

March 26, 2024


Opinion of Independent Financial Advisor

on the Disposition of Assets and Connected Transaction of
Thai Future Incorporation Public Company Limited

Presented to the Board of Directors and Shareholders of
Thai Future Incorporation Public Company Limited

Enclosure 14

(To support a consideration of agenda 9 of the 2024 Annual General Meeting of Shareholders)



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Subject: Opinion of Independent Financial Advisor on the Disposition of Assets and Connected Transaction of
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To: Board of Directors and Shareholders of Thai Future Incorporation Public Company Limited

Refer to:

- 1) Resolutions of Board of Director's Meeting of Thai Future Incorporation Public Company Limited no. 3/2024 held on March 4, 2024
- 2) Information Memorandum regarding the Disposition of Assets and Connected Transaction of Thai Future Incorporation Public Company Limited
- 3) Annual report (56-1 Form) of the year 2021, 2022, and 2023 of Thai Future Incorporation Public Company Limited
- 4) Audited Financial Statement of Thai Future Incorporation Public Company Limited for December 31, 2021, to December 31, 2023
- 5) The Appraisal Report by Thai Property Appraisal Lynn Phillips Company Limited dated February 28, 2024
- 4) The Appraisal Report by Chartered Valuation and Consultant Company Limited dated February 16, 2024
- 5) Draft of purchase agreement of the land disposal between Thai Future Incorporation Public Company Limited and PM Group Company Limited
- 6) Other related documents, interviews with executives and relevant officers of Thai Future Incorporation Public Company Limited

Disclaimers

1. This report prepared by Fynncorp Advisory Company Limited ("IFA" or "FynnCorp") has been relied on information and assumptions provided by the Company and the information that the Company disclosed to the public or on the website of the Securities and Exchange Commission, the website of the Stock Exchange of Thailand and other information disclosed to the public from other sources and information from the interview of the relevant management of the Company.
2. IFA conducted studies using knowledge, competence, and caution by adhering to the professional basis. However, IFA shall not be responsible for profits or losses and any impacts resulting from the Transaction.
3. The study result of IFA is based on the assumption that the information disclosed to the public by the Company and information provided by the Company are correct and complete, and this opinion is based on the current circumstances and current information available to the public. If circumstances and information change significantly may affect IFA's study results.
4. This report is not intended to guide any decision making about the operation of the Company and does not have an objective to persuade to buy or sell the Company's shares or other companies related to this report.
5. In preparing this IFA's opinion report, IFA certifies that IFA has studied and analyzed various information as mentioned above with the professional standard and justified based on fair analysis by taking into account the interests of shareholders as important. However, IFA's opinions are based on the assumption that information and documents obtained from the Company, interviews with the management team and related staff, along with information that is disclosed to the public, are true, accurate, and genuine at the time IFA prepared this report. Therefore, if the information is inaccurate and/or ingenuine and/or incomplete and/or changes significantly in the future may affect the opinion of IFA. Therefore, IFA cannot confirm the impact on the Company and Shareholders of such factors. In addition, the opinion of IFA is intended to provide an opinion to the shareholders on entering into the Transaction. The decision to vote for approval of this transaction rests mainly with the discretion of the shareholders. The shareholders should study the information and consider reasons, advantages, disadvantages, risk, limitations, and opinions on various issues related to entering into the transaction as attached with the notice of this shareholders' meeting with prudence and caution before voting to consider and approve the transaction as such appropriately. However, IFA's opinion does not endorse the success of the transaction and the impacts that may occur, and IFA is not responsible for any impact that may arise from entering into the transaction whether directly or indirectly.

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Abbreviation

“SEC”	The Securities and Exchange Commission, Thailand
“SET”	Stock Exchange of Thailand and Market for Alternative Investment (as applicable)
“Notification of Acquisition and Disposition of Assets”	The notification of the Capital Market Supervision Board No. TorJor. 20/2551 (2008) Re: rules on entering into material transactions considered as an acquisition or a disposition of assets (as amended) and the notification of the Board of Governors of the Stock Exchange of Thailand Re: Notification of information and other acts of listed companies concerning the acquisition and disposition of assets B.E. 2547 (2004) (as amended)
“Notifications on Connected Transaction”	The Notification of the Capital Market Supervision Board No. TorJor. 21/2551 (2008) Re: Rules on Related Parties Transaction and the Notification of the Board of Governors of the Stock Exchange of Thailand Re: Disclosure of Information and Other Acts of Listed Companies Concerning Related Parties Transaction B.E. 2546 (2003) (as amended)
“TFI” or the “Company”	Thai Future Incorporation Public Company Limited
“PM”	PM Group Company Limited
“TPA”	Thai Property Appraisal Lynn Phillips Company Limited or the “Independent Appraiser”
“CHARTERED”	Chartered Valuation and Consultant Company Limited or the “Independent Appraiser”
“IFA” or “Independent Financial Advisor” or “FynnCorp”	Fynncorp Advisory Company Limited
“STROM”	Strom (Thailand) Company Limited
“TTA”	Thoresen Thai Agencies Public Company Limited
“The disposed land”	The vacant land for 1 title deed of land, with a total area of 1 rais 3 ngans 79 square wah (779 square wah), identified under land title deed no. 71766, land no. 3, cadastral map no. 5136 III 8606-10, survey page no. 1156, located on Debaratna Road (Highway 34), Bang Chalong Subdistrict, Bang Phli District, Samut Prakan Province
“Land Disposal Transaction”	The Board of Directors’ Meeting of Thai Future Incorporation Public Company Limited no. 3/2024 on March 4, 2024, passed a resolution to propose the shareholders’ meeting to consider and approve the disposal of land for 1 title deed of land, with a total area of 1 rais 3 ngans 79 square wah (779 square wah), located on Debaratna Road (Highway 34), Bang Chalong Subdistrict, Bang Phli District, Samut Prakan Province, to PM, a connected person of the Company. The purchase price is THB 125,000.00 per square wah, or total amount of THB 97,375,000.00. The transaction in this instance is in order to repay a certain amount of the outstanding loan that the Company borrowed from PM and to ease the burden of financial costs of the Company.

Executive Summary

The Board of Directors' Meeting of Thai Future Incorporation Public Company Limited (the "Company" or "TFI") no. 3/2024 on March 4, 2024, passed a resolution to propose the shareholders' meeting to consider and approve the disposal of land for 1 title deed of land, with a total area of 1 rai 3 ngans 79 square wah (779 square wah), located on Debaratna Road (Highway 34), Bang Chalong Subdistrict, Bang Phli District, Samut Prakan Province, to PM Group Company Limited ("PM"), a connected person of the Company. Owing to the fact that the major shareholders of PM are also the major shareholders of the Company, and there are two common directors, namely, Mr.Chalermchai Mahagitsiri and Ms.Ausanee Mahagitsiri. The purchase price is THB 125,000.00 per square wah, or a total amount of THB 97,375,000.00. The transaction in this instance is in order to repay some of the outstanding loans that the Company borrowed from PM and to ease the burden of financial costs of the Company. In this regard, the short-term loan borrowed from PM is in the total amount of THB 200 million with a 1-year term served as a formal acknowledgment of the financial assistance granted by the Board of Directors' Meeting No. 5/2022 on May 26, 2022. Subsequently, the period of the short-term loan was extended by one year and due to be repaid on May 11, 2024, in accordance with the approval of the Board of Directors' Meeting No. 3/2023 held on May 11, 2023. The interest rate on the loan borrowed from PM is currently established at a rate calculated as the Minimum Overdraft Rate (MOR) minus two percent per annum, based on the average of the five commercial banks in Thailand. Thereby, the financial cost for the principal amount of THB 200 million could be estimated at approximately THB 11 million per year (according to the interest expense for PM loan incurred over the past year ending March 3, 2024).

The disposal of such land does not come under the scope for the acquisition or disposition of assets having significant value for listed companies. However, the transaction is considered as a connected transaction of the listed companies in accordance with the Notification of Capital Market Supervisory Board No. TorChor. 21/2551 (2008) Re: Rules on Connected Transactions and the Notification of the Board of Governors of the Stock Exchange of Thailand Re: Disclosure of Information and Other Acts of Listed Companies Concerning the Connected Transactions B.E 2546 (2003) (as amended) (the "Notification on Connected Transactions"). The transaction value in comparison to the audited financial statement of the Company as of December 31, 2023, is equivalent to 4.82 percent of the net tangible assets of the Company, and when compounding with the other connected transactions during the past 6 months with PM. The total size of the transaction is equivalent to 5.22 percent. As a result, the Land Disposal Transaction is considered as a connected transaction, class 4, relating to assets or services with the transaction value exceeding THB 20 million and a transaction size exceeding 3 percent of the net tangible assets (NTA) of the Company. Therefore, the Land Disposal Transaction must be approved by the shareholders' meeting, with not less than three-fourths of the total votes of the shareholders attending the meeting and having the right to vote, excluding the portion of shareholders with conflicts of interest. In addition, the Company must appoint an independent financial advisor to provide an opinion on the reasonableness of the transaction, as well as the fairness of the transaction price and conditions, to shareholders for their consideration and approval of the transaction.

According to an opinion of the independent financial advisor regarding reasonableness of the transaction, the fairness of the transaction price and conditions of the land disposal to PM, the independent financial advisor's opinion regarding the Land Disposal Transaction is appropriate as follows:

1. The transaction price of THB 97,375,000 provided by the two independent appraisers on average. The independent appraisers are professionals who have been registered as appraisers in the list of appraisal companies in capital market and the lead appraisers obtaining approval from the SEC of Thailand. The appraised value of the land falls within the range of THB 77.90 - 116.85 million according to Adjusted Book Value Approach, which is the approach is deemed appropriate for estimating real estate prices that are actively traded in the market and have comparable bids and offers over similar periods of time. This method provides both the current market price and a valuation that accurately reflects the land's fair market value (details as shown in Part 3, Section 3.2).
2. The independent financial advisor considers the fairness of the conditions of a draft agreement for the disposal of land. The independent financial advisor concludes that the conditions of the land disposal align with general conditions of real estate disposal and did not find suspicious reasons that PM or related party obtain more favorable condition than entering to the transaction with third party (arm's length basis). The sale and purchase could be executed upon the mutual consent of both Purchaser and Seller.

Entering into the transaction will be beneficial to the Company as follows:

1. The Company could monetize the assets that have not been utilized, to obtain the utmost benefit. Currently, the Company has not developed or used the land for any business operations. Therefore, the transaction presents an opportunity to dispose of the vacant land which has not been utilized. Additionally, the Company has no concrete plans for future development or use.
2. The Company will be able to realize gain from asset disposal based on the latest book value. The calculation is derived from the audited financial statement as of December 31, 2023, wherein the expected profit is accounted for THB 23.37 million or calculated as the gain from asset disposal after deducting transfer fees and specific business tax, amounting to THB 20.79 million.
3. The Company could reduce current liabilities and improve its financial position. It shall use all the proceeds to repay a certain amount of the loan to PM, a related company. The Company will have its current liabilities reduced by THB 94.80 million, reflecting an improvement in financial position. As a result, the debt-to-equity ratio (D/E Ratio) decreased from 0.33 to 0.28 times.
4. The Company could reduce its financial costs, including a certain amount of interest expenses, as well as alleviate the financial burden of procuring a large amount of money to pay off the remaining principal. It shall use the proceeds to repay a certain amount of the loan to PM, reducing its short-term loans principle to approximately THB 105.20 million.

5. The Company shall be able to utilize tax loss carried forward, since it has accumulated a tax loss carried forward amounting to THB 782.14 million. By entering into the land disposal transaction, the Company intends to deploy approximately THB 20.79 million from this tax loss carried forward. Accordingly, this will enable the Company to save approximately THB 4.16 million in corporate income tax from the gain generated by the land disposal.

However, entering into the transaction presents disadvantages and risks which should be carefully considered prior to granting approval. These considerations are outlined below:

1. The Land Disposal Transaction may result in the Company missing out on the opportunity to dispose of the land at a higher price in the future in case the land's value increases. However, if the selling price of the land increases, it may take time and involve increased costs for the Company to find potential investors in the future.
2. The Land Disposal Transaction may cause the Company to miss out on the opportunity to develop projects on the disposed land in the future. Nonetheless, the Company has no concrete plans for future development or use.
3. Engaging in a related party transaction triggers the Company to have a duty to disclose and be comply with the Notifications on Connected Transactions, which includes appointing an independent financial advisor to provide an opinion on the connected transactions, and arranging a shareholders' meeting, and covering expenses related to the transaction.
4. Entering into the transaction, the Company may face the risk from canceling the purchase from the Purchaser. This will lead the Company to be unable to proceed with its plan to utilize the proceeds from the asset disposal to repay a certain amount of the loan. However, the possibility of incurring them is certain since the Purchaser has the intention of acquiring the Company's asset in order to receive loan repayments. The Purchaser has previously taken various steps, in order to comply with the conditions of the purchase agreement of the disposed land. In addition, in case where the Purchaser breaches any terms of this, the Seller has the right to forfeit the deposits amounting to THB 8,000,000 after entering into the purchase agreement as compensation for damages.
5. Proceeding with this transaction is contingent upon approval from TFI's shareholders' meeting. If shareholder approval is not obtained, transaction expenses of approximately THB 2 million will still be incurred, including the return of deposits to the Purchaser in the case of an unsuccessful transaction caused by the Company.

Price, conditions and the appropriateness of entering into the transaction according to advantages, disadvantages and risk. The independent financial advisor's opinion is the shareholder should approve the connected transaction.

In this regard, the decision to approve or disapprove of this transaction depends on the discretion of each individual shareholder. Therefore, shareholders should thoroughly study all the information presented in the independent financial advisor's opinion, as well as the accompanying documents provided with the invitation letter for the annual general meeting of shareholders, and exercise careful discretion in deciding how to vote.

1. Characteristics and Details of Connected Transactions

1.1 Purpose and Rationale of The Transaction

The Board of Directors' Meeting of Thai Future Incorporation Public Company Limited (the "Company" or "TFI") no. 3/2024 on March 4, 2024, passed a resolution to propose the shareholders' meeting to consider and approve the disposal of land for 1 title deed of land, with a total area of 1 rai 3 ngans 79 square wah (779 square wah), located on Debaratna Road (Highway 34), Bang Chalong Subdistrict, Bang Phli District, Samut Prakan Province, to PM Group Company Limited ("PM"), a connected person of the Company. The purchase price is THB 125,000.00 per square wah, or total amount of THB 97,375,000.00. The transaction in this instance is in order to repay a certain amount of the outstanding loan that the Company borrowed from PM and to ease the burden of financial costs of the Company (collectively, the "Land Disposal Transaction").

The disposal of such land does not come under the scope for the acquisition or disposition of assets having significant value for listed companies. However, the transaction is considered as a connected transaction of the listed companies in accordance with the Notification of Capital Market Supervisory Board No. TorChor. 21/2551 (2008) Re: Rules on Connected Transactions and the Notification of the Board of Governors of the Stock Exchange of Thailand Re: Disclosure of Information and Other Acts of Listed Companies Concerning the Connected Transactions B.E 2546 (2003) (as amended) (the "Notification on Connected Transactions"). Owing to the fact that the major shareholders of PM are also the major shareholders of the Company, and there are two common directors, namely, Mr.Chalermchai Mahagitsiri and Ms.Ausanee Mahagitsiri. The transaction value in comparison to the audited financial statement of the Company as of December 31, 2023, is equivalent to 4.82 percent of the net tangible assets of the Company, and when compounding with the other connected transactions during the past 6 months, the total size of transactions is equivalent to 5.22 percent. As a result, the Land Disposal Transaction is considered as a connected transaction, class 4, relating to assets or services with the transaction value exceeding THB 20 million and a transaction size exceeding 3 percent of the net tangible assets (NTA) of the Company. Therefore, the Land Disposal Transaction must be approved by the shareholders' meeting before proceeding with the transaction.

In this regard, the Company therefore has a duty to comply with the Notifications on Connected Transactions, as follows:

1. To disclose information memorandum regarding the connected transactions of the Land Disposal Transaction to the SET, in accordance with the Notifications on Connected Transactions
2. To arrange a shareholders' meeting to approve of the transaction which the resolution of the shareholders meeting must be approved by a vote of not less than three-fourths of the total votes of the shareholders attending the meeting and having the right to vote, excluding the portion of shareholders with conflicts of interest.

3. To appoint an independent financial advisor to provide an opinion on the connected transactions and submit the report of the opinion of the independent financial advisor to the shareholders together with the invitation letter to the shareholders' meeting. The Company has appointed FynnCorp Advisory Company Limited as an independent financial advisor to provide an opinion on such transactions.

Hence, the Company has a duty to disclose information memorandum regarding the Land Disposal Transaction as follows:

1.2 Transaction Date:

The Company shall enter into the Land Disposal Transaction after the approval has been granted by the 2024 Annual General Meeting of Shareholders, which shall be held on April 24, 2024. The Company and PM are currently preparing a land purchase agreement and expect to be able to sign the agreement within April 2024 and complete the transaction by June 2024.

1.3 The parties involved and their relationship with the Company:

Seller	:	Thai Future Incorporation Public Company Limited (“TFI”)
Purchaser	:	PM Group Company Limited (“PM”)
Relationship between the Purchaser and the Seller	:	PM is the connected person of the Company in accordance with the Notification of Capital Market Supervisory Board No. TorChor. 21/2551 (2008) Re: Rules on Connected Transactions and the Notification of the Board of Governors of the Stock Exchange of Thailand Re: Disclosure of Information and Other Acts of Listed Companies Concerning the Connected Transactions B.E 2546 (2003) (as amended). Owing to the fact that the major shareholders of PM are the major shareholders of the Company. The major shareholders of PM are Mahagitsiri Family, holding in the proportion of 100 percent of the paid-up shares of PM as of April 28, 2023, whereas the major shareholders of the Company that holding share in PM are as follows:

Shareholders	Proportion (%)	
	TFI ^{1/}	PM ^{2/}
1. Mr. Chalermchai Mahagitsiri	39.43	69.50
2. Ms. Ausana Mahagitsiri	43.92	20.00
3. Others of Mahagitsiri Family	3.99	10.50
Total	87.34	100.00

Remark: 1/ Shareholder list of the Company as of August 24, 2023

2/ Shareholder list of PM (Bor Or Jor 5) as of April 28, 2023

Besides, the Company and PM have the 2 common directors which are Mr. Chalermchai Mahagitsiri, who serves as a Director and President of the Company, and Ms. Ausanee Mahagitsiri, who serves as a Vice Chairman of the Company.

1.4 General characteristics of the transaction

The Company plans to dispose the vacant land for 1 title deed of land, with a total area of 1 rai 3 ngans 79 square wah (779 square wah), located on Debaratna Road (Highway 34), Bang Chalong Subdistrict, Bang Phli District, Samut Prakan Province, to PM, a connected person of the Company. The purchase price is THB 125,000.00 per square wah, or the total amount of THB 97,375,000.00. The transaction in this instance is in order to repay a certain amount of the outstanding loan that the Company borrowed from PM and to ease the burden of financial costs of the Company.

1.5 Purpose of transaction

The Company plans to appropriately manage the assets that have not been utilized to obtain the greatest benefit. In addition, it plans to take advantage of the disposal of land to repay a certain amount of the outstanding loan to PM in the amount of THB 94.80 million (after deducting fees and other related expenses) in order to ease the burden of financial costs. For the remaining amount of THB 105.20 million, which is due on May 11, 2024, the Company anticipates requesting an extension of the loan period from PM. Additionally, the Company intends to retain existing customers, pursue new customers, improve production efficiency, and enhance cost control in order to improve cash flow from operations. The details of the loan with PM as of March 26, 2024, are as follows:

The Detail of Loan	
Contractual Parties	The Company borrowed the short-term loan from PM Group Company Limited (“PM”) (a connected company) amounting to THB 200 million for a period of 1 year, in the form of a promissory note, without collateral. The repayment is due upon demand. The interest rate is at MOR-2 percent per annum.
The Detail of Promissory Note	
P/N No.	TFI001/2023
Amount	THB 200,000,000.00 (Two hundred million baht)
Interest Rate	MOR minus two percent per annum, based on the average of the five commercial banks in Thailand, namely: <ul style="list-style-type: none"> - Bangkok Bank - Kasikorn Bank - Krungsri Bank - Krunghthai Bank - Siam Commercial Bank
Term	1 year from May 12, 2023 (due date on May 11, 2024)

1.6 Details of the disposed assets and the value of the disposed assets

1.6.1 Details of the disposed assets

Location	:	Debaratna Road (Highway 34) KM.13, Bang Chalong Subdistrict, Bang Phli District, Samut Prakan Province
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Details of the Disposed Asset ^{1/}	:	A freehold of a 1 title deed of the vacant land, identified under land title deed no. 71766, land no. 3, cadastral map no. 5136 III 8606-10, survey page no. 1156, located on Debaratna Road (Highway 34), Bang Chalong Subdistrict, Bang Phli District, Samut Prakan Province, with a total area of 779 square wah.
Status of the Disposed Asset	:	<ul style="list-style-type: none"> - A vacant land, already filled, polygon shaped. - Located on Bangna-Trad Road (Highway 34), a public road. - Areas in the vicinity are residential and commercial.
Relevant Laws/ Regulations	:	Situated in an area designated as “Green” specified for “rural and agricultural”.
Ownership	:	Owned by the Company
Encumbrances/ Liabilities	:	-None-

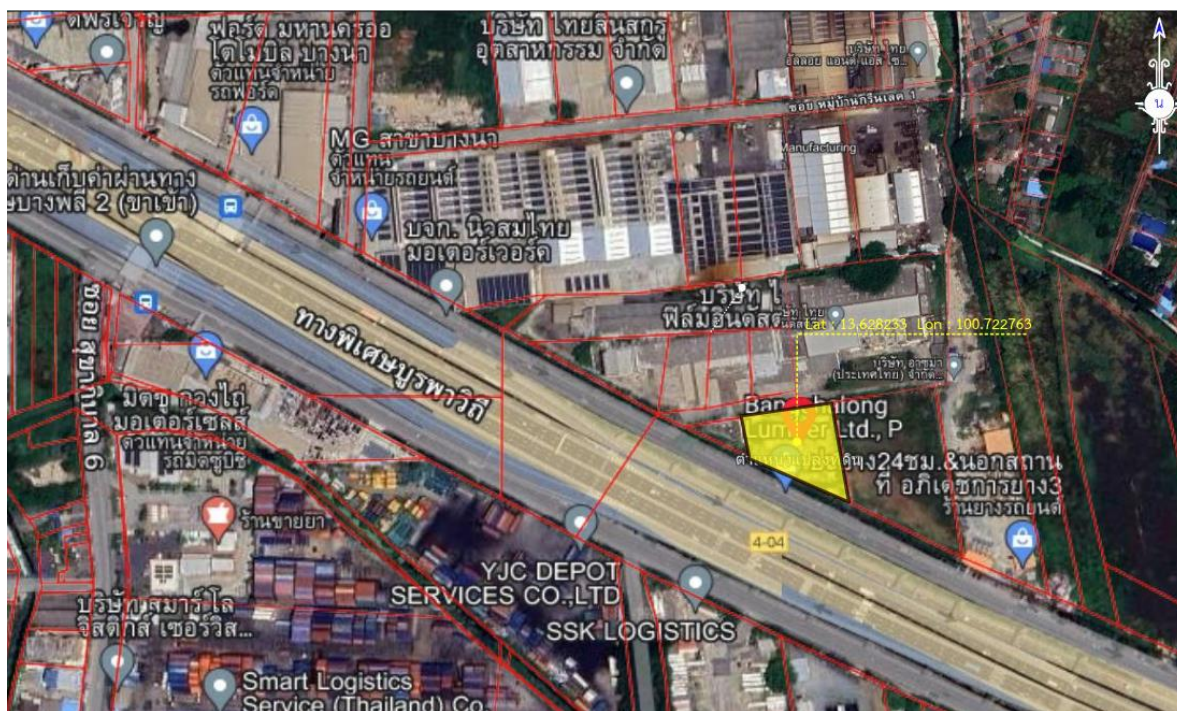
Remark: 1/ The Company acquired such land in 2002, owing to surplus liquidity at the time. Currently, the Company has not developed or used the land for any business operations. Furthermore, the Company’s sales and production capacity decreased due to intense competition in the industry.

Image showing Location of the Land



Source: Chartered Valuation and Consultant Company Limited (“CHARTERED”)

Aerial Photograph Map of the Land



Source: Chartered Valuation and Consultant Company Limited (“CHARTERED”)

1.6.2 The value of the disposed assets

The transaction price is the total amount of THB 97,375,000.00 or THB 125,000 per square wah, which is the average price from two independent appraisers, who have been registered as appraisers in the list of appraisal companies in capital market and the lead appraisers obtaining approval from the SEC. In this regard, both independent appraisers have deployed the market approach. The details are as follows:

1. Thai Property Appraisal Lynn Phillips Company Limited (“TPA”), an independent appraiser – the value appraised stated in an appraisal report for 1 title deed of land, with a total area of 1 rais 3 ngans 79 square wah (779 square wah), dated February 28, 2024, is THB 116,850,000.00, or THB 150,000.00 per square wah.
2. Chartered Valuation and Consultant Company Limited (“CHARTERED”), an independent appraiser – the value appraised stated in an appraisal report for 1 title deed of land, with a total area of 1 rais 3 ngans 79 square wah (779 square wah), dated February 16, 2024, is THB 77,900,000.00, or THB 100,000.00 per square wah.

In this regard, the value appraised by the Treasury Department is THB 58,425,000.00 or THB 75,000.00 per square wah.

1.7 Key Terms and Conditions of the Purchase Agreement of the Disposed Land
Summary of Key Terms and Conditions of the Purchase Agreement

Contractual Parties	:	Thai Future Incorporation Public Company Limited (“the Seller”) PM Group Company Limited (“the Purchaser”)
The Asset for Sale and Purchase	:	The freehold right to 1 title deed of land, identified under land title deed no. 71766, located on Debaratna Road (Highway 34), Bang Chalong Subdistrict, Bang Phli District, Samut Prakan Province with a total area of 779 square wah
Date of Signing	:	Within April, 2024
Purchase Price	:	THB 97,375,000 (ninety-seven million three hundred seventy-five thousand baht) or THB 125,000 per square wah
Payment of the Price and Registration of Transfer of Ownership	:	<ul style="list-style-type: none"> - The Purchaser agrees to pay the amount of THB 8,000,000 as a deposit to the Seller within 7 days from the date of this agreement. - The Purchaser agrees to pay the remaining amount of THB 89,375,000 to the Seller on date of the registration of transfer of ownership (within 60 days from the date of this agreement)
Payment of fees, tax, and other costs related to the purchase and sale of asset	:	The Purchaser and the Seller agree to pay half the registration fees related to the transfer of land ownership, including registration of transfer of ownership fees, stamp duty, specific business tax, income tax, and other costs related to the registration of ownership transfer.
In case of breach of contract	:	<p><u>In case where the Purchaser breaches any terms of this contract</u> - the Seller has the right to forfeit all deposits that the Purchaser has already paid and terminate this contract.</p> <p><u>In case where the Seller breaches any terms of this contract</u> - the Seller agrees to return the deposit within 30 days from the date of breach of contract. The Purchaser agrees not to claim any damages from the Seller and will not sue to force the Seller to transfer ownership of the land.</p>

1.8 Total consideration value and basis used to determine the value of consideration:

The Company disposed the vacant land for 1 title deed of land, with a total area of 1 rais 3 ngans 79 square wah (779 square wah), identified under land title deed no. 71766, land no. 3, cadastral map no. 5136 III 8606-10, survey page no. 1156, located on Debaratna Road (Highway 34), Bang Chalong Subdistrict, Bang Phli District, Samut Prakan Province, to PM, a connected person of the Company. The purchase price is at the total amount of THB 97,375,000.00, referring to the appraisal price by two independent appraisers on average, namely TPA and CHARTERED, who were appointed as independent appraisers by the Company. In this regard, both independent appraisers applied the market approach to determine the disposed asset’s market value.

1.9 Calculation of the transaction value

1.9.1 Calculation of the transaction value under the Notification on Acquisition or Disposal of Assets:

The calculation of the Land Disposal Transaction

Basis	Calculation Formula	Calculation (THB Million)	Transaction Size (Percent)
Net Tangible Assets (NTA) Basis	$\frac{\text{NTA of the assets disposed} \times \text{proportion of the asset disposed} \times 100}{\text{NTA of the Company}}$	Could not be calculated because the transaction is the sale of asset.	
Net Operating Profit Basis	$\frac{\text{Net profit of the assets disposed} \times \text{proportion of the asset disposed} \times 100}{\text{Net profit of the Company}}$	Could not be calculated because the transaction is the sale of asset.	
Total Value of Consideration Basis	$\frac{\text{Total value of consideration} \times 100}{\text{Total assets of the Company}}$	$\frac{97.38^{1/}}{2,688.24}$	3.62
Value of Issued as Consideration for the Assets Basis	$\frac{\text{No. of shares issued as payment for the assets} \times 100}{\text{No. of issued and paid-up shares of the Company}}$	Could not be calculated because the Company did not issue shares to pay for the assets.	

Remark: 1/ As the total value of consideration is higher than the book value of land as of December 31, 2023. The total value of consideration of land is used in the calculation.

Summary of the Highest Transaction Size

Transaction	Net Tangible Assets (NTA) Basis (Percent)	Net Operating Profit Basis (Percent)	Total Value of Consideration Basis (Percent)	Value of Securities Issued as Consideration for the Assets Basis
Land Disposal Transaction	Not applicable	Not applicable	3.62	Not applicable
Total	-	-	3.62	-
Disposition of Assets During the Past 6 Months	-	-	-	-
Grand Total	-	-	3.62	-
The basis with the highest transaction size is Total Value of Consideration Basis, that is equal to 3.62%				

The disposal of such land does not come under the scope for the disposition of assets pursuant to the Notification of the Capital Market Supervisory Board No. Tor Chor. 20/2551 (2008) Re: Rules on Entering into Material Transactions Deemed as Acquisition or Disposal of Assets and the Notification of the Board of Governors of the Stock Exchange of Thailand Re: Disclosure of Information and Other Acts of Listed Companies Concerning the Acquisition and Disposition of Assets B.E. 2547 (2004) (as amended) (the "Notifications of Acquisition and Disposal of Assets"). As, the transaction value in comparison to the audited financial statement of the Company as of December 31, 2023, is equivalent to 3.62 percent of the total value of consideration basis. The Company has had no other disposition of assets during the past 6 months, the total size of transaction thus is lower than 15 percent of the Company's total assets. Accordingly, the transaction does not come under the scope for the acquisition or disposition of assets having significant value for listed companies.

1.9.2 Calculation of the transaction value under the Notification on Connected Transactions

The financial information of the Company as of December 31, 2023, and the transaction value calculated based on the criteria in the Notification on Connected Transactions is summarized as follows:

Financial Information of the Company

Financial Statement for the Accounting Period Ending December 31, 2023	Unit : THB Million
Total assets	2,688.24
<u>Less</u> Intangible assets	-
<u>Less</u> Total Liabilities	667.78
<u>Less</u> Non-controlling Interests (if any)	-
Net Tangible Assets (NTA)	2,020.47
Net profit (Loss) for 12-month period	(372.85) ^{1/}

Remark: 1/ The calculation is based on the net profit of the Company, referring to the financial statements as of December 31, 2023.

The calculation of the Land Disposal Transaction

Item	Unit : THB Million
The Value used in Calculating the Land Disposal Transaction	97.38
Net Tangible Assets (NTA) of the Company	2,020.47
Percentage of Net Tangible Assets of the Company (%)	4.82

Summary of the Transaction Size

Item	Percent
The Land Disposal Transaction Size	4.82
The Connected Transactions During the Past 6 Months	
(1) Interest Expenses for the Short-term Loan Borrowing from PM	0.27
(2) Revenue from Billboard Rental Received from PM	0.01
(3) Revenue from Office Rental Received from STROM ^{1/}	0.11
The Connected Transactions Size for The Land Disposal Transaction Size compounding with The Connected Transactions During the Past 6 Months	5.22

Remark: 1/ The Company entered into an office rental agreement with Strom (Thailand) Company Limited ("STROM"), which is a joint venture between V Ventures Technologies Company Limited and a group of other shareholders, in the proportion of 50:50 percent. V Ventures Technologies Company Limited is held by Thoresen Thai Agencies Public Company Limited ("TTA") in the proportion of 99.99 percent. The top 10 major shareholders of TTA as of the record date on December 30, 2022 (sourced from 56-1 One Report 2022 of TTA)

No	Shareholders	No. of Shares	Percentage of Paid-Up Capital
1	Mr. Chalermchai Mahagitsiri	277,679,159	15.24
2	Credit Suisse AG, Singapore Branch	150,004,700	8.23
3	Thai NVDR Company Limited	147,972,199	8.12

No	Shareholders	No. of Shares	Percentage of Paid-Up Capital
4	Ms.Ausana Mahagitsiri *	99,866,937	5.48
5	Mr. Pipat Tiathawat	89,000,000	4.88
6	South East Asia UK (Type C) Nominees Limited	50,950,878	2.80
7	Mr. Prayudh Mahagitsiri *	35,253,358	1.93
8	State Street Europe Limited	32,873,463	1.80
9	DBS Bank Ltd. AC DBS Nominees - PB Clients	22,620,700	1.24
10	Mr. Sanit Kongnok	20,097,300	1.10
	Total number of shares held by top 10 shareholders	926,318,694	50.83
	Other shareholders	896,145,870	49.17
	Total issued and paid-up shares	1,822,464,564	100.00

Remark: * Mr. Chalermchai Mahagitsiri and Ms.Ausana Mahagitsiri, TTA' director and executives, held 527,546,096 shares or 28.95 percent of the total issued and paid-up shares of TTA (including the share indirectly held by Mr. Chalermchai Mahagitsiri in the amount of 150,00,000 shares under a custodian account). Mr. Prayudh Mahagitsiri held 35,253,358 shares or 1.93 percent of the total issued and paid-up shares of TTA. Thus, Mahagitsiri Family held a total of 562,799,454 shares or 30.88 percent of the total issued and paid-up shares of TTA. However, the shareholding of the two persons is not a group of persons acting jointly in concert (Concert Party) pursuant to the Notification of the Capital Market Supervisory Board No. 7/2552 (2009) Re: acting in concert as a result of the nature of a relationship or behavior and requirements under sections 246 and 247.

The Land Disposal Transaction is considered as a connected transaction of the listed companies in accordance with the Notification of Capital Market Supervisory Board No. TorChor. 21/2551 (2008) Re: Rules on Connected Transactions and the Notification of the Board of Governors of the Stock Exchange of Thailand Re: Disclosure of Information and Other Acts of Listed Companies Concerning the Connected Transactions B.E 2546 (2003) (as amended) (the "Notification on Connected Transactions"). Owing to the fact that the major shareholders of PM are the major shareholders of the Company, as well as, there are two common directors, namely, Mr.Chalermchai Mahagitsiri and Ms.Ausanee Mahagitsiri. The transaction value in comparison to the audited financial statement of the Company as of December 31, 2023, is equivalent to 4.82 percent of the net tangible assets of the Company. In addition, there were other connected transactions during the past 6 months with PM and STROM, including (1) Interest Expenses for the Short-term Loan Borrowing from PM in the amount of THB 200.00 million, which has interest expenses for the amount of THB 5,547,884.25, and (2) Revenue from Billboard Rental from PM, in the amount of THB 180,000.00, and (3) Revenue from Office Rental from STROM, in the amount of THB 2,295,210.40. As calculating the values of these three items, there shall be a total value of THB 8,023,094.65 or 0.40 percent of the net tangible assets of the Company. As a result, the connected transactions for Land Disposal Transaction compounding with the other connected transactions during the past 6 months, have the total transaction size of 5.22 percent. Consequently, the transactions in this instance are considered as a connected transaction, class 4, relating to assets or services with the transaction value exceeding THB 20 million and a transaction size exceeding 3 percent of the net tangible assets (NTA) of the Company. Therefore, the Land Disposal Transaction must be approved by the shareholders' meeting before proceeding with the transaction.

In this regard, the Company therefore has a duty to comply with the Notifications on Connected Transactions, as follows:

1. To disclose information memorandum regarding the connected transactions for the Land Disposal Transaction to the SET, in accordance with the Notifications on Connected Transactions
2. To arrange a shareholders' meeting to approve of the transaction which the resolution of the shareholders meeting must be approved by a vote of not less than three-fourths of the total votes of the shareholders attending the meeting and having the right to vote, excluding the portion of shareholders with conflicts of interest.
3. To appoint an independent financial advisor to provide an opinion on the connected transactions and submit the report of the opinion of the independent financial advisor to the shareholders together with the invitation letter to the shareholders' meeting. The Company has appointed FynnCorp Advisory Company Limited as an independent financial advisor to provide an opinion on such transactions.

1.10 The connected persons and/or the shareholders with conflicts of interest and the shareholders who are not eligible to vote:

This transaction is required to be approved with votes of not less than three-fourth of total votes of the shareholders attending the meeting and having the right to vote, excluding the portion of shareholders with conflicts of interest and shareholders who are not eligible to vote, who are:

Name of shareholders with conflicts of interest and the shareholders who are not eligible to vote	No. of shares in the Company ^{1/}		Relationship with the counterparties of the transaction
	No. of shares (shares)	Proportion (%)	
1. PM Group Company Limited	18,982,576	0.11	A Counterparty of the Land Disposal Transaction
2. Lakewood Land Company Limited	229,637,046	1.36	<ul style="list-style-type: none"> - Mahagitsiri Family holds 100 percent of the total issued and paid-up shares of Lakewood Land Company Limited (Mr. Chalermchai Mahagitsiri holds 92.22 percent and Ms. Ausanee Mahagitsiri and Ms. Ausana Mahagitsiri equally hold 3.45 percent of the total paid-up shares of Lakewood Land Company Limited, respectively) - Having 2 common directors with TFI who are Mr. Chalermchai Mahagitsiri, and Ms. Ausanee Mahagitsiri

Name of shareholders with conflicts of interest and the shareholders who are not eligible to vote	No. of shares in the Company ^{1/}		Relationship with the counterparties of the transaction
	No. of shares (shares)	Proportion (%)	
3. Thoresen Thai Agencies Public Company Limited ("TTA")	753,000,000	4.48	- Mahagitsiri Family holds 27.79 percent of the total issued and paid-up shares of TTA ^{2/} - Having 2 common directors with TFI who are Mr. Chalermchai Mahagitsiri and Mr. Kamolsut Dabbaransi
4. Mr.Chalermchai Mahagitsiri	6,634,320,313	39.43	- Director of PM and a major shareholder of PM, holding 69.50 percent of the total issued and paid-up shares of PM. - Director of TFI and a major shareholder of TFI
5. Ms.Ausanee Mahagitsiri	303,697,894	1.80	- Director of PM - Vice Chairman of TFI
6. Ms.Ausana Mahagitsiri	7,390,296,061	43.92	- A major shareholder of PM, holding 20.00 percent of the total paid-up shares of PM - A major shareholder of TFI
7. Mrs.Suwimol Mahagitsiri	118,508,817	0.70	- A major shareholder of PM, holding 10.50 percent of the total paid-up shares of PM - Wife of Mr. Prayudh Mahagitsiri and the mother of Ms. Ausanee Mahagitsiri, Mr. Chalermchai Mahagitsiri, and Ms. Ausana Mahagitsiri.
8. Mr.Prayudh Mahagitsiri	1,063,695	0.01	- Director of PM - Husband of Mrs. Suwimol Mahagitsiri and the father of Ms. Ausanee Mahagitsiri, Mr. Chalermchai Mahagitsiri, and Ms. Ausana Mahagitsiri.
Total	15,449,506,402	91.82	

Remark: 1/ Shareholder list of the Company as of August 24, 2023

2/ Shareholders list of TTA as of December 30, 2022

The directors who have interests, and/or the directors who are connected persons that did not attend the meeting and have no right to vote in the Board of Directors' Meeting No. 3/2024, convened on March 4, 2024.

Name	Position	
	TFI	PM
1. Mr. Chalermchai Mahagitsiri	Director	Director
2. Ms. Ausanee Mahagitsiri	Vice Chairman	Director

Name	Position	
	TFI	PM
3. Mr. Kamolsut Dabbaransi ^{1/}	Director	-

Remark: 1/ Mr. Kamolsut Dabbaransi is the husband of Ms. Ausana Mahagitsiri, who is the major shareholder of the Company and PM.

1.11 Benefits expected to be obtained from the transaction:

The disposal of land shall transform the assets which have not been appropriately utilized into cash in order to provide sufficient capital and to partially pay off outstanding loan that the Company borrowed from PM in the amount of THB 94.80 million (after deducting fees and other related expenses). This will decrease the remaining principal to approximately THB 105.20 million and ease the burden of financial costs for the Company by approximately THB 5.26 million (or a decrease of 47.34 percent per year) compared to the case where the company retained the land. In conclusion, the transaction shall benefit the Company and its shareholders by alleviating the financial burden of procuring a large amount of money to pay off the remaining principal, thereby reducing the risk of default.

1.12 Plans to utilize the proceeds from the disposal of the assets:

The Company plans to use the proceeds from the disposal of land in the amount of THB 97,375,000, which is expected to have a net amount of approximately THB 94,800,000 (after deducting related fees in the land disposal), to repay a certain amount of short-term loan to PM. This transaction shall leave outstanding loan from PM amounting to THB 105,200,000.

1.13 Opinion of the Board of Directors on the transaction:

The Board of Directors' Meeting No.3/2024, convened on March 4, 2024, resolved to approve the Company to enter into the Land Disposal Transaction to the connected person, that shall transform the assets which have not been appropriately utilized into cash in order to provide sufficient capital for the Company as well as to pay off the outstanding loan that the Company borrowed from PM and to ease the burden of financial costs. The Board of Directors has considered that the land is unnecessary for the Company's business operation. In addition, the Board of Directors has considered the land use potential shall bring the greatest benefit to the Company and its shareholders for the purpose of the most effective capital structure, financial cost, and allocation of the Company assets, in case that the land is disposed. The details for consideration are as follows:

- 1) Reducing current liabilities and improving its financial position, resulting in the debt-to-equity ratio (D/E Ratio) decreasing.

The Company could reduce current liabilities by THB 94.80 million, reflecting an improvement in its financial position, and causing the debt-to-equity ratio (D/E Ratio) to decrease from 0.33 to 0.28 times. The calculation details of the expected debt-to-equity ratio (D/E Ratio) are as follows:

Item (Unit: THB Million)	Financial Statement of the Company as of December 31, 2023 (Audited)	
	Pre-Transaction	Post-Transaction
Total Assets – Pre-Transaction	2,688.24	2,688.24
<u>Less</u> Book Value of The Disposed Land	-	(74.01)
<u>Less</u> Transfer Fee of The Disposed Land	-	(2.58)
<u>Add</u> Cash Received from the Land Disposal	-	97.38
<u>Less</u> Cash Paid for Loan Repayment to PM	-	(94.80)
Total Assets – Post-Transaction	2,688.24	2,614.23
Total Liabilities – Pre-Transaction	667.78	667.78
Partial Loan Repayment to PM	-	(94.80)
Total Liabilities – Post-Transaction	667.78	572.98
Total Equity – Pre-Transaction	2,020.47	2,020.47
Net Profit from the Land Disposal	-	20.79
Total Equity – Post-Transaction	2,020.47	2,041.26
D/E Ratio	0.33	0.28

Remark: The table shows the impact from the disposal of assets for this transaction. Based on the Company's financial statements as of December 31, 2023 only, and not taking into account cases in which TFI may borrow additional funds in the future.

2) Decreasing a certain amount of financial cost.

The Company currently holds short-term loan from PM totaling THB 200.00 million, with an interest rate at the average Minimum Overdraft Rate (MOR) of the five commercial banks in Thailand minus two percent per annum, for a period of 1 year. The Company shall utilize THB 94.80 million in cash received from the asset disposal to repay a certain amount of short-term loan to PM, reducing its short-term loan to approximately THB 105.20 million. The Company is expected to save approximately THB 5.26 million in interest expenses annually, representing a reduction of 47.34 percent per year, as shown below:

Table of estimated interest expenses in case that the Company requests to extend the term of the loan for 1 year:

Comparative Case	Interest Expenses (THB million)	Interest Expense Decreasing by (%)
The loan principal THB 200.00 million	11.11	
The remaining loan principal THB 105.20 million	5.85	
The Difference of Interest Expenses	5.26	(47.34)

Remark: The average Minimum Overdraft Rate (MOR) of the five commercial banks in Thailand minus two percent equal to 5.562 percent per annum as of February 22, 2024.

3) Monetizing the assets that have not been utilized.

The Company acquired the disposed land in 2002, owing to surplus liquidity at the time. Currently, the Company has not developed or used the land for any business operations. Furthermore, the Company's sales and production capacity decreased due to intense competition in the industry. As a result, the size of the factory, its functional areas, the machinery and equipment, and facilities are sufficient for the current production capacity. Therefore, the transaction presents an opportunity to dispose of the vacant land which has not been utilized. Additionally, the Company has no concrete plans for future development or use. Hence, the Company could monetize the assets that have not been utilized to obtain the utmost benefit.

In terms of the transaction price, the Board of Directors has an opinion that the price is favorable and reasonable, as agreed upon by the two parties, which is equal to THB 97,375,000.00 or THB 125,000.00 per square wah. The price is derived from the appraisal prices by two independent appraisers on average, namely TPA and CHARTERED. The appraisal price from TPA is THB 150,000.00 per square wah, and the appraisal price from CHARTERED is THB 100,000.00 per square wah. In this regard, the two independent appraisers applied the market approach, which is a method that employs a group of comparable properties traded in the market to analyze and refer to, in order to get the appropriate appraisal price. While the cost of land acquisition is THB 74,050,000, if the Company decides to dispose the land, it could make a profit of approximately THB 20,790,000 (after deducting related fees).

For the plans to repay the remaining short-term loan to PM, the Board of Directors expect to continue requesting an extension of the loans period for the remaining short-term loan to PM. Additionally, the Company intends to retain existing customers, pursue new customers, improve production efficiency, and enhance cost control in order to improve cash flow from operations, thereby reducing borrowing from connected persons. In addition, the Board of Directors has an opinion that the Company should dispose such land, in order to use the net cash received from the asset disposal to repay a certain amount of short-term loan to PM, which is expected to save approximately THB 5.26 million in interest expenses annually, causing the improving in cash flow. The Company estimates that it will not require an additional short-term loan if the loan period from PM is extended. Furthermore, the Company has improved its liquidity management in 2023 and anticipates maintaining this improved management in the future. While the Company currently has no plans for significant investments, it will continue to invest in its usual operations.

Statement of Cash Flow (Unit: THB million)	2022	2023
Net cash flows provided (used in) from operating activities	(214.45)	(16.84)
Net cash flows provided (used in) from investing activities	(15.45)	(102.99)
Net cash flows provided (used in) from financing activities	192.19	(13.46)
Cash and cash equivalents increase (decrease) - net	(37.74)	(133.29)
Cash and cash equivalents at the beginning of year	200.36	162.62
Cash and cash equivalents at the end of year	162.62	29.33

In this regard, the Board of Directors have considered appraisal reports from two independent appraisers, who are registered as appraisers in an appraisal company in the capital market, and the lead appraisers obtaining

approval from the SEC. The Board of Directors found that the appraised value, determined through the market approach using comparative properties, is appropriate as a reference for determining the purchase price. This is supported by both independent appraisers, who obtained approval from the SEC, and employed appropriate methodologies. Additionally, the Board of Directors' opinion aligns with the opinion of the independent financial advisor, affirming the transaction's reasonableness and benefits to the Company.

The Board of Directors thus considered and found that the Land Disposal Transaction is appropriate, and reasonable, by considering the details of the transaction, the compensation to be received, and the greatest beneficial to the Company and its shareholders. The compensation received is based on the appraisal value of the asset from the two independent appraisers, which is based on the market approach method. This appraisal price is considered as a price similar to entering into transactions with a third party. The Board of Directors has unanimously resolved to propose the Land Disposal Transaction to the shareholders' meeting for approval. This transaction aims to utilize the cash received from the asset disposal to repay a certain amount of the short-term loan owed to PM.

1.14 Opinion of the Audit Committee on the transaction:

The Audit Committee's opinion is not different from the opinion of the Board of Directors as specified in section 1.13 above, and no audit committee member has any different opinions from the resolution of the Board of Directors as mentioned.

2. Reasonableness and Benefit of the Transaction

2.1. Objectives and Benefit of the Transaction

The objective of the disposal of land is to appropriately manage the assets that have not been utilized to obtain the utmost benefit as well as to pay off the outstanding loan that the Company borrowed from PM in order to minimize the financial costs of the Company. The Board of Directors' Meeting of Thai Future Incorporation Public Company Limited (the "Company" or "TFI") no. 3/2024 on March 4, 2024, has considered and resolved to propose the resolution to the 2024 Annual General Meeting of Shareholders to consider and approve the Land Disposal Transaction for 1 title deed of land, with a total area of 1 rais 3 ngans 79 square wah (779 square wah), located on Debaratna Road (Highway 34), Bang Chalong Subdistrict, Bang Phli District, Samut Prakan Province, to PM, a connected person of the Company. Owing to the fact that the major shareholders of PM are also the major shareholders of the Company, and there are two common directors, namely, Mr.Chalermchai Mahagitsiri and Ms.Ausanee Mahagitsiri. The purchase price is THB 125,000.00 per square wah, or totaling THB 97,375,000.00 in order to ease the principal of the loan borrowed from PM in the amount of THB 200.00 million due to be repaid on May 11, 2024. In this regard, the interest rate on such loan is currently established at a rate calculated as the MOR minus two percent per annum, based on the average of the five commercial banks in Thailand. Thereby, the financial cost for the principal amount of THB 200 million could be estimated at approximately THB 11 million per year (according to the interest expense for PM loan incurred over the past year ending March 3, 2024). In the case that the Company enters into the Land Disposal Transaction, it shall utilize the proceeds from the land disposal, amounting to approximately THB 94.80 million (after deducting related fees), resulting in a reduction of financial costs paid to PM by approximately THB 5.26 million.

2.2. Advantages, Disadvantages and Risks for Entering into the Transaction

Advantages for Entering into the Transaction

1. Monetizing the assets that have not been utilized, to obtain the utmost benefit.

The Company acquired the disposed land in 2002. Currently, the Company has not developed or used the land for any business operations. Furthermore, the Company's sales and production capacity decreased due to intense competition in the industry. As a result, the size of the factory, its functional areas, the machinery and equipment, and facilities are sufficient for the current production capacity. Therefore, the transaction presents an opportunity to dispose of the vacant land which has not been utilized. Additionally, the Company has no concrete plans for future development or use. Hence, the Company could monetize the assets that have not been utilized to obtain the utmost benefit.

2. Being able to realize gain from asset disposal.

Entering into this transaction allows the Company to realize gains from asset disposal based on the latest book value. The calculation is derived from the audited financial statement as of December 31, 2023, wherein the

book value is accounted for THB 23.37 million or calculated as the gain from asset disposal after deducting transfer fees and specific business tax, amounting to THB 20.79 million. The breakdown is as follows:

Transaction	Amount (Unit: THB Million)
Return from the Land Disposal	97.38
<u>Less</u> Book Value of the Disposed Land	(74.01)
Gain from Asset Disposal	23.37
<u>Less</u> Estimated Transfer Fees ^{1/2/}	(0.97)
<u>Less</u> Estimated Specific Business Tax ^{1/2/}	(1.61)
<u>Less</u> Estimated Corporate Income Tax ^{3/}	0.00
Net Profit from Asset Disposal	20.79

Remark: 1/ Estimated by the Company

2/ For the transaction fees related to the land disposal, the Company and PM agree to share equally.

3/ On the date of land ownership transfer, the Company faces a withholding tax of THB 0.97 million. However, due to the Company's tax loss carried forward, it intends to request a refund of the withholding tax.

3. Reducing current liabilities and improving its financial position, resulting in the debt-to-equity ratio (D/E Ratio) decreasing.

For the Land Disposal Transaction, the Company could transform the assets which have not been appropriately utilized into cash in order to provide sufficient capital for the Company. The Company shall use all the proceeds to repay a certain amount of the loan to PM, a related company, in the amount of THB 94.80 million. For the remaining amount of THB 105.20 million which is due on May 11, 2024, the Company expects to request an extension of the loan period from PM. Additionally, the Company plans to maintain existing customers, seek additional customers, improve production efficiency, and enhance cost control in order to improve cash flow from operations. Therefore, the Company could reduce current liabilities and improve its financial position, resulting in the debt-to-equity ratio (D/E Ratio) decreasing.

The Company will have its current liabilities reduced by THB 94.80 million, reflecting an improvement in financial position. As a result, the debt-to-equity ratio (D/E Ratio) decreased from 0.33 to 0.28 times. The calculation details of the debt-to-equity ratio (D/E Ratio) are as follows:

Item (Unit: THB million)	Financial Statement of the Company as of December 31, 2023 (Audited)	
	Pre-Transaction	Post-Transaction
Total Assets – Pre-Transaction	2,688.24	2,688.24
<u>Less</u> Book Value of The Disposed Land	-	(74.01)
<u>Less</u> Transfer Fee of The Disposed Land	-	(2.58)
<u>Add</u> Cash Received from the Land Disposal	-	97.38

Item (Unit: THB million)	Financial Statement of the Company as of December 31, 2023 (Audited)	
	Pre-Transaction	Post-Transaction
Less Cash Paid for Loan Repayment to PM	-	(94.80)
Total Assets – Post-Transaction	2,688.24	2,614.23
Total Liabilities – Pre-Transaction	667.78	667.78
Partial Loan Repayment to PM	-	(94.80)
Total Liabilities – Post-Transaction	667.78	572.98
Total Equity – Pre-Transaction	2,020.47	2,020.47
Net Profit from Land Disposal	-	20.79
Total Equity – Post-Transaction	2,020.47	2,041.26
D/E Ratio	0.33	0.28

Remark: Shows the impact from the disposal of assets in this transaction. Based on the Company's financial statements as of December 31, 2023, only, not taking into account cases in which TFI may borrow additional funds in the future.

4. Decreasing loan principle and a certain amount of interest expenses

The Company has a short-term loan from PM of THB 200.00 million with the interest rate at the average MOR rate of the five commercial banks in Thailand minus 2 percent per annum, for a period of 1 year. The Company shall use the proceed to repay a certain amount of the loan to PM, reducing its short-term loans principle to approximately THB 105.20 million. According to a management interview, the Company anticipates requesting an extension of the loan period from PM. The independent financial advisor has calculated and compared the financial costs between two scenarios: one where the Company repays a certain amount of loan principal using proceeds from the disposal of land, and another where the principal remains the same. This comparison indicates an expected annual saving of approximately THB 5.26 million in interest expenses, representing a reduction of 47.34 percent per year, as shown below.

Table of estimated interest in case that the Company requests to extend the term of the loan for 1 year

	Interest Expense (THB Million) ^{1/}	Interest Expense Decrease Rate (Percent)
In Case of No Land Disposed: The loan principal THB 200.00 million	11.11	
In case of Land Disposed: The loan principal THB 105.20 million	5.85	
The Difference of Interest Expenses	5.26	(47.34)

Remark: 1/ The average Minimum Overdraft Rate (MOR) of the five commercial banks in Thailand minus two percent equal to 5.562 percent per annum as of February 22, 2024

Therefore, by entering into this transaction, the Company could reduce its financial costs, including a certain amount of interest expenses, as well as alleviate the financial burden of procuring a large amount of money to pay off the remaining principal. This would consequently mitigate the risk of default.

5. Being able to utilize tax loss carried forward.

Given the Company's continuous losses over a period of time, it has accumulated a tax loss carried forward amounting to THB 782.14 million. By entering into the land disposal transaction, the Company intends to deploy approximately THB 20.79 million from this tax loss carried forward. Accordingly, this will enable the Company to save approximately THB 4.16 million in corporate income tax from the gain generated by the land disposal.

Disadvantage for Entering into the Transaction

1. Missing out on the opportunity to dispose of the land at a higher price in the future.

The Land Disposal Transaction may result in the Company missing out on the opportunity to dispose of the land at a higher price in the future in case the land's value increases. According to the Bank of Thailand, the land price index of Bangkok and the metropolitan area has tended to increase, with an average growth rate of approximately 3.81 percent over the past five years from 2019 to 2023, indicating a high rate of land price expansion. However, selling the land to repay a certain amount of the loan would reduce the Company's debt burden. Comparing the historical land price index increase rate of 3.81 percent per year, which is lower than the financial cost of the loan amounting to THB 200.00 million at 5.562 percent per year, based on information from the company as of February 22, 2024. Additionally, if the selling price of the land increases, it may take time and involve increased costs for the Company to find potential investors in the future.

2. Missing out the opportunity to develop projects on the disposed land in the future.

The Land Disposal Transaction may cause the Company to miss out on the opportunity to develop projects on the disposed land in the future. Nonetheless, the Company has no concrete plans for future development or use.

3. Having a duty to disclose and be comply with the Notifications on Connected Transactions, which includes appointing an independent financial advisor to provide an opinion on the connected transactions, and arranging a shareholders' meeting, and covering expenses related to the transaction.

Engaging in a related party transaction triggers the Company's obligation to disclose information memorandum and comply with the Notifications on Connected Transactions and disclose to the SET. In addition, the transaction requires the Company to appoint an independent financial advisor to provide an opinion on the transaction and organize a shareholders' meeting to ask approval from the company's shareholders. Additionally, the Company has to cover the expenses related to the transaction, including independent asset appraisers' fees, and independent financial advisor's fees.

Risk for Entering into the Transaction

1. Risk from canceling the purchase from the Purchaser.

The Company may face the risk from canceling the purchase from the Purchaser. This will lead the Company to be unable to proceed with its plan to utilize the proceeds from the asset disposal to repay a certain amount of the loan. However, the possibility of incurring them is certain since the Purchaser has the intention of acquiring the Company's asset in order to receive loan repayments. Accordingly, the Purchaser has previously taken various steps, including obtaining approval from the PM's board meeting for the land acquisition transaction, in order to comply with the conditions of the purchase agreement of the disposed land. In addition, in case where the Purchaser breaches any terms of this, the Seller has the right to forfeit the deposits amounting to THB 8,000,000 after entering into the purchase agreement as compensation for damages.

2. Incurring transaction expenses regardless of the outcomes, including returning deposits to the Purchaser in the case of an unsuccessful transaction caused by the Company.

Proceeding with this transaction is contingent upon approval from TFI's shareholders' meeting. If shareholder approval is obtained or not obtained, transaction expenses of approximately THB 2 million will still be incurred. Furthermore, if the approval is not obtained, the transaction expenses will still be incurred, and the Company will have an obligation to return the deposit to the Purchaser due to an unsuccessful transaction caused by the Company.

2.3. Advantages and Disadvantages of not Entering into the Transaction

Advantages for not Entering into the Transaction

1. Being able to use such land for future development or expansion projects, as well as having the potential for future disposal at a higher price.

If the Company decides not to proceed with the transaction, it could retain the land for factory expansion or future business development or expansion to maximize potential returns. Additionally, the land holds the potential for future disposal at a higher price if land values increase.

2. No transaction expenses or fees incurred.

If the Company decides not to proceed with the transaction, the Company shall not be responsible for any transaction expenses or fees incurred related to the transaction, including, transfer fee, specific business tax, and advisory fees, etc.

Disadvantages for not Entering into the Transaction

1. Missing out on an opportunity to create returns from such land that is not being utilized to its maximum benefit.

At present, the Company is facing intense price competition. Consequently, the size of the factory, its functional areas, machinery and equipment, and facilities are sufficient for the current production capacity, with

remaining capacity for approximately 80 percent of the total Company's capacity (as referenced in 56-1 of the year 2022 of the Company). Therefore, the Company's retention of currently unutilized land represents a missed opportunity to decrease financial costs and generate returns from land that is not being utilized to its maximum benefit.

2. Experiencing a tighter financial flexibility

Since 2022, the Company has relied on short-term loan from PM, resulting in a current ratio of 2.43 times, which is considered high. A high current ratio indicates a strong capacity to service debt from short-term loans or current liabilities. In 2023, the Company's liquidity position weakened compared to the prior year due to a decrease in cash and cash equivalents and accounts payable, alongside a significant increase in trade payables. As a result, the Company's current ratio deteriorated to 1.05 times in 2023. TFI's primary motivation for requesting an extension of the loan term from PM is to reserve working capital to ensure the continued operation of the business. This transaction enhances the Company's financial flexibility, reduces short-term loans, and thereby alleviates the pressure of existing financial obligations.

Risks for not Entering into the Transaction

1. Risk from not being able to repay the short-term loan on time.

The Company has submitted a request to extend the maturity date of its existing short-term loan, currently due on May 11, 2024, as well as the intense price competition within the market is exerting significant pressure on the Company's financial performance. As a result, the Company confronts the risk from not being able to repay the short-term loan on time. Therefore, entering into this transaction is contingent upon the utilization of the asset disposal proceeds for the partial repayment of the loan principal owed to PM. In this regard, for the remaining amount of loan, the Company anticipates requesting an extension of the loan period from PM. Additionally, the Company intends to retain existing customers, pursue new customers, improve production efficiency, and enhance cost control in order to improve cash flow from operations.

2.4. Advantage and Disadvantage of Entering the Transaction with Related Party Compared to Third Party

2.4.1 Advantage of Entering the Transaction with Related Party Compared to Third Party

1. Convenient for contact and coordination and saving time and resources compared to engaging a third party for offering land disposal.

The Land Disposal Transaction with PM involves a related person and an existing creditor of the Company. This facilitates convenient contact and coordination, saving time and resources compared to engaging a third party for the land disposal. Additionally, PM is conscious of the purpose of this land disposal transaction. Therefore, entering into a transaction with a connected person presents a mutually beneficial opportunity for both parties. Negotiations with third parties, on the other hand, could be time-consuming and result in uncertain outcomes.

2. Establishing a follow-up procedure to identify the responsible person for addressing any potential issues that may arise in the future.

In the case that the Company encounters obstacles relating to the transaction or incurs future liabilities due to unresolved encumbrances on the land, it can identify the responsible person to address any potential issues that may arise in the future. Notably, the major shareholders of PM are also major shareholders of the Company, and there are two common directors, namely, Mr. Chalermchai Mahagitsiri and Ms. Ausanee Mahagitsiri.

2.4.2 Disadvantages of Entering the Transaction with Related Party Compared to Third Party

1. Possibly resulting in negotiations and terms that may not fully serve the Company's best interests compared to those with a third party.

Engaging in transactions with a related party, the Company possibly resulting in negotiations and terms that may not fully serve the Company's best interests compared to those with a third party, which may affect minority shareholders. However, the Board of Directors and executives understand the regulation and well realize the potential consequences associated with engaging in the transaction with related person. The purchase price is established using an appropriate valuation method, and is negotiated on an arm's length basis, complying with all applicable regulations governing connected party transactions. Besides, in the shareholders' meeting to approve this connected transaction, stakeholders with a conflict of interest will be ineligible to vote (*details as shown in Section 1.10 The connected persons and/or the shareholders with conflicts of interest and the shareholders who are not eligible to vote*). Implementing the abovementioned processes could ensure the interests of the Company when entering into transactions with related persons.

2. Having obligations to disclose information and comply with rules regarding related party transactions, including covering other related expenses."

Engaging in transactions with a related party, it is obligate the Company to disclose information and comply with rules regarding the connected transactions, as well as disclose information to SET, in accordance with the Notifications on Connected Transactions, including covering other related expenses. The Company must appoint an independent financial advisor to provide an opinion on the related party transactions and obligate to request the approval from the shareholders' meeting of the Company. Additionally, the Company must cover the expenses related to the transaction, including independent asset appraisers' fees, and independent financial advisor fees.

3. Appropriateness of the Transaction Price

To evaluate the appropriateness of the transaction price for the disposal of the Company's land to PM, the independent financial advisor conducted a fair value assessment using financial methods commonly employed to determine the appropriateness of the transaction price. The independent financial advisor applied 2 financial methods, as follows:

- 1) Book Value Approach
- 2) Adjusted Book Value Approach

As the assets being disposed of are vacant land not currently developed or utilized in business operations or rented out to third parties, the independent financial advisor could not evaluate using the Discounted Cash Flow (DCF) method. Instead, the Company engaged two independent appraisers, both of whom employed the market approach to assess the fair value. The details of the fair value evaluation are as follows:

3.1 Book Value Approach

This valuation method utilizes the book value of the land as disclosed in the Company's financial statements at a particular time. The independent financial advisor has estimated the book value of assets according to the Company's audited financial statements ended as of December 31, 2023, by Karin Audit Company Limited, with details as follows:

The Book value of the land as disclosed in the Company's audited financial statements as of December 31, 2023

Item	Amount (THB Million)
Book Value	74.01
Transaction Price	97.38
A comparison of the transaction price and book value	Book value is lower than the transaction price by THB 23.37 million or by 24.00 percent lower

From the above table, the evaluation of assets using the Book Value Approach yields a value of disposed assets of THB 74.01 million, which is lower than the transaction price of THB 23.37 million, or equivalent to 24.00 percent lower.

3.2 Adjusted Book Value Approach

This valuation method aims to improve the land's book value by reflecting its fair and current value. The independent financial advisor refers to the market price of the land appraised by the two independent appraisers. These appraisers are registered as appraisers in the list of appraisal companies in the capital market, and the lead appraisers obtaining approval from the SEC. The details are provided below:

1. Thai Property Appraisal Lynn Phillips Company Limited (“TPA”) is an independent property appraiser value the land price with an area of 1 rai 3 ngan 79 square wah (779 square wah) as of February 28, 2024, for a price of THB 116,850,000.00, translating to a price of THB 150,000.00 per square wah.
2. Chartered Surveyors (Thailand) Company Limited (“CHARTERED”) is an independent property appraiser value the land price an area of 1 rai 3 ngan 79 square wah (779 square wah) as of February 16, 2023, for a price of THB 77,900,000.00, translating to a price of THB 100,000.00 per square wah.

The Company's land valuation prepared by TPA and CHARTERED has the following summary details:

3.2.1. Summary of the Company's Land Valuation by TPA

TPA conducted its valuation of the land to be disposed according to the appraisal report dated February 28, 2024, by the authorized valuer, namely, Mr. Wirat Trithanawat, a Qualified Senior Valuer No. 018. This report employed the market approach method to determine the fair value of the land to be disposed of for public disclosure purposes. TPA has identified 5 comparable vacant lands with similar characteristics and locations to the disposed assets. Details of these comparable properties used for market value evaluation are summarized as follows:

Property Data from TPA's Survey Used in Comparison to Assess Market Prices

Item	The Appraised Asset	Comparative Properties				
		1	2	3	4	5
Asset Characteristics	Vacant Land	Vacant Land	Vacant Land	Vacant Land	Vacant Land	Vacant Land
Location	Debaratana Road (Highway 34) km.13	Debaratana Road (Highway 34) km.15	Debaratana Road (Highway 34) km.21	Debaratana Road (Highway 34) km.6	Debaratana Road (Highway 34) km.11	Debaratana Road (Highway 34) km.11
Land Area (Rai-Ngan-Square Wah)	1-3-79 rai	2-1-0 rai	5 rai	27-2-42 rai	3-3-36 rai	16-0-96 rai
Land Plot Shape	trapezoid	square	square	square	square	square
Dimensions of Width	Width 75 meters	Width 35 meters	Width 44 meters	Width 100 meters	Width 40 meters	Width 77 meters
Ground Level	Level with the road	Below the road with 0.5 meters	Below the road with 1 meter	Slightly below road level	Level with the road	Level with the road
Road Sides	1 side	1 side	1 side	1 side	1 side	1 side
Roadway Features	Paved	Paved	Paved	Paved	Paved	Paved
Wide/Road Zone (Meters)	wide 48 meters road zone 100 meters	wide 48 meters road zone 100 meters	wide 48 meters road zone 100 meters	wide 48 meters road zone 100 meters	wide 48 meters road zone 100 meters	wide 48 meters road zone 100 meters

Item	The Appraised Asset	Comparative Properties				
		1	2	3	4	5
Available Utilities	Equipped	Equipped	Equipped	Equipped	Equipped	Equipped
Offering Price (THB / sq. wah)	-	THB 190,000.-	THB 125,000.-	THB 180,000.-	THB 150,000.-	THB 160,000.-
Advantages/ Disadvantages	On the main road/ Away from the community /Landfill	On the main road/ Near the community/ Undeveloped	On the main road/ Near the community/ Undeveloped	On the main road/ Near the community/ Undeveloped	On the main road/ Near the community/ Undeveloped	On the main road/ Near the community/ Undeveloped
Date Of Information	February 2024	February 2024	February 2024	February 2024	February 2024	February 2024
Source	-	K. Rung	K. Bo	K. Mooky	K. Nok	K. Jarinya
Contact Number	-	087-353-6387	065-697-8969	098-517-1513	082-424-4646	089-777-4841

Images of Comparative Properties



1st Land



2nd Land



3rd Land

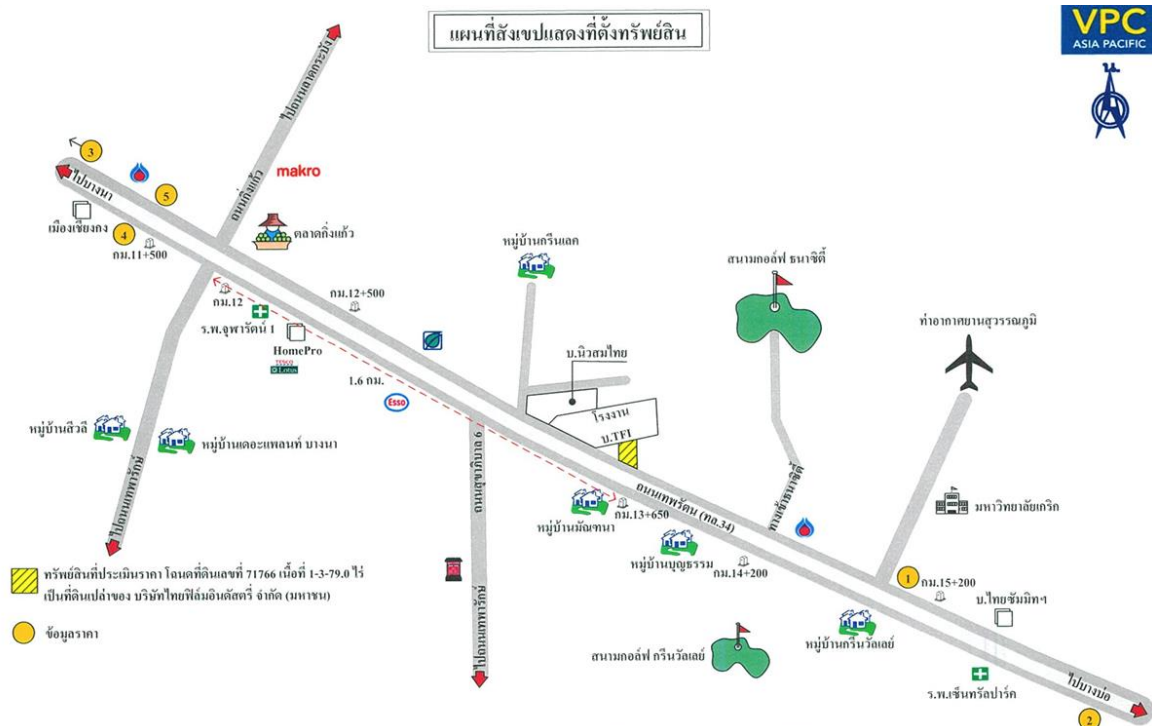


4th Land



5th Land

Image Showing the Location of the Appraised Asset and the Land Used for Comparison by TPA



The TPA then scores the appraised assets against the comparative properties from elements that affect the value of each asset, including location, size and shape, ground level, transportation, utilities, and characteristics of land use, and scores with Weighted Quality Score (WQS). WQS is a method aimed at comparing the appraised assets against comparative properties by using quality scores in various areas and enumerating the influential level of variables or factors that affect the value of property in order to analyze its value. The WQS assigns scores ranging from 1 to 10, with higher scores indicating higher land quality. Below are the details of the market data used for comparison and the WQS scoring:

Table of TPA's Weighted Quality Score (WQS) Method for Assets Valuation

Factor	Weight (Percent)	Comparative Properties					The Appraised Asset
		1 st Land	2 nd Land	3 rd Land	4 th Land	5 th Land	
Location	30.0	7	6	8	7	7	7
Land Size	20.0	8	5	3	7	6	7
Ground Level	15.0	5	4	5	5	4	5
Transportation	10.0	8	7	8	8	8	7
Utility	10.0	7	7	8	7	7	7
Liquidity/Usage	15.0	7	7	9	5	8	6
Total	100.0	700	585	670	650	660	655

Remark: Scoring: Excellence = 9-10, Good = 7-8, Average= 5-6, Below Average= 3-4, Poor = 0-2

The appraised asset values are then determined through an analysis of the quality score and the pricing of comparative data are provided below:

Table of Market Price Compared by TPA

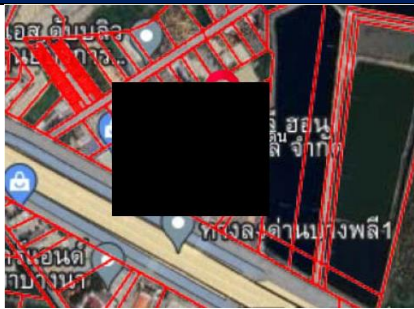

Comparative Properties	1 st Land	2 nd Land	3 rd Land	4 th Land	5 th Land	The Appraised Asset
Offering Price	190,000	125,000	180,000	150,000	160,000	
Adjusted Price	175,000	110,000	170,000	140,000	150,000	
Variables	R Square	0.9314	Intercept			-238889.28
	Std. Div.	7,885.48	Slope			594.0111
Asset appraisal price (THB/sq. wah)						150,188
Rounding of asset appraisal price (THB/sq. wah)						150,000
Total asset appraisal value						116,850,000

Based on the preceding analysis of comparative properties data, TPA appraised the land price using market approach, arriving at an appraised value of THB 150,000 per square wah, totaling THB 116.85 million.

3.2.2. Summary of the Company's land valuation by CHARTERED

CHARTERED conducted its valuation of the disposed land according to the appraisal report dated February 16, 2024, by the authorized valuer, namely, Mr. Khomsan Kulpipatrat, a Qualified Senior Valuer No. 060. This report employed the market approach to determine the fair value of the disposed land for public disclosure purposes. CHARTERED has identified 4 comparable vacant lands with similar characteristics and locations to the disposed assets. Details of these comparable properties used for market value evaluation are summarized as follows:

Property Data from CHARTERED's Survey Used in Comparison to Assess Market Prices

Item	1 st Land	2 nd Land
Picture of Asset		
Asset Characteristics	Vacant Land	Vacant Land
Location	Bangna-Trad Road (Highway 34) km.10	Bangna-Trad Road (Highway 34) km.18
Geographic Coordinates	Lat :13.641027, Lon : 100.700830	Lat :13.611665, Lon : 100.761309
Land Area (Rai-Ngan-Square Wah)	10-0-80.0 Rai (4,080.0 Square Wah)	11-0-00.0 Rai (4,400.0 Square Wah)
Ground Level	Below the road with 0.5 meters	Level with the road
Width X Depth (M.)	Wide 100.00 × 163.00 meters	Wide 76.00 × 231.00 meters
Land Shape	Trapezium	Polygon
Road Sides	1 Side	1 Side
Road Characteristic (Road Surface)	Paved Road	Paved Road
Wide/Road Zone (Meters)	Wide 30.00 meters / Road Zone 100.00 meters	Wide 30.00 meters / Road Zone 100.00 meters
Available Utilities	Electricity - Water - Telephone - Street Lights	Electricity - Water - Telephone - Street Lights
Relevant Laws/Regulations	Very dense commercial and residential areas (red)	Industry and warehousing (purple)
Other Legal Matters	None	None
Maximum Utility	Commerce	Commerce
Development Potential	Moderate	Moderate
Price	THB 170,000.- per square wah	THB 136,363.- per square wah
Condition	Offering Price	Offering Price
Date / Month / Year	On the date of the survey	On the date of the survey
Seller / Informant	K. Vilasini	K. Toh
Contact Number	08-9777-4841	06-4194-2828



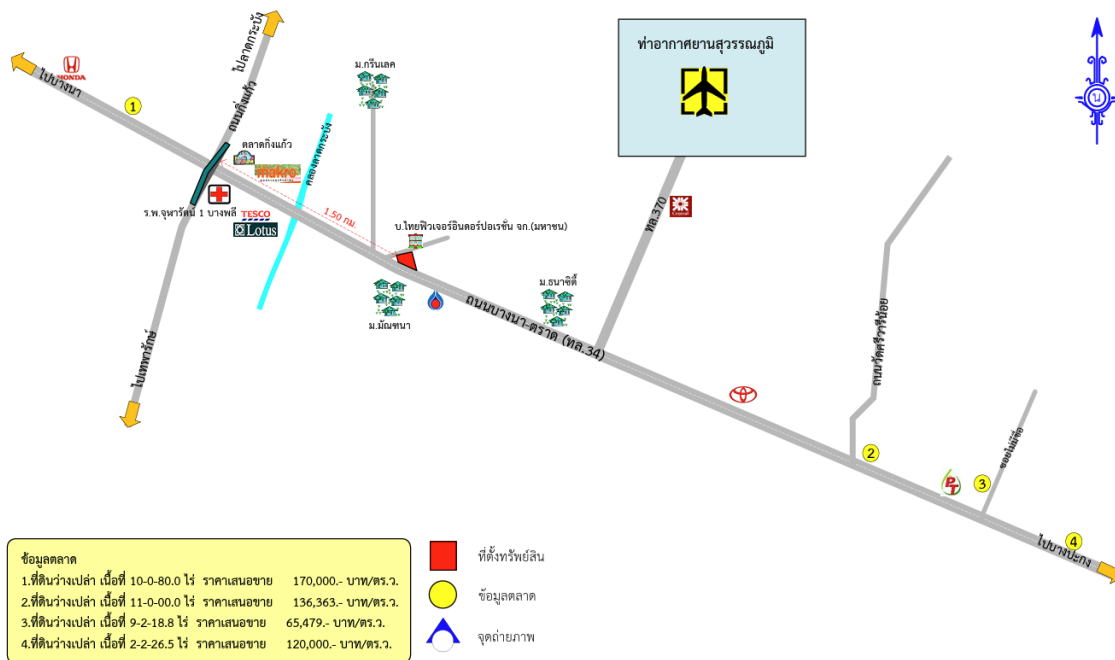
Item	3 rd Land	4 th Land
Picture of Asset		
Asset Characteristics	Vacant Land	Vacant Land
Location	Nameless alley Bangna-Trad Road, Highway 34, Km.19	Bangna-Trad Road, Highway 34, Km.20
Geographic Coordinates	Lat :13.607880, Lon : 100.772526	Lat :13.605172, Lon : 100.778757
Land Area (Rai-Ngan-Square Wah)	9-2-18.8 Rai (3,818.8 Square Wah)	2-2-26.5 Rai (1,026.5 Square Wah)
Ground Level	Level with the road	Level with the road
Width X Depth (M.)	wide 100.00 × 152.00 meters	wide 28.00 × 144.00 meters
Land Shape	Rectangle	Trapezium
Road Sides	1 side	1 side
Road Characteristic (Road Surface)	Concrete Road	Paved Road
Wide/Road Zone (Meters)	Wide 6.00 meters / Road Zone 10.00 meters	Wide 30.00 meters / Road Zone 100.00 meters
Available Utilities	Electricity - Water - Telephone - Street Lights	Electricity - Water - Telephone - Street Lights
Relevant Laws/Regulations	Industry and warehousing (purple)	Industry and warehousing (purple)
Other Legal Matters	None	None
Maximum Utility	industry	Commerce
Development Potential	Moderate	Moderate
Price	THB 65,479.- per square wah	THB 120,000.- per square wah
Condition	Offering Price	Offering Price
Date / Month / Year	On the date of the survey	On the date of the survey
Seller / Informant	Magic Property Co.,Ltd.	K. Aex
Contact Number	09-9501-2569	08-9798-7962

Image Showing the Location of the Appraised Asset and the Land Used for Comparison by CHARTERED



CHARTERED then scores the appraised assets against the comparative properties from elements that affect the value of each asset, including location, physical characteristics, utilities, and characteristics of land use, and scores with Weighted Quality Score (WQS). WQS is a method aimed at comparing the appraised assets against comparative properties by using quality scores in various areas and enumerating the influential level of variables or factors that affect the value of property in order to analyze its value. The WQS assigns scores ranging from 1 to 10, with higher scores indicating higher land quality. Below are the details of the market data used for comparison and the WQS scoring:

Table of Market Price Compared by CHARTERED

Item	Detail	Comparative Properties				The Appraised Asset
		(1)	(2)	(3)	(4)	
Land Details:	Land Area (Square Wah)	4,080.0	4,400.0	3,818.8	1,026.5	779.0
	Less Dispossessed land or Roadway	0.0	0.0	0.0	0.0	0.0
	Net land area (Square Wah.)	4,080.0	4,400.0	3,818.8	1,026.5	779.0
	- wide (meters)	100.0	76.0	100.0	30.0	75.0
	- Depth (meters)	163.2	231.6	152.8	136.9	70.0
	- Proportion: Width / Depth (times)	0.61	0.33	0.65	0.22	1.07
	Offering Price (THB per square wah)	170,000.0	136,363.0	65,479.0	120,000.0	
	Negotiated price (percent)	-11.76%	-12.00%	-8.37%	-12.50%	
	Amount (THB)	-20,000	-16,363	-5,479	-15,000	
	Adjusted price (THB)	150,000	120,000	60,000	105,000	

Table of CHARTERED's Weighted Quality Score (WQS) Method for Valuing Assets

Item	Detail	Weight (%)	Comparative Properties				The Appraised Asset
			(1)	(2)	(3)	(4)	
Location	General Location	20	8	7	5	7	7
	Environment	10	8	7	6	7	7
Physical characteristics	Land Area	10	6	6	6	7	7
	Land Shape	10	7	7	6	7	6
	Wide X Depth	10	6	5	6	5	6
	Ground Level	10	5	6	6	6	6
Utilities	Frontage road	0	8	8	8	8	8
	Right of way	0	9	9	9	9	9
	Electricity	0	6	6	6	6	6
	Water for Use	0	7	7	7	7	7
Maximum utilization / Restriction	Appropriateness of Maximum utilization	10	8	7	7	7	6
	Liquidity	10	8	7	5	7	6
	Legal Restriction	10	8	7	7	7	6
Total		100	720	660	590	670	640
Proportion of score compared to the appraised asset			0.8889	0.9697	1.0847	0.9552	1.0000
Adjusted Price			133,333	116,364	65,085	100,299	N/A
Mathematical formula (IF, ABS)			80	20	50	30	180
Proportion			0.4444	0.1111	0.2778	0.1667	1.0000
Inverse			2.2500	9.0000	3.6000	6.0000	20.8500
Weighted scoring			10.79%	43.17%	17.27%	28.78%	1.00
Value from weighting			14,388	50,229	11,238	28,863	104,718
Appraised Value per Square Wah (rounded)							100,000
R-Squared							90.49%
Scoring Details							
Level			Poor	Below Average	Average	Good	Excellence
Scoring Level			1 - 2	3 - 4	5 - 6	7 - 8	9 - 10

Based on the preceding analysis of comparative properties data, CHARTERED appraised the land price using a market approach, arriving at an appraised value of THB 100,000 per square wah, totaling THB 77.90 million.

3.3 Opinion of the IFA on the Valuation by Independent Appraisers

Summary of the valuations of the disposed land appraised by the two independent appraisers, applying the Market Approach, summarized as follows:

Summary of the Asset Valuation by TPA and CHARTERED

Item	Asset Valuation by TPA	Asset Valuation by CHARTERED
Date of Valuation	February 28, 2024	February 16, 2024
Appraised Asset	A vacant land for 1 title deed of land with a total area of 1 rai, 3 ngan, and 79.0 square wah (779.0 square wah)	
Valuation Method	Market Approach	
Appraised Value per Square Wah	150,000 THB	100,000 THB
Total Appraised Value	THB 116.85 million	THB 77.90 million
Transaction Price	THB 97.38 million	
A Comparison of Transaction Price and Appraised Value by the Independent Appraiser	The appraised price is THB 19.48 million above the transaction price, representing a 20.00 percent higher	The appraised price is THB 19.48 million below the transaction price, representing a 20.00 percent lower

The independent financial advisor's opinion on the asset valuation provided by the two independent appraisers is that both appraisers applied the market approach, which is considered the most appropriate for assessing land prices. This method involves surveying the prices of land typically traded in the market and analyzing purchase and selling prices from comparable properties in the surrounding area. The independent appraisers employed a comparative analysis, evaluating the land price in relation to similar properties that have been transacted within the recent market. The market price is intended to reflect the current price and the appraised value of the land in the current market. Therefore, the independent financial advisor concurs with the independent appraisers' decision to utilize the market approach for determining the property's valuation price. According to the result of valuation by the independent appraisers, the appraised asset has a value in the range of THB 77.90 million to THB 116.85 million using the adjusted book value approach, while the transaction price is THB 97.38 million, which represents the average of the appraised land value. The price range according to the market approach varies from below THB 19.48 million (representing a 20.00 percent lower value) to higher than THB 19.48 million (representing a 20.00 percent higher value) when compared to the transaction price.

However, the land valuation by the two independent appraisers has some differences as follows:

- The land data employed for comparative analysis diverges from the survey findings obtained by each independent property appraiser. For the third comparative land information of CHARTERED, due to its location in an unnamed alley on Debaratana Road (Highway 34), which differs from the other comparative properties on Debaratana Road (Highway 34). The independent financial advisor recommends a lower rating relating to location factor for the third comparative land. Although the CHARTERED assessment assigned a lower location score to the third comparable property compared to the others, the adjusted price of the third comparative land data pointed to THB 65,085 per square wah. It remains significantly lower than the adjusted prices of the other comparative land data. Consequently, the adjusted price of THB 65,085 per square wah

for the third comparative land data which is used in the property valuation for CHARTERED may result in a valuation that is lower than the current market price or the fairness value of the appraised assets.

- The weight assigned to each land quality factor could vary according to the relative importance of each factor, as determined by the differing criteria and guidelines employed by each appraiser, such as:
 - Weight of land size and shape factors: TPA has a lower rating for the land size of the comparative land data that is larger than the land assessed in the land size and shape factor, and considering the weight of the land size and shape factor at 20.00 percent, while CHARTERED has a lower score for the land size of the comparative land data that is larger than the land assessed in the land size and shape factor, and considering the weight of the factor at 30.00 percent (in terms of area, shape, and width-depth of the land)
 - Weight of liquidity and utilization factors: TPA has higher ratings for land on comparable land data that is more liquid to trade or better utilization than land assessed on liquidity and utilization factors, and considering the weight of the factor at 15.00 percent, while CHARTERED has a higher score for land in the comparative land data that is liquid in trading or better utilization than the land assessed, and considering the weight of the factor at 20.00 percent.
- The factors incorporated into land quality assessments vary among independent property appraisers. For instance, TPA considers elements such as utility systems and transportation whereas CHARTERED does not consider the aforementioned factors. CHARTERED considers elements such as legal regulations whereas TPA does not consider this factor.

In this regard, the independent financial advisor has searched for lands in the surrounding area of the disposed asset and found land information posted for sale via the internet or online channels, totaling five items. These lands are located on Debaratana Road (Highway 34) and are not far from the Kilometer 13. The offering price for these five land items ranges between THB 108,000 and 160,000 per square wah. The appraised price of TPA falls within the price range that the independent financial advisor has found. However, the appraised price of CHARTERED is slightly lower than the price range identified by the independent financial advisor (*However, the price range identified by the independent financial advisor has not been adjusted according to the method employed by the two independent appraisers*). The independent financial advisor opines that although various criteria may be employed by independent appraisers, resulting in different weightings of different land characteristics, the appraised values established by the independent appraisers are well-supported and evidenced by numerous comparable land prices within the surrounding area of the disposed assets, showing significant similarities to the appraised property. Additionally, the appraised value is quite relatively in line with the price range of land advertised online, which the independent financial advisor identified through its internet search. Consequently, **the independent financial advisor concludes that the appraised price set by the independent appraisers is appropriate and can serve as a reliable reference**. This conclusion is bolstered by the independent appraisers' adherence to established criteria and

guidelines. Moreover, both independent appraisers are professionals who have been registered as appraisers in the list of appraisal companies in capital market and the lead appraisers obtaining approval from the SEC.

3.4 Summary of the IFA's Opinion regarding the Fairness of the Transaction Price

An assessment of the asset's value utilizing both the book value approach and adjusted book value approach reveals the following summary:

Table of a Comparison of the Asset's Appraised Price and the Transaction Price

Approach/ Method	Appraised Value (THB Million)	Transaction Price (THB Million)	Appropriateness of Evaluation Approach	Appraised Value is Higher (Lower) than Transaction Price (Percent)
1. Book Value Approach	74.01	97.38	Inappropriate	(24.00)
2. Adjusted Book Value Approach	77.90 – 116.85	97.38	Appropriate	(20.00) – 20.00

As illustrated in the table summarizing asset valuation prices using various methods, each approach possesses distinct advantages and disadvantages. While the book value approach reflects past asset values, it fails to capture current market prices. The independent financial advisor emphasizes that the appraised price should not fall below the book value, considering the limited availability of such resources, i.e. land, and the ongoing urban expansion, rendering book value unsuitable for assessing asset fair value. The adjusted book value approach is deemed appropriate for estimating real estate prices that are actively traded in the market and have comparable bids and offers over similar periods of time. This method provides both the current market price and a valuation that accurately reflects the land's fair market value. Consequently, the independent financial advisor concludes that the Adjusted Book Value Approach is the most suitable method for determining the land's fair value. Furthermore, the independent financial advisor affirms the appropriateness of the transaction price. The appraised value of the land falls within the range of THB 77.90 - 116.85 million, with the purchase price of THB 97.38 million falling within this established appraisal range. When compared to the transaction price, the price range according to the adjusted book value method varies from lower by THB 19.48 million (representing a 20.00 percent lower) to higher by THB 19.48 million (representing a 20.00 percent higher).

3.5 Summary of the IFA's Opinion regarding the Fairness of the Conditions for Entering into The Transaction

The independent financial advisor considers the fairness of the conditions of a draft purchase agreement for the land disposal (details are provided in Part 1, Section 1.7). The investigation did not find suspicious reasons that PM or related party, as given the same major shareholders and directors between the Company and PM, obtain more favorable condition than entering to the transaction with third party (Arm's Length Basis). The independent financial advisor considers the following issues:

- The Purchaser shall remit a deposit of THB 8,000,000 (8.22 percent of the total transaction value) to the Seller within seven (7) days of the contract date, or 8.22 percent of total value of the transaction. The remaining balance of THB 89,375,000 shall be paid to the Seller upon the official registration of land ownership transfer. This transfer must occur within sixty (60) days of the contract date.
- Fees, taxes, and expenses incurred during asset trading shall be shared equally by the Company and PM.
- In the event of a breach of agreement by the Purchaser, the Seller shall retain the entire deposit as liquidated damages. The agreement shall then be considered terminated. In the case of a breach of agreement by the Seller, the Seller shall return the deposit to the Purchaser within thirty (30) days from the date of the breach. The Purchaser hereby waives any right to claim further damages arising from the Seller's breach and agrees not to engage in litigation aimed at compelling the Seller to transfer ownership of the land that is the subject of this agreement.

The independent financial advisor concludes that the conditions of the land disposal align with general conditions of property disposal which the Purchaser and the Seller could submit mutual agreement. Additionally, the Company's registration of ownership transfer contingent upon full payment by PM. Therefore, the independent financial advisor concludes that the conditions for entering into the Transaction is deemed appropriate.

4. Summary of the Independent Financial Advisor's Opinion

The Board of Directors' Meeting of Thai Future Incorporation Public Company Limited (the "Company" or "TFI") no. 3/2024 on March 4, 2024, passed a resolution to propose the shareholders' meeting to consider and approve the disposal of land for 1 title deed of land, with a total area of 1 rai 3 ngans 79 square wah (779 square wah), located on Debaratna Road (Highway 34), Bang Chalong Subdistrict, Bang Phli District, Samut Prakan Province, to PM Group Company Limited ("PM"), a connected person of the Company. Owing to the fact that the major shareholders of PM are also the major shareholders of the Company, and there are two common directors, namely, Mr.Chalermchai Mahagitsiri and Ms.Ausanee Mahagitsiri. The purchase price is THB 125,000.00 per square wah, or a total amount of THB 97,375,000.00. The transaction in this instance is in order to repay some of the outstanding loans that the Company borrowed from PM and to ease the burden of financial costs of the Company. In this regard, the short-term loan borrowed from PM is in the total amount of THB 200 million with a 1-year term served as a formal acknowledgment of the financial assistance granted by the Board of Directors' Meeting No. 5/2022 on May 26, 2022. Subsequently, the period of the short-term loan was extended by one year and due to be repaid on May 11, 2024, in accordance with the approval of the Board of Directors' Meeting No. 3/2023 held on May 11, 2023. The interest rate on the loan borrowed from PM is currently established at a rate calculated as the Minimum Overdraft Rate (MOR) minus two percent per annum, based on the average of the five commercial banks in Thailand. Thereby, the financial cost for the principal amount of THB 200 million could be estimated at approximately THB 11 million per year (according to the interest expense for PM loan incurred over the past year ending March 3, 2024).

The disposal of such land does not come under the scope for the acquisition or disposition of assets having significant value for listed companies. However, the transaction is considered as a connected transaction of the listed companies in accordance with the Notification of Capital Market Supervisory Board No. TorChor. 21/2551 (2008) Re: Rules on Connected Transactions and the Notification of the Board of Governors of the Stock Exchange of Thailand Re: Disclosure of Information and Other Acts of Listed Companies Concerning the Connected Transactions B.E 2546 (2003) (as amended) (the "Notification on Connected Transactions"). The transaction value in comparison to the audited financial statement of the Company as of December 31, 2023, is equivalent to 4.82 percent of the net tangible assets of the Company, and when compounding with the other connected transactions during the past 6 months with PM. The total size of the transaction is equivalent to 5.22 percent. As a result, the Land Disposal Transaction is considered as a connected transaction, class 4, relating to assets or services with the transaction value exceeding THB 20 million and a transaction size exceeding 3 percent of the net tangible assets (NTA) of the Company. Therefore, the Land Disposal Transaction must be approved by the shareholders' meeting, with not less than three-fourths of the total votes of the shareholders attending the meeting and having the right to vote, excluding the portion of shareholders with conflicts of interest. In addition, the Company must appoint an independent financial advisor to provide an opinion on the reasonableness of the transaction, as well as the fairness of the transaction price and conditions, to shareholders for their consideration and approval of the transaction.

The independent financial advisor concludes that the land disposal transaction constitutes a connected transaction due to the involvement of the PM's major shareholders and directors, who are considered connected persons, is appropriate in valuation and condition as well as reasonableness in entering into the transaction, As a consequence of following reasons:

1. The Company could monetize the assets that have not been utilized, to obtain the utmost benefit. Currently, the Company has not developed or used the land for any business operations. Therefore, the transaction presents an opportunity to dispose of the vacant land which has not been utilized. Additionally, the Company has no concrete plans for future development or use.
2. The Company will be able to realize gain from asset disposal based on the latest book value. The calculation is derived from the audited financial statement as of December 31, 2023, wherein the expected profit is accounted for THB 23.37 million or calculated as the gain from asset disposal after deducting transfer fees and specific business tax, amounting to THB 20.79 million.
3. The Company could reduce current liabilities and improve its financial position. It shall use all the proceeds to repay a certain amount of the loan to PM, a related company. The Company will have its current liabilities reduced by THB 94.80 million, reflecting an improvement in financial position. As a result, the debt-to-equity ratio (D/E Ratio) decreased from 0.33 to 0.28 times.
4. The Company could reduce its loan principle, including a certain amount of interest expenses, as well as alleviate the financial burden of procuring a large amount of money to pay off the remaining principal. It shall use the proceeds to repay a certain amount of the loan to PM, reducing its short-term loan principle to approximately THB 105.20 million.
5. The Company shall be able to utilize tax loss carried forward, since it has accumulated a tax loss carried forward amounting to THB 782.14 million. By entering into the land disposal transaction, the Company intends to deploy approximately THB 20.79 million from this tax loss carried forward. Accordingly, this will enable the Company to save approximately THB 4.16 million in corporate income tax from the gain generated by the land disposal.
6. The transaction price of THB 97.38 million which is in range of adjusted book value approach, of THB 77.90 – 116.85 million (details as shown in part 3, section 3.2). The adjusted book value approach is deemed appropriate for estimating real estate prices that are actively traded in the market and have comparable bids and offers over similar periods of time. This method provides both the current market price and a valuation that accurately reflects the land's fair market value.
7. A draft land purchase agreement has the conditions of the land disposal align with general conditions of property disposal.

Therefore, the shareholders should approve this Transaction. However, there are disadvantages and risks which should be carefully considered prior to granting approval as follows:

1. The Land Disposal Transaction may result in the Company missing out on the opportunity to dispose of the land at a higher price in the future in case the land's value increases. However, if the selling price of the land increases, it may take time and involve increased costs for the Company to find potential investors in the future.
2. The Land Disposal Transaction may cause the Company to miss out on the opportunity to develop projects on the disposed land in the future. Nonetheless, the Company has no concrete plans for future development or use.
3. Engaging in a related party transaction triggers the Company to have a duty to disclose and be comply with the Notifications on Connected Transactions, which includes appointing an independent financial advisor to provide an opinion on the connected transactions, and arranging a shareholders' meeting, and covering expenses related to the transaction.
4. Entering into the transaction, the Company may face the risk from canceling the purchase from the Purchaser. This will lead the Company to be unable to proceed with its plan to utilize the proceeds from the asset disposal to repay a certain amount of the loan. However, the possibility of incurring them is certain since the Purchaser has the intention of acquiring the Company's asset in order to receive loan repayments. The Purchaser has previously taken various steps, in order to comply with the conditions of the purchase agreement of the disposed land. In addition, in case where the Purchaser breaches any terms of this, the Seller has the right to forfeit the deposits amounting to THB 8,000,000 after entering into the purchase agreement as compensation for damages.
5. Proceeding with this transaction is contingent upon approval from TFI's shareholders' meeting. If shareholder approval is not obtained, transaction expenses of approximately THB 2 million will still be incurred, including the return of deposits to the Purchaser in the case of an unsuccessful transaction caused by the Company.

Price, conditions and the appropriateness of entering into the transaction according to advantages, disadvantages and risk. The independent financial advisor's opinion is the shareholder should approve the connected transaction.

In this regard, the decision to approve or disapprove of this transaction depends on the discretion of each individual shareholder. Therefore, shareholders should thoroughly study all the information presented in the independent financial advisor's opinion, as well as the accompanying documents provided with the invitation letter for the annual general meeting of shareholders, and exercise careful discretion in deciding how to vote.

FynnCorp Advisory Company Limited, the Company's appointed as an independent financial advisor, hereby certifies that the above opinions have been carefully considered and provided in strict accordance with professional standards. The interests of minor shareholders have been given due consideration throughout this process.

Yours Sincerely,

FynnCorp Advisory Company Limited



(Mr. Pornbhuda Rijiravanich)

Authorized Director



(Mr. Suchat Olannaranon)

Supervisor

in Financial Advisory Division

Appendix 1: Business Overview and Operating Results of Thai Future Incorporation Public Company Limited

1. General Information

Corporate Information

Company Name	: Thai Future Incorporation Public Company Limited (“TFI” or the “Company”)
Business Type	: The Company manufactures packaging films. The Company's products include biaxially oriented polypropylene (BOPP) films, polyester film, cast polypropylene (CPP) films and metallized films to supply domestic and overseas export.
Head Office	: 73/3 Moo 4, Bangna-Trad Road KM.13, Bangchalong, Bangplee, Samutprakarn 10540
Website	: www.thaifutureinc.com
Registration Date	: December 29, 1989 ^{1/}
Authorized Capital	: THB 20,475,000,000 (as of February 23, 2024)
Paid-up Capital	: THB 16,826,223,539 (as of February 23, 2024)
No. of Paid-up Share	: 16,826,223,539 Shares (as of February 23, 2024)
Par	: THB 1.00 (per share)

Remark: ^{1/} SET registration date

Source: The Company's 2023 56-1 One Report

2. Business Overview

Thai Future Incorporation Public Company Limited (the “Company”) is established on March 23, 1983, under the name “Ratchadachai O.P.P. Co., Ltd”, the first BOPP Film manufacturer in Thailand and Southeast Asia, located in Bangplee area, Samutprakarn province with the total production capacity of 1,000 ton per year. In 1989, the Company changed the name to “Thai Film Industries Public Company Limited” and listed with the Stock Exchange of Thailand (SET) in the abbreviated name of TFI as well as open the new factory at Rayong Industrial Park, Rayong Province. In recent years, the Company has expanded its production capacity and changed the Company name to Thai Future Incorporation Public Company Limited in 2023.

3. Milestones

Period	Detail
1983	- Established the Company under the name of “Ratchadachai O.P.P. Co., Ltd”, the first BOPP Film manufacturer in Thailand and Southeast Asia, located in Samutprakarn province.
1988	- Changed the Company's name to “Thai Film Industries Co., Ltd”.
1989	- Registered to “Thai Film Industries Public Company Limited” - Listed with the Stock Exchange of Thailand (SET) in the abbreviated name of TFI.

Period	Detail
1992	- Opened the new factory on the land more than 90 Rai at Rayong Industrial Park, Rayong Province
1997	- Received certified the quality system in accordance with the quality standard ISO 9002.
2000	- Developed new specialty films such as BOPP Opaque Pearlized Film, BOPP Matt Finished Film and BOPP Thin Film for Tape Application etc. to replace commodity films. - Received certified as the good exporters “Gold Card” by Royal Thai Custom.
2005	- Received certified the quality system in accordance with the quality standard ISO 9001:2000. - Received certified the environmental management system in accordance with the standard ISO 14001:2000.
2006	- Received awarded “Thailand Brand” from the Royal Thai Government as the excellent quality exporter.
2010	- Received certified the standard GMP & HACCP by Moody International.
2011	- Upgraded the quality standard to ISO 9001:2008 and the environmental management standard to ISO 14001:2004. - Received awarded “Good Logistics Practice Award” from Department of Primary Industries and Mines, Ministry of Industry.
2012	- Received awarded “Thailand Trusted Mark”
2013	- Received awarded “The Best Practice in Lean Manufacturing Excellence 2013” from Industrial Promotion - Center Region 9, Department of Industrial Promotion, Ministry of Industry and Technology Promotion Association (Thailand-Japan) - Received certified “Green Industry” (Green System) from Ministry of Industry.
2014	- Recognized of being Authorized Economic Operator (AEO) Importer / Exporter from Thai Customs Department.
2015	- Received certified the energy management system in accordance with the standard ISO 50001:2011. Verified greenhouse gas emissions in accordance with the requirements of Thailand Greenhouse Gas Management Organization (TGO) guidance of the carbon footprint for organization.
2017	- Received certified membership of Collective Action Coalition – CAC
2021	- Upgraded the quality standard to ISO 9001:2015 and the environmental management standard to ISO 14001:2015.
2023	- Changed the Company’s name to Thai Future Incorporation Public Company Limited

4. Nature of Business

Thai Future Incorporation Public Company Limited (the "Company") is a manufacturer of high-quality plastic films, including BOPP film, CPP film, and Metalized film. These films are used in processing into packaging, printed media, and adhesive tapes, each varying depending on the specific properties of the film. The products are sold to both domestic and international markets. The Company has developed efficient production processes to ensure the quality of its products and prioritize employee participation in order to continuously foster improvement in work methods and the working environment. Additionally, the Company invests in research and development (R&D) to create innovative new products while closely monitoring market trends to enhance customer-centricity and develop the business for succession. The product, services, and business innovation are as follows:

4.1. BOPP film

BOPP, which is the main product of the Company film, is used as a material in the packaging and printing industries. The type of BOPP film divided by usage as follows:

1. Flexible packaging applications for printable layer, a protective barrier against moisture and water vapor, and seal. When all 3 parts are coated onto one layer and made into a packaging bag, it could extend the shelf life of packaged food.
2. The main raw material for making adhesive tape or a printed part of a label or sticker
3. Flower Wrap
4. Photo Album
5. Wrapping materials, such as candy box wrap, cigarette packs
6. Ice-cream Packaging
7. Graphic art, shopping bag and plastic bag for clothes/stationery
8. Coating printed materials

4.2. CPP Film

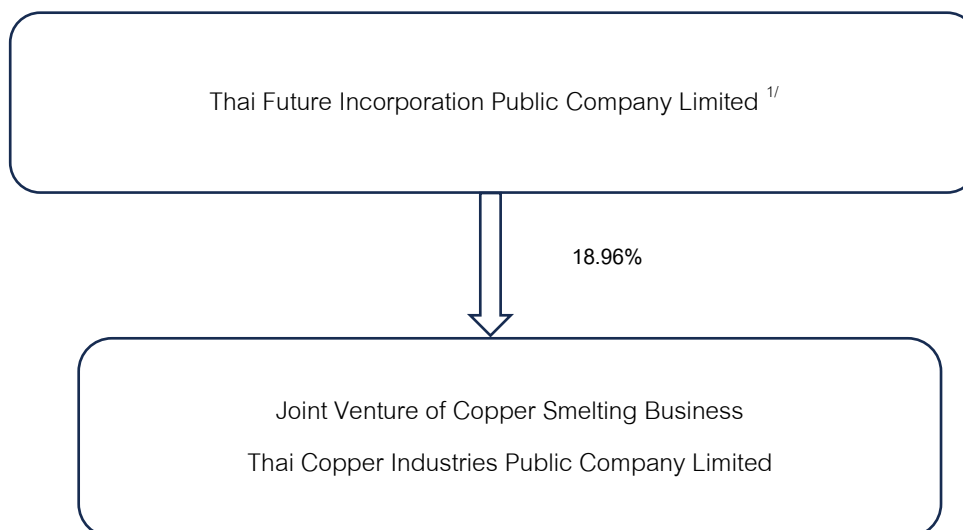
Generally, it is used together with BOPP Film, acting as a coating film with properties of clarity, shine, toughness, and resistance to tensile stress. Its purpose is to bind the film layers by sealing them together with heat.

4.3. Metallized Film

It is used to produce a coating of aluminum on all types of film. After undergoing the production processes, the final product appears shiny, resembling a sheet of metal. This film possesses the ability to prevent air permeability and moisture, making it suitable for packaging food to extend its shelf life and preserve freshness for a longer life.

5. Shareholding Structure of TFI

Shareholding Structure of TFI or Thai Future Incorporation Public Company Limited as of December 31, 2023, as follows:



Remark: 1/ Thai Film Industry Public Company Limited has registered a name change to Thai Future Incorporation Public Company Limited on September 26, 2023. and Thai Future Incorporation Public Company Limited has the Mahagitsiri Group as shareholders at 87.34 percent, information as of August 24, 2023.

Associated Company

Thai Copper Industries Public Company Limited (“**Thai Copper**”) is invested by the Company with THB 1,519 million or 18.96 percent and there is a mutual director. Thai Copper is copper smelting business, manufacture and distribute pure and by-products. The factory is located at 9, Village No. 8, Rayong Industrial, Park Mapkha Pluak Daeng Road, Mapkha Subdistrict, Nihom Phatthana District, Rayong Province. Thai Copper stooped its operation. The Company set up an allowance for impairment of the investment in full of THB 1,519 million since third quarter of 2007. Therefore, the Company shall not be impacted by Thai Copper.

On March 22, 2016, the Central Bankruptcy Court placed the associated company into absolute receivership. Subsequently, on January 18, 2017, the court declared the company bankrupt.

6. Revenue Structure

Revenue structure categorized by business group from 2021 to 2023 as follows:

Unit: THB Million	2021		2022		2023	
	Amount	%	Amount	%	Amount	%
Domestic Revenue :						
BOPP Film	216.70	71.81	315.22	39.35	204.85	53.91
CPP Film	9.57	3.17	26.57	3.32	25.86	6.81

Unit: THB Million	2021		2022		2023	
	Amount	%	Amount	%	Amount	%
Metallized Film	-	-	0.13	0.01	0.24	0.06
Total of Domestic Revenue	226.27	74.98	341.92	42.68	230.95	60.78
International Revenue :						
BOPP Film	75.51	25.02	404.71	50.53	140.81	37.06
CPP Film	-	-	21.51	2.68	7.12	1.87
Metallized Film	-	-	32.92	4.11	1.10	.29
Total of International Revenue	75.51	25.02	459.14	57.32	149.03	39.22
Total Revenue	301.78	100.00	801.06	100.00	379.98	100.00

7. Shareholders and Board of Directors

List of top 10 major shareholders as of August 24, 2023 as follows:

No.	Shareholders	No. of Shares	Percentage of Paid-Up Capital
1	Mahagitsiri Shareholder Group	14,696,506,402	87.34
	<i>Mr. Prayudh Mahagitsiri</i>	1,063,695	0.01
	<i>Mrs. Suvimol Mahagitsiri</i>	118,508,817	0.7
	<i>Ms. Ausanee Mahagitsiri</i>	303,697,894	1.8
	<i>Mr. Chalermchai Mahagitsiri</i>	6,634,320,313	39.43
	<i>Ms. Ausana Mahagitsiri</i>	7,390,296,061	43.92
	<i>Lakewood Land Company Limited</i>	229,637,046	1.36
	<i>PM Group Company Limited</i>	18,982,576	0.11
2	Thoresen Thai Agencies Public Company Limited	753,000,000	4.48
3	Mr. Paisarn Saelor	154,930,943	0.92
4	Mrs. Sudjai Wuthisaksilp	89,600,000	0.53
6	Thai NVDR Company Limited	78,850,327	0.47
5	Mr. Suthee Limatibul	74,279,806	0.44
7	Mrs. Natthamon Yongthanyaroj	58,150,000	0.35
8	Thailand Securities Depository Company Limited	23,228,883	0.14
9	Mr. Nopparat Suthampavadee	19,000,000	0.11
10	Mr. Tamrong Rienthongkham	12,234,100	0.07
11.	Other Shareholders	866,443,078	5.15
Total		16,826,223,539	100.00

Remark: Mahagitsiri Family includes Mr. Prayudh Mahagitsiri, Mrs. Suvimol Mahagitsiri, Ms. Ausanee Mahagitsiri, Mr. Chalermchai Mahagitsiri, Ms. Ausana Mahagitsiri, Lakewood Land Company Limited, and PM Group Company Limited.

The major shareholder whose behavior significantly influences the determination of policy, management, or operations of the Company includes:

Mr. Chalermchai Mahagitsir	Director of the Company, a representative of major shareholders
Position in the Companies	Director and President of the Company (An authorized director to sign on behalf of the Company according to the Company Affidavit)

Shareholding Proportion in Lakewood Land Company Limited

Shareholders	Shareholding proportion (%)
1. Mahagitsiri Family	100.00

Shareholding Proportion in PM Group Company Limited

Shareholders	Shareholding proportion (%)
1. Mahagitsiri Family	100.00

As of February 23, 2024, the Board of Directors of TFI comprises of 7 members including:

No.	Director	Position
1.	Mrs. Kingthien Bang-Or	Chairman of the Board of Directors, Independent Director, and Chairman of Audit Committee
2.	Ms. Ausanee Mahagitsiri	Vice Chairman
3.	Mr. Chalermchai Mahagitsiri	Director
4.	Mrs. Pranee Vittayaprasit	Director
5.	Mr. Kamolsut Dabbaransi	Director
6.	Mr. Vatanachai Suvagondha	Independent Director and Audit Committee
7.	Mr. Chan Wongluekiet	Independent Director and Audit Committee

8. Financial Statement of the Company

The Statement of Financial Position

Statement of Financial Position (Unit: THB Thousand)	Dec 31, 2021	%	Dec 31, 2022	%	Dec 31, 2023	%
Assets						
CURRENT ASSETS						
Cash and cash equivalents	200,364	6.28	162,622	5.37	29,331	1.09
Trade and other current receivables - net	120,918	3.79	123,210	4.07	78,371	2.92
Inventories - net	217,304	6.81	223,698	7.39	147,740	5.50
Spare parts and supplies - net	52,196	1.63	58,650	1.94	56,541	2.10
Other current assets	5,488	0.17	9,293	0.31	5,720	0.21
TOTAL CURRENT ASSETS	596,270	18.68	577,473	19.07	317,703	11.82
NON-CURRENT ASSETS						
Restricted bank deposits	-	-	2,000	0.07	2,000	0.07
Investments in associated companies under absolute	-	-	-	-	-	-
Long-term investments – related parties - net	-	-	-	-	-	-
Land used in operation - at appraised value	790,550	24.76	790,550	26.11	790,550	29.41
Plant and equipment used in operation – net	1,578,891	49.45	1,441,800	47.62	1,371,541	51.02
Property, plant and equipment not used in operation –	221,293	6.93	210,777	6.96	199,932	7.44
Right-of-use assets – net	5,197	0.16	4,611	0.15	5,789	0.22
Other non-current assets	580	0.02	793	0.03	730	0.03
TOTAL NON-CURRENT ASSETS	2,596,511	81.32	2,450,531	80.93	2,370,542	88.18
TOTAL ASSETS	3,192,781	100.00	3,028,003	100.00	2,688,244	100.00
LIABILITIES						
CURRENT LIABILITIES						
Trade and other current payables	48,264	1.51	34,361	1.13	96,178	3.58
Short-term borrowings - Related companies	-	-	200,000	6.61	200,000	7.44
Current Portion of Lease liabilities – net	1,584	0.05	1,515	0.05	2,601	0.10
Current provisions for employee benefits	255	0.01	393	0.01	1,636	0.06
Other current liabilities	782	0.02	1,652	0.05	752	0.03
TOTAL CURRENT LIABILITIES	50,885	1.59	237,921	7.86	301,166	11.20
NON-CURRENT LIABILITIES						
Lease liabilities - net	3,707	0.12	3,262	0.11	3,515	0.13
Deferred tax liabilities	411,781	12.90	382,278	12.62	351,875	13.09
Non-current provisions for employee benefits	13,261	0.42	16,992	0.56	11,223	0.42
TOTAL NON-CURRENT LIABILITIES	428,749	13.43	402,532	13.29	366,613	13.64
TOTAL LIABILITIES	479,634	15.02	640,453	21.15	667,779	24.84
SHAREHOLDERS' EQUITY						
Authorized share capital	20,475,000	641.29	20,475,000	676.19	20,475,000	761.65
Issued and paid-up share capital	16,826,224	527.01	16,826,224	555.69	16,826,224	625.92
Premium (Discount) on shares capital	(13,264,915)	(415.47)	(13,264,915)	(438.07)	(13,264,915)	(493.44)
Legal Reserves	-	-	-	-	-	-
Retained earnings (Deficits) - Unappropriated	(2,136,004)	(66.90)	(2,349,464)	(77.59)	(2,604,459)	(96.88)
Other components of shareholders' equity	1,287,842	40.34	1,175,706	38.83	1,063,616	39.57
TOTAL SHAREHOLDERS' EQUITY	2,713,147	84.98	2,387,551	78.85	2,020,466	75.16
TOTAL LIABILITIES AND EQUITY	3,192,781	100.00	3,028,003	100.00	2,688,244	100.00

Source: Financial Statements for the year ended December 31, 2021 to 2023

The Statement of Comprehensive Income

Statement of Comprehensive Income (Unit: THB Thousand)	2021	%	2022	%	2023	%
Revenue						
Sales	301,785	97.09	801,066	95.64	379,981	97.33
Other income ^{1/}	9,049	2.91	36,489	4.36	10,413	2.67
Total Revenue	310,834	100.00	837,554	100.00	310,834	100.00
Expense						
Cost of sales	(341,796)	(109.96)	(903,951)	(107.93)	(512,173)	(131.19)
Distribution costs	(11,268)	(3.63)	(46,973)	(5.61)	(17,948)	(4.60)
Administrative expenses	(226,562)	(72.89)	(233,536)	(27.88)	(250,055)	(64.05)
Directors and management remuneration	-	-	-	-	(1,452)	(0.37)
Total cost and expense	(579,627)	(186.47)	(1,184,460)	(141.42)	(781,627)	(200.21)
Financial cost	(553)	(0.18)	(8,193)	(0.98)	(12,025)	(3.08)
Profit (loss) before income tax expense	(269,346)	(86.65)	(355,099)	(42.40)	(403,258)	(103.29)
Tax (expense) income	27,559	8.87	29,503	3.52	30,404	7.79
Profit (loss) for the year	(241,786)	(77.79)	(325,596)	(38.87)	(372,854)	(95.51)
Other comprehensive income (expense)	1,755	0.56	-	-	5,769	1.48
Total comprehensive income (expense) for the year	(240,031)	(77.22)	(325,596)	(38.87)	(367,085)	(94.03)

Source: Financial Statements for the year ended December 31, 2021 to 2023

Remark: 1/ Other income consists of gain on exchange rate, interest income, gain on sale assets, reversal of allowance for expected credit loss on loans to related companies, and other income.

The Statement of Cash Flow

Statement of Cash Flow (Unit: THB Thousand)	Consolidated Financial Statement		
	2021	2022	2023
Net cash flows provided (used in) from operating activities	(387,696)	(214,449)	(16,836)
Net cash flows provided (used in) from investing activities	(30,166)	(15,488)	(102,991)
Net cash flows provided (used in) from financing activities	372,430	192,194	(13,464)
Cash and cash equivalents at the beginning of year	245,796	200,364	162,622
Cash and cash equivalents at the end of year	200,364	162,622	29,331
Cash and cash equivalents increase (decrease) - net	(45,431)	(37,743)	(133,291)

Source: Financial Statements for the year ended December 31, 2021 to 2023

Key Financial Ratios

Key Financial Ratios	Unit	2021	2022	2023
PROFITABILITY RATIO				
Return of Equity	Percent	-9.14	-12.77	-16.92
Return on Assets	Percent	-8.63	-11.15	-13.69
Net Profit Margin	Percent	-77.79	-38.88	-95.51
EBIT Margin	Percent	-86.47	-41.42	-100.22
Gross Profit Margin	Percent	-13.26	-12.84	-34.79
LIQUIDITY RATIO				
Current Ratio	Time	11.72	2.43	1.05
Quick Ratio	Time	6.42	1.24	0.38
OPERATING RATIO				
Fixed-Asset Turnover	Time	0.12	0.33	0.16
Total Asset Turnover	Time	0.10	0.27	0.14
Inventory Turnover	Time	2.11	3.28	2.10
Average Inventory Period	Day	172.71	111.41	173.40
Receivable Turnover	Time	4.92	6.56	3.77
Average Collection Period	Day	74.18	55.62	96.82
Account Payable Turnover	Time	12.81	21.88	7.85
Average Payment Period	Day	28.49	16.68	46.51
Cash Cycle	Day	218.41	150.35	223.70
DEBT SERVICE ABILITY RATIO				
Debt to Equity	Time	0.18	0.27	0.33

9. Management Discussion and Analysis of Financial Position and Operating Results

Management Discussion and Analysis of Financial Position and Operating Results for the year ended December 31, 2022

 1. Overview of 2022 Operating Results

During the early of year 2022, there was a conflict between Russia and Ukraine, which seem endless, causing many of the western countries sanction to Russia. Although the situation of Covid-19 outbreak in the year 2022 get better, several countries have reopened their borders to stimulate their economies, including Thailand. However, the global economy is still facing the impact of such situations. Inflation and crude oil continue to rise affecting the price of plastic pellets continue to fluctuation. The slowdown of market demand caused some large domestic manufacturers to stop or reduce their production.

Although the Company has operated the machine at less than full capacity in 2022 as there are some parts that need to be maintained and modified in order to enhance production efficiency, the Company experienced an improvement in sales revenue compared to 2021.

2. Operating Results and Profitability

The Company reported sales revenue for the year 2022 at THB 801.06 million representing an increase of THB 499.28 million or 165 percent compared to the previous year. Additionally, other revenue amounted to THB 36.48 million (mainly derived from the reversal of allowance for expected credit loss on loan to related company of THB 18.51 million), which increased by THB 27.44 million or 303 percent from the previous year. The Company has a negative gross profit of THB 102.89 million, distribution cost and administrative expenses of THB 280.51 million, and financial cost of THB 8.19 million. Consequently, the Company incurred operating losses of THB 325.60 million in 2022. These losses were attributed to various factors, including customers delaying orders due to global and domestic economic volatility, the impact of the Covid-19 outbreak, the conflict between Russia and Ukraine, global inflation, and intense price competition in the market. As a result of these key factors, the Company operated below full capacity, incurred high unit costs, and had to provide provisions for impairment of inventories. These factors collectively led to insufficient income to cover expenses, resulting in the Company's inability to generate profits for the year.

The Company believes that its marketing strategies, which prioritize customer satisfaction and reasonable price, after-sales service, and strong customer relationships, will facilitate the growth and demand for its product in both local and overseas markets.

3. Balance Sheet

Assets

As of December 31, 2022, the Company has total assets THB 3,028.00 million consist of:

Current Assets amount to THB 577.47 million or 19.07 percent of total assets which the current asset related to cash and cash equivalents amounting to THB 162.62 million or 5.37 percent of total assets, decreased by THB 37.74 million or 18.84 percent from the previous year. This is because in 2022 the Company has cash flow used in operating activities of THB 214.45 million, which mostly came from operating losses, and cash flow used in investing activities of THB 15.49 million, and cash flow provided from financing activities of THB 192.16 million. Trade accounts receivable and other receivable-net amount to THB 123.21 million or 4.07 percent of total assets, increased by THB 2.29 million, or 1.90 percent from the previous year. For inventory-net amount to THB 223.69 million or 7.39 percent of total assets, increased by THB 6.39 million, or 2.94 percent from the previous year.

Non-Current Assets amount to THB 2,450.53 million or 80.93 percent of total asset. The changes in non-current assets are buildings and equipment used in operations - net amount of THB 1,441.80 million or 47.62 percent

of total assets, and Land, plant and equipment not used in operation – net of THB 221.77 million or 6.96 percent of total assets.

Liabilities

As of December 31, 2022, the Company has total liabilities of THB 640.45 million or 21.15 percent of total assets consist of:

Current Liabilities at THB 237.92 million or 7.86 percent of total assets such as (1) trade accounts payable and other payable of THB 34.36 million or 1.13 percent of total assets, decreased by THB 13.90 million or 28.81 percent from the previous year, as a result of a decrease in raw materials and energy purchasing. (2) Short-term borrowings from related companies of THB 200.00 million or 6.61 percent of total assets, for using as working capital within the Company. (3) Current portion of lease liabilities of THB 1.51 million or 0.05 percent of total assets, decreased by THB 0.07 million, or 4.36 percent from the previous year. Lastly, (4) current provisions for employee benefits THB 0.39 million or 0.01 percent of total assets, increased by THB 0.14 million, or 53.94 percent from the previous year.

Non- Current Liabilities at THB 402.53 million or 13.29 percent of total assets such as deferred tax liabilities of THB 382.28 million or 12.62 percent, lease liabilities THB 3.26 million or 0.11 percent and non-current provisions for employee benefits of THB 16.99 million or 0.56 percent.

Shareholders' Equity

As of December 31, 2022, the Company's shareholders equity was THB 2,387.55 million or 78.85 percent of total assets consists of accumulated deficit of THB 2,349.46 million or 77.59 percent, other components of equity of THB 1,175.71 million or 38.83 percent and paid-up capital less discount on ordinary shares of THB 3,561.31 million from the conversion of warrants into ordinary shares of the Company.

4. Cash Flow

Cash flows used in operating activities in the year 2022 at the amount of THB 214.45 million came from loss for the year of THB 325.60 million. The adjustments to reconcile profit (loss) for the year to net cash received (expended) from operating activities by major items that derived cash to increase such as depreciation & amortization of THB 196.50 million. The allowance for spare parts and deteriorated materials amounted to THB 34.97 million. In this regard, the main items that result in a decrease in cash flow such as tax revenue THB 29.50 million. Trade and other account receivables amount to THB 2.31 million. Inventory and other current assets amount to THB 67.15 million. Trade and other account payables amount to THB 14.03 million and income from the reversal of allowance for credit loss on loans to related companies at the amount of THB 18.51 million.

Cash flows used in investing activities in the year 2022 at the amount of THB 15.49 million. Mainly came from cash paid for the purchase of property, plant and equipment in the amount of THB 32.19 million. Fixed deposits

pledged as collateral at the amount of THB 2.00 million. Cash received from interest incomes amount to THB 0.48 million and cash received from short-term loans to related companies amounting to THB 18.51 million.

Cash flows provided from financing activities in the year 2022 at the amount of THB 192.19 million comprise of cash received from short-term loans from related companies of THB 200.00 million, interest expenses amount to THB 5.86 million and cash paid for lease liabilities of THB 1.94 million.

5. Liquidity

In 2022, the Company received cash from financing activities, which included a short-term loan from a related company, resulting in a debt-to-equity ratio of 0.27 times. The Company does not have any debt and interest on loan from financial institutions, but only interest on loan from the related company.

In 2022, the Company had a current ratio of 2.43 times, decreased from 11.72 times in 2021, because the Company had an increase in current liabilities, a short-term loan from a related company, of THB 200.00 million.

The Company's collection period from trade receivables is approximately 55 days, with most of the outstanding balance not yet due. The average payment to trade payables is 16 days. The average inventory period is 111 days, which has decreased by 62 days from the previous year. This decrease is attributed to an increase in sales, causing the inventory period to decrease compared to the previous year. Consequently, the Company's cash cycle is about 150 days, representing an improvement from the previous year's 68 days.

Management Discussion and Analysis of Financial Position and Operating Results for the year ended December 31, 2023

1. Overview of 2023 Operating Results

In early 2023, the global economy faced challenges stemming from a protracted war, tightening monetary policy, and a slowdown in the Chinese economy. These factors resulted in price fluctuations in plastic pellets, the Company's main raw material, eventually leading to a slowdown in product demand and increased price competition, which negatively impacted on the Company's revenue and profitability.

2. Operating Results and Profitability

Sales and other income

In 2023, the Company recorded sales income of THB 379.98 million, a decrease of THB 421.08 million or 52.57 percent compared to 2022. This decrease is primarily driven by two factors as follows: (1) a reduction in sales volume, caused by the delay in ordering products due to a decrease of customers' production capacity, which is in line with the fluctuation and slowdown of the economy within the country and overseas, and (2) lower average selling prices, according to an intense price competition. In addition, at the beginning of 2023, the Company has not

yet operated the machinery at full capacity, as there are some parts that need to be maintained and modified in order to enhance production efficiency, further contributing to the decrease in sales revenue.

However, the Company believes that its marketing strategies, which prioritize customer-centricity, including offering reasonable prices, providing impressive after-sales service, and fostering strong customer relationships, will facilitate growth and demand for its products in both local and overseas markets.

Other income for 2023 amounted to THB 10.41 million, decreased by THB 26.08 million or 71.46 percent from 2022. This is mainly due to a decrease in a reversal of allowance for expected credit loss on loans to related companies by THB 18.51 million and income from selling scrap materials decreased by THB 5.42 million. There was an increase in rental income of THB 1.04 million and interest income increased in the amount of THB 0.27 million.

Cost of Sales and Gross Profit (Loss)

In 2023, the Company incurred cost of sales in the amount of THB 512.17 million, decreased by THB 39.18 million, or 52.27 percent from 2022, caused by a decrease in sales. Whereas, the Company incurred a gross loss of THB 132.19 million, representing an increase in losses of THB 29.30 million compared to 2022. This increase was primarily driven by two factors: a provision for the impairment of finished goods was set up to be equal to their Net Realizable Value (NRV) of THB 15.87 million, and an increase in production expenses per unit due to operating below full capacity in the first half of 2023. However, The Company has since implemented adjustments to its production plans and costs to better align with sales volumes and the competitive landscape.

Distribution and Administrative Expenses

In 2023, distribution and administrative expenses decrease by THB 12.51 million or 4.46 percent to THB 268.00 million compared to the prior year. This decline is primarily attributable to a decrease in distribution expenses of THB 29.03 million, or 61.79 percent, from the previous year, stemming from lower foreign sales. Meanwhile, administrative expenses increased by THB 16.51 million or 7.07 percent from the previous year, driven by employee expenses and other operational costs. However, because the increase in administrative expenses is less than the decrease in distribution expenses, overall sales expenses and administrative expenses decreased.

Financial Cost

In 2023, financial costs increased by THB 3.83 million to THB 12.02 million, compared to the prior year, primarily driven by a THB 11.16 million rise in interest expense on short-term loan from the related company (PM).

3. Balance Sheet

Assets

As of December 31, 2023, the Company has total assets THB 2,688.24 million consist of:

Current Assets amount to THB 317.70 million or 11.82 percent of total assets. This includes cash and cash equivalents totaling THB 29.33 million, accounting for 1.09 percent of total assets. The decrease in cash and

cash equivalents by THB 133.29 million (81.96 percent) from the previous year was mainly due to cash flow used in investing activities related to the purchase of property, plant, and equipment, totaling THB 104.33 million. This expenditure included building maintenance expenses for STROM of approximately THB 10.10 million, machinery maintenance and spare part modifications expenses of approximately THB 38.30 million, and the purchase of new machinery of approximately THB 55.93 million.

Trade accounts receivable and other receivables-net amount to THB 78.37 million or 2.92 percent of total assets, decreasing by THB 44.84 million (36.39 percent) from the previous year. Inventory-net amount to THB 147.74 million or 5.50 percent of total assets, decreasing by THB 75.96 million (33.96 percent) from the previous year. This decrease is attributed to the overall decline in sales, compounded by the fact that most of the Company's products are produced according to customer orders (Made-to-Order).

Non-Current Assets amount to THB 2,371 million or 88.18 percent of total asset. The changes in non-current assets are buildings and equipment used in operations - net amount of THB 1,371.54 million or 51.02 percent of total assets, decreasing by THB 70.26 million or 4.87 percent from the previous year. For land, plant and equipment not used in operation – net of THB 199.93 million or 7.44 percent of total assets, decreasing by THB 10.84 million or 4.87 percent from the previous year.

Liabilities

As of December 31, 2023, the Company has total liabilities of THB 667.78 million or 24.84 percent of total assets consist of:

Current Liabilities amount to THB 301.17 million or 11.20 percent of total assets. This includes: (1) Trade accounts payable and other payable, totaling THB 96.18 million or 3.58 percent of total assets, increasing by THB 61.82 million or 279.90 percent from the previous year due to a surge in product orders during quarter 4/2023, particularly in December. This led to an increase in purchases of raw materials, resulting in higher trade accounts payable and other payable at the end of 2023 compared to the previous year. (2) Short-term borrowings from related companies amount to THB 200.00 million as the Company has requested to extend the loans' repayment period for another year. (3) Current portion of lease liabilities amount to THB 2.60 million or 0.10 percent of total assets, increasing by THB 1.09 million, or 71.66 percent from the previous year. And (4) current provisions for employee benefits total THB 1.64 million or 0.06 percent of total assets, increasing by THB 1.24 million.

Non- Current Liabilities amount to THB 366.61 million or 13.64 percent of total assets, including deferred tax liabilities of THB 351.87 million or 13.09 percent of total assets, lease liabilities THB 3.51 million or 0.13 percent of total assets, and non-current provisions for employee benefits of THB 11.22 million or 0.42 percent of total assets.

Shareholders' Equity

As of December 31, 2023, the Company's shareholders equity is THB 2,020.47 million or 75.15 percent of total assets, declining THB 339.76 million, or 11.22 percent compared to the end of 2022. The decrease was

primarily due to a net operating loss of THB 367.08 million. The Company's shareholders equity consists of retained deficits of THB 2,604.46 million, accounting for 96.88 percent of total assets, other components of equity of THB 1,063.62 million, accounting for 39.57 percent of total assets, and paid-up capital less discount on ordinary shares of THB 3,561.31 million from the conversion of warrants into common shares of the Company.

4. Cash Flow

The Company's cash flow statement as of December 31, 2023 incurred a net decrease in cash flow of THB 133.29 million, with cash and cash equivalents at the beginning of the period of THB 162.62 million, resulting in cash and cash equivalents at the end of the period equal to THB 29.33 million, caused by net cash used in operating activities amounted of THB 16.84 million and net cash flow used in investing activities amounting to THB 102.99 million, while net cash flow used in financing activities amounting to THB 13.46 million.

Cash flows used in operating activities in the year 2023 amounted to THB 16.84 million came from loss for the year of THB 372.85 million. The adjustments to reconcile profit (loss) for the year to net cash received (expended) from operating activities by major items that derived cash to increase such as trade and other account receivables decrease by THB 46.82 million, inventory decrease by THB 120.52 million or 291.39 percent, consistent with the decrease of sales. Additionally, most of the Company's products are produced according to customer orders (Made-to-Order). Trade and other accounts payables increase by THB 62.48 million due to a surge in product orders during quarter 4/2023, particularly in December. This led to an increase in purchases of raw materials, resulting in higher trade accounts payable and other payable at the end of 2023 compared to the previous year.

Cash flows used in investing activities in the year 2023 amounted of THB 102.99 million. Mainly came from cash paid for the purchase of property, plant and equipment at the amount of THB 104.33 million. This expenditure included building maintenance expenses for STROM of approximately THB 10.10 million, machinery maintenance and spare part modifications expenses of approximately THB 38.30 million, and the purchase of new machinery of approximately THB 55.93 million. In addition, the Company receive THB 0.74 million in cash from interest incomes.

Cash flows used in financing activities in the year 2023 amounted to THB 13.46 million. This included interest expenses paid to a connected company of THB 11.16 million and cash paid for lease liabilities of THB 2.30 million.

5. Liquidity

In 2023, the Company's accounted a debt to equity ratio of 0.33 times. In this regard, the Company has no external debt and incurs interest expenses but only on this related-party loan.

In 2023, the Company had a current ratio of 1.05 times, decreased from 2.43 times in 2022 due to a decrease in current assets. This is because the Company paid cash for the purchase of property, plant and equipment, including a decrease in trade and other account receivables and inventory in line with a decrease in

sales. While the Company's trade and other account payables increase by THB 62.48 million due to a surge in product orders during quarter 4/2023, particularly in December. This led to an increase in purchases of raw materials, resulting in higher trade accounts payable and other payable at the end of 2023 compared to the previous year.

The Company's collection period from trade receivables is approximately 97 days, with most of the outstanding balance not yet due. The average payment to trade payables is 46 days, representing an improvement from the previous year's 30 days. This is because the company has begun to receive credit from its suppliers and is in the process of negotiating to extend the credit term. The average inventory period is 173 days, due to a surge in product orders during quarter 4/2023, which most of the products are produced according to customer orders (Made-to-Order). Consequently, the Company's cash cycle is about 224 days, representing a decrease by 74 days compared to the previous year.

10. Innovation Development (R&D)

Thai Future Incorporation Public Company Limited prioritizes research and development (R&D) initiatives that enhance product value for both society and the environment as well as address current and future market and customer needs. This R&D focus encompasses all product lines, including CPP film, BOPP film, and metallized film, with a primary emphasis on developing high-quality innovative products include:

1. Demonstrates a commitment to developing environmentally friendly products that support the principles of the Circular Economy.
2. Focuses on creating differentiated value propositions for its products, ensuring the products effectively meet the evolving needs of its customers.
3. Maintains a strategic focus on new product development to address the market needs.

New product development will prioritize two key areas that contribute to environmental sustainability: enhanced recyclability and the introduction of self-decomposing products.

- The Company is developing new products that promote Mono Material Packaging PP (Polypropylene) which could be used as a component for PP packaging. This approach facilitates the effective recycling of PP packaging into PCR PP plastic pellets (Post-Consumer Recycled PP) for reuse to maximize utilization. The product within this category is BOPP Plain Film (High Heat), a robust film offering strength and superior heat resistance compared to standard BOPP Plain Film.
- The Company demonstrates its commitment to incorporating recycled content by utilizing Post-Industrial Recycled (PIR) PP plastic pellets in its film production process. This approach caters specifically to the Adhesive Tape customer segment. This innovative product utilizes recycled PP from the industrial sector including BOPP Plain Film for Adhesive Tape recycled from using Post-Industrial Recycle PP (PIR PP) plastic pallet.
- The Company's environmentally friendly, a revolutionary film solution that degrades under landfill conditions product, portfolio includes BOPP Biodegradable Film.

In addition, the Company has introduced innovative solutions designed to enhance customer efficiency include:

- BOPP Co-Ex Film for Wrapping Low H/S
- BOPP Film for Cigarette Wrapping for the seal process at low temperatures
- BOPP Plain Film which has the ability to reduce Electrostatic

11. Marketing and Competition in Year 2023

Market outlook for BOPP and CPP films utilizing PP resin shows renewed growth potential. This resurgence is driven by the evolving COVID-19 situation and the subsequent rise in demand for flexible packaging, particularly within the food packaging sector. BOPP and CPP films are the dominant raw materials in this segment, and their utilization has witnessed a significant increase. As a result, the demand for these films is steadily returning to pre-pandemic levels. Economic projections anticipate Thailand's GDP to grow by approximately 3.0 - 3.5 percent in 2024, fueled by the easing of COVID-19 restrictions and the establishment of a new government. This follows the 2023 target of 4.5 - 5.0 percent growth set by the new government, supported by increased public spending. The ASEAN economy anticipated to expand by 4.6 percent overall. crucial considerations for the packaging industry

1. Environmental Packaging.
2. Increasing production capacity of BOPP in the country and starting to return of 300 BOPP film producers in China.
3. The changes of film Technological
4. Enhance the quality of film.

The world requirement of film that uses PP Resin as raw material around THB 10 million of tons per year and domestic require approximately 120,000 tons per year, but in the meantime, the production capacity still rather than demand especially the increase in domestic production causes a competition in the film industry still continually intense from year 2022. In addition, the most production capacity come from China, and more than 50 percent of the world demand also come from China. If the demand in China has not return 100 percent, this is a pressure factor for continuously price competition within 2 years, then the Company is focus more on domestic sales approximately 60-70 percent, the main target group is flexible packaging industry for consumer goods including the adhesive tape industry. as the film is still in demand and expect to grow continuously within 2 years. In addition, there are more development of business partners and networks for both domestic and export market.

12. Industry Trends and Future Competitive Conditions

The film industry trend that uses PP Resin as raw material still has growth during 2 years comparing to year 2022 due to many situations can clearly control. The consumption demand will return to normal conditions. Therefore, the Company focuses on the following strategy.

1. Quality is customer basic requirement.

2. Innovation of the film that is developed to friendly environment including reducing energy costs for customers in the production process.
3. Sustainability, focusing on products that have been developed to sustainable use and support better environment.
4. Focus on specialty films due to the highly price competition comes from commodity films. Therefore, the Company has flexibility in the production and development of specialty films for the market.

13. Sourcing of Products

Production Capacity and Actual Production Volume

The Company is a manufacturer of packaging films. The Company utilizes a melt extrusion process, transforming plastic pellets into films through heating and processing. Subsequently, the films are tailored to specific customer size requirements. The Company operates a production facility located at 327 Village No. 8, Rayong Industrial Park Project, Mapkha Subdistrict, Nikhom Phatthana District, Rayong Province. The Company possesses a defined production capacity, with details on actual production volume provided below.

Unit: Ton

Product	Full Production Capacity	Actual Production Volume	Actual Production (%)
- BOPP	73,000	13,337	18.27
- CPP	3,500	1,112	31.77
- Metallized Film	4,500	527	11.71
Total	81,000	14,976	18.49

14. Sourcing of materials

Polypropylene plastic pellets serve as the primary raw material for the Company's BOPP and CPP film production. The Company diversifies its sourcing strategy, procuring from both domestic (45 percent) and international (55 percent) manufacturers. Notably, while one supplier exceeds a 30 percent share of total pellet purchases, this supplier operates as a normal business partner and is entirely unaffiliated with the Company.

The Company adheres to a stringent quality control policy, which entails an annual review and assessment of its plastic pellet manufacturers. Additionally, the Company proactively recruits new pellet manufacturers that meet the criteria of ongoing stability, reliability, and verifiability of production standards to fosters both quality assurance and efficient cost management through optimized purchasing strategies.

The Company adopts a forward-thinking approach to product development, continuously innovating to meet evolving customer needs and anticipated future market trends. the Company maintains a program of ongoing evaluation of novel raw materials sourced from manufacturers recognized for their expertise in material quality enhancement.

15. Risk factors for the Company's Business Operations or Financial Position**(a) Strategic Risk**

- Strategic Risk focusing on product quality, manage by granting employee training related to quality control and implement on Specification Agreement in case of a different standard acceptance criteria.
- Risk on inadequate of raw material, reduce a risk by seeking alternative source.
- The volatility of raw material in market will be manage to reduce a risk by signing contract agreement or making a futures contract, sourcing new suppliers to diversify risk. Including purchasing planning in the form of Spot & Contract

(b) Operational Risk

- Operation risk on variety of production or new production line opening, some new employees, according to opening of the new production line, have no machinery skill and equipment for operation, that be able to reduce risk by training employee especially for operating and quality control part. Since the machineries have been operate for long period of time causing lack of some equipment in which able to reduce a risk by way of schedule monthly maintenance planning.
- For information technology risks, the host computer and network that affects the operations in terms of information damaged or attacked by hackers. Risk reduction is reduced by maintenance and updating version regularly to support work including strictly protection and control of personal data and organizational information.

(c) Financial Risk

The Company has a limited working capital, to reduce a financial risk shall be consider by priority investment, select investment in modify machineries for produce products that meet market requirement and shall manage to control on purchase raw material by requesting a credit term and request for credit line from suppliers or financial institution or related party.

(d) Compliance Risk

A chance of mistake on document preparation and non-compliance risk causing a directly risk to the Company. To reduce risk on relate compliance risk by complying to Accounting Standard, Export Standard, Labor Law and prevent of software copy right. To reduce a risk of those issues shall be focusing on complement and updating of future law change and modify information system as well as to control of each person to access data which rely on law and regulation of the Company.

(e) Corruption Risk

The government has disclosed the Organic Act on Anti-Corruption in which identified the offense for both giver and recipient of the bribe. Therefore, the Company as a legal entity shall be obliged to comply with an announcement. The Company has realized on risk of Anti-Corruption that causing a serious problem and obstacle to the sustainability of the Company were causing to financial loss and non - financial loss such as loss on the Company's image. The Company conduct business with transparency and realize the importance of Anti-Corruption in all aspect by operating the business legally and encourage employees to perform their duties with integrity and to be good citizens of society. The Company has instilled honesty in the organization by arranging the code of Business Ethic Manual Anti-Corruption policy and communicate with employees.

In addition to, the Company realizes the importance of participating in the declaration of intent as a Thai Private Sector Collective Action against Corruption (CAC) and has been certified as a member of the Thai private sector in Anti-Corruption since August 18, 2017 as well as established Anti-Corruption policies as a guideline to prevent and protect Anti-Corruption of the Company. Thus, the corporate culture is created and awareness of danger of Anti-Corruption in which to increases the confidence of all stakeholders. There is an internal audit department to investigate the effectiveness of internal control to measure about Anti-Corruption prevention.

Therefore, the Company has established a variety of communication channels to enable stakeholders to report the clue or suggestion or complaints about Whistleblowing directly to Audit Committee through E-mail auditcommittee@thaifutureinc.com or secretary@thaifutureinc.com or the Company's website www.thaifutureinc.com.

(f) Environmental Risk

The Company has been certified ISO 14001. The Company has update policy relate on quality and environmental together with providing manual of environmental system for employee to conducting by supporting products that with environment friendly, management of psychic area, focus on prevent environmental, present pollution and use resource efficiently. The Company able to follow the standard of ISO 14001 management environmental.

Thus, the Company has engaged Karin Audit Company Limited as the Company's auditor where the scope of service includes internal controls and security in information technology.

