

**Information Memorandum on the Disposition of Assets and Connected Transactions of  
Thai Future Incorporation Public Company Limited**

**March 26, 2024**

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Thai Future Incorporation Public Company Limited**

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 loans 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. Information Memorandum pursuant to Schedule 1 of Notification of the Board of Governors of the Stock Exchange of Thailand Re: disclosure of information and other acts of listed company concerning the acquisition or disposal of assets 2004 (B.E. 2547)**

**1.1 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.

**1.2 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 <sup>1/</sup>	PM <sup>2/</sup>
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
<b>Total</b>	<b>87.34</b>	<b>100.00</b>

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

2/ Shareholder list of PM 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.

**1.3 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 loans that the Company borrowed from PM and to ease the burden of financial costs of the Company.

#### 1.4 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 loans 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:

<b>The Detail of Loans</b>	
<b>Contractual Parties</b>	The Company borrowed the short-term loans 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.
<b>The Detail of Promissory Note</b>	
<b>P/N No.</b>	TFI001/2023
<b>Amount</b>	THB 200,000,000.00 (Two hundred million baht)
<b>Interest Rate</b>	MOR minus two percent per annum, based on the average of the five commercial banks in Thailand , namely: <ul style="list-style-type: none"> <li>- Bangkok Bank</li> <li>- Kasikorn Bank</li> <li>- Krungsri Bank</li> <li>- Krungthai Bank</li> <li>- Siam Commercial Bank</li> </ul>
<b>Term</b>	1 year from May 12, 2023 (due date on May 11, 2024)

#### 1.5 Details of the disposed assets and the value of the disposed assets

A title deed of the vacant 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. The land is free from any encumbrances or liabilities.

The purchase 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 rai 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.

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 analysis as of February 2024, are summarized as follows:

Item	The Appraised Asset	Comparative Properties				
		1	2	3	4	5
<b>Asset Characteristics</b>	Vacant Land	Vacant Land	Vacant Land	Vacant Land	Vacant Land	Vacant Land
<b>Location</b>	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
<b>Land Area (Rai-Ngan-Square Wah)</b>	1-3-79 rai	2-1-0 rai	5 rai	27-2-42 rai	3-3-36 rai	16-0-96 rai
<b>Dimensions of Width</b>	Width 75 meters	Width 35 meters	Width 44 meters	Width 100 meters	Width 40 meters	Width 77 meters
<b>Offering Price (THB / sq. wah)</b>	-	THB 190,000.-	THB 125,000.-	THB 180,000.-	THB 150,000.-	THB 160,000.-

The TPA then scores the appraised assets against the comparative properties from elements that affect the value of each asset, including location (30 percent), size and shape (20 percent), ground level (15 percent), transportation (10 percent), utilities (10 percent), and characteristics of land use (15 percent), 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. TPA then determines the appraised asset value through an analysis of the quality score and the price of comparative properties. The details of the calculation are provided below:

Item	Land 1	Land 2	Land 3	Land 4	Land 5	The Appraised Asset
Offering Price	190,000	125,000	180,000	150,000	160,000	
Adjusted Offering Price	175,000	110,000	170,000	140,000	150,000	
<b>Variables</b>	<b>R Square</b>	<b>0.9314</b>	<b>Intercept</b>			<b>-238889.28</b>
	<b>Std. Div.</b>	<b>7,885.48</b>	<b>Slope</b>			<b>594.0111</b>

<b>Asset appraisal price (THB/sq. wah)</b>		<b>150,188</b>
<b>Rounding of asset appraisal price (THB/sq. wah)</b>		<b>150,000</b>
<b>Total asset appraisal value</b>		<b>116,850,000</b>

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.

- 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 rai 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.

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 analysis as of February 2024, are summarized as follows:

Item	The Appraised Asset	Comparative Properties			
		1	2	3	4
<b>Asset Characteristics</b>	Vacant Land	Vacant Land	Vacant Land	Vacant Land	Vacant Land
<b>Location</b>	Bangna-Trad Road (Highway 34) KM.13	Bangna-Trad Road (Highway 34) KM.10	Bangna-Trad Road (Highway 34) KM.18	No road name (KM.19)	Bangna-Trad Road (Highway 34) KM.20
<b>Land Area (Rai-Ngan-Square Wah)</b>	1-3-79 rai	10-0-80.0 Rai (4,080.0 sq. wah)	11-0-00.0 Rai (4,400.0 sq. wah)	9-2-18.8 Rai (3,818.8 sq. wah)	2-2-26.5 Rai (1,026.5 sq. wah)
<b>Width X Depth (M.)</b>	75.00 × 70.00 meters	100.00 × 163.00 meters	76.00 × 231.00 meters	100.00 × 152.00 meters	28.00 × 144.00 meters
<b>Offering Price (THB / sq. wah)</b>	-	THB 170,000.-	THB 136,363.-	THB 65,479.-	THB 120,000.-

CHARTERED then scores the appraised assets against the comparative properties from elements that affect the value of each asset, including location (30 percent), physical characteristics (40 percent), utilities (0 percent), and characteristics of land use (30 percent), 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. CHARTERED then determines the appraised asset value through an analysis of the quality score and the price of comparative properties. The details of the calculation are provided below:

Item	Land 1	Land 2	Land 3	Land 4	The Appraised Asset
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
<b>Appraised Value per Square Wah (rounded)</b>					<b>100,000</b>

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

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

## 1.6 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	:	- 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>

### 1.7 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 rai 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.

### 1.8 Calculation of the transaction value

#### 1.8.1 Calculation of the transaction value under the Notification on Acquisition or Disposal:

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
<b>Total</b>	-	-	<b>3.62</b>	-
Disposition of Assets During the Past 6 Months	-	-	-	-
<b>Grand Total</b>	-	-	<b>3.62</b>	-
The basis with the highest transaction size is Total Value of Consideration Basis, that is equal to <b>3.62%</b>				

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.

### 1.8.2 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

(Unit : THB Million)	Financial Statement for the Accounting Period Ending December 31, 2023
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) <sup>1/</sup>

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

(Unit : THB Million)	Financial Statement for the Accounting Period Ending December 31, 2023
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

(Unit : THB Million)	Proportion to Net Tangible Assets of the Company (%)
The Land Disposal Transaction Size	4.82
<b>The Connected Transactions During the Past 6 Months</b>	
(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 <sup>1/</sup>	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
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
	<b>Total number of shares held by top 10 shareholders</b>	<b>926,318,694</b>	<b>50.83</b>
	<b>Other shareholders</b>	<b>896,145,870</b>	<b>49.17</b>
	<b>Total issued and paid-up shares</b>	<b>1,822,464,564</b>	<b>100.00</b>

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 Mr. Chalermchai Mahagitsiri and Ms.Ausana Mahagitsiri, 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 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.

**1.9 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 <sup>1/</sup>		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	- 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
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 <sup>2/</sup> - 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

Name of shareholders with conflicts of interest and the shareholders who are not eligible to vote	No. of shares in the Company <sup>1/</sup>		Relationship with the counterparties of the transaction
	No. of shares (shares)	Proportion (%)	
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.
<b>Total</b>	<b>15,449,506,402</b>	<b>91.82</b>	

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
3. Mr. Kamolsut Dabbaransi <sup>1/</sup>	Director	-

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

#### 1.10 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 loans 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.

**1.11 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 loans to PM. This transaction shall leave outstanding loans from PM amounting to THB 105,200,000.

**1.12 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 loans 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 the debt to equity ratio (D/E Ratio) to decrease

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:

<b>Item</b> <b>(Unit: THB Million)</b>	<b>Financial Statement of the Company</b> <b>as of December 31, 2023 (Audited)</b>	
	<b>Pre-Transaction</b>	<b>Post-Transaction</b>
Total Assets – Pre-Transaction	2,688.24	2,688.24
<u>Less</u> Book Value of the Disposed Land	-	(74.01)
<u>Less</u> Fee Relating to Transafering 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)
<b>Total Assets – Post-Transaction</b>	<b>2,688.24</b>	<b>2,614.23</b>

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

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 loans 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 loans to PM, reducing its short-term loans 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	
<b>The Difference of Interest Expenses</b>	<b>5.26</b>	<b>(47.34)</b>

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 an 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 purchase 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 sell 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 loans to PM, the Board of Directors expect to continue requesting an extension of the loans period for the remaining short-term loans 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 the 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 additional short-term loans 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.

<b>Cash Flows (Unit: THB million)</b>	<b>2022</b>	<b>2023</b>
Net cash flows (used in) provided from operating activities	(214.45)	(16.84)
Net cash flows (used in) provided from investing activities	(15.45)	(102.99)
Net cash flows (used in) provided 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 the list of appraisal companies 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 comparable 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 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. 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 loans owed to PM.

**1.13 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 item 1.11 above, and no audit committee member has any different opinions from the resolution of the Board of Directors as mentioned.

**2. Responsibility of directors with respect to the information in documents sent to the shareholders**

The Board of Directors will be responsible for the information set out in this Information Memorandum. In this regard, the Board of Directors hereby certifies that such information set out in this Information Memorandum is correct, complete, and contains no misleading statements.

**3. Qualifications of the Independent Expert on Entering into the transactions**

-None-

**4. The total amount of debt instruments, term loans, other liabilities, and the contingent liabilities, as of December 31, 2023**

**4.1 The total amount of term loans and the obligation of placing assets as collateral**

As of 31 December 2023, the Company has total amount of loans and the obligation of placing assets as collateral, as follows:

No.	Type	Outstandings as of 31 December 2023 (THB million)	Collateral
1	Short-term loans from related parties <sup>1/</sup>	200.00	-None-
<b>Total</b>		<b>200.00</b>	

Remark: The details of short-term loans as shown in 1.4

In this regard, the Company plans to utilize the cash received from the land disposal to repay a certain amount of the outstanding loans to PM, totaling THB 94.80 million (after deducting fees and other related expenses), in order to ease the burden of financial costs. Regarding the remaining loans amounting to THB 105.20 million, which are 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.

**4.2 The total value of other liabilities**

As of 31 December 2023, the Company has total amount of other liabilities, including overdraft and obligation of placing assets as collateral, as follows:

No.	Type	Outstandings as of 31 December 2023 (THB million)	Collateral
1	Trade and other current payables	96.18	-
2	Current portion of lease liabilities	2.60	-
3	Current provisions for employee benefits	1.64	-
4	Other current liabilities	0.75	-
5	Lease liabilities	3.51	-
6	Deferred tax liabilities	351.87	-
7	Non-current provisions for employee benefits	11.22	-
<b>Total</b>		<b>467.78</b>	

#### 4.3 Contingent liabilities

-None-

### 5. Summary of Company Information

#### 5.1 The Nature of Business and Trends

##### The 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:

##### (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

**(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.

**(3) Metalized 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.

**5.2 Summary of Financial Statement, and Explanation and Analysis of Financial Position and Operating Results**

**5.2.1 The Statement of Financial Position**

The Statement of Financial Position of the Company as of the end of 2021, 2022, and 2023 are as follows:

Statement of Financial Position (Unit: THB Thousand)	Dec 31, 2021	%	Dec 31, 2022	%	Dec 31, 2023	%
<b>Assets</b>						
<b>CURRENT ASSETS</b>						
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
<b>TOTAL CURRENT ASSETS</b>	<b>596,270</b>	<b>18.68</b>	<b>577,473</b>	<b>19.07</b>	<b>317,703</b>	<b>11.82</b>
<b>NON-CURRENT ASSETS</b>						
Restricted bank deposits	-	-	2,000	0.07	2,000	0.07
Investments in associated companies under absolute order	-	-	-	-	-	-
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 – net	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
<b>TOTAL NON-CURRENT ASSETS</b>	<b>2,596,511</b>	<b>81.32</b>	<b>2,450,531</b>	<b>80.93</b>	<b>2,370,542</b>	<b>88.18</b>
<b>TOTAL ASSETS</b>	<b>3,192,781</b>	<b>100.00</b>	<b>3,028,003</b>	<b>100.00</b>	<b>2,688,244</b>	<b>100.00</b>
<b>LIABILITIES</b>						
<b>CURRENT LIABILITIES</b>						
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
<b>TOTAL CURRENT LIABILITIES</b>	<b>50,885</b>	<b>1.59</b>	<b>237,921</b>	<b>7.86</b>	<b>301,166</b>	<b>11.20</b>
<b>NON-CURRENT LIABILITIES</b>						
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
<b>TOTAL NON-CURRENT LIABILITIES</b>	<b>428,749</b>	<b>13.43</b>	<b>402,532</b>	<b>13.29</b>	<b>366,613</b>	<b>13.64</b>
<b>TOTAL LIABILITIES</b>	<b>479,634</b>	<b>15.02</b>	<b>640,453</b>	<b>21.15</b>	<b>667,779</b>	<b>24.84</b>
<b>SHAREHOLDERS' EQUITY</b>						
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
<b>TOTAL SHAREHOLDERS' EQUITY</b>	<b>2,713,147</b>	<b>84.98</b>	<b>2,387,551</b>	<b>78.85</b>	<b>2,020,466</b>	<b>75.16</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>3,192,781</b>	<b>100.00</b>	<b>3,028,003</b>	<b>100.00</b>	<b>2,688,244</b>	<b>100.00</b>

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

## 5.2.2 The Statement of Comprehensive Income

The Statement of Comprehensive Income of the Company for the year 2021 – 2023 are as follows:

Statement of Comprehensive Income (Unit: THB Thousand)	2021	%	2022	%	2023	%
<b>Revenue</b>						
Sales	301,785	97.09	801,066	95.64	379,981	97.33
Other income <sup>1/</sup>	9,049	2.91	36,489	4.36	10,413	2.67
<b>Total Revenue</b>	<b>310,834</b>	<b>100.00</b>	<b>837,554</b>	<b>100.00</b>	<b>310,834</b>	<b>100.00</b>
<b>Expense</b>						
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)
<b>Total cost and expense</b>	<b>(579,627)</b>	<b>(186.47)</b>	<b>(1,184,460)</b>	<b>(141.42)</b>	<b>(781,627)</b>	<b>(200.21)</b>
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
<b>Profit (loss) for the year</b>	<b>(241,786)</b>	<b>(77.79)</b>	<b>(325,596)</b>	<b>(38.87)</b>	<b>(372,854)</b>	<b>(95.51)</b>
Other comprehensive income (expense)	1,755	0.56	-	-	5,769	1.48
<b>Total comprehensive income (expense) for the year</b>	<b>(240,031)</b>	<b>(77.22)</b>	<b>(325,596)</b>	<b>(38.87)</b>	<b>(367,085)</b>	<b>(94.03)</b>

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.

## 5.2.3 The Statement of Cash Flows

The statement of cash flows for the Company for 2021 to 2023 is as follows:

Statement of Cash Flows (Unit: THB Thousand)	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

## 5.2.4 Key Financial Ratios

Key Financial Ratios	Unit	2021	2022	2023
<b>PROFITABILITY RATIO</b>				
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
<b>LIQUIDITY RATIO</b>				
Current Ratio	Time	11.72	2.43	1.05
Quick Ratio	Time	6.42	1.24	0.38
<b>OPERATING RATIO</b>				
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
<b>DEBT SERVICE ABILITY RATIO</b>				
Debt to Equity	Time	0.18	0.27	0.33

## 5.2.5 Explanation and Analysis of Financial Position and Operating Results

### Explanation 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 asset 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.

## **Explanation 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 increase 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 loans 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 of 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 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.

**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.

### 5.3 **Financial projections for the present year**

-None-

### 5.4 **List of management and the top 10 shareholders of the Company**

#### List of management

As of 31 December 2023, the Company managements consist of 5 executives as follows:

No.	List of Management <sup>1/</sup>	Position
1	Mr. Phadetkiat Imdecha	Acting Managing Director
2	Mr. Chakrit Muadmanee	Plant Director of Rayong

No.	List of Management <sup>1/</sup>	Position
3	Mr. Boonchai Sunnithilawan	Chief Financial Officer
4	Mr. Suthipong Kittayarak	Assistant Strategy and Commercial Director
5	Ms. Duangkamol Woradee	Assistant Director

Source: Company's Information

Remark: List of executives according to the definition of the SEC

#### List of Shareholders

List of shareholders of Thai Future Incorporation Public Company Limited as of August 24, 2023 are as follows:

No.	Shareholders	No. of Shares	Percentage of Paid-Up Capital
1	Mahagitsiri Family	14,696,506,402	87.34
	<i>Mr. Prayudh Mahagitsiri</i>	<i>1,063,695</i>	<i>0.01</i>
	<i>Mrs. Suvimol Mahagitsiri</i>	<i>118,508,817</i>	<i>0.7</i>
	<i>Ms. Ausanee Mahagitsiri</i>	<i>303,697,894</i>	<i>1.8</i>
	<i>Mr. Chalermchai Mahagitsiri</i>	<i>6,634,320,313</i>	<i>39.43</i>
	<i>Ms. Ausana Mahagitsiri</i>	<i>7,390,296,061</i>	<i>43.92</i>
	<i>Lakewood Land Company Limited</i>	<i>229,637,046</i>	<i>1.36</i>
	<i>PM Group Company Limited</i>	<i>18,982,576</i>	<i>0.11</i>
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
5	Thai NVDR Company Limited	78,850,327	0.47
6	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
	<b>Total</b>	<b>16,826,223,539</b>	<b>100.00%</b>

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:

<b>Mr. Chalermchai Mahagitsiri</b>	Director of the Company, a representative of major shareholders
<b>Position in the Company</b>	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

**5.5 Other Information which may materially affect decisions of investors (if any)**

-None-

**6. 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 <sup>1/</sup>		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	- 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
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 <sup>2/</sup>

Name of shareholders with conflicts of interest and the shareholders who are not eligible to vote	No. of shares in the Company <sup>1/</sup>		Relationship with the counterparties of the transaction
	No. of shares (shares)	Proportion (%)	
			- 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.
รวม	15,449,506,402	91.82	

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

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

**7. Asset Appraised by independent appraiser in case of acquisition or disposal of assets that have fundamental significance in the form of asset value, such as real estates.**

The Company has hired two independent appraisers to reasonably evaluate the value of the disposed land, which are the 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 of the independent appraisers and the value appraised by the independent appraisers are shown 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 rai 3 ngan 79 square wah (779 square wah), dated February 28, 2024, is THB 116,850,000.00, or THB 150,000.00 per square wah.

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 analysis as of February 2024, are summarized as follows:

Item	The Appraised Asset	Comparative Properties				
		1	2	3	4	5
<b>Asset Characteristics</b>	Vacant Land	Vacant Land	Vacant Land	Vacant Land	Vacant Land	Vacant Land
<b>Location</b>	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
<b>Land Area (Rai-Ngan-Square Wah)</b>	1-3-79 rai	2-1-0 rai	5 rai	27-2-42 rai	3-3-36 rai	16-0-96 rai
<b>Dimensions of Width</b>	Width 75 meters	Width 35 meters	Width 44 meters	Width 100 meters	Width 40 meters	Width 77 meters
<b>Offering Price (THB / sq. wah)</b>	-	THB 190,000.-	THB 125,000.-	THB 180,000.-	THB 150,000.-	THB 160,000.-

The TPA then scores the appraised assets against the comparative properties from elements that affect the value of each asset, including location (30 percent), size and shape (20 percent), ground level (15 percent), transportation (10 percent), utilities (10 percent), and characteristics of land use (15 percent), 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. TPA then determines the appraised asset value through an analysis of the quality score and the price of comparative properties. The details of the calculation are provided below:



Item	Land 1	Land 2	Land 3	Land 4	Land 5	The Appraised Asset
Offering Price	190,000	125,000	180,000	150,000	160,000	
Adjusted Offering 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.

- 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 rai 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.

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 analysis as of February 2024, are summarized as follows:

Item	The Appraised Asset	Comparative Properties			
		1	2	3	4
Asset	Vacant Land	Vacant Land	Vacant Land	Vacant Land	Vacant Land
Characteristics					
Location	Bangna-Trad Road (Highway 34) KM.13	Bangna-Trad Road (Highway 34) KM.10	Bangna-Trad Road (Highway 34) KM.18	No road name (KM.19)	Bangna-Trad Road (Highway 34) KM.20
Land Area (Rai-Ngan-Square Wah)	1-3-79 rai	10-0-80.0 Rai (4,080.0 sq. wah)	11-0-00.0 Rai (4,400.0 sq. wah)	9-2-18.8 Rai (3,818.8 sq. wah)	2-2-26.5 Rai (1,026.5 sq. wah)
Width X Depth (M.)	75.00 × 70.00 meters	100.00 × 163.00 meters	76.00 × 231.00 meters	100.00 × 152.00 meters	28.00 × 144.00 meters
Offering Price (THB / sq. wah)	-	THB 170,000.-	THB 136,363.-	THB 65,479.-	THB 120,000.-

CHARTERED then scores the appraised assets against the comparative properties from elements that affect the value of each asset, including location (30 percent), physical characteristics (40 percent), utilities (0 percent), and

characteristics of land use (30 percent), 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. CHARTERED then determines the appraised asset value through an analysis of the quality score and the price of comparative properties. The details of the calculation are provided below:

<b>Item</b>	<b>Land 1</b>	<b>Land 2</b>	<b>Land 3</b>	<b>Land 4</b>	<b>The Appraised Asset</b>
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
<b>Appraised Value per Square Wah (rounded)</b>					<b>100,000</b>

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

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

**8. Opinions of the Board of Directors regarding to Entering into Connected Transaction specifying the Appropriateness, Reasonability, and the Utmost Benefit to the Company as compared with Entering into Transactions with Independent Third Parties.**

The Board of Directors 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 loans 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 the debt to equity ratio (D/E Ratio) to decrease

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> Fee Relating to Transferring 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)
<b>Total Assets – Post-Transaction</b>	<b>2,688.24</b>	<b>2,614.23</b>
Total Liabilities – Pre-Transaction	667.78	667.78
Partial Loan Repayment to PM	-	(94.80)
<b>Total Liabilities – Post-Transaction</b>	<b>667.78</b>	<b>572.98</b>
Total Equity – Pre-Transaction	2,020.47	2,020.47
Net Profit from the Land Disposal	-	20.79
<b>Total Equity – Post-Transaction</b>	<b>2,020.47</b>	<b>2,041.26</b>
<b>D/E Ratio</b>	<b>0.33</b>	<b>0.28</b>

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 loans 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 loans to PM, reducing its short-term loans 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	
<b>The Difference of Interest Expenses</b>	<b>5.26</b>	<b>(47.34)</b>

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 an 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 purchase 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 sell 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 loans to PM, the Board of Directors expect to continue requesting an extension of the loans period for the remaining short-term loans 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 the 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 additional short-term loans 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.

<b>Cash Flows (Unit: THB million)</b>	<b>2022</b>	<b>2023</b>
Net cash flows (used in) provided from operating activities	(214.45)	(16.84)
Net cash flows (used in) provided from investing activities	(15.45)	(102.99)
Net cash flows (used in) provided 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 the list of appraisal companies 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 comparable 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 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. 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 loans owed to PM.

**9. Pending Material Lawsuits or Claims**

-None-

**10. Interests or connected transactions between the listed company and directors, managements, and shareholders both directly or indirectly holding shares amounting to at least 10 percent.**

Related party transactions between the listed company and connected person incurred during 12-month period ending December 31, 2022, and December 31, 2023, can be summarized as follows:

(Unit: THB million)

<b>Name / Relationships</b>	<b>Nature of the transaction</b>	<b>Details</b>	<b>2023</b>	<b>2022</b>	<b>Necessity and Rationality</b>
PM Group Company Limited/ Having common shareholders and directors	The Company borrowed the short-term loans of THB 200 million in the form of a promissory note, without collateral, with repayment terms upon demand, at an interest rate of MOR-2 per annum.	Opening balance Additional borrowing during the year Repayment during the year Closing balance Interest paid	200 - - <u>200</u> 11.16	- 200 - <u>200</u> 5.86	To use as working capital for the Company
Thai Film Bangladesh Company Limited/ Shares held by The Company	The Company has provided loans amounting to THB 37.97 million and has set provisions for expected credit losses in the full amount. In 2022, it received payments of THB 18.51 million and the remaining portion was written off amounting to THB 19.46 million.	Opening balance <u>Less:</u> Provision for expected credit losses Receipts/transfers Write-offs Closing balance	- - - - =	37.97 - (18.51) (19.46) =	
Strom (Thailand) Company Limited / Having common shareholders and directors	The company leases building and parking lots totaling 2,961.72 sqm for a period of 3 years.	Rental Income	3.94	-	

**11. Summaries of material agreement during the past 2 years**

Over the past 2 years, the Company has not engaged in any significant transactions beyond its normal business operations

**12. Proxy form with at least one name of a member of the Audit Committee being nominated as shareholder's proxy**

As presented in the Enclosure 7.