

Information of Memorandum 2

Details on the Business Operations and Outlook of TQM Alpha Public Company Limited

1. Company Information and Summary of Business Operations

1.1 Company Information

Company Name	TQM Alpha Public Company Limited
Head Office Address	123 LatPlaKhao Road, Chorakhe Bua Subdistrict, Lat Phrao District, Bangkok 10230
Type of Business	The core business operates as a holding company, focusing on investments in other companies.
Registered Capital	300,000,000 baht (three million baht)
Paid-up Capital	300,000,000 baht (three million baht)

The Company has 13 subsidiaries and 4 associate companies, with shareholding details as follows:

Company Name	Type of Business	Company Shareholding (%)
TQR Public Company Limited	Insurance contract procurement services	44
TQM Insurance Broker Company Limited	Non-life insurance brokerage	100
TQM Life Insurance Broker Company Limited	Life insurance brokerage	100
Casmatt Company Limited	IT consulting and procurement services (software and hardware)	100
TJN Insurance Broker Company Limited	Non-life insurance brokerage	100
TO 2020 Company Limited	Investment or shareholding in other businesses, both domestically and internationally	100
Easy Lending Company Limited	Multipurpose personal loans	74
True Life Broker Company Limited	Life insurance brokerage	51
True Extra Broker Company Limited	Non-life insurance brokerage	51
TQC Company Limited	Advisory services for insurance claims	100
R Square Company Limited	Ready-to-use software program services	24
Surekrub.com Company Limited	Non-life insurance brokerage	58
Cashnow Plus Company Limited	Secured loan services	74
TQD Company Limited	Providing advice or services via electronic media through internet network systems.	40
Builk One Group Company Limited	Providing and developing high-quality business management software solutions.	40
AlphaSec Company Limited	Offering IT services and consulting.	13
My Group Intelligent Company Limited	Engaging primarily in investment in other companies.	19

1.2 Summary of Business Operations

The Company's primary business involves investment in companies engaged in non-life insurance brokerage, life insurance brokerage, reinsurance brokerage, personal loans, and providing management and custodian services, including asset management for individuals and related businesses. Additionally, the Company offers procurement and consulting services for computer-related businesses, including both software and hardware.

1.3 Industry Outlook and Future Competitive Landscape

The Thai economy in 2024 is projected to recover gradually, supported by government stimulus measures that are expected to boost private sector investment. However, concerns remain over the slow pace of economic recovery, high living costs, and flood situations, which continue to dampen consumer confidence.

The Office of the National Economic and Social Development Council (NESDC) forecasts the Thai economy in 2025 to grow between 2.3% and 3.3%. This growth is expected to be driven by increased government spending, expansion of domestic private sector demand, a sustained recovery in the tourism sector, and continued growth in exports.

For the insurance sector, the Office of Insurance Commission (OIC) estimates that by the end of 2024, total premiums across the industry will reach approximately 942.944 billion baht, representing a 2.7% growth compared to the previous year, in line with the pace of economic growth. In 2025, the insurance industry is expected to see a premium growth rate of 3.96%, reaching 980 billion baht, and is projected to exceed 1 trillion baht by the second quarter of 2026.

Non-Life Insurance Business Outlook

The Thai General Insurance Association forecasts a growth rate of approximately 5%–6% for the non-life insurance industry in 2024. For 2025, the Office of Insurance Commission (OIC) projects a growth rate of 4.27%. Key trends and challenges that may impact the insurance industry include:

1. *Growth of the Electric Vehicle (EV) Market:* The EV market in Thailand is expected to continue expanding, supported by developing infrastructure and an increasing number of EV charging stations. Additionally, the new EV insurance regulations announced by the OIC in June 2024 are anticipated to accelerate the growth of EV adoption and the sale of EV insurance.

2. *Aging Society and Retirement Needs:* Thailand is set to become a Super-Aged Society by 2032, presenting opportunities for the insurance industry to design products such as health insurance and annuity life insurance to meet the needs of the aging population.

3. *Healthcare Costs and Awareness:* The COVID-19 pandemic and rising medical inflation have heightened consumer awareness of health insurance, driving increased demand for health insurance products.

4. *Technological Advancement:* Increased adoption of advanced technologies to enhance customer service and operational efficiency, while ensuring compliance with regulatory requirements.

5. *Customer-Centric Approach:* Greater focus on meeting individualized customer needs, enabling tailored solutions.

6. *Sustainable Business Practices (ESG):* Environmental awareness among consumers, such as the impacts of climate change (e.g., floods, fires, windstorms), is driving interest in property risk insurance and agricultural yield insurance.

7. *Regulatory Updates:* The introduction of new regulations and standards, such as PDPA, TFRS17, ICPs, and other relevant laws, which necessitate adjustments in business operations.

Life Insurance Business Outlook

The Thai Life Assurance Association forecasts growth in the life insurance sector of approximately 2%–4%, with expansion in the first half of 2024 aligning with the country's economic growth (GDP). The Office of Insurance Commission (OIC) predicts life insurance growth of 3.83% in 2025, reflecting the increasing popularity of health riders and annuity life insurance, driven by trends in healthcare, rising medical costs, and the aging society. The COVID-19 crisis has prompted significant adaptation in the life insurance business. Companies have accelerated the adoption of modern technology to enhance operational efficiency, streamline processes, and improve service speed. Technology has also enabled more accurate analysis of customer behaviors and needs.

Additionally, there has been a clear focus on diversifying insurance products, developing new sales channels, and optimizing existing ones to ensure customers have easier and faster access to products and services. These efforts aim to address the needs of the modern world while emphasizing security in life, health, and financial stability for the population.

Positive Factors Driving Life Insurance Business Growth:

Domestic Demand: There remains a significant portion of the population without life insurance, providing ample room for market growth.

Tax Incentive Policies: Government tax incentives have increased public awareness and understanding of life insurance, as well as the importance of health or critical illness insurance riders.

Health Trends and Aging Society: Post-COVID-19, there is a growing focus on health and financial planning for retirement, particularly driving demand for annuity insurance products.

Government Support Policies: Tax incentive measures introduced by the government continue to promote life insurance, making it more recognized and appealing to income earners.

Negative Factors Expected to Impact the Growth of the Life Insurance Business:

Challenges arising from overall economic conditions include household income, household debt, and uncertainties in both domestic and global economies. Inflation, influenced by related policies and trade wars, as well as cyber threats, could affect the stability of the life insurance system and undermine consumer confidence in the industry.

Competitive Landscape

The insurance brokerage business has garnered significant interest from many operators due to the continuous growth of the non-life and life insurance industries. The penetration rate of insurance policies among Thai consumers remains lower than in other countries within the region. Additionally, brokerage businesses face lower risks as they are not directly exposed to claims liabilities.

According to the Office of Insurance Commission (OIC), 73% of insurance premiums in 2023 were generated through broker channels, making brokers the primary method of insurance purchases for customers. This dominance has attracted more players to the insurance brokerage market, employing various strategies such as differentiated sales channels and price competition. Despite the fragmented nature of the market, characterized by a large number of smaller players, the market still presents significant growth opportunities for operators.

The primary factor for success in the insurance brokerage business is credibility. Well-established and recognized operators with a long-standing presence in the market are often the top choice for customers. The integration of technology to enhance operational efficiency enables brokers to reach customers more effectively and analyze data for better product marketing and presentation. Additionally, offering services through digital channels aligns well with modern consumer behavior. Operators with a broader network of insurance partners can offer a more diverse range of products. Furthermore, providing additional services, such as financial solutions, allows brokers to better meet the evolving needs of customers, resulting in a competitive advantage. This approach reduces reliance on price-cutting strategies, which can compromise business sustainability, and instead focuses on delivering value and long-term growth.

2. Board of Directors and Shareholders

2.1 Board of Directors as of 14 November 2024

Item	Directors	Position
1	Mr. Unchalin Punnipa	Chairman of the Board of Directors
2	Mr. Marut Simasathien	Independent Director
3	Ms. Rutchaneeporn Pookayaporn	Independent Director
4	Mr. Chinapat Visuttiapat	Independent Director
5	Ms. Suvabha Charoenying	Independent Director
6	Mrs. Napassanun Punnipa	Director
7	Ms. Ratana Punnipa	Director
8	Mr. Ampon Oniam	Director
9	Ms. Somporn Ampaisutthipong	Director
10	Mr. Thana Thienachariya	Independent Director
11	Mr. Nattavudh Pungcharoenpong	Non-Executive Director

Source: Certificate of Incorporation as of 26 September 2024

2.2 Top 10 Shareholders of the Company as of 11 November 2024

Item	Name	Number of shares	Percentage
1	Eternal Growth Corporation Company Limited	306,892,800	51.15
2	Mrs. Charunee Chinwongvorakul	78,686,700	13.11
3	Mr. Unchalin Punnipa	22,680,000	3.78
4	Thai NVDR Company Limited	20,438,960	3.41
5	Mrs. Napassanun Punnipa	19,138,900	3.19
6	Viriyah Insurance Public Company Limited	18,574,400	3.10
6	Southeast Life Insurance Public Company Limited	16,330,000	2.72
7	Bangkok Insurance Public Company Limited	13,481,900	2.25
9	SOUTH EAST ASIA UK (TYPE C) NOMINEES LIMITED	10,575,100	1.76

Item	Name	Number of shares	Percentage
10	Mr. Vichit Chinwongvorakul	5,306,900	0.88

Source: Shareholder Register as of 11 November 2024

3. Related Transactions

(Unit: million baht)

Number	Nature of Related Transactions	Value
1	TQM provided a loan to EL on 19 November 2021, and EL fully repaid the principal and interest on 30 March 2022.	
	principal	40.00
	interest	0.14
2	TQM did not provide any credit guarantees for financial institutions in 2021.	-
3	TQM provided credit guarantees for four financial institutions in 2022.	1,350.00
4	TQM provided credit guarantees for four financial institutions in 2023.	1,550.00
5	TQM provided credit guarantees for four financial institutions in 2024.	2,050.00

4. Summary of the Company's Financial Information

- Summary of Key Information from the Statement of Financial Position

(Unit: million baht)

	31 December 2021	31 December 2022	31 December 2023	30 September 2024
Total assets	4,983.75	4,903.03	5,459.40	5,963.85
Total current assets	2,497.55	2,460.99	3,282.04	3,883.74
Total non-current assets	2,486.20	2,442.04	2,177.36	2,080.11
Total liabilities	1,513.96	1,745.28	2,185.33	2,686.80
Total current liabilities	783.65	1,110.48	1,340.93	2,071.32
Total non-current liabilities	730.31	634.80	844.40	615.48
Equity	3,469.80	3,157.75	3,274.07	3,277.01
Equity attributable to owners of the parent	2,676.37	2,570.29	2,714.49	2,717.04
Total revenue	3,683.38	3,726.93	3,756.82	3,043.24
Total expenses	2,462.73	2,616.54	2,677.63	2,213.75
Share of profit (loss) of associate accounted for using equity method	(1.60)	4.80	0.90	8.64
Tax expense	229.82	224.41	225.76	166.15
Net profit (loss)	989.23	859.58	885.53	671.98

- Management Discussion and Analysis

- (1) Financial Position Analysis

- Total assets*

(Unit: million baht)

	31 December 2021	31 December 2022	31 December 2023	30 September 2024
Current assets				
Cash and cash equivalents	952.59	729.08	887.10	874.47
Personal loans and others	118.35	427.94	605.05	1,405.47
Accrued income and other current receivables	602.82	848.28	981.52	1,086.04
Short-term loans		-	300.00	-
Long-term loans to related parties due within one year	3.20	-	-	-
Other current financial assets	767.89	394.75	450.70	437.98
Other current assets	52.70	60.94	57.67	78.78
Total current assets	2,497.55	2,460.99	3,282.04	3,883.74
Non-current assets				
Deposits at banks - pledge as collateral	5.79	5.81	5.73	5.74
Other non-current financial assets	1,095.84	957.56	637.66	347.13
Investment in associates	-	247.99	282.79	591.44
Buildings and equipment	83.14	98.70	123.47	108.12
Right-of-use assets	498.18	394.68	458.50	409.88
Intangible assets	768.16	705.93	635.79	581.71
Deferred tax assets	31.81	29.65	31.97	34.73
Other non-current assets	3.28	1.72	1.45	1.36
Total non-current assets	2,486.20	2,442.04	2,177.36	2,080.11
Total assets	4,983.75	4,903.03	5,459.40	5,963.85

The total assets of the Company and its subsidiaries for the years 2021–2023 amounted to 4,983.75 million baht, 4,903.03 million baht, and 5,459.40 million baht, respectively. As of 30 September 2024, total assets stood at 5,963.85 million baht.

As of 31 December 2022, key assets of the Company included cash and cash equivalents, restricted bank deposits, accrued service income and other receivables, other current and non-current financial assets, buildings and equipment, and right-of-use assets. As of 31 December 2021 and 2022, total assets of the Company were 4,983.75

million baht and 4,903.03 million baht respectively. In 2022, total assets decreased by 80.72 million baht, or 1.6%, primarily due to the business combination under common control, as per accounting standards.

As of 31 December 2023, key assets of the Company included cash and cash equivalents, restricted bank deposits, accrued service income and other receivables, other current and non-current financial assets, buildings and equipment, and right-of-use assets. As of 31 December 2022 and 2023, total assets of the Company were 4,903.03 million baht and 5,459.40 million baht respectively. In 2023, total assets increased by 556.37 million baht, or 11.3%, primarily driven by the growth of lending services within the Group.

As of 30 September 2024, the Company's total assets were 5,963.85 million baht, increasing by 504.45 million baht, or 9.2%, from 31 December 2023. This growth was mainly due to increases in personal and other loans, accrued service income, and other current receivables. However, short-term loans decreased due to loan repayments, while investments in associates increased due to new investments in My Group Intelligent Co., Ltd.

Total liabilities

(Unit : million baht)

	31 December 2021	31 December 2022	31 December 2023	30 September 2024
Current liabilities				
Insurance premium payables and other current payables	453.92	365.95	368.89	398.13
Insurance premium received in advance	81.24	116.20	117.61	121.33
Current portion of lease liabilities	102.45	99.55	82.38	82.53
Short-term loans from related party	-	-	5.00	-
Short-term loans from financial institutions	-	400.00	540.00	1,300.00
Current portion of long-term loans from financial institutions	-	-	100.80	49.20
Current income tax payable	95.84	70.98	69.40	38.89
Other current provisions	14.62	12.09	8.59	16.76
Other current liabilities	35.58	45.71	48.26	64.48
Total current liabilities	783.65	1,110.48	1,340.93	2,071.32
Long-term loans from financial institutions	-	-	174.00	-
Lease liabilities	410.81	315.53	400.36	356.01
Deferred tax liabilities	181.02	190.43	129.49	111.49
Non-current provisions for employee benefits	138.47	128.24	138.90	146.50

	31 December 2021	31 December 2022	31 December 2023	30 September 2024
Other non-current liabilities	-	0.60	1.65	1.48
Total non-current liabilities	730.31	634.80	844.40	615.48
Total liabilities	1,513.96	1,745.28	2,185.33	2,686.80
Total equity	3,469.80	3,157.75	3,274.07	3,277.01

The Company and its subsidiaries reported total liabilities of 1,513.96 million baht, 1,745.28 million baht, and 2,185.33 million baht for the years 2021 - 2023, respectively. As of 30 September 2024, total liabilities amounted to 2,686.80 million baht, comprising the following:

As of 31 December 2021 and 2022, the majority of the Group's liabilities consist of insurance premium and other payables, prepaid insurance, short-term loans from financial institutions, and lease liabilities. The Group's total liabilities amounted to 1,513.9 million baht and 1,745.3 million baht respectively. The increase in total liabilities was mainly due to an increase in insurance premium and other payables, as well as prepaid insurance, resulting from increased sales. In 2022 there was an increase in short-term loans from financial institutions for the operation of Easy Lending. As of 31 December 2022, the amount was 400 million baht.

As of 31 December 2022 and 2023, the majority of the Group's liabilities consist of insurance premium and other payables, prepaid insurance, short-term loans from financial institutions, and lease liabilities. The Group's total liabilities amounted to 1,745.28 million baht, 2,185.33 million baht respectively. The increase in total liabilities was mainly due to an increase in insurance premium and other payables, as well as prepaid insurance, resulting from increased sales. In 2023 there was an increase in short-term loans from financial institutions for the operation of Easy Lending. As of 31 December 2023, the amount was 540 million baht.

As of 30 September 2024, total liabilities amounted to 2,686.80 million baht, representing an increase of 22.9%. This rise was driven by an increase in short-term loans from financial institutions, as the Company utilized short-term loans to support the growth of its lending business while gradually repaying long-term borrowings from financial institutions.

Shareholders' equity

As of 31 December 2021 and 2022 shareholders' equity amounted to 3,469.80 million baht and 3,157.75 million baht respectively. Compared to shareholders' equity from 2021-2022 which were an increase from retained earnings – Unappropriated according to the Company's performance.

On 27 February 2023, the Board of Directors approved the payment of dividends for the year from the Company's performance from 1 January to 31 December 2022. The interim dividend of September 2023 of 0.70 baht per share totaling 420 million baht at par value of 0.50 baht the Board approved an additional dividend of 0.50 baht per

share, totaling 600 million shares equivalent to 300 million baht after closing the registration book for shareholders eligible for the dividend on 14 March 2023, to be paid on 12 May 2023.

As of 31 December 2022 and 2023 shareholders' equity amounted to 3,157.75 million baht and 3,274.07 million baht respectively. Compared to shareholders' equity from 2022-2023 which were an increase from retained earnings – Unappropriated according to the Company's performance.

On 27 February 2024, the Board of Directors approved the payment of dividends for the year from the Company's performance from 1 January 2023 to 31 December 2023. The interim dividend of 8 September 2023 of 0.50 baht per share totaling 300 million baht at par value of 0.50 baht the Board approved an additional dividend of 0.50 baht per share, totaling 600 million shares equivalent to 300 million baht after closing the registration book for shareholders eligible for the dividend on 13 March 2024, to be paid on 10 May 2024.

As of 30 September 2024, shareholders' equity amounted to 3,277.01 million baht, reflecting an increase of 0.1%, driven by an increase in retained earnings alongside the payment of dividends to shareholders.

(2) Analysis of Operating Performance

Total revenues

(Unit : million baht)

	31 December 2021	31 December 2022	31 December 2023	30 September 2023	30 September 2024
Service revenues	3,498.24	3,589.72	3,684.95	2,753.47	2,984.03
Dividend income	10.19	9.59	10.78	8.57	4.57
Finance income	26.88	23.50	36.12	20.06	30.76
Other income	148.07	104.12	24.97	47.10	23.88
Total revenues	3,683.38	3,726.93	3,756.82	2,829.20	3,043.24

For the years ended 31 December 2021, 2022, and 2023, the Group reported total revenues of 3,683.38 million baht, 3,726.93 million baht, and 3,756.82 million baht, respectively. The primary sources of revenue included income from non-life insurance brokerage, life insurance brokerage, information technology and software business, and other income.

Total revenue for the year ended 31 December 2022 increased by 43.55 million baht or 1.18% compared to 2021. This was primarily due to the recognition of a one-time gain from the acquisition of a subsidiary at a price below its fair value, amounting to 63.8 million baht in 2021, and additional other income from the reversal TQR's provisions for liabilities, totaling 27.24 million baht. The performance of the non-life insurance brokerage business contributed over 91.1% of the Group's revenue.

Total revenue for the year ended 31 December 2023 increased by 29.89 million baht, or 0.80%, compared to 2022. This growth was driven by an overall increase in insurance product sales, supported by investments in capacity

enhancement and workforce expansion in the sales division during early 2023. The non-life insurance brokerage business contributed over 91.5% of the Group's total revenue.

For the 9 months ended 30 September 2024, total revenue increased by 214.04 million baht, or 7.57%, compared to the same period in 2023. This growth was primarily driven by overall insurance product sales, particularly in motor insurance, where customer trust and satisfaction in the services resulted in a higher number of new purchases and policy renewals.

Total expenses

(Unit : million baht)

	31 December 2021	31 December 2022	31 December 2023	30 September 2023	30 September 2024
Cost of service	1,605.72	1,691.17	1,735.45	1,317.85	1,452.13
Administrative expenses	854.56	923.65	916.98	721.59	715.31
Finance cost	2.45	1.72	25.20	12.58	46.31
Total expenses	2,462.73	2,616.54	2,677.63	2,052.02	2,213.75

For the years ended 31 December 2021, 2022, and 2023, the Group reported total expenses of 2,462.73 million baht, 2,616.54 million baht, and 2,677.54 million baht, respectively. The primary expenses included employee-related costs, commissions and incentives, marketing, policy delivery, advertising and public relations expenses, and other operating costs.

Total expenses for the year ended 31 December 2022 increased by 153.81 million baht, or 6.25%, compared to 2021. This increase was attributed to internal restructuring, additional recruitment to support the growing business, and the expansion of new revenue-generating and profitable business ventures.

Total expenses for the year ended 31 December 2023 increased by 61.09 million baht, or 2.33%, compared to 2022. This rise was due to effective management of service delivery costs and administrative expenses.

Total expenses for the 9 months ended 30 September 2024 increased by 161.73 million baht, or 7.88%, compared to the same period in 2023. This increase was due to the rise in revenue.

5. Other information that could materially affect investors' decision-making (if any).

-None-

6. Directors with a conflict of interest and shareholders with a conflict of interest who are not eligible to vote.

Shareholders with a conflict of interest are considered based on their status as major shareholders who are counterparties to transactions with the company. The list of shareholders with a conflict of interest as of the record date, **11 November 2024**, which is the most recent shareholder registration date, is as follows:

No	Name	Shares	%
1	Eternal Growth Corporation Company Limited	306,892,800	51.15
2	Mr. Unchalin Punnipa	22,680,000	3.78
3	Mrs. Napassanun Punnipa	19,138,900	3.19
4	Ms. Somporn Ampaisutthipong	720,000	0.12

The shareholders with a conflict of interest as of the record date for meeting eligibility (Record Date) on 12 December 2024 may differ from the information shown in the table above. The company will update the list of shareholders with a conflict of interest after the record date, which will be included in the invitation letter and documents sent to shareholders in QR code format on 20 December 2024. Shareholders will be notified prior to the meeting and the voting on the relevant agenda.

7. A proxy form that allows shareholders to vote, with the option to nominate at least one audit committee member as the proxy recipient on behalf of the shareholder.

The details of the audit committee members nominated by the Company for shareholders to grant proxy, as well as the proxy form, are provided in the supporting documents for the Extraordinary General Meeting of Shareholders No. 1/2568 (Enclosure 7 and Enclosure 11). The company certifies that the information in this document is accurate and true in all respects and has been prepared with due diligence and caution, prioritizing the interests of shareholders. The information in this document is complete and substantial, and does not mislead any individuals. Additionally, this document is intended solely to provide information and is not intended to be an invitation or offer for the purchase or subscription of securities.
