate determination, no collateral requirement, no prepayment fees,

appropriate loan tenor, together with the approval process which use lesser time compared to proceed with financial institutions or bond issuance and offering.

3.5.1.4 Lower expenses and obligation compared to other external sources of funding

This financial assistance transaction has lower cost from other funding sources. For instance, the Company will have to pay front-end fee, management fee, together with requirement of collateral when proceed with financial institution. On the other hand, the Company will have to pay financial advisory fee, legal advisory fee, underwriting fee, marketing and advertising fee in regards to bond issuance and offering.

Summary table of expenses and obligation related to financing

| Type of financing or funding | Description |
|----------------------------------|---|
| Loan from related parties | <ul style="list-style-type: none"> - Expense for organize a shareholder meeting to approve the transaction, ranging from THB 500,000 – 1,000,000, depending on the company's agreement. - Independent financial advisor (THB 1.00 – 2,00 million) and legal advisory fee (if any) (THB 1.00-2.00 million). However, fees subject to negotiation between parties. |
| Loan from financial institution | <ul style="list-style-type: none"> - Collateral might be mandatorily needed - Front end fee: 0.50% - 3.00% of loan amount - Management Fee: Not exceeding 2.00% of loan amount - Collateral mortgage and stamp duty fees: 1.00% of mortgage value but not exceeding THB 200,000 - Cancellation Fee: Financial institution may collect once borrower inform to cancel the loan which rate of 3.00% of cancellation amount - Prepayment Fee: 3.00% – 5.00% of loan amount - Commitment Fee: Financial institutions may collect this fee in the situation the borrower does not drawdown the loan in the specific period <p>Remarks: Information referenced from 4 commercial banks as of 1 July 2024</p> |
| Issuance and offering debentures | <ul style="list-style-type: none"> - Underwriting Fee (% of issuing size) - Financial advisory fee - Legal advisory fee - Credit Rating - Related fees to the SEC/SET - Marketing and advertisement - Other expenses such as bond representative, bond registrar, printing, and etc. <p>Remarks: Some expense may have or may not have, depending of bond characteristics and specific requirements for bond investment</p> |
| Issuance and Right offering | <ul style="list-style-type: none"> - Compensation fees to securities firm as representative of newly shares subscription - Related expenses to shareholders' meeting - Financial advisory and legal advisory fees |

Source: Bank of Thailand, publicly available information and analysis from independent financial advisor

In this case, if the Company proceeds for external sources of funding from financial institution for the amount of THB 6,100.00 million, the Company will indicatively have additional expenses in the table below. However, expenses could be changed subject to timing and negotiation between parties.

Summary of related expenses from financial institution

| Details | Fees ¹ (%) | Estimated expenses based on loan amount of THB 6,100 million (THB million) |
|--|-----------------------|--|
| 1. Front end fee | 0.50% - 3.00% | 30.50 – 183.00 |
| 2. Management fee) | 0.00% - 2.00% | 0.00 – 122.00 |
| 3. Registration fee for collateralization and stamp duty (if any) ² | 0.003% | 0.20 |
| Estimated expenses from financial institution ^{3/4/5} (One-time) | 0.503% - 5.003% | 30.70 – 305.20 |
| Estimated expenses from financial institution per year (4 years) | 0.13% - 1.25% | 7.68 – 76.30 |

¹ Referenced from Bank of Thailand based on 4 commercial banks including Bangkok Bank, Krungthai Bank, Kasikorn Bank, and Siam Commercial Bank

² Registration fee for collateralization and stamp duty is 1.00% of total mortgage value maximum at THB 200,000.

³ One-time expenses

⁴ Cancellation fee is estimated at 3.00%

⁵ Prepayment fee is estimated between 3.00% and 5.00%

In this case, if the Company proceeds for external sources of funding from bond issuance and offering for the amount of THB 6,100.00 million, the Company will indicatively have additional expenses in the table below. However, expenses could be changed subject to timing and negotiation between parties. However, the successful of bond offering depends on many factors including market sentiment, financial position of issuer, and etc. Therefore, the amount received from the offering might not be fully completed as an issuer expected.

Summary of related expenses from financial institution from bond issuance and offering

| Details | Fees (%) | Estimated Expenses (THB million) |
|---|--|----------------------------------|
| 1. Financial Advisory Fee (Estimated) | Subject to negotiation. IFA estimates financial advisory fees ranging from THB 500,000 - 1,000,000 | 0.50-1.00 |
| 2. Legal Advisory Fee (Estimated) | Subject to negotiation. IFA estimates legal advisory fees ranging from THB 500,000 - 1,000,000 | 0.50-1.00 |
| 2. Underwriting Fee (Estimated) | 1.00% - 2.00% | 61.00 – 122.00 |
| 3. Bond Representation Fee (Estimated) | 0.30% - 0.50% | 18.30 – 30.50 |
| Estimated expenses from bond issuance and offering (One-time) (Estimated) | 1.31% - 2.51% | 79.30 – 154.50 |
| Estimated expenses from bond issuance and offering per year (4 years) (Estimated) | 0.33% - 0.63% | 19.83 – 38.63 |

Remarks: Expenses in the table excludes credit rating service fees as well as other expenses such as bond representative, printing, and etc.

3.5.2 Disadvantages from proceeding to the Transaction

3.5.2.1 The Company has additional expenses to proceed the Transaction

As this transaction is considered as large connected transaction from exceeding 3.00% of the Company's NTA, so the Company is required to follow Connected Transaction Notification to seek approval from shareholders in regards to this transaction. Therefore, the Company will have additional cost, including independent financial advisory fee, and related expenses in regards to the shareholders' meeting

However, the Company is required to disclosed such information referenced to Securities Act B.E. 2002 to follow fiduciary duty.

3.5.2.2 Increase in Interest Rate Compared to Existing Interest Rate

Comparing current interest rate received from SINGER of 5.25% and 6.06% p.a., it can be seen that interest rate in this transaction (7.37%) is higher. This leads to the higher financial cost of the Company if the Company decides to drawdown. However, SINGER's cost of fund is potentially increased as higher current interest rate and decrease of SINGER's credit rating from BBB- to BB+. Furthermore, considering MLR from 14 commercial banks in table below, MLR ranges between 7.05% to 9.50% p.a., or an average of 7.80% which is higher than estimated interest rate in this transaction.

However, there would be no additional interest expense if the Company does not drawdown the loan in regards of this transaction.

| No. | Banks | MLR as of 1 July 2024 (%) |
|-----|----------------------------|---------------------------|
| 1 | Krungthai Bank PCL | 7.05 |
| 2 | Siam Commercial Bank PCL | 7.05 |
| 3 | Bangkok Bank PCL | 7.10 |
| 4 | Kasikorn Bank PCL | 7.27 |
| 5 | Bank of Ayudhya PCL | 7.28 |
| 6 | Standard Charters Bank PCL | 7.53 |
| 7 | ICBC (Thai) PCL | 7.75 |
| 8 | TTB PCL | 7.725 |
| 9 | LH Bank PCL | 8.075 |
| 10 | Tisco Bank PCL | 8.10 |
| 11 | Kiatnakin Phatra Bank PCL | 8.175 |
| 12 | UOB Bank PCL | 8.25 |
| 13 | CIMB (Thai) Bank PCL | 8.35 |
| 14 | Thai Credit Bank PCL | 9.50 |
| | Average | 7.80 |

Source: Bank of Thailand

3.5.2.3 Reliance on Connected Person who is Major Creditor/Shareholder

This financial assistance transaction with the credit amount of THB 6,100.00 million or implied total interest rate of THB 1,798.28 million with SINGER only, who is the major shareholder of the Company. Therefore, it can be seen that the Company is rely on connected person who is a major creditor, which connected person might use authority to approve this transaction instead of other funding sources that might have better terms and conditions.

However, this transaction is required to have approval from Audit Committee, Board of Directors, which including 4 independent directors from total 7 directors, with 3 of directors are audited committee who has experiences in accounting and finance, and business of the Company. Therefore, this could mitigate conflict of interest risk that might be happened.

3.6 Advantages and Disadvantages for not proceeding the Transaction

3.6.1 Advantages for not proceeding the transaction

3.6.1.1 The Company can seek for external source of funding instead of loan with SINGER

If the Company does not proceed this transaction, the Company can proceed for other external funding sources including loans from financial institution, bond issuance and offering or equity fund raising that might have lower financial cost compared to this transaction. For instance, bonds at credit rating of BB+ have interest rate ranges between 4.00%-9.00%, so if the Company can issue with the interest rate less than 7.37%, the Company will have lower financial cost.

However, bond issuance and offering needs to consider other factors including financial position of the Company and market sentiment together with longer process. Therefore, the Company views that this transaction can reduce the risk of total loan amount, overall process and inaccurate interest rate.

3.6.2 Disadvantages for not proceeding the transaction

3.6.2.1 The Company has lower financial liquidity for its operation and loan repayment

The Company has principal due in 2025 of THB 7,718.84 million with interest rate of 5.25% and 6.06% p.a. As of 31 March 2024, the Company has cash and cash equivalents of THB 624.25 million, so this can be seen that the Company has limit liquidity from the principal repayment in 2nd half of 2024 of THB 2,353.83 million, principal repayment of 1st half of 2025 of THB 3,602.73 million, and principal repayment of 2nd half of 2025 of THB 4,116.11 million. However, the Company will have interest obligation once drawdown has been proceeded only, therefore, overall financial position of the Company will be unchanged excepted for the higher interest.

Outstanding Loan Details between SINGER and the Company as of 31 March 2024

| Transaction | Amount (THB million) |
|---|----------------------|
| Principal due in 2 nd half of 2024 | 2,353.83 |
| Principal due in 1 st half of 2025 | 3,602.73 |
| Principal due in 2 nd half of 2025 | 4,116.11 |
| Principal due in 2026 | 300.00 |
| Total | 10,372.67 |

Source: Information from the Company

Remarks: The Company had principal repayment of THB 200.00 million to SINGER in April 2024

Comparison of financial cost payment capability of the Company

| Details | No Transaction ¹⁾ | Estimated total drawdown amount of THB 6,100 million ¹⁾ |
|--|---|--|
| Interest rate | 5.25% and 6.06% p.a. | Estimated at 7.37% p.a. |
| Estimated interest payment | THB 1,478.64 million or THB 369.66 million per year (applied interest rate at 6.06% p.a.) | THB 1,798.28 million or THB 449.57 million per year |
| EBITDA LTM (1 April 2023 – 31 March 2024) | THB 1,373.06 million | |
| Interest Rate Coverage Ratio (times) (EBITDA/Interest Expense) | 3.71x | 3.05x |
| Net Profit Margin ²⁾ | 13.81% | 10.28% |

Remarks:

¹⁾ Assumptions for 2 cases are 1) No transaction and 2) Proceed the transaction will set similar assumptions of principal amount of THB 6,100.00 million and repayment period of not exceeding 4 years in order to have same principal amount for comparison (The Company has loans with SINGER amounting THB 10,372 million prior to proceed the transaction and repayment period less than 2 years referenced as of 31 March 2024)

²⁾ Net profit margin assumes 1) Similar revenue and 2) Similar expenses based on reviewed financial statement as of 31 March 2024 then annualized, except for different interest rate (financial cost). However, if interest rate is changed positively, the Company will have better net profit in the future. IFA does not reference audited financial statement for the year 2023 as the Company had loss from credit from write-off of debtors from Covid-19 and does not have capability for repayment. However, the calculation is estimation and cannot guarantee accurate outcome.

Source: Reviewed financial statement for 3 months period as of 31 March 2024

Other remarks: Other financial ratio is unchanged as there is no change in total principal amount.

3.7 Advantages and Disadvantages for proceeding the transaction with connected person

3.7.1 Advantages for proceeding the transaction with connected person

3.7.1.1 Flexibility of determination of conditions and interest rates

The Company can negotiate and discuss favorable conditions and interest rate, for instance, repayment period, prepayment fee to be appropriate to both SGC and SINGER. Therefore, the Company has more flexibility for the negotiation in terms of relevant conditions from this financial assistance transaction.

3.7.1.2 Mobility for negotiation and coordination

As SINGER is a major shareholder of the company with shareholding proportion of 74.92% of total registered and paid-up capital, so the coordination in regards to the transaction is smoother and more flexible compared to discussion and negotiation with external parties. Moreover, this transaction has shorter processing time as SINGER already understands SGC's business so the consideration and approval period use shorter time.

3.7.2 Disadvantages for proceeding the Transaction with connected person

3.7.2.1 Conflict of Interest and Reliance to Connected Person

Connected person is a major shareholder of the Company, may use authority to push this transaction instead of other external sources to get benefits from interests. However, the Company and Audited Committee and Board of Directors, comprising of 4 independent directors from 7 directors, with 3 are audited committee who are responsible to consider the rationale in this transaction, resulting to the mitigation of conflict of interests' risk that might be happened.

3.8 Advantages and Disadvantages for proceeding the transaction with external parties

3.8.1 Advantages for proceeding the transaction with external parties

3.8.1.1 The Company does not rely on connected person who is a major creditor/shareholder of the Company

The Company will rely on sole creditor who is a major shareholder of the company which should raise conflict of interest in the future. This transaction will favor to SINGER for the potential interest payment of THB 1,798.28 million. Therefore, proceeding the transaction with external parties will reduce reliance to the connected person and reduce risk of conflict of interest.

3.8.2 Disadvantages for proceeding the transaction with external parties

3.8.2.1 Approval amount may not be sufficient to the target

As the Company is operating leasing business which cash and working capital is mandatorily required, together with new businesses that under development, so if the Company is required to seek funding from external sources, the Company may receive insufficient funding that the Company needs to operate the business.

3.8.2.2 Conditions might be unmatched with the Company's requirement

The Company may need to have collateral for proceeding loans with external sources which might be unmatched with the Company's requirement. In other words, the Company might need to use cash as a collateral which will increase obligation when proceeding the funding from financial institutions.

3.9 Risks from the Transaction

3.9.1 Risks before proceeding the Transaction

3.9.1.1 Risk from shareholders not approve the transaction

This transaction is considered as large connected transaction from exceeding 3.00% of the Company's NTA. Therefore, the Company is required to arrange shareholders' meeting to approve this transaction with need to receive at least 3 out of 4 from total shareholders who attend the meeting regardless of shareholders who have interest, including SINGER. Therefore, the Company cannot proceed in this transaction if not receive approval from the shareholders' meeting.

3.9.2 Risks after proceeding the Transaction

3.9.2.1 Risks from the Company's performance which resulting to incapability for loan repayment

In the scenario that the Company's performance is not resulted as expect, the Company may need to drawdown some loan portions of this transaction for principal repayment in order to maintain liquidity, the Company will have higher financial cost (based on average MLR+0.25% or actual cost of SINGER +0.25%, whichever is higher). Moreover, the Company will have the risk for fund sourcing to repay loans occurred from this transaction with interests.

However, based on reviewed financial statement as of 31 March 2024, the Company has total revenue and net profit of THB 436.53 million and THB 17.91 million, respectively, and cash and cash equivalents of THB 624.25 million. This can be seen that the Company has capability to manage internal cash flow which this transaction will also support to the Company for more flexible liquidity.

In case the Company cannot repay the loan to SINGER in regards if this transaction, the Company has an obligation to consider additional source of fundings for principal repayment and interest payment which could be listed as follows:

1. Expand the repayment period which the Company is required to follow rules and regulation that related to the SEC and the SET; or
2. Seek funding from financial institutions; or
3. Seek funding from bond issuance; or
4. Proceed for capital increase

However, based on reviewed financial statement as of 31 March 2024, the Company has total revenue of THB 436.53 million and net profit of THB 17.91 million, and cash and cash equivalents of THB 624.25 million. This can be implied of sufficient cash management for monthly interest payment. Furthermore, proceeding in this transaction will enhance the Company's financial liquidity to operate the business in order to increase the Company's profitability.

3.9.2.2 Risks from increase of interest rate

As interest rate from this transaction is referenced from MLR, so if MLR increases, the financial cost of the Company will increase accordingly.

However, as credit rating of SINGER decreased from BBB- to BB+, this will lead to higher funding cost of SINGER for its bond issuance and offering and the Company may have higher financial cost if interest rates of SINGER's bond is higher than MLR. However, bonds with the credit rating of BB+ issued in 2023 and 2024 has interest rate between 4.00% to 9.00% p.a. together with the consideration of market sentiment and financial performance of the issuer.

4. Risks from control of funding source by connected person who is a major creditor

3.9.2.3 Risks from control of source of funding from connected person who is a major creditor/shareholder

As SINGER is a major shareholder of the Company and may use its authority to control that leads to the transaction that not most beneficial to the Company. However, the loan agreement has specified clear terms and conditions and interest rates so this transaction will be transparent and appropriate to the Company.

3.10 Summary of IFA Opinion in regards to the Appropriateness of the Transaction

Independent financial advisor has considered an appropriateness in regards of the transaction in the aspects of determination of loan amount, determination of interest rate, advantages and disadvantages for proceeding the transaction, advantages and disadvantages for not proceeding the transaction, advantages and disadvantages for proceeding the transaction with connected person and external parties as well as potential risks from the transaction. Therefore, based on aspects described above, S14 Advisory Company Limited, as an independent financial advisor, views that shareholders should consider to approve this financial assistance transaction from connected person because the transaction will enhance the Company's liquidity and provide positive impact over negative impact. The Company has also prepared risk mitigation strategies in regards to the proceed of this transaction. However, the decision to vote for approving this transaction depends on the discretion of the Company's shareholders which IFA has a responsibility to provide opinions to the Company's shareholders based on the information provided by the Company including interview with managements and related persons. Shareholders should study information in documents which attached to the invitation letter to this shareholders' meeting to use own judgment and discretion for considering an appropriate vote.

Part 4 : Summary of Independent Financial Advisor Opinion

When considering characteristics of the transaction, conditions and interests in regards of the financial assistance transaction of the Company from SINGER, who is a major shareholder of the Company, IFA views that this financial assistance transaction has benefits to the Company with the loan repayment period of 4 years, as well as determination of interest rate referenced from market rate which shall not have negative impact to the Company.

Moreover, this transaction will increase financial liquidity of the Company as a cash reserve for principal repayment of loans due in 2025 as well as the Company will not have interest obligation if there would be no drawdown in regards to this transaction. Moreover, as this transaction is executed with connected person, the Company can discuss and negotiate conditions with the lender to have long term favorable results to the Company.

Refer to rationality above, S 14 Advisory Company Limited, as an independent financial advisor, views that **shareholders of the Company should approve this financial assistance transaction from SINGER.** However, the decision to vote for approving this transaction depends on the discretion of the Company's shareholders which IFA has a responsibility to provide opinions to the Company's shareholders based on the information provided by the Company including interview with managements and related persons. Shareholders should study information in documents which attached to the invitation letter to this shareholders' meeting to use own judgment and discretion for considering an appropriate vote.

S 14 Advisory Company Limited, as an independent financial advisor, certifies that have performed to carefully study and analyze received information with the consideration of shareholders' benefits as priority.

Best Regards,

Independent Financial Advisor
S 14 Advisory Company Limited

Ms. Piyapa Chongsathien
CEO

Mr. Akarapach Kumkanis
Vice CEO and Supervisor Financial Advisory

Attachment 1 : Summary of SG Capital Public Company Limited**1. General Information**

| | | |
|---------------------------------------|---|--|
| Company name | : | SG Capital Public Company Limited |
| Nature of Business | : | The Company engages in non-bank financial service business with head quarter located in Bangkok and offers the following services (1) Hire purchase for home appliances and captive finance (2) Auto hire purchase with vehicle registration books transferred and loans with vehicle registration books as collaterals (3) Debt Consolidation for employees (4) Gold Financing (Click2Gold) and (5) Other types of loan credit, such as loans for purchasing goods, etc. under "SG Capital" |
| Company Registration | : | 0107564000383 |
| Head Office | : | 72 Telecommunications Bangrak Building, Floor 20, Charoen Krung Road, Bangrak, Bangkok 10500 |
| Registered Capital | : | As of 19 June 2024: THB 3,270,000,000.00, divided into 3,270,000,000.00 ordinary shares with a par value of THB 1.00 |
| Registered and Paid-up Capital | : | As of 19 June 2024: THB 3,270,000,000.00, divided into 3,270,000,000.00 ordinary shares with a par value of THB 1.00 |

2. Company History

SG Capital Public Company Limited was first registered on 27 June 2012 by Singer Thailand Public Company Limited ("SINGER" or collectively referred to with its subsidiaries as the SINGER Group), under the name Singer Leasing Thailand Company Limited, with registered capital of THB 1.00 million to operate hire purchase for home appliances and commercial appliances. The business transfer included all assets related to hire purchase accounts from SINGER, which was approved by the Extraordinary General Meeting of Shareholders of SINGER on November 26, 2012. The company was renamed SG Capital Company Limited on July 25, 2016.

The company expanded its business scope to meet the increasingly diverse needs of customers. In 2017, it expanded into vehicle hire purchase loans (with ownership transfer of the registration book) and car registration pledge loans (personal loans under supervision with the car registration as collateral) under the brand "Rothamngern." In 2018, the company began employee

welfare loan business ("Debt Consolidation") to help private company employees who are good workers but have high debt burdens. The company saw growth opportunities in the employee welfare loan business.

In 2021, the company started the online gold installment loan business ("Click2Gold"), recognizing the importance of supporting individuals without large sums of money and with lower incomes to save and accumulate wealth by accumulating gold through installments.

3. Information on Nature of Business Operation

The Company engages in non-bank financial service business with head quarter located in Bangkok providing loan services under name "SG Capital" as follows;

- (1) Hire purchase for home appliances and captive finance
- (2) Auto hire purchase with vehicle registration books transferred and loans with vehicle registration books as collaterals
- (3) Debt Consolidation for employees
- (4) Gold Financing (Click2Gold)
- (5) Other types of loan credit, including loans for purchasing goods.

SG Capital Public Company Limited's performance for the year ended December 31, 2023, reported total assets of THB 13,454.87 million. The company's total revenue for the year ended December 31, 2023, amounted to THB 2,169.49 million, a decrease of THB 269.27 million or 11.04% compared to the previous year.

Additionally, as of December 31, 2023, the company had total loan balances of THB 12,160.16 million, which is a decrease of 15.52% compared to the end of 2022. The company's shareholders' equity was THB 3,121.44 million, a decrease of 45.73% compared to the end of 2022

4. List of board of directors

The list of 4 board directors as of 30 June 2024 as follow:

| | Name | Position |
|---|--------------------------|--|
| 1 | Mr. Anothai Sritiapetch | Director |
| 2 | Ms. Jatuporn Konghum | Chief Financial Officer |
| 3 | Mr. Noppadol Sangpratoom | Assistant Executive Vice President of Sales Management |
| 4 | Ms. Nattaya Uppamaame | Senior Vice President of Operations & Credit Approval |

Source: 56-1 One Report

5. List of shareholders

The list of top 10 shareholders of the Company as of 7 May 2024 as follow:

| | Shareholders | Number of shares | Shareholding ratio |
|---|---|------------------|--------------------|
| 1 | Singer Thailand Public Company Limited | 2,449,998,000 | 74.92 |
| 2 | JMART Group Holdings Public Company Limited | 145,798,585 | 4.46 |

| | Shareholders | Number of shares | Shareholding ratio |
|----|--|------------------|--------------------|
| 3 | Rabbit Holdings Public Company Limited | 71,966,133 | 2.20 |
| 4 | Mr. Natthaphon Nitithanatkul | 20,000,000 | 0.61 |
| 5 | Mr. Kobpong Prompanya | 19,163,500 | 0.59 |
| 6 | Mr. Songyos Uawattana | 15,000,000 | 0.46 |
| 7 | Mr. Jittiporn Chantararat | 13,500,000 | 0.41 |
| 8 | Mr. Arnon Pajitrojana | 12,600,068 | 0.39 |
| 9 | Mr. Chao Kara | 12,210,000 | 0.37 |
| 10 | Mrs. Wilai Jiraeittiwanna | 11,888,400 | 0.36 |

6. Financial Position and Results of Operations of the Company

6.1 Statement of financial position

| Unit : THB million | 31 Dec 2021 | | 31 Dec 2022 | | 31 Dec 2023 | | 31 Mar 2024 | |
|---|-----------------|--------------|-----------------|--------------|-----------------|--------------|-----------------|--------------|
| | (Audited) | | (Audited) | | (Audited) | | (Reviewed) | |
| | THB million | Percent | THB million | Percent | THB million | Percent | THB million | Percent |
| Assets | | | | | | | | |
| Current assets | | | | | | | | |
| Cash and cash equivalents | 391.37 | 3.42 | 3,106.14 | 17.47 | 154.00 | 1.14 | 624.25 | 4.54 |
| Current portion of hire-purchase contract receivables | 3,076.26 | 26.91 | 3,438.46 | 19.34 | 855.86 | 6.36 | 688.50 | 5.01 |
| Current portion of loan receivables | 1,225.05 | 10.72 | 2,006.26 | 11.28 | 2,263.28 | 16.82 | 2,361.96 | 17.17 |
| Other receivables | 228.98 | 2.00 | 67.32 | 0.38 | 212.46 | 1.58 | 156.45 | 1.14 |
| Accrued incomes | 25.57 | 0.22 | 11.67 | 0.07 | 7.52 | 0.06 | 4.71 | 0.03 |
| Asset foreclosed | - | 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 | | | | | | | | |
| Hire-purchase contract receivables | 2,076.04 | 18.16 | 1,918.40 | 10.79 | 715.58 | 5.32 | 775.41 | 5.64 |
| Loan receivables | 4,277.93 | 37.43 | 7,030.47 | 39.53 | 8,325.44 | 61.88 | 8,251.07 | 59.99 |
| Leasehold improvement and equipment | 14.32 | 0.13 | 21.47 | 0.12 | 21.97 | 0.16 | 21.33 | 0.16 |

| Unit : THB million | 31 Dec 2021 | | 31 Dec 2022 | | 31 Dec 2023 | | 31 Mar 2024 | |
|---|------------------|---------------|------------------|---------------|------------------|---------------|------------------|---------------|
| | (Audited) | | (Audited) | | (Audited) | | (Reviewed) | |
| | THB million | Percent | THB million | Percent | THB million | Percent | THB million | Percent |
| 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 loan from financial institution | - | 0.00 | 55.00 | 0.31 | - | 0.00 | - | 0.00 |
| Trade accounts payable | 1,179.63 | 10.32 | 486.48 | 2.74 | 75.19 | 0.56 | 69.23 | 0.50 |
| Other payables | 263.44 | 2.30 | 163.96 | 0.92 | 127.50 | 0.95 | 118.11 | 0.86 |
| Current portion of long-term loan from parent company | 9.89 | 0.09 | 10.48 | 0.06 | 2,353.83 | 17.49 | 3,948.46 | 28.71 |
| Current portion of lease liabilities | 7.55 | 0.07 | 9.02 | 0.05 | 14.21 | 0.11 | 13.88 | 0.10 |
| Corporate income tax payable | 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 loan 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 loan from financial institution | 14.44 | 0.13 | 3.92 | 0.02 | - | 0.00 | - | 0.00 |
| Lease liabilities | 8.61 | 0.08 | 11.77 | 0.07 | 12.31 | 0.09 | 10.87 | 0.08 |
| Provisions for employee benefits | 19.14 | 0.17 | 24.14 | 0.14 | 17.95 | 0.13 | 17.71 | 0.13 |

| Unit : THB million | 31 Dec 2021 | | 31 Dec 2022 | | 31 Dec 2023 | | 31 Mar 2024 | |
|---|------------------|---------------|------------------|---------------|------------------|---------------|------------------|---------------|
| | (Audited) | | (Audited) | | (Audited) | | (Reviewed) | |
| | THB million | Percent | THB million | Percent | THB million | Percent | THB million | Percent |
| Employee security deposits | 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 |
| Equity | | | | | | | | |
| Share capital | | | | | | | | |
| Authorized share capital | | | | | | | | |
| (Number of Ordinary shares 3,270,000,000 at 1 Baht per share) | 3,270.00 | 28.61 | 3,270.00 | 18.39 | 3,270.00 | 0.24 | 3,270.00 | 23.77 |
| Issued and paid-up share capital | | | | | | | | |
| (Number of Ordinary shares 3,270,000,000 at 1 Baht per share) | 2,450.00 | 21.43 | 3,270.00 | 18.39 | 3,270.00 | 0.24 | 3,270.00 | 23.77 |
| Share premium | | | | | | | | |
| Share premium on ordinary shares | - | 0.00 | 2,292.00 | 0.12 | 2,292.00 | 17.03 | 2,292.00 | 16.66 |
| Difference arising from business combination under common control | (974.12) | 8.52 | (974.12) | 0.05 | (0.97) | 7.23 | (0.97) | 0.01 |
| Retained earnings (Deficit) | | | | | | | | |
| Appropriated: Legal reserve | 176.02 | 1.54 | 209.38 | 1.18 | 209.38 | 1.56 | 209.38 | 1.52 |
| Unappropriated (Deficit) | 762.09 | 6.67 | 954.13 | 5.37 | 1,675.82 | 12.46 | 1,657.92 | 12.05 |
| Total equity | 2,413.99 | 21.12 | 5,751.40 | 32.34 | 3,121.44 | 23.20 | 3,139.35 | 22.82 |
| Total liabilities and equity | 11,430.24 | 100.00 | 17,783.36 | 100.00 | 13,454.87 | 100.00 | 13,755.10 | 100.00 |

6.2 Statement of comprehensive income

| 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 |
| Income | | | | |
| Interest income from hire-purchase contracts and loans | 1,735.93 | 2,399.08 | 2,089.38 | 424.33 |
| Other income | 45.88 | 39.68 | 80.11 | 12.20 |
| Total income | 1,781.82 | 2,438.76 | 2,169.49 | 436.53 |
| Expenses | - | - | | |
| Service and administrative expenses | 491.63 | 641.60 | 640.54 | 137.41 |
| Total expenses | 491.63 | 641.60 | 640.54 | 137.41 |
| Profit from operating activities | 1,290.18 | 1,797.15 | 1,528.95 | 299.12 |
| Finance costs | (353.29) | (600.22) | (592.72) | (147.37) |
| Expected credit loss | (211.37) | (395.21) | (3,770.82) | (128.53) |
| (Loss) profit before income tax expenses | 725.51 | 801.73 | (2,834.59) | 23.21 |
| Tax income (expenses) | (132.48) | (134.49) | 559.31 | (5.31) |
| (Loss) profit for the period | 593.03 | 667.24 | (2,275.28) | 17.91 |

6.3 Statement of cash flow

| 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 |
| Cash flows from operating activities | | | | |
| (Loss) profit for the period | 593.03 | 667.24 | (2,275.28) | 17.905 |
| Adjustments to reconcile profit (loss) to cash receipts (payments) | - | - | - | 0 |
| Tax (income) expenses | 132.48 | 134.49 | (559.31) | 5.307 |
| Interest income from hire-purchase contract and loans | (1,735.93) | (2,399.08) | (2,089.38) | (424.33) |
| Finance costs | 353.29 | 600.22 | 592.72 | 147.37 |
| Depreciation | 18.44 | 19.83 | 25.22 | 6.00 |
| Amortisation | 0.22 | 0.59 | 0.96 | 0.38 |
| Expected credit loss | 211.37 | 395.21 | 3,770.82 | 128.53 |
| Loss from impairment of asset foreclosed | 0.64 | 6.87 | 22.65 | (2.23) |
| Provision from employee benefit | 6.48 | 4.01 | 5.37 | 1.13 |

| 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 |
| (Gain) loss on written-off equipment and intangible asset | 0.30 | 1.18 | (0.01) | 0.12 |
| Other interest income | (0.13) | (0.23) | (7.72) | (0.16) |
| Changes in operating assets and liabilities | | | | |
| Hire-purchase contract receivables | (2,013.76) | (547.41) | 524.67 | 77.14 |
| Loan receivables | (2,435.40) | (3,563.42) | (1,990.13) | (111.51) |
| Other receivables | 51.01 | 149.01 | (146.53) | 56.29 |
| Accrued income | (13.04) | 13.90 | 4.15 | 2.81 |
| Asset foreclosed | 1.00 | (45.92) | (165.34) | 31.90 |
| Other current assets | (0.63) | (0.07) | 0.08 | - |
| Other non-current assets | (4.19) | (0.45) | (0.53) | 0.12 |
| Trade accounts payable | 244.98 | (706.39) | (398.05) | (5.96) |
| Deferred interest subsidies | (258.41) | (83.24) | (10.82) | (0.65) |
| Other payables | 68.80 | (3.00) | (38.88) | (8.73) |
| Employee securities deposits | (0.43) | 0.94 | 11.47 | (0.33) |
| Employee benefit paid | (2.19) | (0.06) | (5.30) | (1.36) |
| Net cash used in operations | (4,782.68) | (5,355.78) | (2,729.15) | (78.90) |
| Interest received hire-purchase contract and loans | 1,770.53 | 2,379.53 | 2,018.56 | 413.38 |
| Tax paid | (83.08) | (104.92) | (92.11) | (0.28) |
| Net cash used in operating activities | (3,095.24) | (3,081.17) | (802.70) | 332.84 |
| Cash flows from investing activities | | | | |
| Other interest received | 0.13 | 0.23 | 7.72 | 0.16 |
| Cash received from divest investment | 600.59 | - | - | - |
| Cash paid for the purchase of investment | (600.00) | - | - | - |
| Cash received from the sales of equipment | - | - | 0.01 | (1.69) |
| Cash paid for the purchase of leasehold improvements and equipment | (11.34) | (14.08) | (8.98) | - |
| Cash paid for intangible asset | (4.54) | (2.15) | (8.26) | (10.01) |

| 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 |
| Net cash used in investing activities | (15.16) | (16.00) | (9.52) | (11.54) |
| Cash flows from financing activities | | | | |
| Cash received from the issuance of common stock (Net) | 1,000.00 | 3,112.00 | - | - |
| Dividends paid to owners of the Company | - | (441.00) | (359.69) | - |
| Finance cost paid | (353.29) | (598.93) | (591.16) | (146.98) |
| Cash received from short-term loan from financial institution | - | 55.00 | - | - |
| Cash received from long-term from financial institution | 30.00 | - | - | - |
| Repayment loan to financial institution | (5.67) | (9.94) | (69.39) | - |
| Cash received from parent company | 4,206.78 | 7,718.84 | - | 300.00 |
| Repayment loan to parent company | (1,516.10) | (4,009.26) | (1,100.00) | - |
| Cash paid for lease liabilities | (15.61) | (14.78) | (19.68) | (4.07) |
| Net cash from (used in) financial activities | 3,346.10 | 5,811.94 | (2,139.93) | 148.95 |
| Net increase (decrease) in cash and cash equivalents | 235.70 | 2,714.78 | (2,952.15) | 470.25 |
| Cash and cash equivalents as of 1 Jan | 155.66 | 391.37 | 3,106.14 | 154.00 |
| Cash and cash equivalents as of 31 Dec | 391.37 | 3,106.14 | 154.00 | 624.25 |

6.4 Key Financial Ratio

| Financial Ratio | Unit | As of | | | |
|--|------|-------|-------|----------|----------------|
| | | 2021 | 2022 | 2023 | Quarter 1/2024 |
| Net Profit (Loss) rate | % | 33.28 | 16.34 | (104.88) | 4.10 |
| Return of return on shareholders' equity | % | 36.67 | 19.16 | (51.29) | (44.33) |
| Interest income ratio | % | 20.35 | 6.41 | 15.74 | 14.11 |
| Interest expenses ratio | % | 5.76 | 12.75 | 5.55 | 5.69 |
| Interest difference ratio | % | 14.58 | 12.32 | 10.19 | 8.93 |

| | | | | | |
|--|------|-------|-------|----------|----------|
| Ratio of net interest income to assets | % | 15.00 | 12.32 | 9.59 | 8.64 |
| Rate of return on asset | % | 6.43% | 4.57% | (14.57%) | (12.68%) |
| Debt to equity ratio | Time | 3.74 | 2.09 | 3.31 | 3.38% |
| Ratio of expected credit loss allowance to total loans | % | 2.80% | 3.38% | 16.14% | 16.86% |
| Rate of credit impaired debtors to total loans | % | 3.85% | 4.64% | 21.30% | 22.32% |

7 Management Discussion & Analysis

Operating results and financial position

| 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 |
| Income | | | | |
| Interest income from hire-purchase contracts and loans | 1,735.93 | 2,399.08 | 2,089.38 | 424.33 |
| Other income | 45.88 | 39.68 | 80.11 | 12.20 |
| Total income | 1,781.82 | 2,438.76 | 2,169.49 | 436.53 |
| Expenses | - | - | | |
| Service and administrative expenses | 491.63 | 641.60 | 640.54 | 137.41 |
| Total expenses | 491.63 | 641.60 | 640.54 | 137.41 |
| Profit from operating activities | 1,290.18 | 1,797.15 | 1,528.95 | 299.12 |
| Finance costs | (353.29) | (600.22) | (592.72) | (147.37) |
| Expected credit loss | (211.37) | (395.21) | (3,770.82) | (128.53) |
| (Loss) profit before income tax expenses | 725.51 | 801.73 | (2,834.59) | 23.21 |
| Tax income (expenses) | (132.48) | (134.49) | 559.31 | (5.31) |
| (Loss) profit for the period | 593.03 | 667.24 | (2,275.28) | 17.91 |

Total income

Total income consists of interest income, including (1) Home & Commercial Appliances hire purchase (2) Car Loan and (3) Interest income from other loan receivables (Debt Consolidation credit service loan, Click2Gold loan, and others). And other income from fee and commission revenues, etc.

For the 1st quarter 2024, the company's total income was Baht 436 million, a decrease of Baht 222 million or 34% from the same period of the last year. This was mainly due to a decrease of interest income from hire-purchase contracts and loans.

Interest income from hire-purchase contracts and loans for the 1st quarter 2024, the company interest income from hire-purchase contracts and loans were Baht 424 million, a decrease of Baht 222 million or 34% from the same period of the last year. Due to company has a more stringent credit approval loan policy, Home & Commercial Appliances hire purchase loan portfolio decreased including having high non-performing debt.

As a result, the recognition of interest income from hire purchase loans for electrical appliances decreased by 82% from the same period last year. As for interest income from Car Loan contracts and Debt Consolidation loan contracts increased to 11% compared to the same period of the last year.

Service and administrative expenses

For the 1st quarter 2024, the company's service and administrative expenses were Baht 137 million, a decrease of Baht 39 million or 22% from the same period of the last year. The main reason is the cost control policy. And increasing work efficiency by using KPI principles as indicators and continuous expense control.

Finance costs

For the 1st quarter 2024, the company's finance costs were Baht 147 million, a decrease of Baht 10 million or 6% due to repaying debt from parent company in last year Baht 1,100 million.

Expected credit loss

For the 1st quarter 2024, the company's expected credit loss was Baht 129 million, a decrease of Baht 652 million or 83% from the same period of the last year. Due to a decrease of the home and commercial appliance contract from the company has a more stringent credit approval loan policy, causing the new loan amount for hire purchase contracts to decrease. In addition, the same period of the last year also recorded additional provisions for expected credit losses increasing significant. This was a result of the termination of assistance programs due to the impact of the COVID-19 pandemic. As result in the 1st quarter 2024, the company did not record expected credit losses as large as last year.

Net Profit (Loss)

For the 1st quarter 2024, the company's net profit was Baht 18 million, the same period of last year the company's net loss Baht 368 million. mainly due to net profit from a decrease in expected credit losses from the home and commercial appliance hire purchase and car loan portfolios and a decrease from service and administrative expenses as mentioned above.

7.1 Financial Position

Assets

As of 31 March 2024, and 31 December 2023, the company had total assets of Baht 13,755 million and Baht 13,455 million, an increase of Baht 300 million or 2% from the last year. The mainly due to:

As of 31 March 2024, Cash and cash equivalents was Baht 624 million, an increase of Baht 470 million, or 305% from 31 December 2023 mainly increase net cash from operating activities from the company strict policy in new loans and cost control.

As of 31 March 2024, the hire-purchase contract receivables were Baht 1,464 million, a decreased of Baht 108 million, or 7% from 31 December 2023 mainly from the company has a more stringent credit approval loan policy, causing the new loan amount for hire purchase contracts to decrease.

As of 31 March 2024, the loan contract receivables were Baht 10,613 million, an increase of Baht 25 million, or 0.2% from 31 December 2023 mainly the expansion of the debt consolidation loan portfolio.

Liabilities

As of 31 March 2024, and 31 December 2023, the company had total liabilities of Baht 10,616 million and Baht 10,334 million, respectively, an increase of Baht 282 million or 3%, an increase from new loan from parent company of Baht 300 million.

Shareholder Equity

As of 31 March 2024, and 31 December 2023, the company had shareholder's equity of Baht 3,139 million and Baht 3,121 million, respectively, an increase of Baht 18 million or 1%, mainly from the net profit of company in 1st quarter 2024.

Executives' views on the future direction of operations

Management and the company remain optimistic about its financial position and future performance. As the economic situation begins to recover after the outbreak of the coronavirus disease 2019, customers have more potential to repay their loans. In 2024, the Company launched new financial products to mobile phone lending ("Locked phone") that able to lock usage if customer doesn't pay. The company implement the technology to make it easy and quick to apply and approval loan until to repayment from customers. The management is confident that new financial products will make the company grow continuously.

Attachment 2 : Summary of Singer Thailand Public Company Limited

1. General Information

Company name : Singer Thailand Public Company Limited

Nature of business : Singer Thailand Public Company Limited is the distributor of various products under the "Singer" brand. These include sewing machines and various household electrical appliances such as refrigerators, televisions, washing machines, fans, small electrical appliances, and beauty electrical appliances. The company also sells commercial products such as refrigerators, online mobile top-up machines, coin-operated fuel dispensers, and slush machines. Additionally, it represents various mobile phone brands to comprehensively meet the needs of both household and commercial customers.

Products are sold through the company's own retail branches and through various distributors. The sales model includes both cash sales and hire-purchase sales, with over 80% of sales being hire-

purchase. The hire-purchase operations are conducted through SG Capital Public Company Limited (SGC), in which Singer Thailand Public Company Limited has a 74.92% equity shareholding.

| | | |
|---------------------------------------|---|--|
| Company registration | : | 0107537000050 |
| Head office | : | 72, NT Bangrak Building, 17th Floor, Charoen Krung road, Bangrak, Bangkok 10500. |
| Registered Capital | : | THB 828,992,226.00 |
| Registered and paid-up capital | : | THB 828,992,226.00 |

2. Historical

In 1889, Singer Company of the United States appointed Kiam Hua Heng Co., Ltd. as the distributor of Singer sewing machines in Thailand. Later, in 1905, Singer Company of the United States established a branch in Thailand under the name Singer Sewing Machine Company Limited, with the objective of selling sewing machines and related products in Thailand. The company began importing lease-purchase equipment, allowing customers to pay in cash installments within one year starting in 1925. This operation evolved into a long-term lease-purchase business. Singer sewing machines rapidly gained popularity, and by 1957, the company started offering other products such as air conditioners and refrigerators.

On November 24, 1969, the company was transformed into a public company under the name Singer Thailand Public Company Limited and was listed on the Stock Exchange of Thailand on November 9, 1969, becoming one of the first companies to be registered on the Stock Exchange of Thailand. The business in Thailand expanded rapidly and continued to grow. By 2020, the company had a registered paid-up capital of 412,525,208 baht and was ranked as a high-performing company in 1984. On January 4, 1994, the company was registered with the Stock Exchange, and in 2004, it began operations under Singer Thailand Public Company Limited.

Today, Singer Thailand Public Company Limited offers a wide range of products and services to meet all customer needs, with the slogan "Happiness is Real at Singer."

3. Information on Nature of Business

Singer Thailand Public Company Limited is a distributor of electrical appliances, both commercial and household, under the "Singer" trademark (Happiness is Real at Singer). Household electrical appliances include sewing machines, air conditioners, washing machines, refrigerators, and televisions, among others. Commercial products include coin-operated fuel dispensers and various types of refrigerators such as fresh food cabinets, bakery refrigerators, beverage coolers, ice cream

machines, slush machines, and water pumps. Additionally, the company also represents various mobile phone brands to comprehensively and diversely meet customer needs, catering to both household and commercial customers. Distribution methods include both cash and lease-purchase options, allowing customers to choose the installment period according to their preferences.

Singer products can be divided into 2 main product groups as follows:

Household Electrical Appliances:

- **Sewing Machine Products:** Sewing machines, sewing accessories, multi-purpose lubricant oil, scissors, etc.
- **Household Electrical Appliances:** Refrigerators, washing machines, gas stoves, air conditioners, air fryers, choppers, coffee makers, fans, etc.
- **Audio-Visual Products:** LED TVs, Smart TVs, and sound systems, etc.

Commercial Products:

- **Products for Shops:** Fresh food cabinets, freezers, beverage coolers, beer coolers, wine coolers, bakery refrigerators, and ice cream machines, etc.
- **Coin-Operated Products:** Coin-operated fuel dispensers and top-up machines.
- **Agricultural Equipment:** Water pumps.

4. List of board director

The list of 9 board directors as of 31 March 2024 as follow:

| | Name | Position |
|---|---------------------------------|---|
| 1 | Mr. ADISAK SUKUMVITAYA | CHAIRMAN OF THE BOARD |
| 2 | Mr. NARATHIP WIRUNECHATAPAN | CHIEF EXECUTIVE OFFICER, DIRECTOR |
| 3 | Mrs. NONGLAK LAKSANAPOKIN | DIRECTOR |
| 4 | Mr. PIYA PONG-ACHA | DIRECTOR |
| 5 | Mrs. NONGLAK LAKSANAPOKIN | DIRECTOR |
| 6 | Mr. CHAN ITTHITHAVORN | INDEPENDENT DIRECTOR, CHAIRMAN OF THE AUDIT COMMITTEE |
| 7 | Mr. PREECHA PRAKOBKIT | INDEPENDENT DIRECTOR, AUDIT COMMITTEE |
| 8 | Mr. PREECHA PRAKOBKIT | INDEPENDENT DIRECTOR, AUDIT COMMITTEE |
| 9 | ADM. PRACHACHART SIRISAWAT RTN. | INDEPENDENT DIRECTOR |

Source: SET

5. List of shareholders

The list of top 10 shareholders of the Company as of 27 February 2024 as follows:

| | Shareholders | Number of shares | Shareholding ratio |
|----|--|------------------|--------------------|
| 1 | JMART Group Holdings Public Company Limited | 208,871,053 | 25.20 |
| 2 | Rabbit Holdings Public Company Limited | 196,889,196 | 23.75 |
| 3 | Mr. Chao Kara | 19,702,017 | 2.38 |
| 4 | Miss Kulisara Kara | 17,854,300 | 2.15 |
| 5 | Singer Thailand Public Company Limited | 13,890,000 | 1.68 |
| 6 | Mr. Auttawat Sirisiththingchai | 12,950,000 | 1.56 |
| 7 | SOUTH EAST ASIA UK (TYPE C) NOMINEES LIMITED | 11,634,275 | 1.40 |
| 8 | Thai NVDR Company Limited | 9,930,610 | 1.20 |
| 9 | Mr. Thanasin Pipatkittikul | 8,600,000 | 1.04 |
| 10 | Mr. Direk Takru | 7,218,878 | 0.87 |

6. Financial Position and Results of Operations of the Company

6.1 Statement of financial position

| Unit : THB million | 31 Dec 2021 | | 31 Dec 2022 | | 31 Dec 2023 | | 31 Mar 2024 | |
|---|----------------|---------|----------------|---------|----------------|---------|----------------|---------|
| | (Audited) | | (Audited) | | (Audited) | | (Reviewed) | |
| | THB million | Percent | THB million | Percent | THB million | Percent | THB million | Percent |
| Assets | | | | | | | | |
| Current assets | | | | | | | | |
| Cash and cash equivalents | 1,226.57 | 5.07 | 4,639.07 | 17.92 | 3,713.64 | 19.36 | 3,145.99 | 17.33 |
| Short-term investments in financial assets | 10,350.94 | 42.76 | 2,797.36 | 10.80 | 1.20 | 0.01 | - | 0.00 |
| Trade receivables | 68.69 | 0.28 | 75.77 | 0.29 | 32.53 | 0.17 | 14.90 | 0.08 |
| Current portion of hire-purchase contract receivables | 3,105.64 | 12.83 | 3,438.46 | 13.28 | 875.24 | 4.56 | 701.39 | 3.86 |
| Current portion of loan receivables | 1,225.84 | 5.06 | 2,006.26 | 7.75 | 2,496.47 | 13.02 | 2,393.18 | 13.18 |
| Current portion of | - | 0.00 | - | 0.00 | - | 0.00 | - | 0.00 |

| Unit : THB million | 31 Dec 2021 | | 31 Dec 2022 | | 31 Dec 2023 | | 31 Mar 2024 | |
|---|------------------|--------------|------------------|--------------|-----------------|--------------|-----------------|--------------|
| | (Audited) | | (Audited) | | (Audited) | | (Reviewed) | |
| | THB million | Percent | THB million | Percent | THB million | Percent | THB million | Percent |
| long-term loans to related party | | | | | | | | |
| Other receivables | 437.66 | 1.81 | 724.36 | 2.80 | 356.78 | 1.86 | 299.00 | 1.65 |
| Inventories | 643.37 | 2.66 | 1,754.78 | 6.78 | 701.43 | 3.66 | 652.47 | 3.59 |
| Accrued Income | 13.68 | 0.06 | - | - | - | - | - | 0.00 |
| Inventories | - | - | 18.38 | 0.07 | 149.50 | 0.78 | 125.36 | 0.69 |
| Other current assets | 3.04 | 0.01 | 34.76 | 0.13 | 1.40 | 0.01 | 1.59 | 0.01 |
| Total current assets | 17,075.43 | 70.54 | 15,489.20 | 59.82 | 8,328.18 | 43.42 | 7,333.87 | 40.39 |
| Non-current assets | | | | | | | | |
| Restricted deposit at financial institution | 2.00 | 0.01 | 2.00 | 0.01 | 2.00 | 0.01 | 2.00 | 0.01 |
| Long-term investments in financial assets | - | - | 195.40 | 0.75 | 96.67 | 0.50 | 109.78 | 0.60 |
| Hire-purchase contract receivables | 2,078.98 | 8.59 | 1,918.40 | 7.41 | 726.40 | 3.79 | 780.13 | 4.30 |
| Loan receivables | 4,278.98 | 17.68 | 7,030.47 | 27.15 | 8,335.00 | 43.45 | 8,264.30 | 45.52 |
| Long-term loans to related party | - | - | - | - | - | - | - | - |
| Investments in subsidiaries | - | - | - | - | - | - | - | - |
| Property, plant and equipment | 474.68 | 1.96 | 849.68 | 3.28 | 582.41 | 3.04 | 580.08 | 3.19 |

| Unit : THB million | 31 Dec 2021 | | 31 Dec 2022 | | 31 Dec 2023 | | 31 Mar 2024 | |
|--|------------------|---------------|------------------|---------------|------------------|---------------|------------------|---------------|
| | (Audited) | | (Audited) | | (Audited) | | (Reviewed) | |
| | THB million | Percent | THB million | Percent | THB million | Percent | THB million | Percent |
| Right-of-use assets | 102.42 | 0.42 | 162.37 | 0.63 | 130.33 | 0.68 | 106.32 | 0.59 |
| Intangible assets | 53.32 | 0.22 | 59.83 | 0.23 | 68.43 | 0.36 | 77.34 | 0.43 |
| Deferred tax assets | 124.78 | 0.52 | 132.40 | 0.51 | 861.20 | 4.49 | 854.43 | 4.71 |
| Other non-current assets | 17.19 | 0.07 | 54.36 | 0.21 | 50.79 | 0.26 | 48.77 | 0.27 |
| Total non-current assets | 7,132.34 | 29.46 | 10,404.91 | 40.18 | 10,853.22 | 56.58 | 10,823.15 | 59.61 |
| Total assets | 24,207.77 | 100.00 | 25,894.12 | 100.00 | 19,181.40 | 100.00 | 18,157.01 | 100.00 |
| Liabilities and equity | | | | | | | | |
| Current liabilities | | | | | | | | |
| Overdraft and short-term loan from institution | - | - | 55.00 | 0.21 | - | - | - | - |
| Trade accounts payable | 577.73 | 2.39 | 193.31 | 0.75 | 71.14 | 0.37 | 87.48 | 0.48 |
| Other payables | 466.28 | 1.93 | 371.36 | 1.43 | 226.79 | 1.18 | 186.23 | 1.03 |
| Current portion of long-term loan from institution | 9.89 | 0.04 | 10.48 | 0.04 | - | - | - | - |
| Current portion of debentures | 1,500.00 | 6.20 | 1,800.00 | 6.95 | 3,000.00 | 15.64 | 3,691.70 | 20.33 |
| Current portion of lease liabilities | 43.91 | 0.18 | 70.03 | 0.27 | 71.33 | 0.37 | 52.58 | 0.29 |

| Unit : THB million | 31 Dec 2021 | | 31 Dec 2022 | | 31 Dec 2023 | | 31 Mar 2024 | |
|---|-----------------|--------------|-----------------|--------------|-----------------|--------------|-----------------|--------------|
| | (Audited) | | (Audited) | | (Audited) | | (Reviewed) | |
| | THB million | Percent | THB million | Percent | THB million | Percent | THB million | Percent |
| Corporate income tax payable | 52.19 | 0.22 | 131.91 | 0.51 | 0.73 | 0.00 | 1.30 | 0.01 |
| Total current liabilities | 2,650.00 | 10.95 | 2,632.08 | 10.16 | 3,369.99 | 17.57 | 4,019.28 | 22.14 |
| Non-current liabilities | | | | | | | | |
| Long-term loan from financial institution | 14.44 | 0.06 | 3.92 | 0.02 | - | - | - | - |
| Debentures | 6,444.18 | 26.62 | 4,669.71 | 18.03 | 1,687.65 | 8.80 | - | - |
| Lease liabilities | 60.93 | 0.25 | 97.57 | 0.38 | 71.19 | 0.37 | 56.07 | 0.31 |
| Provision for employee benefits | 141.60 | 0.58 | 107.83 | 0.42 | 68.50 | 0.36 | 65.04 | 0.36 |
| Deferred tax liabilities | 6.79 | 0.03 | 19.46 | 0.08 | - | - | - | - |
| Other non-current liabilities | 51.25 | 0.21 | 55.87 | 0.22 | 32.77 | 0.17 | 30.17 | 0.17 |
| Total non-current liabilities | 6,719.18 | 27.76 | 4,954.37 | 19.13 | 1,860.12 | 9.70 | 151.28 | 0.83 |
| Total liabilities | 9,369.18 | 38.70 | 7,586.45 | 29.30 | 5,230.11 | 27.27 | 4,170.57 | 22.97 |
| Equity | | | | | | | | |
| Share capital | | | | | | | | |
| Authorised share capital | 838.02 | 3.46 | 840.67 | 3.25 | 840.68 | 4.38 | 840.68 | 4.63 |
| Issued and paid share capital | 800.09 | 3.31 | 822.27 | 3.18 | 828.99 | 4.32 | 828.99 | 4.57 |
| Share premium | - | - | - | - | - | - | - | - |
| Premium on ordinary shares | 11,996.41 | 49.56 | 12,256.18 | 47.33 | 12,334.93 | 64.31 | 12,334.93 | 67.93 |

| Unit : THB million | 31 Dec 2021 | | 31 Dec 2022 | | 31 Dec 2023 | | 31 Mar 2024 | |
|--|----------------|---------|----------------|---------|----------------|---------|----------------|---------|
| | (Audited) | | (Audited) | | (Audited) | | (Reviewed) | |
| | THB million | Percent | THB million | Percent | THB million | Percent | THB million | Percent |
| Surplus on changes in ownership interests in subsidiary | - | - | 2,457.71 | 9.49 | 2,457.71 | 12.81 | 2,457.71 | 13.54 |
| Reserve arising from business combination under common control | - | - | - | - | - | - | - | - |
| Cash received advance from shares | 139.39 | 0.58 | 0.96 | 0.00 | - | - | - | - |
| Retained earnings (Deficit) | | | | | | | | |
| Appropriated | | | | | | | | |
| Legal reserve | 41.23 | 0.17 | 82.82 | 0.32 | 82.82 | 0.43 | 82.82 | 0.46 |
| Treasury shares reserves | - | - | 58.65 | 0.23 | 337.91 | 1.76 | 337.91 | 1.86 |
| Unappropriated (Deficit) | 1,640.10 | 6.78 | 1,803.05 | 6.96 | (1,975.02) | (10.30) | (1,943.55) | (10.70) |
| Treasury shares | - | - | (58.65) | (0.23) | (337.91) | (1.76) | (337.91) | (1.86) |
| Other components of equity | 221.37 | 0.91 | 218.13 | 0.84 | 214.90 | 1.12 | 214.09 | 1.18 |
| Equity attributable to owners of the parent | 14,838.60 | 61.30 | 17,641.12 | 68.13 | 13,944.33 | 72.70 | 13,974.99 | 76.97 |
| Non-controlling interests | - | - | 666.55 | 2.57 | 6.96 | 0.04 | 11.45 | 0.06 |

| Unit : THB million | 31 Dec 2021 | | 31 Dec 2022 | | 31 Dec 2023 | | 31 Mar 2024 | |
|------------------------------|----------------|---------|----------------|---------|----------------|---------|----------------|---------|
| | (Audited) | | (Audited) | | (Audited) | | (Reviewed) | |
| | THB million | Percent | THB million | Percent | THB million | Percent | THB million | Percent |
| Total equity | 14,838.60 | 61.30 | 18,307.67 | 70.70 | 13,951.29 | 72.73 | 13,986.45 | 77.03 |
| Total liabilities and equity | 24,207.77 | 100.00 | 25,894.12 | 100.00 | 19,181.40 | 100.00 | 18,157.01 | 100.00 |

6.2 Statement of comprehensive income

| 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 from sale of goods | 2,766.40 | | 2,710.86 | | 757.46 | | 149.58 | |
| Interest income from hire-purchase contract and loans | 1,498.98 | | 2,315.84 | | 2,089.28 | | 426.73 | |
| Interest income from loans to related party | - | | - | | - | | - | |
| Revenue from rendering of services | 71.85 | | 86.46 | | 57.93 | | 9.75 | |
| Revenue from management fees | - | | - | | - | | - | |
| Dividend income | - | | - | | 4.52 | | - | |
| Other income | 59.83 | | 92.32 | | 129.45 | | 33.29 | |
| Total income | 4,397.05 | | 5,205.48 | | 3,038.64 | | 619.35 | |
| Expenses | | | | | | | | |
| Cost of sale of goods | 1,473.10 | | 1,507.22 | | 1,612.82 | | 109.56 | |
| Cost of rendering of services | 20.17 | | 25.91 | | 18.82 | | 3.56 | |
| Distribution costs | 951.11 | | 1,070.81 | | 629.33 | | 100.05 | |
| Administrative expenses | 469.71 | | 595.83 | | 752.72 | | 161.33 | |
| Total expenses | 2,914.10 | | 3,199.76 | | 3,013.69 | | 374.49 | |
| Profit (loss) from operating activities | 1,482.95 | | 2,005.72 | | 24.95 | | 244.85 | |
| Finance costs | 424.60 | | 461.46 | | 357.17 | | 70.03 | |
| Expected credit loss | 160.24 | | 356.14 | | 4,174.60 | | 144.57 | |

| 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 |
| Loss (gains) on measurement of investments in financial assets | (4.14) | (4.46) | (1.20) | 0.90 |
| Profit (loss) before income tax expense | 902.25 | 1,192.57 | (4,505.62) | 29.36 |
| Tax expense (income) | 201.66 | 251.15 | (725.36) | 4.70 |
| Profit (loss) for the period | 700.59 | 941.42 | (3,780.26) | 24.66 |

6.3 Statement of cash flow

| 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 |
| Cash flow from operating activities | | | | |
| Net Profit (Loss) | 700.59 | 941.42 | (3,780.26) | 24.66 |
| Adjust items that affect profit (loss) to cash received (paid) | - | - | - | - |
| Expenses (Income) Taxes | 201.66 | 251.15 | (725.36) | 4.70 |
| Interest received from Hire Purchase Contract and loans | (1,498.98) | (2,315.84) | (2,089.28) | (426.73) |
| Finance costs | 424.60 | 461.46 | 357.17 | 70.03 |
| Depreciation | 90.83 | 116.70 | 142.34 | 29.42 |
| Amortisation | 7.66 | 8.47 | 9.29 | 2.90 |
| Expected Credit Losses Recognized in Profit or Loss (Reversed) | 160.24 | 356.14 | 4,174.60 | 144.57 |
| Loss from Impairment of Land, Buildings, and Equipment | - | - | 37.81 | 7.51 |
| Provisions for Employee Benefits | 15.29 | 15.29 | 6.44 | 2.75 |
| Gain from Valuation of Financial Asset Investments | (4.14) | (4.46) | (1.20) | 0.90 |
| (Reversed) Loss from Inventory Valuation Adjustments | (0.66) | 10.84 | 850.94 | (56.40) |
| Loss from Disposal and Write-off of Buildings and Equipment | 2.53 | 1.97 | 39.80 | 0.17 |

| 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 |
| Loss from Write-off of Intangible Assets | - | - | 0.26 | - |
| Dividend received | - | - | (4.52) | - |
| Other interest received | (0.95) | (24.29) | (46.87) | (16.64) |
| Changes in Operating Assets and Liabilities | | | | |
| Trade receivables | (55.23) | (7.47) | 8.64 | 25.28 |
| Hire Purchase Receivables | (2,503.28) | (465.41) | 491.49 | 79.81 |
| Loan Receivables | (2,435.31) | (3,561.58) | (2,234.15) | 86.20 |
| Other Receivables | (187.52) | (210.61) | 18.17 | 57.10 |
| Inventories | 32.50 | (1,122.26) | 419.46 | 105.37 |
| Accrued Income | (10.01) | - | - | - |
| Asset held for sale | 1.00 | (18.38) | (131.11) | 24.14 |
| Other current assets | (3.04) | (38.04) | 33.36 | (0.19) |
| Non-current assets | 4.34 | (37.17) | 3.57 | 2.03 |
| Trade accounts payable | 226.78 | (384.42) | (122.17) | 16.34 |
| Other payables | 88.30 | (78.14) | (136.81) | (48.99) |
| Paid for employee benefit | (8.72) | (5.44) | (46.13) | (6.21) |
| Other non-current liabilities | (0.18) | 4.62 | (23.10) | (2.60) |
| Net cash (used in) from operating activities | (4,751.72) | (6,105.44) | (2,747.63) | 126.11 |
| Net cash (used in) from operating activities (Cont.) | - | - | - | - |
| Interest received from hire-purchase contract and loans | 1,975.26 | 2,296.29 | 2,010.13 | 415.15 |
| Tax paid | (95.21) | (175.69) | (124.76) | (0.26) |
| Cash flows from investing activities | | | | |
| Interest received | 0.95 | 24.29 | 46.87 | 16.64 |
| Dividend received | - | - | 4.52 | - |
| (Increase) decrease in loans to related party | - | - | - | - |
| Acquisition of plant and equipment | (67.02) | (408.94) | (46.55) | (10.59) |
| Proceeds from sale of plant and equipment | 0.29 | - | 1.98 | 0.11 |
| Acquisition of intangible assets | (12.87) | (14.98) | (18.15) | (11.81) |

| 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 |
| Acquisition of sale of investments in financial assets | (13,200.00) | (45,291.36) | - | - |
| Proceeds from sale of investments in financial assets | 3,254.68 | 52,626.22 | 0.00 | 0.29 |
| Net cash from (used in) investing activities | (10,023.96) | 6,935.22 | (11.33) | (5.36) |
| Cash flows from financing activities | | | | |
| Cash received from changes in ownership interest in subsidiaries that do not result in loss of control | - | 3,112.00 | - | - |
| Proceed from advance received from share subscription and issuance of ordinary shares | 11,423.61 | 143.51 | 84.52 | - |
| Payment to owners to acquire or redeem the entity's shares | - | (58.65) | (279.25) | - |
| Finance cost paid | (400.76) | (504.82) | (383.30) | (67.68) |
| Dividend paid | (148.94) | (695.14) | (302.11) | - |
| Issuance of debentures | 3,681.84 | - | - | - |
| Repayment of debentures | (950.00) | (1,500.00) | (1,800.00) | (1,000.00) |
| Short-term loan from financial institution | (150.54) | 55.00 | - | - |
| Long-term loan from financial institution | 30.00 | - | - | - |
| Repayment of loan from financial institutions | - | - | (69.39) | - |
| Payment of lease liabilities | (78.19) | (89.77) | (99.67) | (35.61) |
| Net cash used in financing activities | 13,407.02 | 462.12 | (2,849.21) | (1,103.29) |
| Net increase (decrease) in cash and cash equivalents | 511.38 | 3,412.50 | (3,722.80) | (567.65) |
| Cash and cash equivalents at 1 January | 715.19 | 1,226.57 | 4,639.07 | 3,713.64 |
| Cash and cash equivalents at 1 December | 1,226.57 | 4,639.07 | 916.27 | 3,145.99 |

6.4 Key Financial Ratio

| Financial Ratio | Unit | 31 Dec 2021 | 31 Dec 2022 | 31 Dec 2023 | 31 Mar 2024 |
|-----------------------------------|------|-------------|-------------|-------------|-------------|
| | | (Audited) | (Audited) | (Audited) | (Reviewed) |
| Profitability Ratio | | | | | |
| Gross profit margin | % | 65.57 | 70.02 | 43.83 | 80.70 |
| EBITDA Margin | % | 32.42 | 34.18 | -131.53 | 21.26 |
| Net Profit (Loss) ratio | % | 15.93 | 19.09 | -124.41 | 3.98 |
| Return on equity | % | 7.94 | 5.76 | -20.32 | -15.40 |
| Operating Efficiency Ratio | | | | | |
| Return on asset | % | 7.93 | 6.60 | 18.41 | -14.21 |
| Liquidity ratio | | | | | |
| Current Ratio | Time | 6.44 | 5.88 | 2.47 | 1.82 |
| Quick Ratio | Time | 4.39 | 2.85 | 1.11 | 0.79 |
| AR Turnover | Time | 22.01 | 70.79 | 53.64 | 58.74 |
| Collection Period | Day | 16.58 | 5.16 | 6.80 | 6.21 |
| AP Turnover | Time | 2.33 | 3.98 | 12.34 | 12.40 |
| Payment Period | Day | 156.66 | 91.78 | 29.58 | 29.43 |
| Inventory Turnover | Time | 2.26 | 1.28 | 1.33 | 1.24 |
| Leverage ratio | | | | | |
| Debt to Equity | Time | 0.63 | 0.41 | 0.37 | 0.30 |
| IBD to Equity | Time | 0.54 | 0.36 | 0.34 | 0.27 |

7. Management Discussion & Analysis

For the 1st quarter 2024, the Group Company had a net profit at Baht 20 million as increased by THB 863 million or 102.4% from the same period of previous year (for the 1st quarter 2023 had a net loss at THB 863 million) because in the 1st quarter 2024, the Group Company had significantly decreased from set aside various reserves; expected credit loss and inventories reserve compared with the same period of previous year.

The Group Company would like to explain performance for the 1st quarter ended 31 March 2024, comparing to the same period of previous year as follow:

| 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 from sales of goods | 2,766.40 | 2,710.86 | 757.46 | 149.58 |
| Interest income from hire-purchase contract and loans | 1,498.98 | 2,315.84 | 2,089.28 | 426.73 |
| Revenue from rendering of services | 71.85 | 86.46 | 57.93 | 9.75 |
| Revenue from management fees | - | - | - | - |

| 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 |
| Dividend income | - | - | 4.52 | - |
| Other income | 59.83 | 92.32 | 129.45 | 33.29 |
| Total income | 4,397.05 | 5,205.48 | 3,038.64 | 619.35 |
| Expenses | - | - | | |
| Cost of sale of goods | 1,473.10 | 1,507.22 | 1,612.82 | 109.56 |
| Cost of rendering of services | 20.17 | 25.91 | 18.82 | 3.56 |
| Distribution costs | 951.11 | 1,070.81 | 629.33 | 100.05 |
| Administrative expenses | 469.71 | 595.83 | 752.72 | 161.33 |
| Total expenses | 2,914.10 | 3,199.76 | 3,013.69 | 374.49 |
| Profit (loss) from operating activities | 1,482.95 | 2,005.72 | 24.95 | 244.85 |
| Finance costs | 424.60 | 461.46 | 357.17 | 70.03 |
| Expected credit loss | 160.24 | 356.14 | 4,174.60 | 144.57 |
| Loss (gains) on measurement of investments in financial assets | (4.14) | (4.46) | (1.20) | 0.90 |
| Profit (loss) before income tax expense | 902.25 | 1,192.57 | (4,505.62) | 29.36 |
| Tax expense (income) | 201.66 | 251.15 | (725.36) | 4.70 |
| Profit (loss) for the period | 700.59 | 941.42 | (3,780.26) | 24.66 |

Total Revenue

For the 1st quarter 2024, total revenue of the Group Company had decreased by THB 264 million or 29.9% compared with the same period of last year. The details of revenue in the consolidated financial statements were as follows:

Revenue from sales of goods

For the 1st quarter 2024, revenue from sales of goods of the Group Company decreased by THB 53 million or 26.1% respectively, from sales reduction in electrical appliance's product, decrease in number of franchise sales employee. In addition, the subsidiary had changed its credit lending policy to be more stringent to control debt quality.

For the 1st quarter 2024, the Company had income from hire purchase sales decreased at THB 70 million, or 51.1%, compared to the same period of last year.

Cost of Sales of goods

For the 1st quarter 2024, cost of sales of goods decreased by Baht 480 million or 81.4% when compared to the same period of last year because during the period, the Company had reversal an allowance

for the declining value of inventories at Baht 56 million, the remaining Baht 166 million was the cost of goods sold as decreased from the same period last year. In the 1st quarter of year 2023, there was a provision for diminution in the value of inventories at Baht 423 million from management reassessed the estimated amount of net realizable value of inventories and there was an assessment of additional reserves for obsolete products and groups of damaged products.

Interest income from hire-purchase contract and loans

For the 1st quarter 2024, interest income from hire-purchase contract and loans of the Group Company decreased by THB 214 million or 33.4% because the subsidiary had changed its credit lending policy to be more stringent to control debt quality and from writing off hire purchase contract receivables in electrical appliance's product in last year. As a result, the recognition of interest income from hire purchase loans for electrical appliances decreased by 82% from the same period of last year. However, interest income from car for cash loan contracts and employee welfare loan contracts had a higher growth rate of 11% from the same period of last year.

Distribution costs and Administrative expenses

For the 1st quarter 2024, distribution costs and administrative expenses decreased at THB 93 million or 26.3% because distribution costs decreased at THB 92 million, which in line with sales reduction. Administrative expenses decreased by THB 1 million. The company also has a policy to continuously reduce distribution costs and administrative expenses.

Finance costs

For the 1st quarter 2024, finance costs decreased at Baht 30 million or 30.0% because the company had repayment the debentures in during the year 2023 until at the present as described in a part of liabilities and equity.

Expected credit loss

For the 1st quarter 2024, the expected credit loss of the Group Company decreased of THB 819 million or 85% due to decrease in the electrical appliance hire purchase loan portfolio. The subsidiary had a more stringent lending policy. As a result, the amount of new loans for hire purchase contracts for electrical appliances decreased. In addition, the subsidiary significantly recorded additional provisions for expected credit losses from the termination of assistance programs due to the impact of the COVID-19 pandemic in the 1st quarter 2023.

Assets

Total assets of the Group Company decreased at THB 1,024 million or 5.3% when compared with the year ended 2023. These were separated into current assets decreased at THB 994 million or 11.9% and non-current assets decreased at Baht 30 million or 0.3%. The significant changes were as follows:

Cash and cash equivalents

The Group Company had cash and cash equivalents in the amount at THB 3,147 million, a decrease at THB 568 million or 15.3% compared to the end of 2023 due to repay due debenture by THB 1,000 million in during the period.

Hire purchase contract receivables and loan receivables.

Hire purchase contract receivables and loan receivables decreased at THB 294 million compared with the year ended 2023. Hire-purchases of electronics and others decreased at THB 120 million or 7.5% mainly due to decrease in the electrical appliance hire purchase portfolio. The subsidiary was more stringent lending policy. As a result, the amount of new loans for hire purchase contracts decreased. Loan receivables also decreased by THB 174 million or 1.6% because the Company receives payments during the period.

Inventories

Inventories decreased at THB 49 million or 7.0%, compared with the year ended 2023 because the company had delayed the purchase ordering the goods in during the period.

Long-term loans to related party

From the separate financial statements, The Company has an outstanding loan to a subsidiary, SG Capital Public Company Limited, in the amount at THB 10,373 million, which is scheduled to be repaid according to the loan contract in year 2024 and 2025, the amount at THB 2,354 million and THB 7,719 million, respectively.

Liabilities and equity

Total liabilities decreased at THB 1,024 million or 5.3%, compared with the year ended 2023 mainly due to repay due debentures by THB 1,000 million in during the period.

Total equity of the Group Company increased at THB 36 million or 0.3%, compared with the year ended 2023 mainly due to the operating profits of the Group Company.

Liquidity Analysis and Company Future Capital Adequacy

The Company has sufficient cash flow for business operations and debentures repayment. In this regard, the Company has reserved cash flow to pay off the debentures. As of March 31, 2024, the Group Company had cash and cash equivalents and investments in short-term financial assets balance by THB 3,147 million.

The Company has cash flow for the the 1st quarter of 2024 as follows:

| Statement of cash flow (THB million) | Quarter 1 | | Increase (Decrease) | |
|--|------------|----------|---------------------|----------|
| | 2024 | 2023 | Amount | % |
| Net cash from (used in) operating activities | 541.00 | (665.00) | 1,206.00 | 181.40 |
| Net cash from (used in) investing activities | (5.00) | 424.00 | (429.00) | (101.20) |
| Net cash from (used in) financing activities | (1,103.00) | (446.00) | (637.00) | (136.70) |
| Net increase (decrease) in cash and cash equivalents | (576.00) | (707.00) | 140.00 | 19.80 |

| Statement of cash flow (THB million) | Quarter 1 | | Increase (Decrease) | |
|--|-----------|----------|---------------------|---------|
| | 2024 | 2023 | Amount | % |
| Cash and cash equivalents at 1 January | 3,714.00 | 4,639.00 | (925.00) | (19.90) |
| Cash and cash equivalents at 31 March | 3,147.00 | 3,932.00 | (785.00) | (20.00) |

Net cash from operating activities was positive at Baht 541 million as increased by Baht 1,206 million when compared to the same period of the previous year because there were more collection in during the period from trade receivables, hire-purchase contracts receivables, loan receivables and other receivables. The Group Company has more efficiency on debt management services.

Net cash used in financing activities at Baht 1,103 million because the debentures were repaid during the period.

Management's view on the future operations performance

Management and the Group Company remains optimistic about its financial position and future performance as the economic situation begins to recover after impact of the COVID19 pandemic, customers have more potential to repay their loans and even though at present the sales of electrical appliances are decreasing due to more strictly lending policies. The Company has considered using various technologies for identity verification, and collecting money for the quality of sales and collecting money, which will help improve the approval process. The loan business, especially car for cash loans, has become more competitive while interest rates cannot be increased. However, in the 1st quarter 2024, the Group began transforming its business with new financial products related to mobile phone lending that can be locked if the customers do not pay the instalment (Locked Phone). Technology is used to make it easy and fast to apply for loans and approve loans as well as paying customer instalments. These loans provide a high average effective interest rate but the rate of bad debts (NPL) is at a low rate. The management is confident that such product will enable the Group to grow up continuously. In addition, the Group Company also has a policy to reduce expenses continuously.