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**Independent Financial Advisor's Opinion**

**On**

**The Connected Transactions include:**

- 1. Acquisition of Debenture that offered and issued by Connected party**
- 2. Guarantee of Debenture that offered and issued by Connected party**
- 3. Financial Institution loans guarantee to Connected party**

**To Shareholders of**

**TQMalpha**

**TQM Alpha Public Company Limited**

**By**



**Silom Advisory Company Limited**

**27 November 2024**

Date 27 November 2024

To Shareholders of TQM Alpha Public Company Limited

Subject Independent Financial Advisor's opinion on 3 Connected Transactions to providing financial assistance to Easy Lending Company Limited

Regarding to the board of directors meeting of TQM Alpha Public Company Limited ("TQM" or "the Company") no. 6/2024 held on 14 November 2024, there was a resolution to propose the Extraordinary General Meeting of shareholders no. 1/2025 to consider and approve the Connected Transaction with Easy Lending Company Limited ("EL"). Therefore, Silom Advisory Co., Ltd. ("IFA" or "Advisor") as independent financial advisor to provide opinions on agenda no. 3 - 5 as follows:

Agenda 3 the Company propose to the shareholders' meeting to consider and approve connected transaction between the Company and its subsidiaries with Easy Lending Co., Ltd. ("EL"), which is engaged in lending business, a subsidiary in which the Company held 74.00 percent of total shares, whereby the Company's other subsidiaries, namely TQM Insurance Broker Co., Ltd. ("TQMB") and/or TQM Life Insurance Broker Co., Ltd. ("TQML"), will subscribe for no more 250,000 debentures, or not exceeding 250.00 million baht, and interest income not exceeding 33.75 million baht, totaling no more than 283.75 million baht, which is a private offering of debentures to Institutional Investor, Ultra-High Net Worth, High Net Worth (PP(II&UHNW&HNW)).

Agenda 4 the Company propose to the shareholders' meeting to consider and approve connected transaction for financial assistance by guaranteeing the debentures that issued and offered EL in proportion (Agenda 4), which is engaged in lending business, a subsidiary in which the Company held 74.00 percent of total shares, to offer debentures in a private offer to Institutional Investor, Ultra-High Net Worth, High Net Worth (PP(II&UHNW&HNW)), which includes connected persons of the Company ("EL's issuance and offering of debentures"), with a guarantee value not exceeding 503.94 million baht, divided into a principal guarantee of not exceeding 444.00 million baht and an interest guarantee of not exceeding 59.94 million baht.

Agenda 5 the Company propose to the shareholders' meeting to consider and approve the connected transaction for guaranteeing a credit line from a financial institution not exceeding 3,000.00 million baht, consisting of 1. Ratification of credit line guarantee from a financial institution that TQM previously guaranteed for a value of 2,050 million baht and 2. Credit line guarantee from a financial institution for business expansion for a value not exceeding 950 million baht to Easy Lending Co., Ltd. ("EL"), which is engaged in personal lending business, a subsidiary in which the Company held 74.00 percent of total shares for using as a source of funds for business operations and future expansion.

In this regard, the Company has appointed Silom Advisory Co., Ltd. ("IFA" or "Advisor") an independent financial advisor approved by the Securities and Exchange Commission ("SEC") to provide opinions on the Connected Transaction to shareholders of the Company for their consideration.

In order to calculate the number in this report, some figures and values are typically rounded up by two or three digits (as the case may be) in which the derived numbers may not equal to such figure and value appeared in this report.

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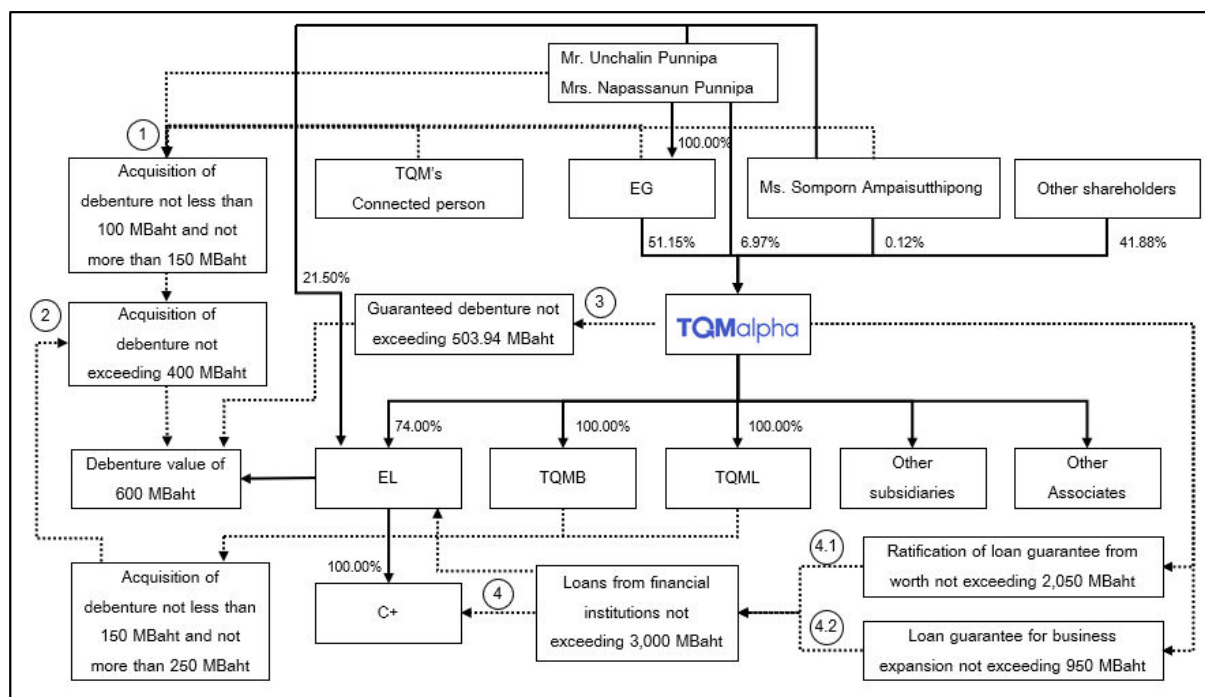
### Glossary

<b>Abbreviation</b>	<b>Definition</b>
TQM or the Company	: TQM Alpha PLC.
EL	: Easy Lending Co., Ltd.
TQMB	: TQM Insurance Broker Co., Ltd.
TQML	: TQM Life Insurance Broker Co., Ltd.
EG	: Eternal Growth Corporation Co., Ltd.
II	: Institutional Investor
UHNW	: Ultra-High Net Worth
HNW	: High Net Worth
IG	: Investment Grade Debenture
Non-IG	: Non-investment Grade Debenture
MLR	: Minimum Loan Rate
MOR	: Minimum Overdraft Rate
MRR	: Minimum Retail Rate
Ke	: "Expected return on Equity" or "Cost of Equity"
NTA	: Net Tangible Asset
SEC	: The Securities and Exchange Commission, Thailand
SET	: The Stock Exchange of Thailand
IFA or IFA	: Silom Advisory Company Limited
IFA's opinion report	: Independent Financial Advisor's opinion report on the Connected transactions
Notification on Connected Transaction	: The Notification of the Capital Market Supervisory Board No. TorJor. 21/2551 Re: Rules on Connected Transaction dated 31 August 2008 and (as amended), and the Notification of Securities and Exchange Commission Re: Disclosure of Information and Other Acts of Listed Companies Concerning Connected Transactions B.E. 2546 dated 19 November 2003 (as amended)
Public Company Limited Act	: Public Limited Companies Act B.E. 2535 (As Amended)
Securities and Exchange Act	: Securities and Exchange Act B.E.2535 (as amended)

### Section 1: Executive Summary

Regarding The Board of Directors' Meeting No. 7/2024 of TQM Alpha Public Company Limited ("TQM" or "the Company") resolved to approve the amendment and addition of the connected transactions approved by the Board of Directors' Meeting No. 6/2024 of the Company held on 14 November 2024, which resolved to propose to Extraordinary General Meeting of Shareholders No. 1/2025 for consideration and approval of the connected transactions with Easy Lending Company Limited ("EL"). Therefore, Silom Advisory Co., Ltd. ("IFA" or "the Advisor") as independent financial advisor for providing opinions in agenda 3 - 5, summarized the preliminary information related to the consideration as follows:

#### 1.1 Transaction structure overview that presented to shareholders



remark: EG refer to Eternal Growth Corporation Co., Ltd.  
 TQMB refer to TQM Insurance Broker Co., Ltd.  
 TQML refer to TQM Life Insurance Broker Co., Ltd.  
 C+ refer to Cashnow Plus Co., Ltd.

According to the resolution of the Board of Directors No. 6/2024 of TQM on 14 November 2024 that related agenda can be summarized as follows:

1. Receiving financial assistance from EG and related persons of TQM by private offering debenture that issued and offered by EL with a value not less than 100 million baht and not more than 150 million baht (TQM's board of directors resolved to approve the transaction on 14 November 2024)
2. Acquisition of debenture that issued and offered by EL with a value not less than 150 million baht and not more than 250 million baht through TQM's subsidiaries, namely TQMB and TQML, in which the Company held 100 percent of total shares (Agenda 3)

Note: The total value of the debenture purchases of items 1) and 2) does not exceed 400 million baht.

3. The Company will provide financial assistance to EL by guaranteeing the debenture issued and offered by EL in proportion (74.00 percent) of the principal value of 444.00 million baht and interest of 59.94 million baht, totaling value not exceeding 503.94 million baht (Agenda 4).
4. The Company will provide financial assistance to EL by guaranteeing loans from financial institutions not exceeding 3,000 million baht (Agenda 5), divided into:
  - 4.1 Ratification loan guarantee from financial institutions that TQM has previously guaranteed for a value of 2,050 million baht.
  - 4.1 Loan guaranteed from financial institutions for business expansion with a value not exceeding 950 million baht.

**Information of debenture that issued and offered by EL**

Based on received information from the Company and EL's Board of Directors Meeting No. 4/2024 on 11 October 2024, the Board of Directors resolved to approve the issuance and offering of debenture with the following detail:

Topic	Detail
Distributors and/or Debenture holders' representatives	Trinity Securities Company Limited
Debenture Registrar	Bangkok Bank Public Company Limited
Purpose of issuing debenture	To be used for EL's transactions and as working capital for the business within 3 years to support future growth.
Offering Type	<p>Private placement offering to financial institutions, ultra-high net worth investors and/or high net worth investors (PP(II&amp;UHNW&amp;HNW)) divided into 2 groups as follows:</p> <p>Group 1 Major shareholders and subsidiaries combined with connected party, not exceeding 400 million baht, to reduce the risk of not being able to raise the full amount of debenture funds, which includes:</p> <ol style="list-style-type: none"> <li>(1) TQM Insurance Broker Co., Ltd. ("TQMB") is a subsidiary company in which the Company is the major shareholder, holding 100 percent of the total shares of the Company.</li> <li>(2) TQM Life Insurance Broker Co., Ltd. ("TQML") is a subsidiary company in which the Company is the major shareholder, holding 100 percent of the total shares of the Company.</li> <li>(3) Eternal Growth Corporation Co., Ltd. (EG) is the major shareholder of the Company, holding 51.15 percent of the total shares of the Company.</li> <li>(4) Connected party such as major shareholders, directors and/or executives of the Company and its subsidiaries.</li> </ol> <p>However, when combining the amount of debenture purchases by connected party according to items (1) - (4), it must not exceed 400 million baht and the amount of debenture purchases by related persons according to the following details:</p> <p style="padding-left: 40px;">Sections (1) and (2) shall subscribe for debenture in total not less than 150 million baht and the total amount shall not exceed 250 million baht.</p> <p style="padding-left: 40px;">Sections (3) and (4) shall subscribe for a total of no less than 100 million baht in debenture, and shall not exceed 150 million baht in total, with the allocation value determined by consideration of TQMB and</p>



Topic	Detail
	<p>TQML's liquidity and negotiations with related persons of the Company.</p> <p>Group 2 Private placement not related to the Company and subsidiaries, not exceeding 600 million baht</p> <p>The order of offering will be set to be offered to persons in Group 2 first, not exceeding 600 million baht, and will be offered to persons in Group 1, namely TQMB, TQML, EG and related persons, respectively. However, when combined, the amount of debenture purchases in Group 1 and Group 2 must not exceed 600 million baht.</p>
Amount issued and offered	Not exceeding 600.00 million baht
Interest rate	Fixed interest rate of 4.50 percent per annum
Term	3 years from the date of issue and offering of debenture
Debenture type	Long-term debenture, registered type, non-inferior type, partially secured, with a debenture holder representative and the issuer has the right to redeem the debenture before the maturity date.
Guaranty	Partial guarantee of debenture at 74 percent of principal and interest (in case that shareholders approve financial assistance by guaranteed of debenture worth no more than 503.94 million baht)
Debt covenant condition	There are no requirements to maintain financial ratios.
Interest payment condition	Pay interest every 3 months
Early debt redemption	The issuer has the right to redeem the debenture prior to the maturity date, which can be exercised after 6 months from the issue date and every 3 months on the interest payment date.

Source: 1. Minutes of the EL Board of Directors Meeting No. 4/2024 on 11 October 2024

2. Draft prospectus for the issuance and offering of EL debenture received from the Company

## 1.2 Acquisition of Debenture that Offered and issued by Connected party (Agenda 3)

### 1.2.1 Characteristics of the Transaction

The Board of Directors' Meeting No. 7/2024 of TQM Alpha Public Company Limited ("TQM" or "the Company") resolved to approve the amendment and addition of the connected transaction approved by the Board of Directors' Meeting No. 6/2024 held on 14 November 2024 which resolved to request an approval from the shareholders' meeting to consider and approve connected transaction between the Company and its subsidiaries with Easy Lending Company Limited ("EL") (Agenda 3) which is engaged in personal lending business with the main products being insurance premium loans, car registration as collateral loans, and personal loans with collateral, whereby EL has subsidiary, Cashnow Plus Company Limited ("C+") in which EL held 100.00 percent of total shares which commenced its business on 28 December 2023 with the main product being consignment loans and secured personal loans. EL is a subsidiary of the Company held 74.00 percent of total shares, while other subsidiaries of the Company, namely TQM Insurance Broker Co., Ltd. ("TQMB") and/or TQM Life Insurance Broker Co., Ltd. ("TQML"), will subscribe for no less than 150,000 debenture, or 150.00 million baht, and no more than 250,000 shares, or 250.00 million baht, and interest received from debenture of no less than 20.25 million baht or no more than 33.75 million baht, totaling no less than 170.25 and no more than 283.75 million baht, which is private offering of debenture to institutional investors, ultra-high net worth, and/or high net worth (PP(II&UHNW&HNW))

The Acquisition of debenture issued and offered by connected party is considered an acquisition of the Company's assets pursuant to the Notification of the Capital Market Supervisory Board No. TorJor. 20/2551 on the Criteria for Acquisition or Disposal of Assets Transaction (As Amended) and the Notification of the Stock Exchange of Thailand on Disclosure of Information and Operations of Listed Companies in the Acquisition or Disposal of Assets B.E. 2547 (As Amended) (the "Notification of Acquisition or Disposal of Assets"), as the Company's subsidiaries will acquire assets with significant value or transaction size. When calculating the transaction size according to the Notification of Acquisition or Disposal of Assets, the highest transaction size is 4.76 percent based on the total value of consideration (referring to the Company's latest consolidated financial statements ending on 30 September 2024). When combined with other asset acquisitions occurring in the past 6 months prior to this transaction, the Company's asset acquisition transaction is 9.88 percent, which is considered a small transaction because the transaction size is less than 15 percent, which is within the approval authority of the Company's Board of Director meeting.

In addition, this transaction is considered as providing financial assistance to connected persons under the Capital Market Supervisory Board Announcement No. TorJor. 21/2551 on Connected Transactions Criteria dated 31 August 2008 (As Amended) ("Capital Market Supervisory Board Announcement No. TorJor. 21/2551") and the Stock Exchange of Thailand Announcement on Disclosure of Information and Operations of Listed Companies in Connected Transactions B.E. 2546 dated 19 November 2003 (As Amended) ("Connected Notification") because the transaction is between TQMB, a subsidiary which the Company holds 100.00 percent of total shares, and TQML, a subsidiary in which the Company held 100.00 percent of total shares, and EL, a subsidiary in which the Company held 74.00 percent of total ordinary shares with related persons of the Company held EL ordinary shares, namely (1) Mr. Unchalin Punnipa, who holds the position of Chairman of the Board, Chairman of the Risk Management and Sustainable Development Committee and Chairman of the Company directly holds 22.68 million ordinary shares of the Company, (2) Mrs. Napassanun Punnipa holds the position of Director, Chairman of the Executive Committee, Nomination and Remuneration Committee, and Chief Executive Officer, directly holding 19.14 million ordinary shares of the Company, where (1) Mr. Unchalin Punnipa and (2) Mrs. Napassanun Punnipa indirectly hold a total of 306.89 million ordinary shares of the Company, totaling directly and indirectly holding 348.71 million ordinary shares of the Company, or 58.12 percent of total registered and paid-up capital of the Company, and (3) Miss Somporn Ampaisutthipong held the position of Director, Executive Committee, and Chief Financial Officer (CFO), directly holding 720,000 ordinary shares of the Company. The number of shares of the Company refers to the shareholder register on 11 November 2024, which is latest closing date of the shareholder register and holding 430,004 ordinary shares of EL (1+2+3) or 21.50 percent of EL's total registered and paid-up capital, which has a financial assistance transaction size to related persons of no more than 283.75 million baht, accounting for 13.51 percent of the Company's NTA as of 30 September 2024. However, the Company and EL have no financial assistance transactions in the past 6 months, and there are transactions that the Company's board of directors has resolved to propose to shareholders to provide financial assistance to EL on other agenda with total value not exceeding 3,503.94 million baht, resulting in a total financial assistance transaction size to EL of no more than 3,787.69 million baht or 180.31 percent of NTA. Since the value of such transaction exceeds 100 million baht or exceeds 3 percent of the Company's NTA, whichever is lower, it is considered as large transaction. Therefore, the

Company is required to disclose information on the Company's Connected Transactions to the Stock Exchange of Thailand in accordance with the Connected Transaction Notification and appoint an independent financial advisor approved by the Securities and Exchange Commission (SEC) to provide an opinion on the Company's Connected Transactions and request approval for the transaction from the Company's shareholders' meeting with no less than three-fourth of the total number of shareholders attending the meeting and having the right to vote, excluding votes of interested shareholders.

### **1.2.2 Objective of the Transaction**

TQM Alpha Public Company Limited ("TQM") intends to acquire debenture that issued and offered by Easy Lending Company Limited ("EL") through TQM Insurance Broker Co., Ltd. ("TQMB") and TQM Life Insurance Broker Co., Ltd. ("TQML"), which are subsidiaries of TQM in which the Company held 100.00 percent of total shares, with a value of not less than 150 million baht and not more than 250 million baht in total to manage the working capital of companies within the group for maximum benefit and to be used in EL's business operations, as well as working capital within 3 years to support future expansion.

### **1.2.3 Appropriateness related to entering into the transaction**

#### **1.2.3.1 Appropriateness of loan interest rate**

From the consideration of the acquisition of debenture issued and offered by EL with value of not less than 150.00 million baht and not more than 250.00 million baht with an interest rate of 4.50 percent per annum, IFA has studied the market interest rate of the debenture which are at a level lower than investment grade (Non-Investment Grade: Non-IG) because the debenture issued and offered by EL are not graded in order to compare the appropriateness of the interest rate. IFA found that the interest rate of the debenture is in the range between 1.50 - 7.50 percent, but lower than the median of 6.70 percent and lower than the average of 6.09 percent, including the consideration of the expected return on shareholders of the Company (Cost of Equity) at 9.22 percent, which shows that the appropriate investment of the Company by using capital from shareholders' equity should have return higher than the interest rate according to the median, average and expected return on shareholders' equity.

However, the interest rate received is within the market interest rate, including the expected return rate of the Company's shareholders that also include EL's performance as a subsidiary of the Company has been taken into account, and IFA has analyzed the internal rate of return from for additional performance from debenture that EL could issue and offer debenture in full and TQM acquire the debenture with value of 250 million baht. The internal rate of return (IRR) is 4.97 percent per annum along with the consideration of the risks from the business operations, where the Company can set policies, control, and monitor the operations of EL as a subsidiary, including reducing the financial cost burden on external parties. Therefore, IFA is of the opinion that the interest rate to be received from the transaction is appropriate.

#### **1.2.3.2 Appropriateness Proportion in considering the transaction**

The Acquisition of debenture issued and offered by EL with a value of not less than 150.00 million baht and not more than 250.00 million baht, representing 37.50-62.50 percent of total allocated value not more than 400.00 million baht after the offering of debenture to external parties. From considering the said proportion,

IFA opined that the acquisition proportion of debenture is appropriate because it is lower than the proportion of the Company holding ordinary shares, which is 74.00 percent of the total registered and paid-up capital of EL. Therefore, the Company will not be at a disadvantage providing financial assistance to EL.

#### 1.2.4 Advantages of entering into the Transaction

##### 1.2.4.1 The Company be able to manage working capital to maximize benefits.

The Company has opportunity to receive higher return from the operating results of EL in proportion to 74.00 percent from the increase in the credit line from the issuance and offering of debenture worth 600.00 million baht if EL can issue and offer the debenture in full amount. The IFA has studied the feasibility of EL's operating results for the issuance of debenture worth 600.00 million baht to expand the credit line for business operations as follows:

(Unit: Million Baht)

Statement of comprehensive income	3M2024 <sup>1</sup> F	2025F	2026F	2027F	2028F	2029F
<b>Total revenue</b>	<b>32.89</b>	<b>187.74</b>	<b>187.74</b>	<b>189.66</b>	<b>136.60</b>	<b>143.56</b>
Cost of service	(7.84)	(42.95)	(43.53)	(44.45)	(36.28)	(38.11)
Administrative expense	(5.77)	(27.66)	(27.17)	(26.91)	(22.46)	(23.80)
<b>Earning before interest and tax (EBIT)</b>	<b>19.28</b>	<b>117.13</b>	<b>117.04</b>	<b>118.30</b>	<b>77.87</b>	<b>81.66</b>
Finance income	0.14	0.16	0.20	0.21	0.15	0.16
Finance cost	(12.14)	(73.29)	(75.51)	(75.51)	(50.79)	(48.52)
<b>Earning before tax (EBT)</b>	<b>7.28</b>	<b>44.01</b>	<b>41.73</b>	<b>42.99</b>	<b>27.24</b>	<b>33.30</b>
Corporate tax expense (20.00%)	(1.26)	(8.80)	(8.35)	(8.60)	(5.45)	(6.66)
<b>Net profit (loss)</b>	<b>6.02</b>	<b>35.21</b>	<b>33.39</b>	<b>34.39</b>	<b>21.79</b>	<b>26.64</b>

Remark: information of study on EL's performance referred to 3.6 Feasibility study of EL performance (Section 3 Page 9)

##### 1.2.4.2 Increase the opportunity to fully funding

The Acquisition of debenture issued and offered by EL with value not exceeding 250.00 million baht will support the Company reduce the risk of raising funds through debenture from external parties because the terms and interest rates of debenture that issued and offered by EL may not be interest to external parties, such as being debenture without risk ratings, incomplete guarantees for debenture damages (if shareholders approve financial assistance by guaranteeing debenture with a value not exceeding 503.94 million baht), and interest rates that may not be attractive to investors, etc. Therefore, the Acquisition of debenture issued and offered by EL will increase the opportunity to raise funds to expand the credit line in complete.

##### 1.2.4.3 Reduce financial costs to be paid to external parties.

The purchase of debenture issued and offered by EL with a value not exceeding 250.00 million baht at an interest rate of 4.50 percent per annum will reduce financial costs to be paid to external parties by 11.25 million baht per annum or 33.75 million baht over the life of the debenture, as such financial costs must be paid to the debenture holders. Therefore, if TQMB and/or TQML are debenture holders, they will be the beneficiaries of the financial costs to be paid to the debenture holders.

## 1.2.5 Disadvantages of entering into the Transaction

### 1.2.5.1 The Company may lose the investment opportunity that provides higher returns.

This financial assistance to EL is limited to a maximum of 250.00 million baht within period of 3 years from the date of issuance and offering of the debenture, which may cause the Company to lose the opportunity to invest in better returns investment during that period.

According to the Company's executives interview, it was found that the Company considered the return on the debenture, the risks and safety of the Company's investment, and the operating results of EL which the Company can operate and verify from the status of EL's parent company, including the Company having no investment plan to expand the business and/or receiving investment proposals that may provide better returns under similar risks.

### 1.2.5.2 The Company's liquidity ratio may decrease while providing financial assistance to EL.

Since the acquisition of debenture issued and offered by EL with a value not exceeding 250.00 million baht is 6.44 of the Company's current assets or 4.19 percent of the Company's total assets, the provision of financial assistance will result in the Company's liquidity ratio changing. In the case that EL can issue and offer debenture as follows:

List	Consolidate statement	Impact of debenture issuance	Impact of issuing debenture and <u>Approved</u>	Impact of issuing debenture and <u>not being approved</u>
	30 Sep 2024			
Current Ratio (times)	1.88x	2.16x	2.04x	2.16x
Quick Ratio (times)	1.84x	2.13x	2.01x	2.13x

According to impact on the liquidity of the Company after issuance and offering of debenture and the transaction, in case that EL can issue and offer debenture in full amount and the Company enters into a transaction with the maximum amount of 250.00 million baht, it will result in the Company's liquidity ratio and quick liquidity ratio being higher because the Company will receive cash according to the number of shares offered and the debenture are not due for payment within 1 year on the transaction date.

Financial Ratio	3M2024 <sup>1</sup> F	2025F	2026F	2027F	2028F	2029F
Current Ratio	1.17	1.64	1.65	1.16	1.25	1.28
Debt to equity Ratio	5.84	7.39	6.63	5.94	3.85	3.57

Source: information of Feasibility Study refer to. 3.6 Feasibility Study of EL Performance: Section 3 Page 9

When considering EL's liquidity ratio from EL's performance for the case where the debenture can be issued and offered in full amount, the current ratio is between 1.16 - 1.65 times during 2025 - 2027, which is higher than 2005 - 2027 that no debenture issuance at between 1.18 - 1.21 times because EL has more cash and loans while the debenture are not due until 2028. EL's debt to equity ratio in the case of debenture issuance is between 5.94 - 7.39 times, which is higher than 2025 -2027 that no debenture issuance because the company will have an increase in debenture debt of 600.00 million to reflecting the increased risk in doing business because the company operates with a financial structure that is more indebted.

In this regard, when considering the business conditions of TQMB and TQML, subsidiaries which TQM held 100.00 percent of total shares, it was found that both companies are under supervision of the Office of Insurance Commission (OIC) in terms of insurance premiums as specified and already reserved this amount in complete. The fund that will be invested is profit from business operations, which is not related to insurance premiums as specified by OIC. TQMB and TQML are required to reserve consisting of 1. Government bonds worth 50 million baht, 2. Fixed deposit accounts worth 1 million baht. When considering highly liquid assets of TQMB and TQML, total value is 1,629.28 million baht, consisting of 1. Cash and cash equivalents, 2. Accrued service income and other receivables, and 3. Other current financial assets, deducting the value of assets that must be reserved by OIC of TQMB and TQML, there will still be highly liquid assets that can be invested in 1,578.28 million baht, which shows the adequacy of assets if the debenture are purchased in complete.

## **1.2.6 Advantages of entering into the Transaction with Connected party**

### **1.2.6.1 Flexibility in negotiation and coordination and flexibility in setting loan terms**

Since EL is a subsidiary with common shareholders and directors, communication between the two companies is more flexible than negotiating with external parties. The Company can track performance and payments in each payment cycle and can inquire about necessary information about financial status and debt repayment ability more conveniently than doing transactions with external parties.

## **1.2.7 Disadvantages of entering into the Transaction with Connected party**

### **1.2.7.1 Risk of being controlled by Connected party in terms of contract**

In general, entering into a transaction with a connected party may have disadvantages in terms of bargaining power over terms and conditions for this transaction. Since EL shareholders are major shareholders and controlling persons of the Company, this transaction may not allow the Company to fully negotiate terms and conditions when compared to entering into a transaction with an external party.

However, the Company has carefully considered the safety of the investment and the operating outlook of EL and expects that the increased performance of EL will be sufficient to pay the financial costs and repay the principal when due.

### **1.2.7.2 The Company may lose investment opportunities from third parties.**

the Company may lose the opportunity to receive offers and information on new investment projects from external parties, which may have better returns and business expansion, or new partners with potential support the Company's operations, which may result in the Company receiving increased profits from new businesses or new business channels also new technologies that may be obtained from new partners.

## **1.2.8 Risk from entering into the Transaction**

### **1.2.8.1 Risk of Liquidity risk**

For 2021, 2022, 2023 and 9 months period of 2024, group of the Company had a current ratio of 3.19, 2.22, 2.45 and 1.88 times and a quick ratio of 3.12, 2.16, 2.18 and 1.84 times, respectively. The Company's liquidity ratio decreased mainly from the increase in current liabilities from loans for business expansion, while

current assets also grew but in a lower proportion. Current assets increased from personal loans and other loans, and accrued service income and other receivables grew. It had a continuous decrease in current and non-current financial assets from the management of debt instruments, equity instruments and the recognition of losses from the measurement of such assets.

When considering the impact of the purchase of debenture issued and offered by EL with a value not exceeding 250.00 million baht, the Company's liquidity ratio will decrease from 2.16 times to 2.04 times and the quick ratio will decrease from 2.13 to 2.01 times in the case that EL can issue and offer debenture in full, which shows that the Company has sufficient liquidity for the transaction and will continue to have sufficient liquidity for its business operations because the Company will still have current assets higher than the Company's current liabilities.

#### **1.2.8.2 Risk of default**

In General, investing in debenture is similar to lending money to another person, where the lender will receive interest as return. Therefore, if the borrower uses it incorrectly or is unable to repay on the due date, the lender will lose the principal and interest from the loan. However, by providing financial assistance to EL this time, the Company can control and monitor the performance of EL to repay, since EL is a subsidiary of TQM, holding 74.00 percent of total shares, from the date of issuance and offering until repayment date.

When considering EL's performance as of 30 September 2024, EL's cumulative performance for 9 months showed insufficient earning before financial costs and income tax to cover EL's financial costs, resulting in a net loss of 0.97 million baht and causing EL to be unable to maintain its financial ratio according to the credit line conditions received from 2 financial institutions, totaling 800 million baht. Therefore, if such credit line is requested or cancelled, EL may be unable to repay the debt from the debenture and/or have an impact on its business operations. From interviews with EL's executives, it was found that as of the date of this report, EL is in the process of requesting a financial status exemption from the financial institutions, which is expected to be completed within the first quarter of 2025, and EL's cost and expense structure has been adjusted in terms of office rent and employee expenses, which is expected to help reduce costs and expenses by a total of approximately 14.11 million baht per year. IFA has studied the feasibility of EL's operations under the condition that EL will be able to maintain the credit line as of 30 September 2024, with an increase in the credit line of 600 million baht, which is the maximum value of debenture issuance and offering under the adjustment of employee costs and office rent for September 2024, EL is expected to return to profitability in 2025 and will have the ability to repay debt within 3 years, based on the debenture maturity (Feasibility Study information, Section 3.6 Feasibility Study of EL's Performance: Part 3, Page 9).

Therefore, if EL can negotiate for an exemption with financial institutions and maintain costs and expenses as of September 2024, it will result in EL being able to return to profit and could pay in the future.

#### **1.2.8.3 Risk of contract terms being controlled by major shareholders**

Since EL has shareholders who are major shareholders and those with controlling power of the Company who have some control over the business through sending representatives to participate in the management and some decisions of the Company, there is a risk that the Company may be controlled to enter

into transactions to provide and receive financial assistance that does not provide the Company the greatest benefit.

However, the Company has carefully considered the safety of the investment and the operating outlook of EL and expects that the increased performance of EL will be sufficient to pay the financial costs and repay the principal when due.

### **1.2.9 Summary of IFA's opinion on the Transaction**

IFA has considered the reasonableness of the transaction by considering the appropriateness of the debenture's interest rate and the conditions of the transaction, advantages and disadvantages of entering into the transaction, advantages and disadvantages of entering into the transaction with connected persons compared to third parties, and risks of the transaction. For the reasons stated above, IFA, as an independent financial advisor opined that providing financial assistance to EL will provide the Company with an alternative to efficiently manage cash flow and returns from interest rates and operating results in proportion under the conditions of the transaction that are appropriate and beneficial to the Company. Therefore, **IFA opined that the Company's shareholders should approve the Acquisition of debentures issued and offered by EL with a value not less than 150 million baht and not more than 250.00 million baht.**

## **1.3 Guarantee of debenture offered and issued by connected party in the proportion (Agenda 4)**

### **1.3.1 Background of the Transaction**

The Board of Directors' Meeting No. 7/2024 of TQM Alpha Public Company Limited ("TQM" or the "Company") resolved to approve the amendment and addition of the connected transactions approved by the Board of Directors' Meeting No. 6/2024 held on 14 November 2024, which resolved to approve the entering into the connected transactions for financial assistance by guaranteeing the debentures in proportion to debenture that issued and offered by Easy Lending Company Limited ("EL") (Agenda 4), which is engaged in the lending business, a subsidiary in which the Company held 74.00 percent of total shares, which will offer in a private offer to Institutional Investor, Ultra High Net Worth and/or High Net Worth (PP(II&UHNW&HNW)), which includes the Company's related persons ("Issuance and Offering of EL's Debentures"), with the guarantee value not exceeding 503.94 million baht, divided into the principal guarantee obligation not exceeding 444.00 million baht and interest guarantee obligation not exceeding 59.94 million baht.

This transaction is considered as Connected Transaction of providing financial assistance to connected party pursuant to the Notification of the Capital Market Supervisory Board No. Tor.Jor. 21/2551 Re: Rules on Connected Transactions dated 31 August 2008 (As Amended) ("Notification of the Capital Market Supervisory Board No. Tor.Jor. 21/2551") and the Notification of the Stock Exchange of Thailand Re: Disclosure of Information and Other Acts of Listed Companies in Connected Transactions B.E. 2546 (As Amended) (collectively referred to as "Connected Transactions Notification") it is a transaction with a subsidiary of the Company which has related persons of the Company, namely Mr. Unchalin Punnipa, Mrs. Napassanun Punnipa and Miss Somporn Ampaisutthipong who are major shareholders and/or directors and/or executives of the Company and stakeholders. Including the holding of ordinary shares in the Company and its subsidiaries, both



directly and indirectly, totaling 349,431,700 shares, or 58.24% of the Company's total registered and paid-up capital. When calculating the transaction size according to the criteria of the Connected Transaction Notification, it is found that it is a large transaction with equal to 23.99% of the Company's net tangible assets as of 30 September 2024. However, the Company and EL have not provided financial assistance in the past 6 months and there are transactions that the Company's board of directors has resolved to propose to shareholders to provide financial assistance to EL on other agendas with a total value not exceeding 3,283.75.00 million baht, resulting in the total size of the financial assistance transaction to EL not exceeding 3,787.69 million baht or 180.31% of NTA, which is more than 100.00 million baht or 3% of the Company's net tangible assets (NTA), whichever is lower, according to the Connected Transaction Notification. This makes the transaction a large Connected Transaction. The Company is required to request approval from the shareholders' meeting with a vote of not less than three-fourth of the total number of votes of the shareholders attending to the meeting and having right to vote, excluding the votes of the interested shareholders, and disclose transaction information on SET and appoint an independent financial advisor to provide an opinion on the transaction. The Company will present it to the shareholders' meeting for consideration at the Extraordinary General Meeting of Shareholders No. 1/2025, scheduled to be held on 6 January 2025.

In this regard, the Company has appointed Silom Advisory Company Limited which is a financial advisor certified by the Securities and Exchange Commission ("the SEC"), as the independent financial advisor ("the IFA") To provide opinions on the connected transaction to the Company's shareholders for consideration.

### **1.3.2 Objective of the Transaction**

The Company intends to guarantee the principal and interest of the debenture to be issued and offered by Easy Lending Company Limited ("EL"), a subsidiary in which TQM holds a 74.00 percent stake, to increase the reliability of raising funds for business expansion and/or as working capital in the lending business.

### **1.3.3 Appropriateness related to entering into the transaction**

#### **1.3.3.1 Appropriateness Proportion in considering the transaction**

The total value of the debenture guaranteed is 503.94 million baht, or 74.00 percent of the total debt arising from the issuance and offering by EL. The IFA considers that the proportion is appropriate because it is a guarantee in proportion to the shareholding in EL, even though other shareholders do not guarantee. It is also considered that this guarantee will increase the credibility of the debenture to be issued and offered, as well as reducing the burden of capital increase from EL shareholders if necessary for business operations.

### **1.3.4 Advantages of entering into the Transaction**

#### **1.3.4.1 Expected return from EL's operations**

The Company has the opportunity to receive higher return from the operating results of EL in proportion to 74.00 percent from the increase in the credit line from the issuance and offering of debenture worth 600.00 million baht if EL can issue and offer the debenture in full amount. The IFA has studied the feasibility of EL's operating results for the issuance of debenture worth 600.00 million baht to expand the credit line for business operations as follows:

(Unit: Million Baht)

Statement of comprehensive income	3M2024 <sup>1</sup> F	2025F	2026F	2027F	2028F	2029F
<b>Total revenue</b>	<b>32.89</b>	<b>187.74</b>	<b>187.74</b>	<b>189.66</b>	<b>136.60</b>	<b>143.56</b>
Cost of service	(7.84)	(42.95)	(43.53)	(44.45)	(36.28)	(38.11)
Administrative expense	(5.77)	(27.66)	(27.17)	(26.91)	(22.46)	(23.80)
<b>Earning before interest and tax (EBIT)</b>	<b>19.28</b>	<b>117.13</b>	<b>117.04</b>	<b>118.30</b>	<b>77.87</b>	<b>81.66</b>
Finance income	0.14	0.16	0.20	0.21	0.15	0.16
Finance cost	(12.14)	(73.29)	(75.51)	(75.51)	(50.79)	(48.52)
<b>Earning before tax (EBT)</b>	<b>7.28</b>	<b>44.01</b>	<b>41.73</b>	<b>42.99</b>	<b>27.24</b>	<b>33.30</b>
Corporate tax expense (20.00%)	(1.26)	(8.80)	(8.35)	(8.60)	(5.45)	(6.66)
<b>Net profit (loss)</b>	<b>6.02</b>	<b>35.21</b>	<b>33.39</b>	<b>34.39</b>	<b>21.79</b>	<b>26.64</b>

Remark: information of study on EL's performance referred to 3.6 Feasibility study of EL performance (Section 3 Page 9)

#### 1.3.4.2 Increased opportunity to raise funds in full from debenture

The guarantee of the debenture issued and offered by EL in proportion, with a value not exceeding 503.94 million baht, will help the debenture to be issued and offered to be more reliable because EL is not a listed company with no credit rating for the debenture. Therefore, it may not be of interest to investors. Therefore, the guarantee by the company will help investors view the debenture issued and offered by EL as debenture issued and offered by the Company, which is more reliable and the Company has the ability to repay both the principal and interest from the debenture.

#### 1.3.5 Disadvantages of entering into the Transaction

##### 1.3.5.1 No fee is received from the guarantee

The Company will not receive any compensation from the guarantee of debenture worth 503.94 million baht. If the Company guarantees for other persons, it may result in the Company receiving a guarantee fee according to the amount that the Company will have to bear. However, the Company guaranteeing debenture for EL will help reduce the burden of guarantees from external parties, which will affect the Company's overall performance from the preparation of consolidated financial statements and increase the credibility of fundraising through the issuance and offering of debenture of EL.

##### 1.3.5.2 Liabilities arising from guarantees

The Company will have additional liabilities from the guarantee of 503.94 million baht if EL defaults or performs any action that causes the debenture holders to be able to demand repayment before the due date. However, since EL is a subsidiary of the Company, the Company will recognize the liabilities arising from the issuance and offering of the debenture in full. Therefore, the Company's guarantee of EL's debenture will not affect the Company's financial status.

#### 1.3.6 Advantages of entering into the Transaction with Connected party

##### 1.3.6.1 Flexibility in negotiation and coordination and flexibility in setting loan terms

Since EL is a subsidiary with common shareholders and directors, communication between the two companies is more flexible than negotiating with external parties. The Company can track performance and payments in each payment cycle and can inquire about necessary information about financial status and debt repayment ability more conveniently than doing transactions with external parties.

### **1.3.7 Disadvantages of entering into the Transaction with Connected party**

#### **1.3.7.1 Risk of being controlled by Connected party in terms of contract**

In general, entering into a transaction with a connected party may have disadvantages in terms of bargaining power over terms and conditions for this transaction. Since EL shareholders are major shareholders and controlling persons of the Company, this transaction may not allow the Company to fully negotiate terms and conditions when compared to entering into a transaction with an external party.

However, the Company has carefully considered the safety of the investment and the operating outlook of EL and expects that the increased performance of EL will be sufficient to pay the financial costs and repay the principal when due.

### **1.3.8 Risk from entering into the Transaction**

#### **1.3.8.1 Risk of not receiving shareholder approval**

If the shareholders do not approve the guarantee of the debenture worth 503.94 million baht, it may result in EL, as a subsidiary in which the Company holds 74.00 percent of the shares, having to find a new guarantor to increase the credibility of the debenture issued and offered for sale, and it may result in EL having higher costs from guarantees from other parties, which will also affect the Company's costs and expenses.

#### **1.3.8.2 Risk of default**

In general, in the case of loan guarantee, if the guarantor fails to repay on the payment date, the guarantor will be liable to pay the guaranteed debt instead. Therefore, in guaranteeing the debenture for EL this time, if EL fails to repay the debt, the Company will be liable to pay the resulting debts totaling 503.94 million baht. However, the Company can control and monitor the performance and readiness of EL to repay since EL is considered a subsidiary of TQM, holding 74.00 percent of the shares, from the date of issuance and offering until the due date for repayment of the debenture.

When considering EL's performance as of 30 September 2024, EL's cumulative performance for 9 months showed insufficient earning before interest and tax to pay EL's financial costs, resulting in a net loss of 0.97 million baht and causing EL to be unable to maintain its financial status according to the credit line conditions received from 2 financial institutions totaling 800 million baht. Therefore, if such a credit line is requested or cancelled, EL may be unable to repay the debt from the debenture and/or have an impact on the business operations. From interviews with EL's executives, it was found that as of the date of this report, EL is in the process of requesting a relaxation of financial status from the financial institutions, which is expected to be completed within the first quarter of 2025, and EL's cost and expense structure has been adjusted in terms of office rent and employee expenses, which is expected to help reduce costs and expenses by a total of approximately 14.11 million baht per year. IFA has studied the feasibility of EL's operations under the condition

that EL will be able to maintain the credit line as of 30 September 2024, with an increase in the credit line of 600 million baht, which is the maximum value of debenture issuance and offering. Under the adjustment of employee costs and office rental for September 2024, EL is expected to return to profit in 2025 and will have the ability to repay debt within 3 years, based on the debenture maturity (Feasibility study details in Section 3.6 Feasibility Study of EL's Performance: Part 3, page 9).

Therefore, if EL can negotiate for a relaxation with financial institutions and can reduce costs and expenses, it will result in EL being able to return to profit and could pay debts in the future.

#### **1.3.8.3 Risk of contract term being controlled by major shareholders**

Since EL has shareholders who are major shareholders and those with controlling power of the Company who have some control over the business through sending representatives to participate in the management and some decisions of the Company, there is a risk that the Company may be controlled to enter into transactions to provide and receive financial assistance that does not provide the Company the greatest benefit.

However, the Company has carefully considered the safety of the investment and the operating outlook of EL and expects that the increased performance of EL will be sufficient to pay the financial costs and repay the principal when due.

#### **1.3.9 Summary of IFA's opinion on the Transaction**

The IFA has considered the reasonableness of the transaction and the conditions of the transaction, advantages and disadvantages of the transaction, advantages and disadvantages of the transaction with a connected party compared to an external party, and risks from the Transaction. For the reasons stated above, the IFA, as an independent financial advisor, is of the opinion that providing financial assistance to EL will provide the Company with an opportunity to receive returns from the expansion of its lending business, which will be beneficial to the Company. **IFA opined that the Company's shareholders should approve the Guarantee of debentures issued and offered by EL in proportion with a value not exceeding 503.94 million baht.**

#### **1.4 Guarantee loans from Financial Institutions to Connected party (Agenda 5)**

##### **1.4.1 Characteristics of the Transaction**

The Board of Directors' Meeting No. 7/2024 of TQM Alpha Public Company Limited ("TQM" or the "Company") has resolved to approve the amendment and addition of the connected transaction approved by the Board of Directors' Meeting No. 6/2024 held on 14 November 2024 which resolved to approve the proposal of the connected transaction for loan guarantee from financial institutions (Agenda 5), explicitly total loan guarantee not exceeding 3,000 million baht because Easy Lending Co., Ltd. ("EL") was initially established by TQM Alpha Public Company Limited and started requesting credit lines from financial institutions with a registered capital of only 50 million baht. The financial institutions approved the credit line with the requirement that the Company need guarantees. The credit line is not been fully utilized and remaining shareholders holding 26.00 percent cannot guarantee because they need to post collateral for EL to receive the same credit

conditions as the Company, it is necessary to guarantee for Easy Lending Co., Ltd. ("EL") and Cash Now Plus Co., Ltd. ("C+"), divided into:

- (1) Ratification of guarantee transactions for EL and C+ companies totaling 2,050 million baht because the Board of Directors' Meeting No. 5/2021, held on 11 November 2021, resolved to approve EL to request credit lines with various banks with the company as guarantor in accordance with the lending conditions of financial institutions and approved by Chief Financial Officer (CFO) to consider. In addition, in approving credit lines from financial institutions, financial institutions will gradually approve the credit lines, not all at once. The total credit lines of EL's financial institutions are 1,850 million baht and C+'s are 200 million baht. Therefore, the Company is required to request ratification from shareholders to enter into credit line guarantee transactions from financial institutions of EL and C+ as mentioned above because the Company has gradually guarantee transactions with financial institutions have gradually approved credit lines for the Company, resulting in the connected transaction being large transaction size and required to request ratification from the shareholders' meeting and/or
- (2) Request for additional credit guarantee for EL and C+ in the amount of 950 million baht, which has not been used and the Company has not guaranteed to support business expansion and/or as working capital, including other necessities and appropriateness for future activities of EL and C+

Entering into the above transaction is considered as connected transaction Tor.Jor. 21/2551 regarding the criteria for connected transaction dated 31 August 2008 (as amended) ("Notification of the Capital Market Supervisory Board No. Tor.Jor. 21/2551") and the Notification of the Stock Exchange of Thailand regarding the disclosure of information and operations of listed companies in connected transaction dated 19 November 2003 (as amended) (collectively referred to "the Notification of Connected transaction") this consideration as a transaction with subsidiary of the Company which has related persons, namely Mr. Unchalin Pannipa, Mrs. Naphasanan Pannipa and Ms. Somporn Ampaisuttiphong who are major shareholders and/or directors and/or executives of the Company and stakeholders. Including the direct and indirect holding of ordinary shares in the Company and its subsidiaries totaling 349,431,700 shares, or 58.24% of the Company's total registered and paid-up capital. The calculating of transaction size according to the criteria of the Connected Transaction Notification, it is found that it is large transaction with equal to 142.82% of the Company's net tangible assets as of 30 September 2024. However, the Company and EL have not provided financial assistance to each other in past 6 months and there is transactions that the Company's board of directors has resolved to request approval from shareholders to provide financial assistance to EL on other transaction with total value not exceeding 957.94 million baht, resulting in the total size of the financial assistance transaction to EL not exceeding 3,787.69 million baht or 180.31% of NTA, which is more than 100.00 million baht or 3% of the Company's net tangible assets (NTA), whichever is lower, according to the Connected Transaction Notification. This makes the transaction a large transaction. The Company is required to request approval for the connected transaction from the shareholders' meeting with a vote of not less than three-fourth of the total number of votes

of the shareholders attending the meeting and having the right to vote, excluding the votes of the interested shareholders, and prepare a disclosure of information on the transaction and appoint an independent financial advisor to provide an opinion on the transaction. The Company will present it to the shareholders' meeting for consideration and resolution at the Extraordinary General Meeting of Shareholders No. 1/2025, scheduled to be held on 6 January 2025.

#### **1.4.2 Rationale of Ratification of loan guarantee from Financial Institutions to EL with total value 2,050 million baht**

##### **1.4.2.1 Objective of the Transaction**

TQM Alpha Public Company Limited ("TQM") intends to guarantee a credit line from financial institutions for Easy Lending Company Limited ("EL"), a subsidiary of TQM holding 74.00 percent of total share. In guaranteed limit, the loan from financial institutions that TQM had previously guaranteed is worth 2,050 million baht as source of funds for conducting the lending business.

##### **1.4.2.2 Appropriateness related to entering into the transaction**

###### **1.4.2.2.1 Appropriateness of interest rates received from Financial Institutions**

The interest rate received from financial institutions that the Company guaranteed the credit line for EL as of 30 September 2024, was 3.45 - 3.65 percent per annum, referring to EL's audited financial statements for 2023, which is lower than the market interest rate that financial institutions provide loans at 6.90 - 7.60 percent per annum, referring to the Minimum Loan Rate (MLR) from the Bank of Thailand on 14 November 2024. Therefore, IFA opined that the interest rate that EL receives from the financial institution is appropriate and will be able to facilitate EL manage its expenditure, which will reflect EL's performance in the Company's financial statements in the future.

###### **1.4.2.2.2 Appropriateness Proportion in considering the transaction**

Due to the loan guarantee from a financial institution, it is only guarantee by TQM that exceeds the proportion of ordinary shares held by the Company in EL at 74.00% because it is requirement of the first financial institution that specifies that TQM must provide 100% guarantee without other minor shareholders of EL to be guarantor for credit line (based on the documents the company received). Therefore, when remaining financial institutions known this condition, other financial institutions required similar condition as first financial institution to require TQM guarantee 100% of credit lines of EL and C+ as well, without requiring from minority shareholders of EL, referring to TQM board of directors meeting 7/2024 held on 7 December 2024.

IFA considered that this excessive loan guarantee is appropriate because it complies with the conditions for requesting a credit line from a financial institution in order to receive an interest rate between 3.45 - 3.55 percent per annum. Although the Company has increased its debt burden from the guarantee, which is not consistent with proportion, and the remaining shareholders of 26 percent of EL's registered and paid-up capital, even if they pledge collateral to the financial institution, EL will not receive the interest rate and conditions currently received from the financial institution, and EL has no history of default since the date of the company's registration until at this moment.

**1.4.2.3 Advantages of entering into the Transaction****1.4.2.3.1 Expected return from EL's operations from loans received from financial institutions**

The Company has the opportunity to receive return from EL's performance in proportion to 74.00 percent, if EL can provide the full credit limit requested from financial institutions. IFA has studied the performance in case that EL can continue its business after adjusting the cost and expense structure as follows:

(Unit: million baht)

<b>Profit and Loss Projection</b>	<b>3M2024<sup>1</sup>F</b>	<b>2025F</b>	<b>2026F</b>	<b>2027F</b>	<b>2028F</b>	<b>2029F</b>
<b>Total Revenue</b>	<b>32.89</b>	<b>131.57</b>	<b>132.37</b>	<b>135.71</b>	<b>137.86</b>	<b>140.10</b>
Cost of Service	(7.84)	(33.62)	(34.33)	(35.49)	(36.49)	(37.53)
Administrative Expense	(5.77)	(22.71)	(22.97)	(22.83)	(23.22)	(23.48)
<b>Earnings before interest and taxes</b>	<b>19.28</b>	<b>75.25</b>	<b>75.07</b>	<b>77.39</b>	<b>78.15</b>	<b>79.09</b>
Interest Income	0.14	0.14	0.15	0.15	0.15	0.15
Financial Cost	(12.14)	(48.54)	(48.51)	(48.51)	(48.54)	(48.52)
<b>Earnings before taxes</b>	<b>7.28</b>	<b>26.85</b>	<b>26.70</b>	<b>29.03</b>	<b>29.76</b>	<b>30.73</b>
Income Tax (20.00%)	(1.26)	(5.37)	(5.34)	(5.81)	(5.95)	(6.15)
<b>Net Profit</b>	<b>6.02</b>	<b>21.48</b>	<b>21.36</b>	<b>23.22</b>	<b>23.81</b>	<b>24.58</b>

Remark: EL performance information refer to 3.6 Feasibility study of EL performance: section 3, page 9

**1.4.2.3.2 Maintain credit lines and conditions received from financial institutions for operations.**

From lending business, source of funds is an important factor which used total credit line from financial institutions of 1,300.00 million baht referring to internal financial statements as of 30 September 2024 that received from the Company. When considering financial institution's interest rate at 3.45 - 3.65 percent per annum, referring to EL's audited financial statements for 2023, which is lower than the market interest rate that financial institutions provide at 6.90 - 7.60 percent per year, referring to the Minimum Loan Rate (MLR) from the Bank of Thailand on 14 November 2024, if EL is unable to maintain the credit line received, EL may not be able to efficiently pay its financial costs or may not be able to continue its business which will affect the Company as a whole because EL is considered a subsidiary of the Company.

Therefore, if shareholders approve this transaction, EL will be able to maintain the credit line from financial institutions. If the Company gets an offer from the financial institution in the future, the management will consider new credit lines that are not inferior to the current conditions.

**1.4.2.4 Disadvantages of entering into the Transaction****1.4.2.4.1 The Company does not receive any guaranteed fees.**

From the guarantee of financial institutions credit line to connected party this time, the Company will not receive any compensation from the guarantee worth 2,050.00 million baht. If the Company guarantees for the others, it may result in the Company receiving a guaranteed fee according to the amount that the Company will have to support. However, the Company guaranteeing loans from financial institutions to EL will reduce the burden of guarantees from external parties which will affect the Company's overall performance from consolidated financial statements.

#### **1.4.2.4.2 The Company has liabilities arising from guaranteed.**

The Company will have additional liabilities from the guarantee of 2,050.00 million baht if EL defaults or does anything that causes financial institutions to be able to request early payment before the due date. However, since EL is a subsidiary of the Company, the Company will recognize liabilities arising from the use of credit lines from financial institutions. Therefore, the Company's guarantee of EL's credit lines from financial institutions will not affect the Company's financial structure.

#### **1.4.2.5 Advantages of entering into the Transaction with Connected party**

##### **1.4.2.5.1 Flexibility in negotiation and coordination in setting loan terms.**

While EL is a subsidiary with common shareholders and directors, Negotiation between two companies is more flexible than negotiating with external parties. The Company can track performance and payments in each payment cycle with necessary information such as financial status and debt repayment ability more conveniently than dealing with external parties.

#### **1.4.2.6 Disadvantages of entering into the Transaction with Connected party**

##### **1.4.2.6.1 Risk of being controlled by Connected party in terms of contract**

In general, entering into a transaction with a connected party may have Disadvantages of bargaining power over terms and conditions for transaction. Since EL shareholders are major shareholders and controlling person of the Company, the Company may not be able to fully negotiate for this transaction when compared with third parties.

However, the Company has carefully considered the conditions received from financial institutions and the operating performance of EL. Therefore, it is considered that the requirements from financial institutions are appropriate and it is expected that EL's operating results will be sufficient to pay the financial costs and principal within the due date.

#### **1.4.2.7 Risk from entering into the Transaction**

##### **1.4.2.7.1 Risk of the Company's shareholder not approved the transaction**

If the Company's shareholders do not approve the loan guarantee received from financial institutions worth 2,050.00 million baht, it may result in EL, as a subsidiary which the Company held 74.00 percent of total shares, having to repay to financial institutions that EL currently uses credit line as of 30 September 2024 with amount of 1,300.00 million baht. Therefore, if EL needs to repay loan to the financial institution, EL will have to find other sources of funds to compensate or continue operation which may result in higher costs or inability to continue the business. This result will also be reflected in the Company's operating results, as EL is considered a subsidiary.

##### **1.4.2.7.2 Risk from default on EL's debt payments**

In general, if Obligee fails to repay on the due date, the Guarantor will be required to repay guaranteed debt instead. Therefore, in this credit guarantee from the financial institution to EL, if EL fails to repay the debt,



the Company will be required to repay the actual debt to the financial institution. However, the Company can control and monitor EL's performance and reimbursement since EL is a subsidiary of TQM, holding 74.00 percent of total shares along with EL still operate.

According from EL's executives' interview, it was found that EL was in process of requesting financial status exemption from financial institutions, which is expected to be completed within first quarter of 2025. EL's cost and expense structure has been adjusted in terms of office rent and employee expenses, which is expected to reduce costs and expenses by a total of approximately 14.11 million baht per year. IFA has studied the feasibility of EL's operations under the condition that EL will be able to maintain the Loan amount as of 30 September 2024, subject to adjustments to employee costs and office rent for September 2024. It was found that EL will be able to return to profitability in 2025 and will be able to repay debts from financial institutions throughout its operations (Information of Feasibility Study, Section 3.6 Feasibility Study of EL's Performance: Section 3, Page 9).

Therefore, if EL can negotiate for an exemption with financial institutions and can reduce costs and expenses, it will result in EL being able to return to profit and could pay debts in the future.

#### **1.4.2.7 Risk of contract term being controlled by major shareholders**

Due to EL has shareholders who are major shareholders and controlling persons of the Company who can control over the business through representatives to participate in management and some decisions of the Company, there is a risk that the Company may be controlled to enter into transactions to provide financial assistance that are not beneficial to the Company.

However, the Company has considered the operating outlook of EL comprehensively and expects that EL's performance will be sufficient to cover the financial costs and principal when due.

#### **1.4.2.8 Summary of IFA's opinion on the Transaction**

IFA has considered the Rationale of the transaction by considering the appropriateness of interest rate that EL received from financial institution, which is lower than generally interest rate to the others, conditions of the transaction, advantages and Disadvantages of the transaction, advantages and Disadvantages of the transaction with connected party compared to external person, and risks of the transaction. For the reasons stated above, IFA as an independent financial advisor opined that providing financial assistance to EL will help the Company manage its financial costs and continue its lending business with appropriate and beneficial to the Company. **IFA opined that the Company's shareholders should approve the Guarantee of Loan from financial institution with a value not exceeding 2,050 million baht.**

### **1.4.3 Rationale of loan guarantee from Financial Institutions to EL with total value 950 million baht for Business Expansion**

#### **1.4.3.1 Objective of the Transaction**

TQM Alpha Public Company Limited ("TQM") intends to guarantee credit line from a financial institution for Easy Lending Company Limited ("EL"), a subsidiary of TQM in which it held 74.00 percent of total shares

with total amount not exceeding 950 million baht as source of funds for future business expansion. if EL gets an offer from a new financial institution with conditions not inferior to currently received.

#### **1.4.3.2 Appropriateness related to entering into the transaction**

##### **1.4.3.2.1 Appropriateness of interest rates received from Financial Institutions**

Since the Company has set criteria for considering new loans from financial institutions which must not inferior current conditions, IFA refer interest rate received from financial institutions that the Company guaranteed for EL as of 30 September 2024, which is 3.45 - 3.65 percent per annum, referring to EL's audited financial statements for 2023, which is lower than the market interest rate that financial institutions provide loans at 6.90 - 7.60 percent per annum, referring to the Minimum Loan Rate (MLR) from the Bank of Thailand on 14 November 2024. Therefore, IFA considers that the interest rate that receives from financial institutions are appropriate and will be able to benefit EL to manage its costs which will reflect EL's performance in the Company's financial statements in the future.

##### **1.4.3.2.2 Appropriateness Proportion in considering the transaction**

Due to the loan guarantee from a financial institution, it is only guarantee by TQM that exceeds the proportion of ordinary shares held by the Company in EL at 74.00% because it is requirement of the first financial institution that specifies that TQM must provide 100% guarantee without other minor shareholders of EL to be guarantor for credit line (based on the documents the company received). Therefore, when remaining financial institutions known this condition, other financial institutions required similar condition as first financial institution to require TQM guarantee 100% of credit lines of EL and C+ as well, without requiring from minority shareholders of EL, referring to TQM board of directors meeting 7/2024 held on 7 December 2024.

IFA considered that this excessive loan guarantee is appropriate because it complies with the conditions for requesting a credit line from a financial institution in order to receive an interest rate between 3.45 - 3.55 percent per annum. Although the Company has increased its debt burden from the guarantee, which is not consistent with proportion, and the remaining shareholders of 26 percent of EL's registered and paid-up capital, even if they pledge collateral to the financial institution, EL will not receive the interest rate and conditions currently received from the financial institution, and EL has no history of default since the date of the company's registration until at this moment.

##### **1.4.3.2.3 Appropriateness of considering future credit limits terms**

For consideration of loan guarantee from financial institutions for business expansion of value does not exceed 950 million baht, it was found that the Company will consider the conditions for guaranteeing a credit line from a new financial institution or increasing the credit limit from the original financial institution by giving it similar condition to similar debt of EL according to principle of pari passu refer to the Company's executives interview. This means that if it is a general loan without collateral, it must have similar condition as the others, unsecured debts, especially those related to the right to claim property or if it is a subordinated debt, it must have the similar condition as other subordinated debts as well, including interest rate of loan from the financial institution, the conditions for maintaining financial ratios and term of payment.

IFA considered that the credit line conditions for future business expansion are appropriate because they will increase business opportunity to expand the loan size to allow the business expansion in the future, and the conditions are not inferior to currently received. Therefore, the Company will not lose benefits from the considering conditions in the future.

### 1.4.3.3 Advantages of entering into the Transaction

#### 1.4.3.3.1 Expected return from EL's operations from loans received from financial institutions

The Company has the opportunity to receive a return from EL's performance in proportion to 74.00 percent, if EL can provide the full credit limit requested from financial institutions. IFA has studied the performance in case that EL can continue its business after adjusting the cost and expense structure as follows:

(Unit: million baht)

Profit and Loss Projection	3M2024 <sup>1</sup> F	2025F	2026F	2027F	2028F	2029F
Total Revenue	32.89	131.57	132.37	135.71	137.86	140.10
Cost of Service	(7.84)	(33.62)	(34.33)	(35.49)	(36.49)	(37.53)
Administrative Expense	(5.77)	(22.71)	(22.97)	(22.83)	(23.22)	(23.48)
Earnings before interest and taxes	19.28	75.25	75.07	77.39	78.15	79.09
Interest Income	0.14	0.14	0.15	0.15	0.15	0.15
Financial Cost	(12.14)	(48.54)	(48.51)	(48.51)	(48.54)	(48.52)
Earnings before taxes	7.28	26.85	26.70	29.03	29.76	30.73
Income Tax (20.00%)	(1.26)	(5.37)	(5.34)	(5.81)	(5.95)	(6.15)
<b>Net Profit</b>	<b>6.02</b>	<b>21.48</b>	<b>21.36</b>	<b>23.22</b>	<b>23.81</b>	<b>24.58</b>

Remark: EL performance information refers to 3.6 Feasibility study of EL performance: section 3, page 9

### 1.4.3.4 Disadvantages of entering into the Transaction

#### 1.4.3.4.1 The Company does not receive any guaranteed fees.

According to the loan guarantee from financial institutions to connected party, the Company will not receive any compensation from loan guarantee, it's totally worth 950.00 million baht. If the Company guarantees for the others, it may result in the Company receiving guarantee fee according to the amount that the Company will have to support. However, the Company guaranteeing loans from financial institutions for EL will reduce the burden of guarantees from external parties, which will affect the overall performance of the Company from consolidated financial statements.

#### 1.4.3.4.2 The Company has liabilities arising from guarantees.

The Company will have additional liabilities from a loan guarantee of 950.00 million baht if EL defaults on payment or performs any action that causes financial institutions be able to request early payment before the due date. However, since EL is a subsidiary of the Company, the Company will recognize liabilities increasing from actual credit lines from financial institutions. Therefore, the Company's guarantee of EL's credit lines from financial institutions will not affect the Company's financial structure.

#### **1.4.3.5 Advantages of entering into the Transaction with Connected party**

##### **1.4.3.5.1 Flexibility in negotiation and coordination in setting loan terms.**

While EL is a subsidiary with common shareholders and directors, Negotiation between two companies is more flexible than negotiating with external parties. The Company can track performance and payments in each payment cycle with necessary information such as financial status and debt repayment ability more conveniently than dealing with external parties.

#### **1.4.3.6 Disadvantages of entering into the Transaction with Connected party**

##### **1.4.3.6.1 Risk of being controlled by Connected party in terms of contract**

In general, entering into a transaction with a connected party may have Disadvantages of bargaining power over terms and conditions for transaction. Since EL shareholders are major shareholders and controlling person of the Company, the Company may not be able to fully negotiate for this transaction when compared with third parties.

However, the Company has carefully considered the conditions received from financial institutions and the operating performance of EL. Therefore, it is considered that the requirements from financial institutions are appropriate and it is expected that EL's operating results will be sufficient to pay the financial costs and principal within the due date.

#### **1.4.3.7 Risk from entering into the Transaction**

##### **1.4.3.7.1 Risk of the Company's shareholder not approved the transaction**

In case that the Company's shareholders do not approve loan guarantee from financial institutions worth 950.00 million baht, EL as a subsidiary which the Company held 74.00 percent of total shares, could have to find other sources of funds for business expansion in the future (if shareholders approve the ratification of loan guarantee from financial institutions worth 2,050 million baht), which may result in higher finance costs.

##### **1.4.3.7.2 Risk from default on EL's debt payments**

In general, if Obligee fails to repay on the due date, the Guarantor will be required to repay guaranteed debt instead. Therefore, in this credit guarantee from the financial institution to EL, if EL fails to repay the debt, the Company will be required to repay the actual debt to the financial institution. However, the Company can control and monitor EL's performance and reimbursement since EL is a subsidiary of TQM, holding 74.00 percent of total shares along with EL still operate.

When considering EL's operating results as of 30 September 2024, EL's cumulative operating results for 9 months showed insufficient profit before financial costs and income tax to pay EL's financial costs, resulting in a loss of 0.97 million baht and causing EL to be unable to maintain its financial ratio according to the terms of the credit line received from 2 financial institutions totaling 800.00 million baht. Therefore, if there is a early request for payment or cancellation of such credit line, it may result in EL being unable to repay debts from financial institutions and/or affecting the business operations going forward.

According from EL's executives' interview, it was found that EL was in process of requesting financial status exemption from financial institutions, which is expected to be completed within first quarter of 2025. EL's cost and expense structure has been adjusted in terms of office rent and employee expenses, which is expected to reduce costs and expenses by a total of approximately 14.11 million baht per year. IFA has studied the feasibility of EL's operations under the condition that EL will be able to maintain the Loan amount as of 30 September 2024, subject to adjustments to employee costs and office rent for September 2024. It was found that EL will be able to return to profitability in 2025 and will be able to repay debts from financial institutions throughout its operations (Information of Feasibility Study, Section 3.6 Feasibility Study of EL's Performance: Section 3, Page 9).

Therefore, if EL can negotiate for an exemption with financial institutions and can reduce costs and expenses, it will result in EL being able to return to profit and could pay debts in the future.

#### **1.4.3.7 Risk of contract term being controlled by major shareholders**

Due to EL has shareholders who are major shareholders and controlling persons of the Company who can control over the business through representatives to participate in management and some decisions of the Company, there is a risk that the Company may be controlled to enter into transactions to provide financial assistance that are not beneficial to the Company.

However, the Company has considered the operating outlook of EL comprehensively and expects that EL's performance will be sufficient to cover the financial costs and principal when due.

#### **1.4.3.8 Summary of IFA's opinion on the Transaction**

IFA has considered reasonableness of the transaction by considering the appropriateness of the interest rate that EL received from financial institutions which is lower than financial institutions give to the others, the conditions of the transaction, advantages and disadvantages of entering into the transaction, advantages and disadvantages of entering into the transaction with connected party compared to third party and the risks of entering into the transaction. For the reasons stated above, IFA as an independent financial advisor opined that providing financial assistance to EL will support EL to manage financial costs and continue its operation with appropriate condition and beneficial to the Company. Therefore, **IFA opined that the Company's shareholders should approve the Guarantee of Loan from financial institution with a value not exceeding 950 million baht.**

## **Section 2: Practice and Information used in the preparation of IFA report**

IFA has considered and studied information related to the transaction, which is connected transaction of the Company pursuant to the Connected Transaction Notification that received from the Company, management interview and public information, including other relevant information but not limited to:

1. Resolutions of the Board of Directors' Meeting and information of the Company and EL that related to the transaction.
2. Documents of the Company and related companies, such as Affidavit, memorandum of association, and company regulations, etc.
3. The Company's Annual report (One Report) ending on 31 December 2023
4. Audited financial statements of the Company and EL for the years ending 31 December 2021 – 2023 and internal financial statements ending 30 September 2024 from the Company.
5. The Company's business plan and investment plan
6. Interviews with executives of the Company and EL, including related persons.
7. Statistical data from the Stock Exchange of Thailand and industry outlook

IFA's opinion is based on the assumption that the information and/or documents received, including interviews with the Company's executives and related persons are accurate. IFA has considered and reviewed such information with care and reasonableness according to professional standards. In addition, IFA considers that the various contracts and business agreements are effective and legally binding, and that the terms and conditions are not changed, revoked or canceled and there are no events or conditions that may significantly affect the Company's entry into these transactions.

Therefore, if the information and/or documents received by IFA are incorrect and/or untruthful, or the contracts and business agreements are not enforceable and/or not legally binding, and/or the conditions are changed, revoked or cancelled, and/or there are any events or conditions that may have a significant impact on the Company's entry into this transaction, it may affect IFA's opinion, and IFA cannot express an opinion on such impact on the Company and its shareholders.

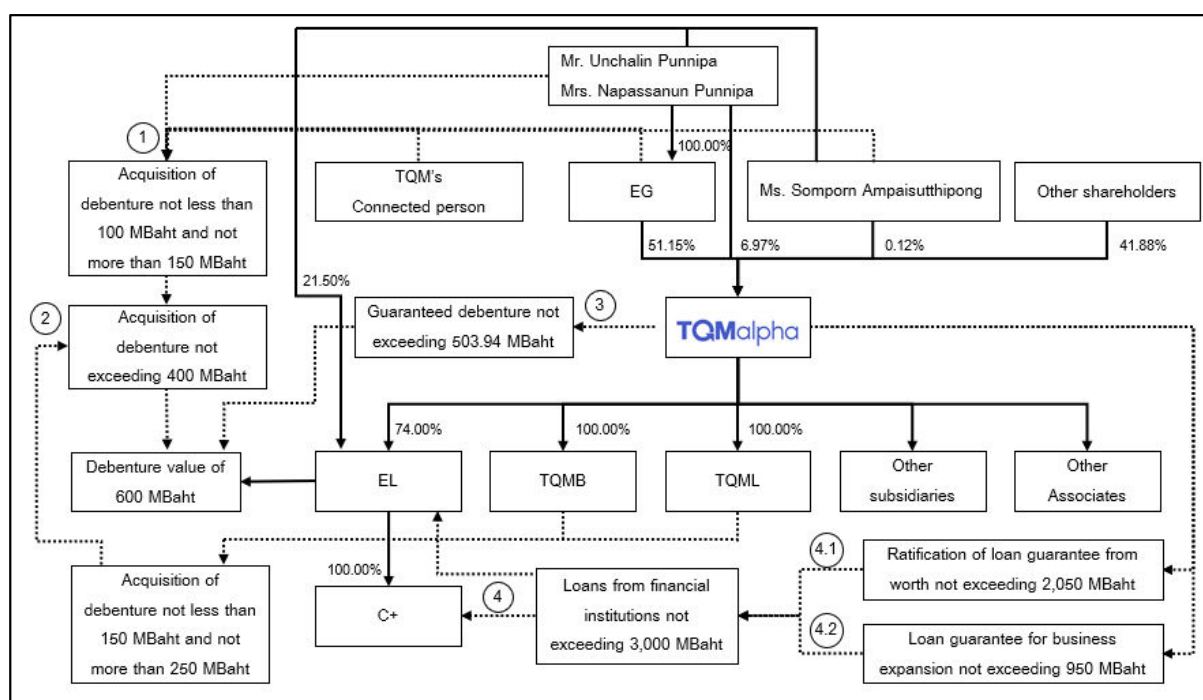
IFA's opinion is prepared based on information received by IFA, including industry outlook, economic outlook and other factors occurring during the preparation of this report, which may subsequently change materially and may affect IFA's opinion. IFA is not obligated to update the opinion contained in this IFA's opinion report.

This IFA's Opinion Report is prepared to provide additional information to the shareholders of the Company only. However, IFA's Opinion Report does not guarantee the success of the transactions, including any impacts that may occur, and IFA cannot be held responsible for any impacts that may occur from such transactions, whether directly or indirectly.

### Section 3: General information related to the transaction

Regarding The Board of Directors' Meeting No. 7/2024 of TQM Alpha Public Company Limited ("TQM" or "the Company") resolved to approve the amendment and addition of the connected transactions approved by the Board of Directors' Meeting No. 6/2024 of the Company held on 14 November 2024, which resolved to propose to Extraordinary General Meeting of Shareholders No. 1/2025 for consideration and approval of the connected transactions with Easy Lending Company Limited ("EL"). Therefore, Silom Advisory Co., Ltd. ("IFA" or "the Advisor") as independent financial advisor for providing opinions in agenda 3 - 5, summarized the preliminary information related to the consideration as follows:

#### 3.1 Transaction structure overview that presented to shareholders



remark: EG refer to Eternal Growth Corporation Co., Ltd.  
 TQMB refer to TQM Insurance Broker Co., Ltd.  
 TQML refer to TQM Life Insurance Broker Co., Ltd.  
 C+ refer to Cashnow Plus Co., Ltd.

According to the resolution of the Board of Directors No. 6/2024 of TQM on 14 November 2024 that related agenda can be summarized as follows:

1. Receiving financial assistance from EG and related persons of TQM by private offering debenture that issued and offered by EL with a value not less than 100 million baht and not more than 150 million baht (TQM's board of directors resolved to approve the transaction on 14 November 2024)
2. Acquisition of debenture that issued and offered by EL with a value not less than 150 million baht and not more than 250 million baht through TQM's subsidiaries, namely TQMB and TQML, in which the Company held 100 percent of total shares (Agenda 3)

Note: The total value of the debenture purchases of items 1) and 2) does not exceed 400 million baht.

3. The Company will provide financial assistance to EL by guaranteeing the debenture issued and offered by EL in proportion (74.00 percent) of the principal value of 444.00 million baht and interest of 59.94 million baht, totaling value not exceeding 503.94 million baht (Agenda 4).
4. The Company will provide financial assistance to EL by guaranteeing loans from financial institutions not exceeding 3,000 million baht (Agenda 5), divided into:
  - 4.1 Ratification loan guarantee from financial institutions that TQM has previously guaranteed for a value of 2,050 million baht.
  - 4.2 Loan guaranteed from financial institutions for business expansion with a value not exceeding 950 million baht.

### 3.2 Information of debenture that issued and offered by EL

Based on received information from the Company and EL's Board of Directors Meeting No. 4/2024 on 11 October 2024, the Board of Directors resolved to approve the issuance and offering of debenture with the following detail:

Topic	Detail
Distributors and/or Debenture holders' representatives	Trinity Securities Company Limited
Debenture Registrar	Bangkok Bank Public Company Limited
Purpose of issuing debenture	To be used for EL's transactions and as working capital for the business within 3 years to support future growth.
Offering Type	<p>Private placement offering to financial institutions, ultra-high net worth investors and/or high net worth investors (PP(II&amp;UHNW&amp;HNW)) divided into 2 groups as follows:</p> <p>Group 1 Major shareholders and subsidiaries combined with connected party, not exceeding 400 million baht, to reduce the risk of not being able to raise the full amount of debenture funds, which includes:</p> <ol style="list-style-type: none"> <li>(1) TQM Insurance Broker Co., Ltd. ("TQMB") is a subsidiary company in which the Company is the major shareholder, holding 100 percent of the total shares of the Company.</li> <li>(2) TQM Life Insurance Broker Co., Ltd. ("TQML") is a subsidiary company in which the Company is the major shareholder, holding 100 percent of the total shares of the Company.</li> <li>(3) Eternal Growth Corporation Co., Ltd. (EG) is the major shareholder of the Company, holding 51.15 percent of the total shares of the Company.</li> <li>(4) Connected party such as major shareholders, directors and/or executives of the Company and its subsidiaries.</li> </ol> <p>However, when combining the amount of debenture purchases by connected party according to items (1) - (4), it must not exceed 400 million baht and the amount of debenture purchases by related persons according to the following details:</p> <p style="padding-left: 40px;">Sections (1) and (2) shall subscribe for debenture in total not less than 150 million baht and the total amount shall not exceed 250 million baht.</p> <p style="padding-left: 40px;">Sections (3) and (4) shall subscribe for a total of no less than 100 million baht in debenture, and shall not exceed 150 million baht in total, with the allocation value determined by consideration of TQMB and</p>



Topic	Detail
	TQML's liquidity and negotiations with related persons of the Company. Group 2 Private placement not related to the Company and subsidiaries, not exceeding 600 million baht The order of offering will be set to be offered to persons in Group 2 first, not exceeding 600 million baht, and will be offered to persons in Group 1, namely TQMB, TQML, EG and related persons, respectively. However, when combined, the amount of debenture purchases in Group 1 and Group 2 must not exceed 600 million baht.
Amount issued and offered	Not exceeding 600.00 million baht
Interest rate	Fixed interest rate of 4.50 percent per annum
Term	3 years from the date of issue and offering of debenture
Guaranty	Partial guarantee of debenture at 74 percent of principal and interest (in case that shareholders approve financial assistance by guaranteed of debenture worth no more than 503.94 million baht)
Debenture type	Long-term debenture, registered type, non-inferior type, partially secured, with a debenture holder representative and the issuer has the right to redeem the debenture before the maturity date.
Debt covenant condition	There are no requirements to maintain financial ratios.
Interest payment condition	Pay interest every 3 months
Early debt redemption	The issuer has the right to redeem the debenture prior to the maturity date, which can be exercised after 6 months from the issue date and every 3 months on the interest payment date.

Source: 1. Minutes of the EL Board of Directors Meeting No. 4/2024 on 11 October 2024  
2. Draft prospectus for the issuance and offering of EL debenture received from the Company

### 3.3 Financial assistance historical between the Company and EL

No	Connected transaction	Amount
1	TQM provided the loan to EL on 19 November 2021, and EL fully repaid the principal and interest on 30 March 2022.	40.14
	Principal amount	40.00
	Interest amount	0.14
2	TQM did not guarantee loans from financial institutions in 2021.	-
3	TQM has secured loans from 4 financial institutions in 2022.	1,350.00
4	TQM has secured loans from 4 financial institutions in 2023.	1,550.00
5	TQM has secured loans from 4 financial institutions in 2024.	2,050.00

Source: Internal information that received from the Company

The IFA has examined the Connected Transactions of the Company and EL and found that from 20 January 2021, which is the date of EL's company registration, to 30 September 2024, the Company and EL had a total of 4 Connected Transactions, consisting of 1 loan and 3 guarantees of credit lines from financial institutions. During the said period, EL was able to repay the loan and interest within the specified period and did not default.

### 3.4 Financial information and performance analysis of EL

#### 3.4.1 Summary of EL's statement of financial position

Unit: million baht

Statement of financial position	Separate financial statement		Consolidated financial statement	
	2021	2022	2023	9M2024
Cash and cash equivalents	33.83	16.14	59.82	126.83
Personal loan and others	118.35	427.94	605.05	1,405.47
<b>Total asset</b>	<b>152.71</b>	<b>465.34</b>	<b>694.53</b>	<b>1,544.13</b>
Short-term loans from financial institutions	100.00	400.00	540.00	1,300.00
<b>Total liabilities</b>	<b>102.48</b>	<b>409.53</b>	<b>573.06</b>	<b>1,323.63</b>
Issued and paid-up capital	50.00	50.00	100.00	200.00
Retained earnings – Unappropriated	0.23	5.81	21.10	20.14
<b>Shareholders' equity</b>	<b>50.23</b>	<b>55.81</b>	<b>121.47</b>	<b>220.51</b>

Remark: Analysis of EL's statement of financial position, please see attachment 2

#### Assets analysis of EL

For the third quarter of 2024, EL (consolidated financial statements) had total assets of 1,544.13 million baht, of which EL's main asset was personal loans, which increased from 2023 by 800.42 million baht due to EL and its subsidiaries being able to provide more loans, including cash and cash equivalents that increased mainly from operations and borrowings for business expansion. When considering the growth rate of personal loans, it was found that the growth rate increased continuously from 2022 - 9 months of 2024 at 261.60 percent, 41.39 percent, and 132.29 percent, respectively, which reflected the expansion of EL's personal lending business.

#### Liabilities analysis of EL

For the third quarter of 2024, EL (consolidated financial statements) had total liabilities of 1,323.63 million baht, an increase of 750.57 million baht or 130.98 percent from 2023 at 573.06 million baht, due to an increase in short-term loans of 760.00 million baht to expand the lending business, which grew in line with the rapid increase in personal loans.

#### 3.4.2 Summary of EL's statement of comprehensive income

Unit: million baht

Statement of comprehensive income	Separate financial statement		Consolidated financial statement	
	2021	2022	2023	9M2024
Interest received from personal loans	1.00	18.73	39.30	70.67
% Average interest rate for interest received	1.69%	6.86%	6.49%	9.37%
Other income	-	-	46.50	1.42
<b>Total revenue</b>	<b>1.00</b>	<b>18.76</b>	<b>85.82</b>	<b>72.22</b>
Cost of service	0.36	5.51	25.55	26.37
% Cost margin	35.90%	29.43%	65.02%	37.31%
Administrative expense	0.33	3.04	19.39	21.13

Statement of comprehensive income	Separate financial statement		Consolidated financial statement	
	2021	2022	2023	9M2024
% Administrative to	33.32%	16.25%	49.35%	29.90%
<b>Total cost and expense</b>	<b>0.69</b>	<b>8.56</b>	<b>44.94</b>	<b>47.50</b>
<b>Earning before interest and tax</b>	<b>0.31</b>	<b>10.21</b>	<b>40.88</b>	<b>24.72</b>
Finance income	0.05	0.03	0.26	0.13
Finance cost	(0.07)	(3.27)	(12.81)	(25.77)
%Effective interest rate for finance cost	0.13%	1.31%	2.71%	3.72%
<b>Earning before tax</b>	<b>0.29</b>	<b>6.97</b>	<b>28.33</b>	<b>(0.92)</b>
Tax expense	(0.06)	(1.39)	(5.67)	(0.05)
<b>Net profit (loss)</b>	<b>0.23</b>	<b>5.57</b>	<b>22.67</b>	<b>(0.97)</b>

Remark: Analysis of EL's Performance analysis, please see attachment 2

When considering the interest rate of loans from 2021 to 2024, EL was able to maintain the interest rate continuously. However, the operating results in 2023, EL received other income of 46.50 million baht, which is a one-time income from a subsidiary in the Company's group, which is engaged in life insurance brokerage business, wanting to expand its customer base in EL's customer group. It is expected that EL's lending will be able to generate more life insurance sales in cases where customers need protection so that the loan burden does not fall on the heirs and to support customer needs in cases where customers ask for comprehensive insurance. This is an option for customers to be able to complete the process together with the loan application in one place. Allowing TQM's subsidiaries to access the EL system if they do not receive this income will result in EL losing money in 2023.

EL's costs and expenses in 2023 EL has a significantly higher proportion of costs, which is due to increased employee expenses from some of the management team. EL's management explained that currently there are changes in office rent and employee expenses, which are expected to help reduce total costs and expenses, resulting in a return to normal and a return to profitability in the future.

### 3.4.3 Summary of EL's financial ratio

Financial ratio	Separate		Consolidated	
	2021	2022	2023	9M2024
Current ratio	1.49	1.09	1.20	1.16
Quick ratio	1.49	1.09	1.20	1.16
Cash flow from operating activities ratio	(1.13)	(1.15)	(0.19)	(0.81)
Gross profit (loss) margin	64.10%	70.57%	34.98%	62.69%
Operating profit (loss) margin	30.78%	54.48%	104.03%	34.98%
Net profit (loss) margin	23.41%	29.70%	26.41%	(1.34%)
Return on equity	0.47%	10.51%	18.66%	(0.75%)
Debt to equity ratio	2.04x	7.34x	4.72x	6.00x
Interest coverage ratio	4.73x	3.12x	3.19x	0.96x
Interest bearing debt to EBITDA	323.79 <sup>1</sup>	39.04	13.02	35.99
Debt service coverage ratio	0.00	0.04	0.08	0.04

Financial ratio	Separate		Consolidated	
	2021	2022	2023	9M2024
Payout ratio	-	-	31.01%	-
Non-Performing loan ratio	-	-	0.10%	0.11%
Bad debt ratio	-	-	-	0.09%
Net Portfolio ratio	1.79x	1.11x	1.25x	1.20x

Remark: Analysis of EL's financial ratio, please see attachment 2

1. Interest bearing debt to EBITDA for 2021 is significantly high at 323.79 times because 2021 was the year EL started its operations, resulting in EL having low EBITDA and higher-than-normal interest-bearing debt to EBITDA ratio.

The details of calculation formula of each ratio are as follows;

Financial ratio	Calculation Formula
Current ratio	Current assets <u>divided by</u> current liabilities
Quick ratio	( Sum of cash and cash equivalents, account receivables, financial assets) <u>divided by</u> current liabilities
Cash flow from operating activities ratio	Cash from operating activities <u>divided by</u> average current liabilities
Gross profit (loss) margin	Gross profit (loss) <u>divided by</u> revenue from operating activities
Operating profit (loss) margin	Earning before interest and tax <u>divided by</u> revenue from operating activities
Net profit (loss) margin	Net profit (loss) <u>divided by</u> total revenue
Return on equity	Net profit (loss) <u>divided by</u> average shareholders' equity
Debt to equity ratio	Total liabilities <u>divided by</u> total shareholders' equity
Interest coverage ratio	Earning before interest and tax <u>divided by</u> finance cost
Interest bearing debt to EBITDA	Interest bearing debt <u>divided by</u> earning before interest, tax, depreciation and amortization (EBITDA)
Debt service coverage ratio	Earning before interest, tax, depreciation and amortization (EBITDA) <u>divided by</u> average interest bearing debt
Payout ratio	Dividend paid <u>divided by</u> net profit (loss)
Non-performing loan ratio	Loan amount overdue for more than 90 days <u>divided by</u> total personal loans
Bad debt ratio	Bad debt <u>divided by</u> total personal loans
Net Portfolio ratio	Total personal loans <u>divided by</u> total interest bearing debt less cash

Since EL has received credit lines from financial institutions, it is required to maintain financial ratios to maintain credit lines from 2 financial institutions, with a total credit line used as of 30 September 2024 of 800.00 million baht, with the following ratios to be maintained:

1. Interest coverage ratio must not be less than 1.20 times
2. Non-performing loan ratio must be less than 5 percent of total loans
3. Net portfolio ratio must not be less than 1.10 times

As of 30 September 2024, EL is unable to maintain its financial status according to the credit line conditions received from financial institutions due to the interest coverage ratio being lower than 1.20 times. Therefore, if such credit line is requested or cancelled, EL may have to find new sources of funds to replace it or may not be able to continue its business.

From the interview with EL's executives, it was found that EL has requested a relaxation of financial status from financial institutions, which is expected to be completed within the first quarter of 2025. EL's cost and expense structure has been adjusted in terms of office rent and employee expenses, which is expected to help reduce total costs and expenses and return to normalcy and profitability in the future. The IFA has studied EL's performance in the case of continuing its lending business under cost and expense adjustments. EL will start to make a profit again in 2025.

### 3.5 Market interest rate and Expected return on Equity

Since the Transaction to be requested for shareholders' consideration and approval is related to providing financial assistance, and EL is a company engaged in the lending business, the interest rates incurred in both the lending and the source of funds for the lending are rates that are important to the business operations, including the expected return on equity of TQM shareholders (Cost of Equity: Ke) to consider the value of the company's cost. The IFA studied the market conditions of interest rates and the expected return on equity of TQM shareholders, with details as follows:

#### 3.5.1 Interest rate on debt instruments

The IFA studied debt instruments issued and offered for sale as of 14 November 2024 (the date on which TQM's board of director resolved to approve the proposal to shareholders for consideration) with debenture term between 1 – 3 years, excluding zero-coupon debenture. The information can be summarized as follows;

#### Interest rates on debt instruments issued by private sector companies (Corporate debenture rating)

Debenture rating	Classification	Total	Interest rate	
			Max	Min
AAA	IG <sup>1</sup>	46	3.34	1.36
AA+	IG <sup>1</sup>	9	2.96	2.31
AA	IG <sup>1</sup>	9	3.44	1.49
AA-	IG <sup>1</sup>	19	3.26	1.59
A+	IG <sup>1</sup>	26	4.10	1.76

Debenture rating	Classification	Total	Interest rate	
			Max	Min
A	IG <sup>1</sup>	58	3.76	1.81
A-	IG <sup>1</sup>	69	4.80	1.67
BBB+	IG <sup>1</sup>	64	4.95	2.69
BBB	IG <sup>1</sup>	25	5.70	4.00
BBB-	IG <sup>1</sup>	13	6.00	4.70
BB+	Non-IG <sup>2</sup>	8	5.80	2.99
BB	Non-IG <sup>2</sup>	3	6.00	4.25
BB-	Non-IG <sup>2</sup>	-	-	-
Unranked	Non-IG <sup>2</sup>	378	7.75	1.50
<b>Total</b>		<b>727</b>	<b>7.75</b>	<b>1.36</b>

Source: Interest rate of debt instruments issued by private sector companies, from ThaiBMA as of 14 November 2024

Remark: 1. IG refers to investment grade class

2. Non-IG refers to non-investment grade

### Summary of debt instrument's interest rate

Debt instrument	Interest rate			
<b>Corporate Debenture</b>				
By Class	Max	Min	Median	Mean
1. Investment grade ("IG")	6.00	1.36	3.26	3.51
2. Non-Investment grade ("Non-IG")	7.75	1.50	6.70	6.09

### 3.5.2 Loan interest rate from financial institutions

The IFA studied the interest rate data of the financial institutions from which EL received loans as of 14 November 2024 (the date on which the TQM's board of directors resolved to approve the proposal to shareholders for consideration) to compare the financial cost received by EL with the market interest rate of loans. The data can be summarized as follows:

Unit: Percent

Interest rate type	Interest rate	
	Max	Min
Minimum loan rate (MLR)	7.600	6.900
Minimum overdraft rate (MOR)	7.600	6.745
Minimum retail rate (MRR)	7.705	6.595

Source: Loan's interest rates as of 14 November 2024, Bank of Thailand

Remark: EL's borrowing rate of loan from financial institutions are between 3.45 – 3.65 per annum, information from EL's audited financial statement 2023

### 3.5.3 Expected return on equity or Cost of Equity (Ke)

The IFA analyzes the expected return on equity (Cost of Equity: Ke) to allow shareholders to consider the value of investing in debenture issued and offered by EL if the Company's capital is used as a source of funds for operating the credit business. The calculation details of the expected return on equity are as follows:

$$K_e = R_f + \beta(R_m - R_f)$$

Where

$K_e$	=	Cost of equity
Risk Free Rate ( $R_f$ )	=	Risk-free rate of return on an investment based on the 20-year government debenture interest rate, which is 2.92 percent (referring to information from <a href="http://www.thaibma.or.th">www.thaibma.or.th</a> as of 14 November 2024).
Rate of return on the market ( $R_m$ )	=	The average return on investment in the Stock Exchange of Thailand over the past 20 years, starting from 14 November 2024, is 9.31 percent, which is a period that better reflects investment conditions in the stock market over various periods than using data over a short period of time (referring to data from SETSMART).
Beta ( $\beta$ )	=	Average daily return variance of TQM compared to the return of the Stock Exchange of Thailand for the past 2 years from 15 November 2022 to 14 November 2024, which is equal to 0.986x (referring to data from Bloomberg).

From the calculation formula and variable values used as mentioned above, the expected return on equity (Ke) is calculated to be 9.22 percent per year.

The calculation of Ke as follows;

$$\begin{aligned} K_e &= R_f + \beta(R_m - R_f) \\ &= 2.92\% + 0.986(9.31\% - 2.92\%) \\ &= 9.22\% \end{aligned}$$

### 3.6 Feasibility study of EL performance

The IFA studied the feasibility of EL's business operations divided into 2 scenarios. Scenario 1 referred to the case where EL will continue its lending business under cost and expense adjustments, and scenario 2 referred to the case where EL will continue its lending business under cost and expense adjustments and receive funding from the issuance and offering of debenture worth 600 million baht in full.

The IFA projected the future performance of EL for a period of 5 years and 3 months from 1 October 2024 to 31 December 2029. The IFA's estimates mainly refer to the performance and ratios from the

consolidated financial statements for the first 9 months of 2024. This is because the IFA found that EL's subsidiaries had started their operations and provided loans in late December 2023. Therefore, it is considered more appropriate to refer to the performance and ratios from the first 9 months of 2024, which is the period when EL and its subsidiaries have already started operations, rather than referring to the ratios during the period when EL's subsidiaries have not yet started operations. IFA also believes that the period of 5 years and 3 months is appropriate and covers the period in which EL plans to issue debenture. IFA believes that the estimates for such period will be able to reflect the benefits and/or impacts on EL's performance from the issuance of debenture of 600.00 million baht.

The IFA studied and analyzed the reliability and reasonableness of various assumptions obtained from EL, including financial statements, credit register information, executive interviews, and publicly disclosed information, and adjusted the assumptions on a conservative basis. However, all financial projections are prepared under the assumption that there will be no material changes to EL's business operations, apart from adjustments to employee costs and expenses and changes to office lease agreements. In the event of any event that may significantly affect EL's business operations, the operating results projections may also change. The projections are detailed as follows:

**3.6.1 Scenario 1: EL will continue to operate its lending business under cost and expense adjustments.**

**Revenue assumptions**

**Interest received from personal loans**

The IFA estimated interest income from the estimated loans expected to be disbursed each year multiplied by the interest rate of each type of loan, with details as follows:

Loan amount

The IFA determined that the fixed capital for lending in the last 3 months of 2024 was 1,405.47 million baht, referring to the internal financial statements and loan asset data as of 30 September 2024, which consisted of insurance premium loans of 557.83 million baht (39.69 percent of total loans), vehicle registration loans of 48.81 million baht (3.47 percent of total loans), secured loans of 744.43 million baht (52.97 percent of total loans), and consignment loans of 54.40 million baht (3.87 percent of total loans).

For 2025 onwards, the IFA estimated the amount of capital for each type of loan from the sum of the beginning of the year's loan receivables and the excess cash and equivalents that the Company expects to maintain. The excess cash expected to be maintained will be allocated according to the proportion of each loan type. The IFA found that the Company's cash and equivalents to the sum of cash and equivalents and loans is 8.28 percent. Therefore, IFA estimates that the excess cash of 8.28 percent can be used to lend to expand the business in the following year.

Loan interest rate

The IFA estimated the lending rate of each type of loan by setting the interest rate of the insurance premium loan at 9.33 percent, the interest rate of the car registration loan at 21.10 percent, the interest rate of



the secured loan at 8.12 percent, and the interest rate of the mortgage loan at 11.01 percent, based on the effective interest rate incurred in the first 9 months of 2024, calculated annually (Annualized effective interest rate) of that type of loan.

Allowance for expected credit losses (ECL)

The IFA estimated that the company will set aside a provision of 0.11 percent of gross loan disbursement throughout the projection, based on the proportion of credit loss provision as a proportion of gross loan disbursement of 0.11 percent for the 9-month period of 2024.

**Summary of projected loan amount and interest received from personal loans**

(Unit: Million Baht)	2024F <sup>1</sup>	2025F	2026F	2027F	2028F	2029F
<b><u>Loan amount by loan type</u></b>						
Insurance premium loans	557.83	557.83	561.21	575.37	584.49	593.95
Vehicle registration loans	48.81	48.81	49.11	50.35	51.14	51.97
Secured loans	744.43	744.43	748.95	767.85	780.01	792.64
Consignment loans	54.40	54.40	54.73	56.11	57.00	57.92
<b>Total loan amount</b>	<b>1,405.47</b>	<b>1,405.47</b>	<b>1,414.00</b>	<b>1,499.68</b>	<b>1,472.65</b>	<b>1,496.49</b>
<u>Less Allowance for ECL</u>	(1.61)	(1.60)	(1.61)	(1.65)	(1.68)	(1.71)
<b>Gross loan amount</b>	<b>1,407.08</b>	<b>1,407.07</b>	<b>1,415.61</b>	<b>1,451.33</b>	<b>1,474.33</b>	<b>1,498.20</b>
<b><u>Interest rate by loan type</u></b>						
Insurance premium loans	9.33%	9.33%	9.33%	9.33%	9.33%	9.33%
Vehicle registration loans	21.10%	21.10%	21.10%	21.10%	21.10%	21.10%
Secured loans	8.12%	8.12%	8.12%	8.12%	8.12%	8.12%
Consignment loans	11.01%	11.01%	11.01%	11.01%	11.01%	11.01%
<b><u>Interest received by loan type</u></b>						
Insurance premium loans	13.01	52.03	52.35	53.67	54.52	55.40
Vehicle registration loans	2.58	10.30	10.36	10.63	10.79	10.97
Secured loans	15.11	60.43	60.79	62.33	63.32	64.34
Consignment loans	<b>1.50</b>	<b>5.99</b>	<b>6.03</b>	<b>6.18</b>	<b>6.28</b>	<b>6.38</b>
<b>Total interest received from personal loans</b>	<b>32.19</b>	<b>128.75</b>	<b>129.53</b>	<b>132.80</b>	<b>134.90</b>	<b>137.09</b>

Source: IFA's projections

Remark: 1. Projection of 2024F referred to 3 months' performance from 1 October – 31 December 2024

**Other service income**

The IFA estimated other service income based on the proportion of other service income to interest received from personal loans at 2.01 percent throughout the projection, referring to the proportion of other service income to interest received from personal loans that occurred in the first 9 months of 2024 at 2.01 percent.

## Other income

The IFA estimated other income based on the proportion of other income to interest received from personal loans at 0.18 percent throughout the projection, referring to the proportion of other income to interest received from personal loans that occurred in the first 9 months of 2024 at 0.18 percent.

## Summary of revenue projection

(Unit: Million Baht)	2024F <sup>1</sup>	2025F	2026F	2027F	2028F	2029F
Interest received from personal loans	32.19	128.75	129.53	132.80	134.90	137.09
Other service income	0.65	2.59	2.60	2.67	2.71	2.75
Other income	0.06	0.24	0.24	0.25	0.25	0.25
<b>Total revenue</b>	<b>32.89</b>	<b>131.57</b>	<b>132.37</b>	<b>135.71</b>	<b>137.86</b>	<b>140.10</b>

Source: IFA's projection

Remark: 1. Projection of 2024F referred to 3 months' performance from 1 October – 31 December 2024

## Cost and expense assumptions

### Cost of service

Service costs included employee costs, external commission fees, marketing costs, travel and transportation costs, utility costs, and other costs. The IFA estimated service costs as follows:

#### Employee costs

The IFA found that EL has adjusted its staff structure by laying off some employees to increase efficiency in cost management in August 2024, resulting in EL's staff cost being reduced to 910,022 baht in September 2024. Therefore, the IFA estimated EL's staff cost based on the actual staff cost in September 2024. In the fourth quarter of 2024, the Company will have staff costs of 2.73 million baht and has set the staff cost growth rate at 5.00 percent based on the general salary increase rate from 2025 onwards.

#### External commission fees

External commission fee is the brokerage cost paid by the company to external agents. The IFA estimated this commission fee to be 7.16 percent of interest received from personal loans throughout the projection, referring to the ratio of such fee to actual interest received from personal loans in the first 9 months of 2024 at 7.16 percent.

#### Marketing costs

Marketing costs consist of sales promotion expenses, advertising expenses, event expenses, and other marketing activities. However, the IFA found that the Company did not incur marketing expenses in the first 9 months of 2024. In 2023, IFA found that the Company had marketing expenses of 0.52 million baht or 1.31 percent of interest received from personal loans in 2023. Therefore, the IFA estimated that the company had marketing costs as a proportion of 1.31 percent of interest received from personal loans from 2025 onwards throughout the projection, referring to the marketing costs to actual interest received from personal loans in 2023 at 1.31 percent.

Travel and transportation costs

Direct travel and transportation costs consist of travel and parcel transportation costs. The IFA estimated travel and transportation costs to be 7.93 percent of interest received from personal loans throughout the projection, based on the actual travel and transportation cost to interest received from personal loan in the first 9 months of 2024 at 7.93 percent.

Utility costs

The IFA estimated utility costs based primarily on utility costs for the first 9 months of 2024 and assumes a growth rate based on Thailand's projected inflation rate by the International Monetary Fund (IMF) set at 1.70 percent for 2025 and 2.00 percent from 2026 onwards.

Other costs

Other costs consist of entertainment expenses and other fees. The IFA estimated other costs to be 0.57 percent of interest received from personal loans throughout the projection, based on the proportion of other costs to actual interest received from personal loans in the first 9 months of 2024 at 0.57 percent.

**Summary of cost of service**

<b>(Unit: Million Baht)</b>	<b>2024F<sup>1</sup></b>	<b>2025F</b>	<b>2026F</b>	<b>2027F</b>	<b>2028F</b>	<b>2029F</b>
Employee costs	2.73	11.47	12.04	12.64	13.27	13.94
External commission costs	2.30	9.21	9.27	9.50	9.66	9.81
Marketing costs	0.00	1.69	1.70	1.74	1.77	1.80
Travel and transportation costs	2.55	10.21	10.27	10.53	10.70	10.87
Utility costs	0.07	0.30	0.31	0.32	0.32	0.33
Other costs	0.18	0.73	0.74	0.76	0.77	0.78
<b>Total cost of service</b>	<b>7.84</b>	<b>33.62</b>	<b>34.33</b>	<b>35.49</b>	<b>36.49</b>	<b>37.53</b>

Source: IFA's projection

Remark: 1. Projection of 2024F referred to 3 months' performance from 1 October – 31 December 2024

**Administrative expenses**

Administrative expenses include employee expenses, office expenses, utility expenses, maintenance expenses, consulting and professional fees, professional license fees, expected credit loss expense, bad debt, depreciation and amortization expenses, and other administrative expenses. The IFA estimated administrative expenses as follows:

Employee expenses

The IFA found that EL has adjusted its staff structure by laying off some employees to increase efficiency in cost management in August 2024, resulting in EL having administrative staff expenses reduced to 116,469 baht in September 2024. Therefore, IFA estimates EL's staff costs based on actual staff expenses in September 2024 as the main factor. In the fourth quarter of 2024, the Company will have staff expenses of 0.35 million baht and has set the staff cost growth rate at 5.00 percent based on the general salary increase rate from 2025 onwards.

Office expenses, utility expenses, maintenance expenses, consulting and professional fees, and professional license fees

For office expenses, utility expenses, maintenance expenses, professional and consulting fees, and professional license fees, the IFA estimated such expenses based primarily on office expenses, utility expenses, maintenance expenses, professional and consulting fees, and professional license fees for the first 9 months of 2024 and sets the growth rate based on Thailand's projected inflation rate by the International Monetary Fund (IMF) at 1.70 percent for 2025 and 2.00 percent from 2026 onwards.

Expected credit loss expenses

The IFA estimated expected credit losses (added back) from the increase or discount of the estimated allowance for credit losses. The IFA found that EL had set aside the allowance for credit losses at 0.11 percent of the loan amount in the 9-month period of 2024. Therefore, the IFA estimated that the company will maintain the allowance for credit losses at 0.11 percent of the loan amount and estimated the expenses (added back) according to the increase/discount of the allowance for credit losses.

Bad debt

The IFA determined that the bad debt expense was 0.09 percent of total loan disbursement throughout the projection, referring to the proportion of bad debt expense to total loan disbursement that actually occurred in the first 9 months of 2024 at 0.09 percent.

Depreciation and amortization expense

Depreciation and amortization expenses consist of depreciation of fixed assets, depreciation of right-of-use assets, and amortization of intangible assets. The IFA estimated depreciation and amortization expenses for each asset based on EL's asset and intangible asset register as of 30 September 2024. The IFA had taken into account additional investment received from the investment plan and calculated additional amortization expenses in this estimation.

For the right-of-use assets, the IFA found that EL had changed the office lease contract by terminating the old office lease contract in August 2024 and starting a new office lease contract from September 2024 for a period of 3 years, with a value of the right-of-use assets of 1.48 million baht. Therefore, the IFA estimated the depreciation based on the new lease contract, referring to the right-of-use assets and lease liabilities register of EL as of 30 September 2024. The IFA determined that the company would renew the office lease contract after the contract expired in August 2027 and determined that the value of the right-of-use assets would grow by 2.00 percent, referring to the projected inflation rate from the International Fund, and calculated the depreciation from the office lease contract.

Other administrative expense

The IFA projected other administrative expenses to be 6.83 percent of interest received from personal loans throughout the projection, referring to the proportion of other administrative expenses to actual interest income from personal loans in the first 9 months of 2024 at 6.83 percent.

**Summary of administrative expenses**

(Unit: Million Baht)	2024F <sup>1</sup>	2025F	2026F	2027F	2028F	2029F
Employee expenses	0.35	1.47	1.54	1.62	1.70	1.78
Office expenses	0.22	0.89	0.91	0.92	0.94	0.96
Utility expenses	0.11	0.46	0.47	0.48	0.49	0.50
Maintenance expenses	0.00	0.01	0.01	0.01	0.01	0.01
Consulting and professional fees	1.41	5.73	5.85	5.97	6.08	6.21
Professional license fees	0.38	1.53	1.56	1.59	1.62	1.66
Expected credit losses	0.00	(0.00)	0.01	0.04	0.03	0.03
Bad debt	0.65	1.21	1.21	1.24	1.26	1.28
Depreciation of fixed assets	0.13	0.52	0.44	0.29	0.28	0.14
Depreciation of right-of-use assets	0.12	0.49	0.49	0.50	0.50	0.50
Amortization of intangible assets	0.20	1.60	1.63	1.09	1.08	1.03
Other administrative expenses	2.20	8.80	8.85	9.07	9.22	9.37
<b>Total administrative expenses</b>	<b>5.77</b>	<b>22.71</b>	<b>22.97</b>	<b>22.83</b>	<b>23.22</b>	<b>23.48</b>

Source: IFA's projection

Remark: 1. Projection of 2024F referred to 3 months' performance from 1 October – 31 December 2024

**Capital expenditure investment**

The IFA estimated the investment in fixed assets and intangible assets based on EL's Capex investment plan from 2025 - 2028 to support future operations. The Company plans to invest in office equipment, office furniture, software programs and computer systems as follows:

(Unit: Million Baht)	2025F	2026F	2027F	2028F
Office equipment	0.08	0.20	0.08	0.08
Furniture and fixture	0.04	0.10	0.04	0.04
Computer software	0.05	0.13	0.05	0.05
Computer system	10.00	0.00	0.00	0.00

Source: EL's Capex investment plan for fixed asset and intangible assets

For depreciation and amortization, the IFA estimated the depreciation and amortization of the existing assets based on the remaining useful life of each asset, referring to the asset and intangible asset registers. For new assets from additional investment, the IFA estimated the related depreciation and amortization based on the useful life of each type of asset, with office equipment having a life of 3 years, office furniture and fixture having a life of 5 years, software programs having a life of 3 years, and computer systems having a life of 10 years, referring to the company's accounting policy for calculating depreciation and amortization.

**Interest bearing debt and finance cost**

EL's interest-bearing debt as of 30 September 2024, consisted of loans from financial institutions and lease liabilities. The IFA did not estimate EL to issue debenture of THB600.00 million in Case 1. The IFA estimated interest-bearing debt and related financial costs as follows:

For loans from financial institutions, the company has loans from financial institutions of THB 1,300.00 million from 3 financial institutions. The Company has entered into credit agreements to open credit lines with

financial institutions and borrow money in the form of short-term promissory notes. For loans from financial institutions, the IFA estimated that the company will maintain loans of THB 1,300.00 million throughout the projection to be used as working capital for the lending business. The IFA estimated the interest rate paid for loans from financial institutions to be 3.73 percent throughout the projection, referring to the actual interest rate paid in the first 9 months of 2024, calculated as an annualized effective interest rate of 3.73 percent.

For lease liabilities, the Company has lease liabilities arising from office leases for business operations. The IFA found that EL has changed the office lease agreement by terminating the original office lease agreement in August 2024 and starting a new office lease agreement from September 2024 for a period of 3 years, with a value of the right-of-use asset of 1.48 million baht. Therefore, the IFA estimated that the company will repay the lease liabilities according to the payment terms of the new lease agreement and estimated related interest expenses based on the right-of-use asset and lease liabilities registers. The IFA assumed that the company will renew the lease agreement after the end of the agreement in August 2027 by stipulating that the lease agreement will increase at a rate of 2.00 percent based on Thailand's projected inflation rate from the International Fund and estimated that the company will continue to pay principal and interest.

#### Summary of interest bearing debt and finance cost

(Unit: Million Baht)	2024F <sup>1</sup>	2025F	2026F	2027F	2028F	2029F
<b>Interest bearing debt</b>						
Loans from financial institutions	1,300.00	1,300.00	1,300.00	1,300.00	1,300.00	1,300.00
Lease liabilities (current and non current portion)	1.32	0.84	0.34	1.35	0.86	0.35
Debenture	0.00	0.00	0.00	0.00	0.00	0.00
<b>Total interest bearing debt</b>	<b>1,301.32</b>	<b>1,300.84</b>	<b>1,300.34</b>	<b>1,301.35</b>	<b>1,300.86</b>	<b>1,300.35</b>
<b>Finance cost</b>						
Interest expense from loans from financial institutions	12.12	48.49	48.49	48.49	48.49	48.49
Interest expense from lease liabilities (current and non current portion)	0.02	0.05	0.03	0.03	0.05	0.03
Interest expense from debenture	0.00	0.00	0.00	0.00	0.00	0.00
<b>Total finance cost</b>	<b>12.14</b>	<b>48.54</b>	<b>48.51</b>	<b>48.51</b>	<b>48.54</b>	<b>48.52</b>

Source: IFA's projection

Remark: 1. Projection of 2024F referred to 3 months' performance from 1 October – 31 December 2024

#### Corporate tax expense

The IFA determined the corporate income tax rate of EL to be 20.00%, referring to the corporate income tax rate of Thailand. The IFA took into account the accumulated losses incurred in 2024 and used them to calculate the tax expenses in the fourth quarter of 2024.

#### Other assumptions

The IFA estimated financial income, which is interest income unrelated to lending, by estimating financial income at an interest rate of 0.45 percent of cash and equivalents at the beginning of the period,

referring to the actual interest rate of financial income (unrelated to lending) for the 9-month period of 2024, calculated as a full year (Annualized effective interest rate) at 0.45 percent.

The IFA estimated trade receivables and other current receivables by determining the collection period to be 54.55 days throughout the projection, referring to the actual collection period in the first 9 months of 2024 of 54.55 days, and estimated other current assets to be 2.52 percent of interest received from personal loans, referring to the proportion of other current assets to actual interest received from personal loans in the first 9 months of 2024.

The IFA estimated trade and other current payables, assuming a creditor repayment period of 220.94 days throughout the projection, based on the actual creditor repayment period in the first 9 months of 2024 of 220.94 days, and estimated other current liabilities as a proportion of 1.49 percent of interest received on loans, based on the proportion of other current liabilities to interest received on loans that actually occurred in the first 9 months of 2024 of 1.49 percent. For the estimate of employee benefit liabilities, the IFA determined that the estimate of employee benefit liabilities will grow at a general salary increase rate of 5.00 percent from 2025 onwards.

## Financial Projection

### Projection of statement of financial position for scenario 1

(Unit: Million Baht)

Statement of financial position	2024F <sup>1</sup>	2025F	2026F	2027F	2028F	2029F
<b>Assets</b>						
<b>Current assets</b>						
Cash and cash equivalents	122.42	136.12	166.50	155.86	158.88	161.68
Personal loans and others	1,405.47	1,405.47	1,414.00	1,449.68	1,472.65	1,496.49
Trade and other receivables	15.37	19.24	19.36	19.85	20.16	20.49
Other current assets	2.59	3.24	3.26	3.34	3.39	3.45
<b>Total current assets</b>	<b>1,545.85</b>	<b>1,564.07</b>	<b>1,603.12</b>	<b>1,628.73</b>	<b>1,655.09</b>	<b>1,682.11</b>
<b>Non-current assets</b>						
Building improvement and equipment	1.16	0.75	0.61	0.45	0.28	0.14
Right-of-use assets	1.31	0.82	0.33	1.34	0.84	0.33
Intangible assets	1.67	10.13	8.63	7.59	6.57	5.53
Other current financial assets	0.13	0.13	0.13	0.13	0.13	0.13
Deferred tax assets	0.36	0.36	0.36	0.36	0.36	0.36
<b>Total non-current assets</b>	<b>4.63</b>	<b>12.19</b>	<b>10.06</b>	<b>9.87</b>	<b>8.18</b>	<b>6.50</b>
<b>Total assets</b>	<b>1,550.48</b>	<b>1,576.27</b>	<b>1,613.18</b>	<b>1,638.60</b>	<b>1,663.27</b>	<b>1,688.61</b>
<b>Liabilities and shareholders' equity</b>						
<b>Current liabilities</b>						
Trade and other payables	20.71	25.10	41.13	42.27	43.57	44.81

Statement of financial position	2024F <sup>1</sup>	2025F	2026F	2027F	2028F	2029F
Short term loans	1,300.00	1,300.00	1,300.00	1,300.00	1,300.00	1,300.00
Debenture	0.00	0.00	0.00	0.00	0.00	0.00
Current portion of lease liabilities	0.48	0.50	0.34	0.49	0.51	0.35
Corporate tax payable	0.24	0.24	0.24	0.24	0.24	0.24
Other current liabilities	1.53	1.91	1.93	1.97	2.01	2.04
<b>Total current liabilities</b>	<b>1,322.96</b>	<b>1,327.76</b>	<b>1,343.65</b>	<b>1,344.97</b>	<b>1,346.33</b>	<b>1,347.44</b>
<b>Non-current liabilities</b>						
Lease liabilities –current portion	0.84	0.34	0.00	0.86	0.35	0.00
Provision for Employee benefit liabilities	0.15	0.16	0.17	0.17	0.18	0.19
<b>Total non-current liabilities</b>	<b>0.99</b>	<b>0.50</b>	<b>0.17</b>	<b>1.03</b>	<b>0.53</b>	<b>0.19</b>
<b>Total liabilities</b>	<b>1,323.95</b>	<b>1,328.26</b>	<b>1,343.81</b>	<b>1,346.01</b>	<b>1,346.86</b>	<b>1,347.63</b>
<b>Shareholders' equity</b>						
Issued and paid-up capital	200.00	200.00	200.00	200.00	200.00	200.00
Retained earnings	26.53	48.01	69.37	92.59	116.40	140.98
<b>Total shareholders' equity</b>	<b>226.53</b>	<b>248.01</b>	<b>269.37</b>	<b>292.59</b>	<b>316.40</b>	<b>340.98</b>
Non-controlling interests	0.00	0.00	0.00	0.00	0.00	0.00
<b>Total liabilities and shareholders' equity</b>	<b>1,550.48</b>	<b>1,576.27</b>	<b>1,613.18</b>	<b>1,638.60</b>	<b>1,663.26</b>	<b>1,688.61</b>

Source: IFA's projection

Remark: 1. 2024's projection represented estimates as of 31 December 2024

### Projection of statement of comprehensive income for scenario 1

(Unit: Million Baht)

Statement of comprehensive income	3M2024 <sup>1</sup> F	2025F	2026F	2027F	2028F	2029F
Interest received from personal loans	32.19	128.75	129.53	132.80	134.90	137.09
Other service income	0.65	2.59	2.60	2.67	2.71	2.75
Other income	0.06	0.24	0.24	0.25	0.25	0.25
<b>Total revenue</b>	<b>32.89</b>	<b>131.57</b>	<b>132.37</b>	<b>135.71</b>	<b>137.86</b>	<b>140.10</b>
Cost of service	(7.84)	(33.62)	(34.33)	(35.49)	(36.49)	(37.53)
Administrative expenses	(5.77)	(22.71)	(22.97)	(22.83)	(23.22)	(23.48)
<b>Earning before interest and tax (EBIT)</b>	<b>19.28</b>	<b>75.25</b>	<b>75.07</b>	<b>77.39</b>	<b>78.15</b>	<b>79.09</b>
Finance income	0.14	0.14	0.15	0.15	0.15	0.15
Finance costs	(12.14)	(48.54)	(48.51)	(48.51)	(48.54)	(48.52)
<b>Earning before tax (EBT)</b>	<b>7.28</b>	<b>26.85</b>	<b>26.70</b>	<b>29.03</b>	<b>29.76</b>	<b>30.73</b>
Corporate income tax (20.00%)	(1.26)	(5.37)	(5.34)	(5.81)	(5.95)	(6.15)
<b>Net profit (loss)</b>	<b>6.02</b>	<b>21.48</b>	<b>21.36</b>	<b>23.22</b>	<b>23.81</b>	<b>24.58</b>

Source: IFA's projection

Remark: 1. Projection of 2024F referred to 3 months' performance from 1 October – 31 December 2024



**Projection of financial ratio for scenario 1**

Financial ratio	3M2024 <sup>1</sup> F	2025F	2026F	2027F	2028F	2029F
Current ratio	1.17	1.18	1.19	1.21	1.23	1.25
Debt to equity ratio	5.84	5.36	4.99	4.60	4.26	3.95
Interest coverage ratio	1.59	1.55	1.55	1.60	1.61	1.63

**3.6.2 Scenario 2: EL will continue its lending business under cost and expense adjustments and will receive funding from the issuance and offering of debenture worth 600 million baht.**

Details of the assumptions changed from scenario 1

Assumption	Detail
Assumption of issuing debenture to expand the business in the amount of 600.00 million baht	The IFA estimated that EL will issue debenture of THB 600.00 million with an interest rate of 4.50%, based on the company's debenture issuance plan. The IFA expected that EL will issue debenture in February 2025 and repay the entire amount of debenture in January 2028. The IFA estimated that the Company will increase its lending after the debenture issuance, with additional lending to be made in proportion to each type of loan, based on the proportion of each type of loan in the first 9 months of 2024, which consisted of insurance premium loans at 39.69%, vehicle registration loans at 3.47%, secured loans at 52.97%, and mortgage loans at 3.87%.

**Summary of projected loan amount and interest received from personal loans for scenario 2**

(Unit: Million Baht)	2024 <sup>1</sup> F	2025F	2026F	2027F	2028F	2029F
<b>Loan amount by loan type</b>						
Insurance premium loans	557.83	795.97	795.97	804.11	579.15	608.66
Vehicle registration loans	48.81	69.65	69.65	70.36	50.68	53.26
Secured loans	744.43	1062.23	1062.23	1073.10	772.89	812.27
Consignment loans	54.40	77.62	77.62	78.42	56.48	59.36
<b>Total loan amount</b>	<b>1,405.47</b>	<b>2,005.47</b>	<b>2,005.47</b>	<b>2,025.99</b>	<b>1,459.20</b>	<b>1,533.54</b>
<u>Less Allowance for ECL</u>	1.61	2.29	2.29	2.31	1.66	1.75
<b>Gross loan amount</b>	<b>1,407.08</b>	<b>2,007.76</b>	<b>2,007.76</b>	<b>2,028.30</b>	<b>1,460.86</b>	<b>1,535.29</b>
<b>Interest rate by loan type</b>						
Insurance premium loans	9.33%	9.33%	9.33%	9.33%	9.33%	9.33%
Vehicle registration loans	21.10%	21.10%	21.10%	21.10%	21.10%	21.10%
Secured loans	8.12%	8.12%	8.12%	8.12%	8.12%	8.12%
Consignment loans	11.01%	11.01%	11.01%	11.01%	11.01%	11.01%

(Unit: Million Baht)	2024 <sup>1</sup> F	2025F	2026F	2027F	2028F	2029F
<b>Interest received by loan type</b>						
Insurance premium loans	13.01	74.24	74.24	75.00	54.02	56.77
Vehicle registration loans	2.58	14.70	14.70	14.85	10.69	11.24
Secured loans	15.11	86.23	86.23	87.11	62.74	65.93
Consignment loans	1.50	8.55	8.55	8.63	6.22	6.54
<b>Total interest received from personal loans</b>	<b>32.19</b>	<b>183.71</b>	<b>183.71</b>	<b>185.59</b>	<b>133.67</b>	<b>140.48</b>

Source: IFA's projection

Remark: 1. Projection of 2024F referred to 3 months' performance from 1 October – 31 December 2024

### Summary of interest bearing debt and finance cost for scenario 2

(Unit: Million Baht)	2024 <sup>1</sup> F	2025F	2026F	2027F	2028F	2029F
<b>Interest bearing debt</b>						
Loans from financial institutions	1,300.00	1,300.00	1,300.00	1,300.00	1,300.00	1,300.00
Lease liabilities (current and non current portion)	1.32	0.84	0.34	1.35	0.86	0.35
Debenture	0.00	600.00	600.00	600.00	0.00	0.00
<b>Total interest bearing debt</b>	<b>1301.32</b>	<b>1,900.84</b>	<b>1,900.34</b>	<b>1,901.35</b>	<b>1,300.86</b>	<b>1,300.35</b>
<b>Finance cost</b>						
Interest expense from loans from financial institutions	12.12	48.49	48.49	48.49	48.49	48.49
Interest expense from lease liabilities (current and non current portion)	0.02	0.05	0.03	0.03	0.05	0.03
Interest expense from debenture	0.00	24.75	27.00	27.00	2.25	0.00
<b>Total finance cost</b>	<b>12.14</b>	<b>73.29</b>	<b>75.51</b>	<b>75.51</b>	<b>50.79</b>	<b>48.52</b>

Source: IFA's projection

Remark: 1. Projection of 2024F referred to 3 months' performance from 1 October – 31 December 2024

### Projection of statement of financial position for scenario 2

(Unit: Million Baht)

Statement of financial position	2024F <sup>1</sup>	2025F	2026F	2027F	2028F	2029F
<b>Assets</b>						
<b>Current assets</b>						
Cash and cash equivalents	122.42	146.72	203.34	219.04	212.73	161.27
Personal loans and others	1,405.47	2,005.47	2,005.47	2,025.99	14,59.20	1,533.54
Trade and other receivables	15.37	27.45	27.45	27.74	19.98	20.99
Other current assets	2.59	4.62	4.62	4.67	3.36	3.53
<b>Total current assets</b>	<b>1,545.85</b>	<b>2,184.26</b>	<b>2,240.89</b>	<b>2,277.43</b>	<b>1,695.27</b>	<b>1,719.35</b>
<b>Non-current assets</b>						

Statement of financial position	2024F <sup>1</sup>	2025F	2026F	2027F	2028F	2029F
Building improvement and equipment	1.16	0.75	0.61	0.45	0.28	0.14
Right-of-use assets	1.31	0.82	0.33	1.34	0.84	0.33
Intangible assets	1.67	10.13	8.63	7.59	6.57	5.53
Other current financial assets	0.13	0.13	0.13	0.13	0.13	0.13
Deferred tax assets	0.36	0.36	0.36	0.36	0.36	0.36
<b>Total non-current assets</b>	<b>4.63</b>	<b>12.19</b>	<b>10.06</b>	<b>9.87</b>	<b>8.18</b>	<b>6.50</b>
<b>Total assets</b>	<b>1,550.48</b>	<b>2,196.46</b>	<b>2,250.95</b>	<b>2,287.30</b>	<b>1,703.45</b>	<b>1,725.85</b>
<b>Liabilities and shareholders' equity</b>						
<b>Current liabilities</b>						
Trade and other payables	20.71	30.75	52.34	53.26	48.87	45.03
Short term loans	1,300.00	1,300.00	1,300.00	1,300.00	1,300.00	1,300.00
Debenture	0.00	0.00	0.00	600.00	0.00	0.00
Current portion of lease liabilities	0.48	0.50	0.34	0.49	0.51	0.35
Corporate tax payable	0.24	0.24	0.24	0.24	0.24	0.24
Other current liabilities	1.53	2.73	2.73	2.76	1.99	2.09
<b>Total current liabilities</b>	<b>1,322.96</b>	<b>1,334.22</b>	<b>1,355.66</b>	<b>1,956.75</b>	<b>1,351.61</b>	<b>1,347.71</b>
<b>Non-current liabilities</b>						
Lease liabilities – net of current portion	0.84	0.34	0.00	0.86	0.35	0.00
Provision for Employee benefit liabilities	0.00	600.00	600.00	0.00	0.00	0.00
<b>Total non-current liabilities</b>	<b>0.15</b>	<b>0.16</b>	<b>0.17</b>	<b>0.17</b>	<b>0.18</b>	<b>0.19</b>
<b>Total liabilities</b>	<b>0.99</b>	<b>600.50</b>	<b>600.17</b>	<b>1.03</b>	<b>0.53</b>	<b>0.19</b>
<b>Shareholders' equity</b>	<b>1,323.95</b>	<b>1,934.72</b>	<b>1,955.83</b>	<b>1,957.78</b>	<b>1,352.14</b>	<b>1,347.90</b>
Issued and paid-up capital						
Retained earnings	200.00	200.00	200.00	200.00	200.00	200.00
<b>Total shareholders' equity</b>	<b>26.53</b>	<b>61.74</b>	<b>95.12</b>	<b>129.52</b>	<b>151.30</b>	<b>177.95</b>
Non-controlling interests	<b>226.53</b>	<b>261.74</b>	<b>295.12</b>	<b>329.52</b>	<b>351.30</b>	<b>377.95</b>
<b>Total liabilities and shareholders' equity</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
<b>Assets</b>	<b>1,550.48</b>	<b>2,196.46</b>	<b>2,250.95</b>	<b>2,287.30</b>	<b>1,703.45</b>	<b>1,725.85</b>

Source: IFA's projection

Remark: 1. 2024's projection represented estimates as of 31 December 2024

### Projection of statement of comprehensive income for scenario 2

(Unit: Million Baht)

Statement of comprehensive income	3M2024 <sup>1</sup> F	2025F	2026F	2027F	2028F	2029F
Interest received from personal loans	32.19	183.71	183.71	185.59	133.67	140.48

Statement of comprehensive income	3M2024 <sup>1</sup> F	2025F	2026F	2027F	2028F	2029F
Other service income	0.65	3.69	3.69	3.73	2.69	2.82
Other income	0.06	0.34	0.34	0.34	0.25	0.26
<b>Total revenue</b>	<b>32.89</b>	<b>187.74</b>	<b>187.74</b>	<b>189.66</b>	<b>136.60</b>	<b>143.56</b>
Cost of service	(7.84)	(42.95)	(43.53)	(44.45)	(36.28)	(38.11)
Administrative expenses	(5.77)	(27.66)	(27.17)	(26.91)	(22.46)	(23.80)
<b>Earning before interest and tax (EBIT)</b>	<b>19.28</b>	<b>117.13</b>	<b>117.04</b>	<b>118.30</b>	<b>77.87</b>	<b>81.66</b>
Finance income	0.14	0.16	0.20	0.21	0.15	0.16
Finance costs	(12.14)	(73.29)	(75.51)	(75.51)	(50.79)	(48.52)
<b>Earning before tax (EBT)</b>	<b>7.28</b>	<b>44.01</b>	<b>41.73</b>	<b>42.99</b>	<b>27.24</b>	<b>33.30</b>
Corporate income tax (20.00%)	(1.26)	(8.80)	(8.35)	(8.60)	(5.45)	(6.66)
<b>Net profit (loss)</b>	<b>6.02</b>	<b>35.21</b>	<b>33.39</b>	<b>34.39</b>	<b>21.79</b>	<b>26.64</b>

Source: IFA's projection

Remark: 1. Projection of 2024F referred to 3 months' performance from 1 October – 31 December 2024

#### Projection of financial ratio for scenario 2

Financial ratio	3M2024 <sup>1</sup> F	2025F	2026F	2027F	2028F	2029F
Current ratio	1.17	1.64	1.65	1.16	1.25	1.28
Debt to equity ratio	5.84	7.39	6.63	5.94	3.85	3.57
Interest coverage ratio	1.59	1.60	1.55	1.57	1.53	1.68

Source: IFA's projection

Remark: 1. Projection of 2024F referred to 3 months' performance from 1 October – 31 December 2024

#### Comparative analysis results of estimates from 2 scenarios

From the comparison of the estimated operating results from scenario 1 and 2, the IFA expected that the company will have better operating results from the issuance of debenture of 600.00 million baht to expand the lending business. This is because the company will have more capital to increase the growth of interest income from loans. Interest income is expected to increase to 183.71 - 185.59 million baht during 2025 - 2027, an increase from the case where there is no issuance of debenture to expand the business, which is in the range of 128.75 - 132.80 million baht during 2025 - 2027. However, after the company repays the debenture, the company's income will decrease from the decrease in lending amount.

When comparing the net profit margin in the case of issuing debenture, the company will have a net profit margin of 17.78 - 18.75 percent during 2025 - 2027, an increase from the case where there is no issuance of debenture, which is in the range of 16.14 - 17.11 percent during 2025 - 2027, reflecting the increased operating capability.

For financial ratios, current ratio in case of issuing debenture, the company will have a current ratio between 1.16 - 1.65 times during 2025 - 2027, which is higher than the case of no issuance of debenture at between 1.18 - 1.21 times during 2025 - 2027 because the company has more cash and credit while the debenture are not due until 2028.

For debt to equity Ratio, in the case of issuing debenture, it will be between 5.94 - 7.39 times, which is higher than the case of no debenture issuance because the company will have an increase in debenture debt of 600.00 million during 2025 - 2027, reflecting the increased risk in doing business because the company operates its business with a financial structure that is more indebted. However, when comparing the Interest coverage ratio, the IFA found that the interest coverage ratio in the case of issuing debenture is between 1.55 - 1.60, which is close to the ratio in the case of no issuance of shares, which is between 1.55 - 1.60 during 2025 - 2027, reflecting that the increased operating results are sufficient to cover the increased financial costs as well.

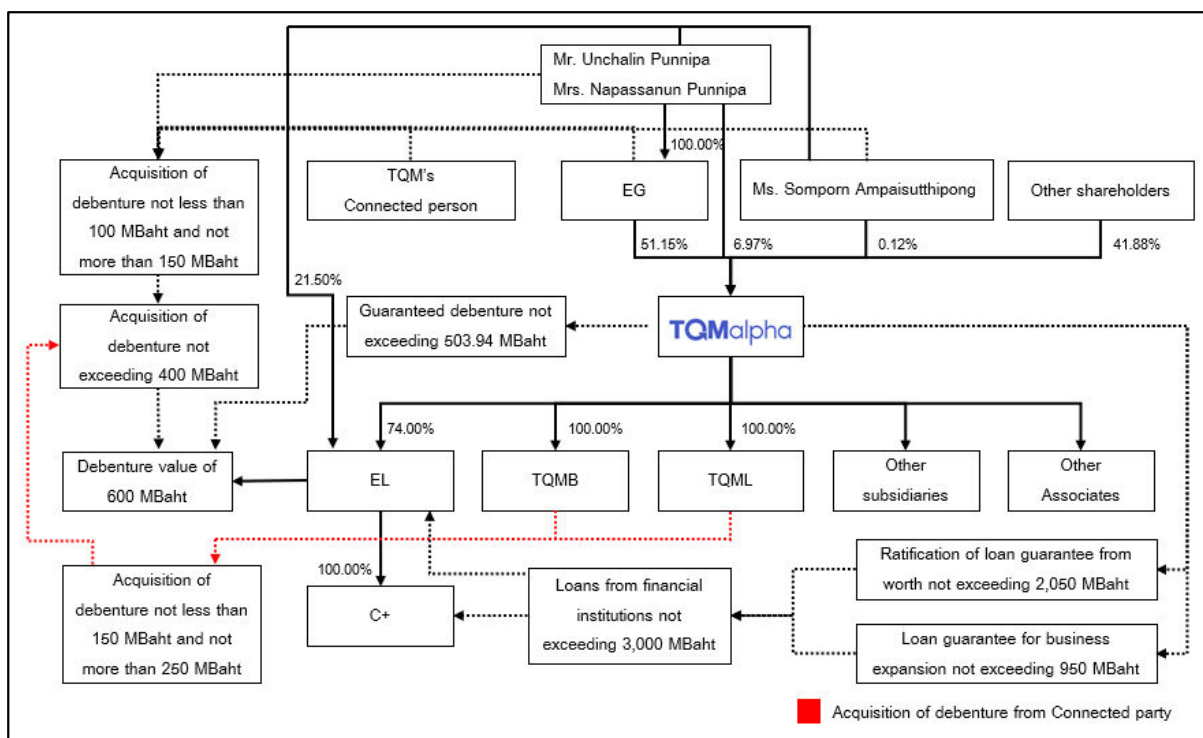
**Section 4: Acquisition of Debenture that Offered and issued by Connected party**

**4.1 Characteristics of Acquisition of Debenture that issued and offered by Connected party**

**4.1.1 Characteristics of the Transaction**

The Board of Directors' Meeting No. 7/2024 of TQM Alpha Public Company Limited ("TQM" or "the Company") resolved to approve the amendment and addition of the connected transaction approved by the Board of Directors' Meeting No. 6/2024 held on 14 November 2024 which resolved to request an approval from the shareholders' meeting to consider and approve connected transaction between the Company and its subsidiaries with Easy Lending Company Limited ("EL") (Agenda 3) which is engaged in personal lending business with the main products being insurance premium loans, car registration as collateral loans, and personal loans with collateral, whereby EL has subsidiary, Cashnow Plus Company Limited ("C+") in which EL held 100.00 percent of total shares which commenced its business on 28 December 2023 with the main product being consignment loans and secured personal loans. EL is a subsidiary of the Company held 74.00 percent of total shares, while other subsidiaries of the Company, namely TQM Insurance Broker Co., Ltd. ("TQMB") and/or TQM Life Insurance Broker Co., Ltd. ("TQML"), will subscribe for no less than 150,000 debenture, or 150.00 million baht, and no more than 250,000 shares, or 250.00 million baht, and interest received from debenture of no less than 20.25 million baht or no more than 33.75 million baht, totaling no less than 170.25 and no more than 283.75 million baht, which is private offering of debenture to institutional investors, ultra-high net worth, and/or high net worth (PP(II&UHNW&HNW))

**Acquisition of debenture issued and offered by connected party structure**



<b>Subject</b>	<b>Description</b>
Issuer	Easy Lending Company Limited
Purchaser	TQM Insurance Broker Co., Ltd. ("TQMB") <ul style="list-style-type: none"> <li>- A subsidiary of the Company in which the Company held 100 percent of the registered and paid-up ordinary shares.</li> </ul> TQM Life Insurance Broker Co., Ltd. ("TQML") <ul style="list-style-type: none"> <li>- A subsidiary of the Company in which the Company held 100 percent of the registered and paid-up ordinary shares.</li> </ul>
Objective	To manage the liquidity of group the Companies to maximize benefits.
Asset Value	Not less than 150.00 million baht and not more than 250.00 million baht
Debenture tenure	3 years from issue and offering date of debenture
Interest Rate	Fixed interest rate of 4.50 percent per year
Collateral	Guaranteed by TQM Alpha PLC. in an amount not exceeding 74.00 percent of principal and interest, totaling not exceeding 503.94 million baht, in case that the Company's shareholders resolve to approve financial assistance for guarantee for debenture in Agenda 4 of the shareholders' meeting to be held on 6 January 2025.
Condition Precedent	1. The Company's shareholders have resolved to approve the acquisition of debenture issued and offered by connected party. 2. EL has been approved by the Securities and Exchange Commission (SEC) to issue and offer debenture.
Term of payment	Principle: Debenture issuer shall have the duty to repay in full amount to purchaser of debenture tenure (three) years from issue and offering date.  Interest: Interest payments are made every 3 months.

The Acquisition of debenture issued and offered by connected party is considered an acquisition of the Company's assets pursuant to the Notification of the Capital Market Supervisory Board No. TorJor. 20/2551 on the Criteria for Acquisition or Disposal of Assets Transaction (As Amended) and the Notification of the Stock Exchange of Thailand on Disclosure of Information and Operations of Listed Companies in the Acquisition or Disposal of Assets B.E. 2547 (As Amended) (the "Notification of Acquisition or Disposal of Assets"), as the Company's subsidiaries will acquire assets with significant value or transaction size. When calculating the transaction size according to the Notification of Acquisition or Disposal of Assets, the highest transaction size is 4.76 percent based on the total value of consideration (referring to the Company's latest consolidated financial statements ending on 30 September 2024). When combined with other asset acquisitions occurring in the past 6 months prior to this transaction, the Company's asset acquisition transaction is 9.88 percent, which is considered a small transaction because the transaction size is less than 15 percent, which is within the approval authority of the Company's Board of Director meeting.

In addition, this transaction is considered as providing financial assistance to connected persons under the Capital Market Supervisory Board Announcement No. TorJor. 21/2551 on Connected Transactions Criteria

dated 31 August 2008 (As Amended) ("Capital Market Supervisory Board Announcement No. TorJor. 21/2551") and the Stock Exchange of Thailand Announcement on Disclosure of Information and Operations of Listed Companies in Connected Transactions B.E. 2546 dated 19 November 2003 (As Amended) ("Connected Notification") because the transaction is between TQMB, a subsidiary which the Company holds 100.00 percent of total shares, and TQML, a subsidiary in which the Company held 100.00 percent of total shares, and EL, a subsidiary in which the Company held 74.00 percent of total ordinary shares with related persons of the Company held EL ordinary shares, namely (1) Mr. Unchalin Punnipa, who holds the position of Chairman of the Board, Chairman of the Risk Management and Sustainable Development Committee and Chairman of the Company directly holds 22.68 million ordinary shares of the Company, (2) Mrs. Napassanun Punnipa holds the position of Director, Chairman of the Executive Committee, Nomination and Remuneration Committee, and Chief Executive Officer, directly holding 19.14 million ordinary shares of the Company, where (1) Mr. Unchalin Punnipa and (2) Mrs. Napassanun Punnipa indirectly hold a total of 306.89 million ordinary shares of the Company, totaling directly and indirectly holding 348.71 million ordinary shares of the Company, or 58.12 percent of total registered and paid-up capital of the Company, and (3) Miss Somporn Ampaisutthipong held the position of Director, Executive Committee, and Chief Financial Officer (CFO), directly holding 720,000 ordinary shares of the Company. The number of shares of the Company refers to the shareholder register on 11 November 2024, which is latest closing date of the shareholder register and holding 430,004 ordinary shares of EL (1+2+3) or 21.50 percent of EL's total registered and paid-up capital, which has a financial assistance transaction size to related persons of no more than 283.75 million baht, accounting for 13.51 percent of the Company's NTA as of 30 September 2024. However, the Company and EL have no financial assistance transactions in the past 6 months, and there are transactions that the Company's board of directors has resolved to propose to shareholders to provide financial assistance to EL on other agenda with total value not exceeding 3,503.94 million baht, resulting in a total financial assistance transaction size to EL of no more than 3,787.69 million baht or 180.31 percent of NTA. Since the value of such transaction exceeds 100 million baht or exceeds 3 percent of the Company's NTA, whichever is lower, it is considered as large transaction. Therefore, the Company is required to disclose information on the Company's Connected Transactions to the Stock Exchange of Thailand in accordance with the Connected Transaction Notification and appoint an independent financial advisor approved by the Securities and Exchange Commission (SEC) to provide an opinion on the Company's Connected Transactions and request approval for the transaction from the Company's shareholders' meeting with no less than three-fourth of the total number of shareholders attending the meeting and having the right to vote, excluding votes of interested shareholders.

In this regard, the Company has appointed Silom Advisory Company Limited which is a financial advisor certified by the Securities and Exchange Commission ("the SEC"), as the independent financial advisor ("the IFA") To provide opinions on the connected transaction to the Company's shareholders for consideration.

#### **4.1.2 Transaction Date**

the Company expects to complete the acquisition of debenture that issued and offered by EL within February 2025 after receiving approval from the Company's Extraordinary General Meeting of Shareholders No. 1/2025 held on 6 January 2025.



#### 4.1.3 Relevant Parties and Relationships

- Debenture Issuer : Easy Lending Company Limited
- Purchaser : TQM Insurance Broker Co., Ltd. ("TQMB")
- A subsidiary of the Company in which the Company held 100 percent of the registered and paid-up ordinary shares.
- TQM Life Insurance Broker Co., Ltd. ("TQML")
- A subsidiary of the Company in which the Company held 100 percent of the registered and paid-up ordinary shares.
- Relationship with the Company : EL is a subsidiary of the Company which held 74.00 percent of the total ordinary shares and connected party of the Company held as follows:
1. Mr. Unchalin Punnipa, Chairman of the Board, President of the Company, held 22.51 million ordinary shares of the Company and 160,002 ordinary shares of EL.
  2. Mrs. Napassanun Punnipa, Chief Executive Officer, Director, held 18.97 million ordinary shares of the Company and 140,002 ordinary shares of EL.
  3. Miss Somporn Ampaisutthipong, Director, Executive Director, Chief Financial Officer (CFO), holding 130,000 ordinary shares of EL.
- Remark: Mr. Unchalin (1) and Mrs. Napassanun (2) indirectly held a total of 306.89 million ordinary shares of the Company, totaling directly and indirectly held 348.37 million ordinary shares held ((1)+(2)), or 58.06 percent of the Company's registered and paid-up capital.*
- The Company's interested persons held total of 430,004 ordinary shares of EL, representing 21.50 percent of EL's registered and paid-up capital

#### 4.1.4 Transaction Size

Due to entering into this transaction, it is consider as acquiring assets from connected party of the Company. Therefore, the Company has duties according to the Acquisition or Disposal of assets Notification and Connected transactions, etc. Including providing financial assistance to connected party with reference to TQM's latest reviewed financial statements for the 9-month period ending 30 September 2024 as follows:

Unit: million baht

Description	Reviewed Consolidated Financial Statement of TQM For 9-month period ending on 30 September 2024
Total Assets	5,963.85
Intangible Assets	581.71

Description	Reviewed Consolidated Financial Statement of TQM For 9-month period ending on 30 September 2024
Deferred Tax Assets	34.73
Total Liabilities	2,686.80
Non-controlling interest	560.01
<b>Net Tangible Assets</b>	<b>2,100.61</b>
0.03% of NTA	0.63
3.00% of NTA	63.02

#### 4.1.4.1 Acquisition Transaction

Calculation of Acquisition size of the transaction according to the announcement of the acquisition or disposal of assets. The calculation as follows:

Criteria	=	Calculation
Value of net tangible assets	=	Cannot be calculated as it is not an investment in ordinary shares.
Net operating profits	=	Cannot be calculated as it is not an investment in ordinary shares.
<b>Total value of consideration paid or received</b>	=	<b><u>Total Value of transaction</u></b>
	=	<b><u>283.75</u></b>
	=	<b>5,963.85</b>
<b>Total value of consideration paid or received</b>	=	<b><u>Total Assets of the Company</u></b>
	=	<b><u>283.75</u></b>
	=	<b>4.76%</b>
value of equity shares issued for the payment of assets	=	Cannot be calculated because the Company does not issue shares for acquisition of assets.

From the calculation, it was found that the transaction size based on the total value of consideration criteria had the highest transaction size, which was equal to 4.76 percent when combined with other acquisitions in the past 6 months, based on total value of consideration criteria, the transaction size would be equal to 9.88 percent, which is lower than 15.00 percent. Therefore, the Company is required to disclose information about the transaction to the Stock Exchange of Thailand.

#### 4.1.4.2 Financial Assistance Transaction

Acquisition of debenture that issued and offered by EL is considered as financial assistance under the Connected Transaction Notification because debenture is considered as loan which the principal amount will not exceed 250.00 million baht and interest throughout the loan period will not exceed 33.75 million baht throughout Debenture tenure, totaling 283.75 million baht in financial assistance, with the maximum transaction size equal to 21.61 percent of the Company's net tangible assets (NTA) according to the Company's consolidated financial statements ending 30 September 2024. However, the Company and EL have not provided any financial assistance in the past 6 months and there is other agenda that has resolved to request

an approval from shareholders to provide financial assistance to EL with total value not exceeding 3,503.94 million baht, resulting in the total size of the financial assistance to EL not exceeding 3,787.69 million baht or 180.31 percent of the Company's NTA. Therefore, the transaction with EL is considered large connected transaction with a transaction size of more than 100 million baht or more than 3 percent of the Company's NTA, whichever is lower. The Company is required to request an approval from the shareholders' meeting and should receive approval with a vote of three-fourth of the shareholders attending the meeting and having the right to vote, excluding shareholders with an interest and need to appoint independent financial advisor (IFA) to provide an opinion on the transaction.

However, since the total size of all financial assistance to EL this time is higher than 100.00 percent of net tangible assets, each consideration and approval may have a significant impact on the Company in the future. Therefore, in considering each agenda, shareholders should study the information carefully and clearly before considering.

#### **4.1.5 Conditions for entering into the transaction**

Conditions for entering into the transaction are subject to the approval of the Company's Extraordinary General Meeting of shareholders No. 1/2025 on 6 January 2025 and the successful filing of EL's application for the issuance and offering of debenture with the Securities and Exchange Commission ("SEC").

#### **4.1.6 Source of fund**

The Company working capital which is generated from operating results of the Company's subsidiaries. After entering into the transaction, each subsidiary still has sufficient working capital to remain its operations.

#### **4.1.7 Expected Benefit of the transaction**

In order to manage cash flow from working capital to obtain the most beneficial returns for the Company and expected returns from EL through increasing the loan limit in proportion.

#### **4.1.8 Conflicted Directors and shareholders who did not attend and no voting rights at the meeting**

##### **4.1.8.1 Directors who have an interest in the transaction**

1. Mr. Unchalin Punnipa is major shareholder of the Company and held position of Chairman of the Board, Chairman of Risk Management and Sustainable Development Committee, and President of the Company. 2. Mrs. Napassanun Punnipa is major shareholder of the Company and held position of Director, Chairman of Executive Committee, Nomination and Remuneration Committee, and Chief Executive Officer (CEO) of the Company. 3. Miss Somporn Ampaisutthipong held the position of Director, Executive Committee, and Chief Financial Officer (CFO) of the Company. Directors who are interested persons, did not attend the meeting and had no voting rights at the Company's Board of Directors' Meeting No. 6/2024 held on 14 November 2024 during the consideration.

##### **4.1.8.2 Shareholders with an interest in the transaction**

List of interested shareholders in the transaction as of latest closing date of shareholder register on 14 November 2024, are as follows: 1. Eternal Growth Corporation Co., Ltd. as major shareholder of the

Company and considered person with an interest in transaction 2. Mr. Unchalin Punnipa as a major shareholder of the Company and person with an interest in transaction 3. Mrs. Napassanun Punnipa as major shareholder of the Company and person with an interest in transaction 4. Miss Somporn Ampaisutthipong as shareholder of the Company and person with an interest in the transaction.

**Information of shareholders with an interest in the transaction**

No	Shareholders	No. Shares (Shares)	Proportion (Percent)
1	Eternal Growth Corporation Co., Ltd.	306,892,800	51.15
2	Mr. Unchalin Punnipa	22,680,000	3.78
3	Mrs. Napassanun Punnipa	19,138,900	3.19
4	Miss Somporn Ampaisutthipong	720,000	0.12
<b>Total shareholders with an interest</b>		<b>349,431,700</b>	<b>58.24</b>
3	Shareholders with voting rights	250,568,300	41.76
<b>Total Shareholders</b>		<b>600,000,000</b>	<b>100.00</b>

Source: the Company's share register is closed on 11 November 2024; the Company's closing share register prior this report.

In this regard, interested shareholders as of record date on 12 December 2024 may change from the aforementioned table above, and the Company will update the list of shareholders with interests after the Record Date in the Company's invitation letter.

**4.1.9 Board of director's opinion on the transaction**

The Board of Directors' Meeting (excluding interested directors) No. 7/2024 of TQM Alpha Public Company Limited ("TQM" or "the Company") resolved to approve the amendment and addition of connected transactions approved by the Board of Directors' Meeting No. 6/2024. The Board of Directors' Meeting deemed it appropriate to approve because it is an issuance and offering of debenture to institutional investors or major investors who are persons in Group 1 related parties. The interest rate of a debenture is an appropriate interest rate according to the debt instrument market and is not different from the others. In addition, it is a subscription of debenture in the Company's subsidiary companies. The Company believes that EL, as the issuer of debenture, is a subsidiary whose financial status and performance have been continuously acknowledged by the Company and believes that EL has strong performance. Therefore, it is a case of safety investment for the Company. In addition, the proportion of financial assistance from TQMB and TQML to purchase debenture in an amount not less than 150 million baht and a total amount not exceeding 250 million baht is appropriate, which is lower than the Company's shareholding proportion in EL.

**4.1.10 Audit Committee and/or directors that be different from Board of Director's opinion**

The Audit Committee has no opinion that differs from the Company's Board of Directors.

## 4.2 Rational of the Transaction

### 4.2.1 Objective of the Transaction

TQM Alpha Public Company Limited ("TQM") intends to acquire debenture that issued and offered by Easy Lending Company Limited ("EL") through TQM Insurance Broker Co., Ltd. ("TQMB") and TQM Life Insurance Broker Co., Ltd. ("TQML"), which are subsidiaries of TQM in which the Company held 100.00 percent of total shares, with a value of not less than 150 million baht and not more than 250 million baht in total to manage the working capital of companies within the group for maximum benefit and to be used in EL's business operations, as well as working capital within 3 years to support future expansion.

### 4.2.2 Impact of the acquisition of debenture that issued by EL

List	Consolidated Statement	Impact of debenture issuance	Impact of issuing debenture and <u>Approved</u>	Impact of issuing debenture and <u>not being approved</u>
	30 Sep 2024			
<b>Financial position of the Company</b>				
<b>Assets</b>				
Cash and cash equivalents	874.47	1,474.47	1,224.47	1,474.47
Financial assets held for investment	-	-	-	-
<b>Total Assets</b>	<b>5,963.85</b>	<b>6,563.85</b>	<b>6,563.85</b>	<b>6,563.85</b>
<b>Liabilities</b>				
Debenture	-	600.00	350.00	600.00
<b>Total Liabilities</b>	<b>2,686.80</b>	<b>3,286.80</b>	<b>3,286.80</b>	<b>3,286.80</b>
Issued and paid-up capital	300.00	300.00	300.00	300.00
Surplus value of ordinary shares	1,606.75	1,606.75	1,606.75	1,606.75
Differences from business combination under common control	(247.12)	(247.12)	(247.12)	(247.12)
Retained earnings	1,064.46	1,064.46	1,064.46	1,064.46
<b>Parent company equity</b>	<b>2,717.04</b>	<b>2,717.04</b>	<b>2,717.04</b>	<b>2,717.04</b>
<b>Financial Ratio</b>				
Current Ratio	1.88x	2.16x	2.04x	2.16x
Quick Ratio	1.84x	2.13x	2.01x	2.13x
D/E Ratio	0.82x	1.00x	0.93x	1.00x
IBD/E Ratio	0.55x	0.73x	0.65x	0.73x

Since the acquisition of debenture issued and offered by EL with a value not exceeding 250 million baht under the condition that EL will be able to issue and offer debenture with a value of 600 million baht, IFA analyzes the impact of issuing the full amount of debenture with the following detail:

**Impact on Assets**, IFA found that the impact on assets related to the issuance and offering of EL's debenture, starting with the impact from the debenture in fully issued, with a total value of 600.00 million baht, will result in TQM receiving cash from the issuance and offering of debenture of 600.00 million baht. If the

shareholders of the Company approve the subsidiary to purchase the debenture that offered by EL in maximum at 250.00 million baht, it will result in TQM's cash decreasing by 250.00 million baht and financial assets held for investment increasing by 250.00 million baht. However, according to the consolidated financial statement standards, the cash and financial assets held for investment, worth 250.00 million baht, will be deducted from the book value (Elimination), resulting in the Company recognizing additional cash from the offering of debenture to external parties of 350.00 million baht.

**Impact on Debt,** IFA found that if EL issues and offers debenture worth 600.00 million baht, the Company will have an increase in debt from debenture by 600.00 million baht. If shareholders approve the purchase of debenture issued and offered by EL, the Company will have decrease in debt from the issuance and offering of debenture by 250.00 million baht, according to the consolidated financial statement preparation standard, which will be deducted from the book value (Elimination) for debt burdens between subsidiaries.

**Impact of future debt burden,** IFA found that if EL issues and offers debenture worth 600.00 million baht, the Company will have a debt burden from the interest rate of the debenture worth 11.25 million baht per year or 33.75 million baht throughout the debenture tenure, which will be recorded in the balance sheet of the business that will not show the asset item (Off Balance Sheet). If TQM approves the subsidiary to purchase the debenture issued and offered by EL, the debt burden from the interest recorded in the balance sheet of the business will not show the asset item, decreasing by 33.75 million baht (calculated by the value of the debenture that the Company will receive of 250 million baht multiplied by the interest rate of 4.50 percent multiplied by debenture tenure of 3 years) from the deduction from the book value (Elimination) according to the consolidated financial statement standards.

**Impact on the Company's Liquidity,** IFA found that if EL issues and offers debenture worth 600.00 million baht, the Company's liquidity ratio will increase by 2.16 times from 1.88 times to 2.16 times from the ratio as of 30 September 2024. If the Company purchases debenture, the Company's liquidity ratio will decrease by 0.12 times from 2.16 times to 2.04 times. When considering the quick ratio, it was found that if EL issues and offers debenture worth 600.00 million baht, the Company's quick ratio will increase by 0.29 times from 1.84 times to 2.13 times from the ratio as of 30 September 2024. If the Company purchases debenture, the Company's quick ratio will decrease by 0.12 times from 2.13 times to 2.01 times, which shows that the Company will still have sufficient liquidity to continue its business because the Company still be current assets higher than current liabilities. Although after the transaction, EL will change the cash status received from the issuance and offering of debenture to personal loans for business operations. It will not affect the liquidity ratio and the quick ratio because personal loans are considered highly liquid assets like receivables, it will not affect the current ratio and quick ratio.

**Impact on the Company's financial structure,** IFA found that if EL issued and offered debenture worth 600.00 million baht, the Company's debt to equity ratio will increase by 0.18 times from 0.82 times to 1.00 times from the ratio as of 30 September 2024. When considering the interest-bearing debt to equity ratio, it was found that the Company's interest-bearing debt to equity ratio will increase by 0.18 times from 0.55 times to 0.73 times from the ratio as of 30 September 2024. If the Company purchases debenture, it will affect debt to equity ratio by decrease 0.07 times and the interest-bearing debt to equity ratio will decrease by 0.65 times

due to the impact after the issuance and offering of the debenture in full amount. However, IFA has considered the listed companies on the Stock Exchange of Thailand under the Financial Business category (FINCIAL) and found that the average financial structure ratio is 1.73 percent. Therefore, the Company will still have a debt burden ratio lower than the average of companies in similar businesses. In addition, the Company does not have financial status conditions with financial institutions, so it will not affect the operations or the credit line received from financial institutions.

However, if the issuance and offering of EL's debenture cannot be offered in full or cannot be offered, it will result in cash and debt obligations from debenture changing according to the amount that can actually be offered or there will be no change.

#### **4.2.3 Appropriateness related to entering into the transaction**

##### **4.2.3.1 Appropriateness of loan interest rate**

From the consideration of the acquisition of debenture issued and offered by EL with value of not less than 150.00 million baht and not more than 250.00 million baht with an interest rate of 4.50 percent per annum, IFA has studied the market interest rate of the debenture which are at a level lower than investment grade (Non-Investment Grade: Non-IG) because the debenture issued and offered by EL are not graded in order to compare the appropriateness of the interest rate. IFA found that the interest rate of the debenture is in the range between 1.50 - 7.50 percent, but lower than the median of 6.70 percent and lower than the average of 6.09 percent, including the consideration of the expected return on shareholders of the Company (Cost of Equity) at 9.22 percent, which shows that the appropriate investment of the Company by using capital from shareholders' equity should have return higher than the interest rate according to the median, average and expected return on shareholders' equity.

However, the interest rate received is within the market interest rate, including the expected return rate of the Company's shareholders that also include EL's performance as a subsidiary of the Company has been taken into account, and IFA has analyzed the internal rate of return from for additional performance from debenture that EL could issued and offered debenture in full and TQM acquire the debenture with value of 250 million baht. The internal rate of return (IRR) is 4.97 percent per annum along with the consideration of the risks from the business operations, where the Company can set policies, control, and monitor the operations of EL as a subsidiary, including reducing the financial cost burden on external parties. Therefore, IFA is of the opinion that the interest rate to be received from the transaction is appropriate.

##### **4.2.3.2 Appropriateness Proportion in considering the transaction**

The Acquisition of debenture issued and offered by EL with a value of not less than 150.00 million baht and not more than 250.00 million baht, representing 37.50-62.50 percent of total allocated value not more than 400.00 million baht after the offering of debenture to external parties. From considering the said proportion, IFA opined that the acquisition proportion of debenture is appropriate because it is lower than the proportion of the Company holding ordinary shares, which is 74.00 percent of the total registered and paid-up capital of EL. Therefore, the Company will not be at a disadvantage providing financial assistance to EL.

#### 4.2.4 Advantages of entering into the Transaction

##### 4.2.4.1 The Company be able to manage working capital to maximize benefits.

The Company has the opportunity to receive higher return from the operating results of EL in proportion to 74.00 percent from the increase in the credit line from the issuance and offering of debenture worth 600.00 million baht if EL can issue and offer the debenture in full amount. The IFA has studied the feasibility of EL's operating results for the issuance of debenture worth 600.00 million baht to expand the credit line for business operations as follows:

(Unit: Million Baht)

Statement of comprehensive income	3M2024 <sup>1</sup> F	2025F	2026F	2027F	2028F	2029F
<b>Total revenue</b>	<b>32.89</b>	<b>187.74</b>	<b>187.74</b>	<b>189.66</b>	<b>136.60</b>	<b>143.56</b>
Cost of service	(7.84)	(42.95)	(43.53)	(44.45)	(36.28)	(38.11)
Administrative expense	(5.77)	(27.66)	(27.17)	(26.91)	(22.46)	(23.80)
<b>Earning before interest and tax (EBIT)</b>	<b>19.28</b>	<b>117.13</b>	<b>117.04</b>	<b>118.30</b>	<b>77.87</b>	<b>81.66</b>
Finance income	0.14	0.16	0.20	0.21	0.15	0.16
Finance cost	(12.14)	(73.29)	(75.51)	(75.51)	(50.79)	(48.52)
<b>Earning before tax (EBT)</b>	<b>7.28</b>	<b>44.01</b>	<b>41.73</b>	<b>42.99</b>	<b>27.24</b>	<b>33.30</b>
Corporate tax expense (20.00%)	(1.26)	(8.80)	(8.35)	(8.60)	(5.45)	(6.66)
<b>Net profit (loss)</b>	<b>6.02</b>	<b>35.21</b>	<b>33.39</b>	<b>34.39</b>	<b>21.79</b>	<b>26.64</b>

Remark: information of study on EL's performance referred to 3.6 Feasibility study of EL performance (Section 3 Page 9)

##### 4.2.4.2 Increase the opportunity to fully funding

The Acquisition of debenture issued and offered by EL with value not exceeding 250.00 million baht will support the Company reduce the risk of raising funds through debenture from external parties because the terms and interest rates of debenture that issued and offered by EL may not be interest to external parties, such as being debenture without risk ratings, incomplete guarantees for debenture damages (if shareholders approve financial assistance by guaranteeing debenture with a value not exceeding 503.94 million baht), and interest rates that may not be attractive to investors, etc. Therefore, the Acquisition of debenture issued and offered by EL will increase the opportunity to raise funds to expand the credit line in complete.

##### 4.2.4.3 Reduce financial costs to be paid to external parties.

The purchase of debenture issued and offered by EL with a value not exceeding 250.00 million baht at an interest rate of 4.50 percent per annum will reduce financial costs to be paid to external parties by 11.25 million baht per annum or 33.75 million baht over the life of the debenture, as such financial costs must be paid to the debenture holders. Therefore, if TQMB and/or TQML are debenture holders, they will be the beneficiaries of the financial costs to be paid to the debenture holders.

#### 4.2.5 Disadvantages of entering into the Transaction

##### 4.2.5.1 The Company may lose the investment opportunity that provides higher returns.



This financial assistance to EL is limited to a maximum of 250.00 million baht within period of 3 years from the date of issuance and offering of the debenture, which may cause the Company to lose the opportunity to invest in better returns investment during that period.

According to the Company's executives interview, it was found that the Company considered the return on the debenture, the risks and safety of the Company's investment, and the operating results of EL which the Company can operate and verify from the status of EL's parent company, including the Company having no investment plan to expand the business and/or receiving investment proposals that may provide better returns under similar risks.

**4.2.5.2 The Company's liquidity ratio may decrease while providing financial assistance to EL.**

Since the acquisition of debenture issued and offered by EL with a value not exceeding 250.00 million baht is 6.44 of the Company's current assets or 4.19 percent of the Company's total assets, the provision of financial assistance will result in the Company's liquidity ratio changing. In the case that EL can issue and offer debenture as follows:

List	Consolidate statement	Impact of debenture issuance	Impact of issuing debenture and <u>Approved</u>	Impact of issuing debenture and <u>not being approved</u>
	30 Sep 2024			
Current Ratio (times)	1.88x	2.16x	2.04x	2.16x
Quick Ratio (times)	1.84x	2.13x	2.01x	2.13x

According to impact on the liquidity of the Company after issuance and offering of debenture and the transaction, in case that EL can issue and offer debenture in full amount and the Company enters into a transaction with the maximum amount of 250.00 million baht, it will result in the Company's liquidity ratio and quick liquidity ratio being higher because the Company will receive cash according to the number of shares offered and the debenture are not due for payment within 1 year on the transaction date.

Financial Ratio	3M2024 <sup>1</sup> F	2025F	2026F	2027F	2028F	2029F
Current Ratio	1.17	1.64	1.65	1.16	1.25	1.28
Debt to equity Ratio	5.84	7.39	6.63	5.94	3.85	3.57

Source: information of Feasibility Study refer to. 3.6 Feasibility Study of EL Performance: Section 3 Page 9

When considering EL's liquidity ratio from EL's performance for the case where the debenture can be issued and offered in full amount, the current ratio is between 1.16 - 1.65 times during 2025 - 2027, which is higher than 2005 - 2027 that no debenture issuance at between 1.18 - 1.21 times because EL has more cash and loans while the debenture are not due until 2028. EL's debt to equity ratio in the case of debenture issuance is between 5.94 - 7.39 times, which is higher than 2025 -2027 that no debenture issuance because the company will have an increase in debenture debt of 600.00 million to reflecting the increased risk in doing business because the company operates with a financial structure that is more indebted.

In this regard, when considering the business conditions of TQMB and TQML, subsidiaries which TQM held 100.00 percent of total shares, it was found that both companies are under supervision of the Office of

Insurance Commission (OIC) in terms of insurance premiums as specified and already reserved this amount in complete. The fund that will be invested is profit from business operations, which is not related to insurance premiums as specified by OIC. TQMB and TQML are required to reserve consisting of 1. Government bonds worth 50 million baht, 2. Fixed deposit accounts worth 1 million baht. When considering highly liquid assets of TQMB and TQML, total value is 1,629.28 million baht, consisting of 1. Cash and cash equivalents, 2. Accrued service income and other receivables, and 3. Other current financial assets, deducting the value of assets that must be reserved by OIC of TQMB and TQML, there will still be highly liquid assets that can be invested in 1,578.28 million baht, which shows the adequacy of assets if the debenture are purchased in complete.

#### **4.2.6 Advantages of entering into the Transaction with Connected party**

##### **4.2.6.1 Flexibility in negotiation and coordination and flexibility in setting loan terms**

Since EL is a subsidiary with common shareholders and directors, communication between the two companies is more flexible than negotiating with external parties. The Company can track performance and payments in each payment cycle and can inquire about necessary information about financial status and debt repayment ability more conveniently than doing transactions with external parties.

#### **4.2.7 Disadvantages of entering into the Transaction with Connected party**

##### **4.2.7.1 Risk of being controlled by Connected party in terms of contract**

In general, entering into a transaction with a connected party may have Disadvantages in terms of bargaining power over terms and conditions for this transaction. Since EL shareholders are major shareholders and controlling persons of the Company, this transaction may not allow the Company to fully negotiate terms and conditions when compared to entering into a transaction with an external party.

However, the Company has carefully considered the safety of the investment and the operating outlook of EL and expects that the increased performance of EL will be sufficient to pay the financial costs and repay the principal when due.

##### **4.2.7.2 The Company may lose investment opportunities from third parties.**

the Company may lose the opportunity to receive offers and information on new investment projects from external parties, which may have better returns and business expansion, or new partners with potential support the Company's operations, which may result in the Company receiving increased profits from new businesses or new business channels also new technologies that may be obtained from new partners.

#### **4.2.8 Risk from entering into the Transaction**

##### **4.2.8.1 Risk of Liquidity risk**

For 2021, 2022, 2023 and 9 months period of 2024, group of the Company had a current ratio of 3.19, 2.22, 2.45 and 1.88 times and a quick ratio of 3.12, 2.16, 2.18 and 1.84 times, respectively. The Company's liquidity ratio decreased mainly from the increase in current liabilities from loans for business expansion, while current assets also grew but in a lower proportion. Current assets increased from personal loans and other loans, and accrued service income and other receivables grew. it had a continuous decrease in current and

non-current financial assets from the management of debt instruments, equity instruments and the recognition of losses from the measurement of such assets.

When considering the impact of the purchase of debenture issued and offered by EL with a value not exceeding 250.00 million baht, the Company's liquidity ratio will decrease from 2.16 times to 2.04 times and the quick ratio will decrease from 2.13 to 2.01 times in the case that EL can issue and offer debenture in full, which shows that the Company has sufficient liquidity for the transaction and will continue to have sufficient liquidity for its business operations because the Company will still have current assets higher than the Company's current liabilities.

#### **4.2.8.2 Risk of default**

In General, investing in debenture is similar to lending money to another person, where the lender will receive interest as return. Therefore, if the borrower uses it incorrectly or is unable to repay on the due date, the lender will lose the principal and interest from the loan. However, by providing financial assistance to EL this time, the Company can control and monitor the performance of EL to repay, since EL is a subsidiary of TQM, holding 74.00 percent of total shares, from the date of issuance and offering until repayment date.

When considering EL's performance as of 30 September 2024, EL's cumulative performance for 9 months showed insufficient earning before financial costs and income tax to cover EL's financial costs, resulting in a net loss of 0.97 million baht and causing EL to be unable to maintain its financial ratio according to the credit line conditions received from 2 financial institutions, totaling 800 million baht. Therefore, if such credit line is requested or cancelled, EL may be unable to repay the debt from the debenture and/or have an impact on its business operations. From interviews with EL's executives, it was found that as of the date of this report, EL is in the process of requesting a financial status exemption from the financial institutions, which is expected to be completed within the first quarter of 2025, and EL's cost and expense structure has been adjusted in terms of office rent and employee expenses, which is expected to help reduce costs and expenses by a total of approximately 14.11 million baht per year. IFA has studied the feasibility of EL's operations under the condition that EL will be able to maintain the credit line as of 30 September 2024, with an increase in the credit line of 600 million baht, which is the maximum value of debenture issuance and offering under the adjustment of employee costs and office rent for September 2024, EL is expected to return to profitability in 2025 and will have the ability to repay debt within 3 years, based on the debenture maturity (Feasibility Study information, Section 3.6 Feasibility Study of EL's Performance: Part 3, Page 9).

Therefore, if EL can negotiate for an exemption with financial institutions and maintain costs and expenses as of September 2024, it will result in EL being able to return to profit and could pay in the future.

#### **4.2.8.3 Risk of contract terms being controlled by major shareholders**

Since EL has shareholders who are major shareholders and those with controlling power of the Company who have some control over the business through sending representatives to participate in the management and some decisions of the Company, there is a risk that the Company may be controlled to enter

into transactions to provide and receive financial assistance that does not provide the Company the greatest benefit.

However, the Company has carefully considered the safety of the investment and the operating outlook of EL and expects that the increased performance of EL will be sufficient to pay the financial costs and repay the principal when due.

#### **4.2.9 IFA's Opinion on Rational of the Transaction**

IFA has considered the reasonableness of the transaction by considering the appropriateness of the debenture's interest rate and the conditions of the transaction, advantages and Disadvantages of entering into the transaction, advantages and Disadvantages of entering into the transaction with connected persons compared to third parties, and risks of the transaction. For the reasons stated above, IFA, as an independent financial advisor opined that providing financial assistance to EL will provide the Company with an alternative to efficiently manage cash flow and returns from interest rates and operating results in proportion under the conditions of the transaction that are appropriate and beneficial to the Company. Therefore, **IFA suppose that this transaction is reasonable.**

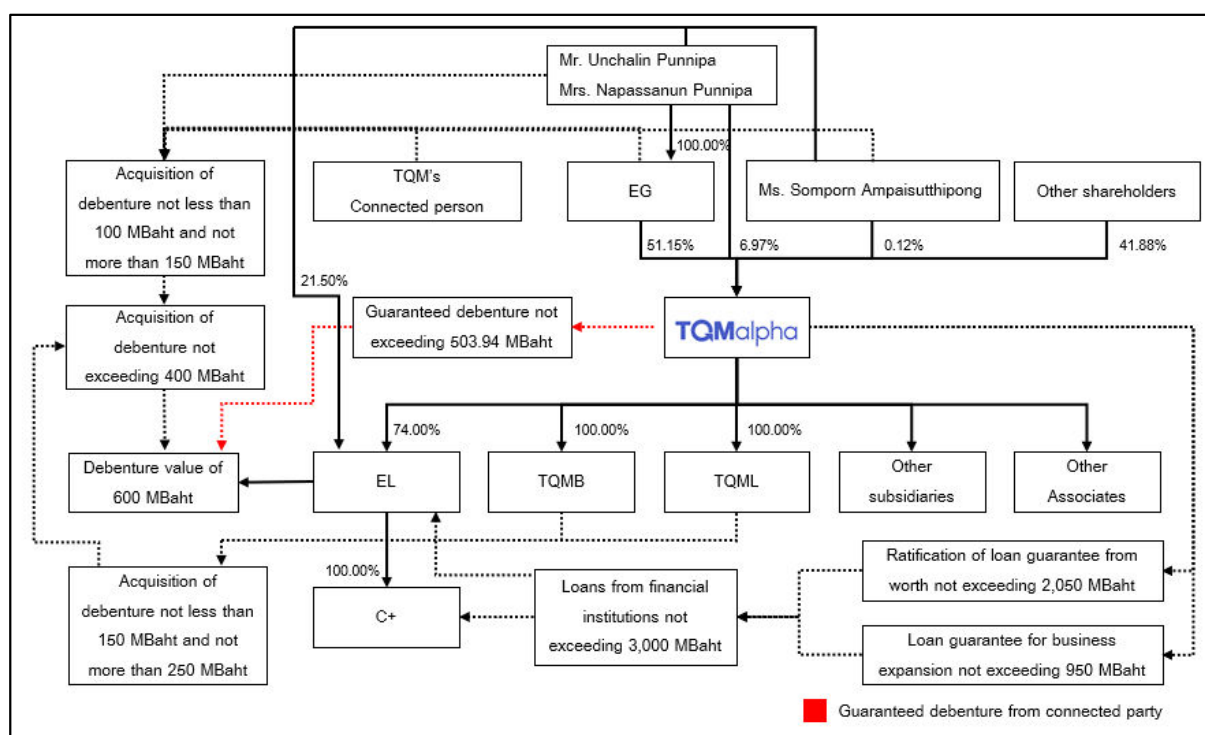
**Section 5: Guarantee of debenture offered and issued by connected party in the proportion**

**5.1 Characteristic of guarantee of debenture offered and issued by connected party in the proportion**

**5.1.1 Background of the Transaction**

The Board of Directors' Meeting No. 7/2024 of TQM Alpha Public Company Limited ("TQM" or the "Company") resolved to approve the amendment and addition of the connected transactions approved by the Board of Directors' Meeting No. 6/2024 held on 14 November 2024, which resolved to approve the entering into the connected transactions for financial assistance by guaranteeing the debentures in proportion to debenture that issued and offered by Easy Lending Company Limited ("EL") (Agenda 4), which is engaged in the lending business, a subsidiary in which the Company held 74.00 percent of total shares, which will offer in a private offer to Institutional Investor, Ultra High Net Worth and/or High Net Worth (PP(II&UHNW&HNW)), which includes the Company's related persons ("Issuance and Offering of EL's Debentures"), with the guarantee value not exceeding 503.94 million baht, divided into the principal guarantee obligation not exceeding 444.00 million baht and interest guarantee obligation not exceeding 59.94 million baht.

**Diagram showing Debenture guarantee structure by connected party**



Topic	Detail
Obligee	Easy Lending Company Limited
Guarantor	TQM Alpha Public Company Limited
Guarantee limit	The guarantee limit does not exceed 503.94 million baht, divided into a principal guarantee of not more than 444.00 million baht and interest guarantee of not more than 59.94 million baht

Topic	Detail
Objective	To increase the credibility of fund raising from issuing and offering debenture
Term	3 years from the date of issue and offering of debenture
Return on guarantee	No return on guarantee
Condition precedents	<ol style="list-style-type: none"> <li>1. TQM's shareholders resolved to approve the purchase of debenture issued and offered for sale by connected party.</li> <li>2. EL has been approved by the Securities and Exchange Commission (SEC) to issue and offer debenture.</li> </ol>

This transaction is considered as Connected Transaction of providing financial assistance to connected party pursuant to the Notification of the Capital Market Supervisory Board No. Tor.Jor. 21/2551 Re: Rules on Connected Transactions dated 31 August 2008 (As Amended) ("Notification of the Capital Market Supervisory Board No. Tor.Jor. 21/2551") and the Notification of the Stock Exchange of Thailand Re: Disclosure of Information and Other Acts of Listed Companies in Connected Transactions B.E. 2546 (As Amended) (collectively referred to as "Connected Transactions Notification") it is a transaction with a subsidiary of the Company which has related persons of the Company, namely Mr. Unchalin Punnipa, Mrs. Napassanun Punnipa and Miss Somporn Ampaisutthipong who are major shareholders and/or directors and/or executives of the Company and stakeholders. Including the holding of ordinary shares in the Company and its subsidiaries, both directly and indirectly, totaling 349,431,700 shares, or 58.24% of the Company's total registered and paid-up capital. When calculating the transaction size according to the criteria of the Connected Transaction Notification, it is found that it is a large transaction with equal to 23.99% of the Company's net tangible assets as of 30 September 2024. However, the Company and EL have not provided financial assistance in the past 6 months and there are transactions that the Company's board of directors has resolved to propose to shareholders to provide financial assistance to EL on other agendas with a total value not exceeding 3,283.75.00 million baht, resulting in the total size of the financial assistance transaction to EL not exceeding 3,787.69 million baht or 180.31% of NTA, which is more than 100.00 million baht or 3% of the Company's net tangible assets (NTA), whichever is lower, according to the Connected Transaction Notification. This makes the transaction a large Connected Transaction. The Company is required to request approval from the shareholders' meeting with a vote of not less than three-fourth of the total number of votes of the shareholders attending to the meeting and having right to vote, excluding the votes of the interested shareholders, and disclose transaction information on SET and appoint an independent financial advisor to provide an opinion on the transaction. The Company will present it to the shareholders' meeting for consideration at the Extraordinary General Meeting of Shareholders No. 1/2025, scheduled to be held on 6 January 2025.

In this regard, the Company has appointed Silom Advisory Company Limited which is a financial advisor certified by the Securities and Exchange Commission ("the SEC"), as the independent financial advisor ("the IFA") To provide opinions on the connected transaction to the Company's shareholders for consideration.

### 5.1.2 Transaction Date

The Company expects that the guarantee of the debenture issued and offered by EL will be completed within February 2025, effective after receiving approval from the Company's Extraordinary General Meeting of Shareholders No. 1/2025 on 6 January 2025.

### 5.1.3 Relevant Parties and Relationships

Obligee : Easy Lending Company Limited  
Guarantor : TQM Alpha Public Company Limited  
Relationship with the Company : EL is a subsidiary of the Company which held 74.00 percent of the total ordinary shares and connected party of the Company held as follows:

1. Mr. Unchalin Punnipa, Chairman of the Board, President of the Company, held 22.51 million ordinary shares of the Company and 160,002 ordinary shares of EL.
2. Mrs. Napassanun Punnipa, Chief Executive Officer, Director, held 18.97 million ordinary shares of the Company and 140,002 ordinary shares of EL.
3. Miss Somporn Ampaisutthipong, Director, Executive Director, Chief Financial Officer (CFO), holding 130,000 ordinary shares of EL.

*Remark: Mr. Unchalin (1) and Mrs. Napassanun (2) indirectly held a total of 306.89 million ordinary shares of the Company, totaling directly and indirectly held 348.37 million ordinary shares held ((1)+(2)), or 58.06 percent of the Company's registered and paid-up capital.*

The Company's interested persons held total of 430,004 ordinary shares of EL, representing 21.50 percent of EL's registered and paid-up capital.

### 5.1.4 Transaction Size

The guarantee of the debentures issued and offered by EL is considered as financial assistance under the Connected Transaction Notification, with the principal guarantee not exceeding 444.00 million baht and the interest guarantee not exceeding 59.94 million baht throughout the debenture tenure, totaling 503.94 million baht, with the maximum transaction size equal to 23.99 percent of the Company's net tangible assets (NTA) according to the Company's consolidated financial statements ending 30 September 2024. However, the Company and EL have not provided financial assistance in the past 6 months and there are transactions that the Company's board of directors has resolved to propose to the shareholders to provide financial assistance to EL on other agendas totaling not exceeding 3,283.75 million baht, resulting in the total financial assistance transaction size to EL not exceeding 3,787.69 million baht or 180.31 percent of the Company's NTA. Therefore, the transaction with EL is considered a connected transaction with a transaction size of more than 100 million baht or more than 3 percent of the Company's NTA, whichever is lower. As this is considered a large

transaction, the Company is required to request approval from the shareholders' meeting and must receive approval with a vote of three-fourth of the shareholders attending the meeting and having the right to vote, excluding shareholders with an interest, and must appoint an independent financial advisor (IFA) to provide an opinion on the transaction.

However, since the total size of all financial assistance to EL this time is higher than 100.00 percent of net tangible assets, each consideration and approval may have a significant impact on the Company in the future. Therefore, in considering each agenda, shareholders should study the information carefully and clearly before considering.

#### **5.1.5 Conditions for entering into the transaction**

The conditions of the Transaction are subject to the approval of the Company's Extraordinary General Meeting of Shareholders No. 1/2025 on 6 January 2025 and the successful submission of EL's application for the issuance and offering of debenture from the Securities and Exchange Commission ("SEC").

#### **5.1.6 Source of fund**

Working capital which is generated by the Company's operating results. After the Company has entered into the Transaction and is required to pay off debts on behalf of the subsidiary, the Company still has sufficient working capital to continue its operations.

#### **5.1.7 Expected Benefit of the transaction**

Expected return from EL's performance increased from the proportionate expansion of credit line through fund raising by issuing and offering debenture

#### **5.1.8 Conflicted Directors and shareholders who did not attend and no voting rights at the meeting**

##### **5.1.8.1 Directors who have an interest in the transaction**

1. Mr. Unchalin Punnipa is major shareholder of the Company and held position of Chairman of the Board, Chairman of Risk Management and Sustainable Development Committee, and President of the Company. 2. Mrs. Napassanun Punnipa is major shareholder of the Company and held position of Director, Chairman of Executive Committee, Nomination and Remuneration Committee, and Chief Executive Officer (CEO) of the Company. 3. Miss Somporn Ampaisutthipong held the position of Director, Executive Committee, and Chief Financial Officer (CFO) of the Company. Directors who are interested persons, did not attend the meeting and had no voting rights at the Company's Board of Directors' Meeting No. 6/2024 held on 14 November 2024 during the consideration.

##### **5.1.8.2 Shareholders with an interest in the transaction**

List of interested shareholders in the transaction as of latest closing date of shareholder register on 14 November 2024, are as follows: 1. Eternal Growth Corporation Co., Ltd. as major shareholder of the Company and considered person with an interest in transaction 2. Mr. Unchalin Punnipa as a major shareholder of the Company and person with an interest in transaction 3. Mrs. Napassanun Punnipa as major shareholder



of the Company and person with an interest in transaction 4. Miss Somporn Ampaisutthipong as shareholder of the Company and person with an interest in the transaction.

**Information of shareholders with an interest in the Transaction**

No	Shareholders	No. Shares (Shares)	Proportion (Percent)
1	Eternal Growth Corporation Co., Ltd.	306,892,800	51.15
2	Mr. Unchalin Punnipa	22,680,000	3.78
3	Mrs. Napassanun Punnipa	19,138,900	3.19
4	Miss Somporn Ampaisutthipong	720,000	0.12
<b>Total shareholders with an interest</b>		<b>349,431,700</b>	<b>58.24</b>
3	Shareholders with voting rights	250,568,300	41.76
<b>Total Shareholders</b>		<b>600,000,000</b>	<b>100.00</b>

Source: the Company's share register is closed on 11 November 2024; the Company's closing share register prior this report.

In this regard, interested shareholders as of record date on 12 December 2024 may change from the aforementioned table above, and the Company will update the list of shareholders with interests after the Record Date in the Company's invitation letter.

**5.1.9 Board of director's opinion on the transaction**

The Board of Directors' Meeting No. 7/2024 of TQM Alpha Public Company Limited ("TQM" or the "Company") resolved to approve the amendment and addition of connected party transaction approved by the Board of Directors' Meeting No. 6/2024 on November 14, 2024, to consider providing financial assistance by guaranteeing the amount of debenture of Easy Lending Company Limited ("EL") in an amount not exceeding 74 percent of the principal and interest ("Partial Guarantee") because it is considered that it is providing financial assistance by guaranteeing the amount of debenture to the Company's subsidiary, which is a subsidiary of which the Company has been continuously aware of its financial status and performance and has a tendency for good performance. Therefore, it is seen as a relatively safe investment for the Company as described above. The Company will be the sole guarantor of the debenture, and it is a guarantee in proportion to the shareholding in EL. Therefore, the guarantee of 74 percent of the debenture is appropriate.

**5.1.10 Audit Committee and/or directors that be different from Board of Director's opinion**

The Audit Committee has no opinion that differs from the Company's Board of Directors.

## 5.2 Rational of the Transaction

### 5.2.1 Objective of the Transaction

The Company intends to guarantee the principal and interest of the debenture to be issued and offered by Easy Lending Company Limited ("EL"), a subsidiary in which TQM holds a 74.00 percent stake, to increase the reliability of raising funds for business expansion and/or as working capital in the lending business.

### 5.2.2 Impact of the guarantee of debenture issued and offered by EL

From this debenture guarantee, the Company will have total guarantee liabilities of no more than 503.94 million baht, divided into principal guarantee of no more than 444.00 million baht and interest guarantee of no more than 59.94 million baht if EL defaults on payment or takes any action that may cause the Company to assume the debt. However, since the Company is required to prepare consolidated financial statements in accordance with the Public Interest Entities (PAEs) standards, including the preparation of a consolidated financial statement, if EL is able to issue and offer debenture, the Company will recognize the debt burden from debenture in accordance with the actual issuance and offering volume in full. Therefore, the debenture guarantee will not cause the Company to recognize additional liabilities from the guarantee.

### 5.2.3 Appropriateness related to entering into the Transaction

#### 5.2.3.1 Appropriateness of proportion in considering the Transaction

The total value of the debenture guarantees is 503.94 million baht, or 74.00 percent of the total debt arising from the issuance and offering by EL. The IFA considers that the proportion is appropriate because it is a guarantee in proportion to the shareholding in EL, even though other shareholders do not guarantee. It is also considered that this guarantee will increase the credibility of the debenture to be issued and offered, as well as reducing the burden of capital increase from EL shareholders if necessary for business operations.

### 5.2.4 Advantages of entering into the Transaction

#### 5.2.4.1 Expected return from EL's operations

The Company has the opportunity to receive higher return from the operating results of EL in proportion to 74.00 percent from the increase in the credit line from the issuance and offering of debenture worth 600.00 million baht if EL can issue and offer the debenture in full amount. The IFA has studied the feasibility of EL's operating results for the issuance of debenture worth 600.00 million baht to expand the credit line for business operations as follows:

(Unit: Million Baht)

Statement of comprehensive income	3M2024 <sup>1</sup> F	2025F	2026F	2027F	2028F	2029F
<b>Total revenue</b>	<b>32.89</b>	<b>187.74</b>	<b>187.74</b>	<b>189.66</b>	<b>136.60</b>	<b>143.56</b>
Cost of service	(7.84)	(42.95)	(43.53)	(44.45)	(36.28)	(38.11)
Administrative expense	(5.77)	(27.66)	(27.17)	(26.91)	(22.46)	(23.80)

Statement of comprehensive income	3M2024 <sup>1</sup> F	2025F	2026F	2027F	2028F	2029F
<b>Earning before interest and tax (EBIT)</b>	<b>19.28</b>	<b>117.13</b>	<b>117.04</b>	<b>118.30</b>	<b>77.87</b>	<b>81.66</b>
Finance income	0.14	0.16	0.20	0.21	0.15	0.16
Finance cost	(12.14)	(73.29)	(75.51)	(75.51)	(50.79)	(48.52)
<b>Earning before tax (EBT)</b>	<b>7.28</b>	<b>44.01</b>	<b>41.73</b>	<b>42.99</b>	<b>27.24</b>	<b>33.30</b>
Corporate tax expense (20.00%)	(1.26)	(8.80)	(8.35)	(8.60)	(5.45)	(6.66)
<b>Net profit (loss)</b>	<b>6.02</b>	<b>35.21</b>	<b>33.39</b>	<b>34.39</b>	<b>21.79</b>	<b>26.64</b>

Remark: information of study on EL's performance referred to 3.6 Feasibility study of EL performance (Section 3 Page 9)

#### 5.2.4.2 Increased opportunity to raise funds in full from debenture

The guarantee of the debenture issued and offered by EL in proportion, with a value not exceeding 503.94 million baht, will help the debenture to be issued and offered to be more reliable because EL is not a listed company with no credit rating for the debenture. Therefore, it may not be of interest to investors. Therefore, the guarantee by the company will help investors view the debenture issued and offered by EL as debenture issued and offered by the Company, which is more reliable and the Company has the ability to repay both the principal and interest from the debenture.

#### 5.2.5 Disadvantages of entering into the Transaction

##### 5.2.5.1 No fee is received from the guarantee

The Company will not receive any compensation from the guarantee of debenture worth 503.94 million baht. If the Company guarantees for other persons, it may result in the Company receiving a guarantee fee according to the amount that the Company will have to bear. However, the Company guaranteeing debenture for EL will help reduce the burden of guarantees from external parties, which will affect the Company's overall performance from the preparation of consolidated financial statements and increase the credibility of fundraising through the issuance and offering of debenture of EL.

##### 5.2.5.2 Liabilities arising from guarantees

The Company will have additional liabilities from the guarantee of 503.94 million baht if EL defaults or performs any action that causes the debentureholders to be able to demand repayment before the due date. However, since EL is a subsidiary of the Company, the Company will recognize the liabilities arising from the issuance and offering of the debenture in full. Therefore, the Company's guarantee of EL's debenture will not affect the Company's financial status.

#### 5.2.6 Advantages of entering into the Transaction with Connected party

##### 5.2.6.1 Flexibility in negotiation and coordination and flexibility in setting loan terms

Since EL is a subsidiary with common shareholders and directors, communication between the two companies is more flexible than negotiating with external parties. The Company can track performance and

payments in each payment cycle and can inquire about necessary information about financial status and debt repayment ability more conveniently than doing transactions with external parties.

## **5.2.7 Disadvantages of entering into the Transaction with Connected party**

### **5.2.7.1 Risk of being controlled by Connected party in terms of contract**

In general, entering into a transaction with a connected party may have Disadvantages in terms of bargaining power over terms and conditions for this transaction. Since EL shareholders are major shareholders and controlling persons of the Company, this transaction may not allow the Company to fully negotiate terms and conditions when compared to entering into a transaction with an external party.

However, the Company has carefully considered the safety of the investment and the operating outlook of EL and expects that the increased performance of EL will be sufficient to pay the financial costs and repay the principal when due.

## **5.2.8 Risk from entering into the Transaction**

### **5.2.8.1 Risk of not receiving shareholder approval**

If the shareholders do not approve the guarantee of the debenture worth 503.94 million baht, it may result in EL, as a subsidiary in which the Company holds 74.00 percent of the shares, having to find a new guarantor to increase the credibility of the debenture issued and offered for sale, and it may result in EL having higher costs from guarantees from other parties, which will also affect the Company's costs and expenses.

### **5.2.8.2 Risk of default**

In general, in the case of loan guarantee, if the guarantor fails to repay on the payment date, the guarantor will be liable to pay the guaranteed debt instead. Therefore, in guaranteeing the debenture for EL this time, if EL fails to repay the debt, the Company will be liable to pay the resulting debts totaling 503.94 million baht. However, the Company can control and monitor the performance and readiness of EL to repay since EL is considered a subsidiary of TQM, holding 74.00 percent of the shares, from the date of issuance and offering until the due date for repayment of the debenture.

When considering EL's performance as of 30 September 2024, EL's cumulative performance for 9 months showed insufficient earning before interest and tax to pay EL's financial costs, resulting in a net loss of 0.97 million baht and causing EL to be unable to maintain its financial status according to the credit line conditions received from 2 financial institutions totaling 800 million baht. Therefore, if such credit line is requested or cancelled, EL may be unable to repay the debt from the debenture and/or have an impact on the business operations. From interviews with EL's executives, it was found that as of the date of this report, EL is in the process of requesting a relaxation of financial status from the financial institutions, which is expected to be completed within the first quarter of 2025, and EL's cost and expense structure has been adjusted in terms of office rent and employee expenses, which is expected to help reduce costs and expenses by a total of approximately 14.11 million baht per year. IFA has studied the feasibility of EL's operations under the condition that EL will be able to maintain the credit line as of 30 September 2024, with an increase in the credit line of 600 million baht, which is the maximum value of debenture issuance and offering. Under the adjustment of

employee costs and office rental for September 2024, EL is expected to return to profit in 2025 and will have the ability to repay debt within 3 years, based on the debenture maturity (Feasibility study details in Section 3.6 Feasibility Study of EL's Performance: Part 3, page 9).

Therefore, if EL can negotiate for a relaxation with financial institutions and can reduce costs and expenses, it will result in EL being able to return to profit and could pay debts in the future.

#### **5.2.8.3 Risk of contract term being controlled by major shareholders**

Since EL has shareholders who are major shareholders and those with controlling power of the Company who have some control over the business through sending representatives to participate in the management and some decisions of the Company, there is a risk that the Company may be controlled to enter into transactions to provide and receive financial assistance that does not provide the Company the greatest benefit.

However, the Company has carefully considered the safety of the investment and the operating outlook of EL and expects that the increased performance of EL will be sufficient to pay the financial costs and repay the principal when due.

#### **5.3 IFA's Opinion on Rational of the Transaction**

The IFA has considered the reasonableness of the transaction and the conditions of the transaction, advantages and Disadvantages of the transaction, advantages and Disadvantages of the transaction with a connected party compared to an external parties, and risks from the Transaction. For the reasons stated above, the IFA, as an independent financial advisor, is of the opinion that providing financial assistance to EL will provide the Company with an opportunity to receive returns from the expansion of its lending business, which will be beneficial to the Company. **Therefore, the IFA is of the opinion that the transaction this time is reasonable.**

## **Section 6: Guarantee loans from Financial Institutions to Connected party**

### **6.1 Characteristics of Guarantee loans from Financial Institutions to Connected party**

#### **6.1.1 Characteristics of the Transaction**

The Board of Directors' Meeting No. 7/2024 of TQM Alpha Public Company Limited ("TQM" or the "Company") has resolved to approve the amendment and addition of the connected transaction approved by the Board of Directors' Meeting No. 6/2024 held on 14 November 2024 which resolved to approve the proposal of the connected transaction for loan guarantee from financial institutions (Agenda 5), explicitly total loan guarantee not exceeding 3,000 million baht because Easy Lending Co., Ltd. ("EL") was initially established by TQM Alpha Public Company Limited and started requesting credit lines from financial institutions with a registered capital of only 50 million baht. The financial institutions approved the credit line with the requirement that the Company need guarantees. The credit line is not been fully utilized and remaining shareholders holding 26.00 percent cannot guarantee because they need to post collateral for EL to receive the same credit conditions as the Company, it is necessary to guarantee for Easy Lending Co., Ltd. ("EL") and Cash Now Plus Co., Ltd. ("C+"), divided into:

- (1) Ratification of guarantee transactions for EL and C+ companies totaling 2,050 million baht because the Board of Directors' Meeting No. 5/2021, held on 11 November 2021, resolved to approve EL to request credit lines with various banks with the company as guarantor in accordance with the lending conditions of financial institutions and approved by Chief Financial Officer (CFO) to consider. In addition, in approving credit lines from financial institutions, financial institutions will gradually approve the credit lines, not all at once. The total credit lines of EL's financial institutions are 1,850 million baht and C+'s are 200 million baht. Therefore, the Company is required to request ratification from shareholders to enter into credit line guarantee transactions from financial institutions of EL and C+ as mentioned above because the Company has gradually guarantee transactions with financial institutions have gradually approved credit lines for the Company, resulting in the connected transaction being large transaction size and required to request ratification from the shareholders' meeting and/or
- (2) Request for additional credit guarantee for EL and C+ in the amount of 950 million baht, which has not been used and the Company has not guaranteed to support business expansion and/or as working capital, including other necessities and appropriateness for future activities of EL and C+.

<b>Subject</b>	<b>Description</b>
Obligee	1. Easy Lending Company Limited ("EL") 2. Cashnow Plus Company Limited ("C+")
Guarantor	TQM Alpha Public Company Limited (" <b>the Company</b> ")
Guarantee limit	Collateral value does not exceed 3 billion baht, divided into: 1) Guarantee limit of loans from financial institutions that the Company has previously guaranteed for a value of 2,050 million baht 2) Guarantee limit of loans from financial institutions for future business expansion with a value not exceeding 950 million baht
Objective	To be source of funds for current operations and future business expansion.
Return on guarantee	Did not receive return on guarantee
Condition precedent	1. The Company's shareholders have resolved to approve the loan guarantee for each transaction.

Entering into the above transaction is considered as connected transaction Tor.Jor. 21/2551 regarding the criteria for connected transaction dated 31 August 2008 (as amended) ("Notification of the Capital Market Supervisory Board No. Tor.Jor. 21/2551") and the Notification of the Stock Exchange of Thailand regarding the disclosure of information and operations of listed companies in connected transaction dated 19 November 2003 (as amended) (collectively referred to "the Notification of Connected transaction") this consideration as a transaction with subsidiary of the Company which has related persons, namely Mr. Unchalin Pannipa, Mrs. Naphasanan Pannipa and Ms. Somporn Ampaisuttiphong who are major shareholders and/or directors and/or executives of the Company and stakeholders. Including the direct and indirect holding of ordinary shares in the Company and its subsidiaries totaling 349,431,700 shares, or 58.24% of the Company's total registered and paid-up capital. The calculating of transaction size according to the criteria of the Connected Transaction Notification, it is found that it is large transaction with equal to 142.82% of the Company's net tangible assets as of 30 September 2024. However, the Company and EL have not provided financial assistance to each other in past 6 months and there is transactions that the Company's board of directors has resolved to request approval from shareholders to provide financial assistance to EL on other transaction with total value not exceeding 957.94 million baht, resulting in the total size of the financial assistance transaction to EL not exceeding 3,787.69 million baht or 180.31% of NTA, which is more than 100.00 million baht or 3% of the Company's net tangible assets (NTA), whichever is lower, according to the Connected Transaction Notification. This makes the transaction a large transaction. The Company is required to request approval for the connected transaction from the shareholders' meeting with a vote of not less than three-fourth of the total number of votes of the shareholders attending the meeting and having the right to vote, excluding the votes of the interested shareholders, and prepare a disclosure of information on the transaction and appoint an independent financial advisor to provide an opinion on the transaction. The Company will present it to the shareholders' meeting for consideration and resolution at the Extraordinary General Meeting of Shareholders No. 1/2025, scheduled to be held on 6 January 2025.

In this regard, the Company has appointed Silom Advisory Company Limited which is a financial advisor certified by the Securities and Exchange Commission ("the SEC"), as the independent financial advisor ("the IFA") To provide opinions on the connected transaction to the Company's shareholders for consideration.

#### 6.1.2 Transaction Date

the Company expects to complete the transactions within February 2025, effective after receiving approval from the Company's Extraordinary General Meeting of Shareholders No. 1/2025 on January 6, 2025

#### 6.1.3 Relevant Parties and Relationships

Obligee	1. Easy Lending Company Limited ("EL") : 2. Cashnow Plus Company Limited ("C+"), a subsidiary of EL which EL held 100.00% of total shares.
Guarantor	: TQM Alpha Public Company Limited
Relationship with the Company	: EL is a subsidiary of the Company which held 74.00 percent of the total ordinary shares and connected party of the Company held as follows:  1. Mr. Unchalin Punnipa, Chairman of the Board, President of the Company, held 22.51 million ordinary shares of the Company and 160,002 ordinary shares of EL.  2. Mrs. Napassanun Punnipa, Chief Executive Officer, Director, held 18.97 million ordinary shares of the Company and 140,002 ordinary shares of EL.  3. Miss Somporn Ampaisutthipong, Director, Executive Director, Chief Financial Officer (CFO), holding 130,000 ordinary shares of EL.

*Remark: Mr. Unchalin (1) and Mrs. Napassanun (2) indirectly held a total of 306.89 million ordinary shares of the Company, totaling directly and indirectly held 348.37 million ordinary shares held ((1)+(2)), or 58.06 percent of the Company's registered and paid-up capital.*

The Company's interested persons held total of 430,004 ordinary shares of EL, representing 21.50 percent of EL's registered and paid-up capital.

#### 6.1.4 Transaction Size

##### 6.1.4.1 Ratification of loan guarantee for EL and C+ in total amount of 2,050 million baht.

The loan guarantee from Financial Institution to EL is considered as financial assistance under the announcement of connected transactions, with value of not exceeding 2,050.00 million baht with no return on guarantee, totaling 2,050.00 million baht in financial assistance with maximum transaction size equal to 97.59 percent of net tangible assets (NTA) according to consolidated financial statements of the Company as of 30 September 2024.



#### **6.1.4.2 Additional loan guarantee for EL and C+ in amount of 950 million baht**

Loan guarantee from Financial Institution to EL is considered as financial assistance under the announcement of Connected transactions, with value of not exceeding 950.00 million baht with no return on guarantee, totaling 950.00 million baht in financial assistance with maximum transaction size equal to 45.23 percent of net tangible assets (NTA) according to consolidated financial statements of the Company as of 30 September 2024.

However, the Company and EL did not provided any financial assistance in past 6 months, and there are transactions which the Company's board of directors has resolved shareholder's approval to provide financial assistance to EL in other agendas with total value not exceeding 787.69 million baht, resulting in the total size of the financial assistance transaction to EL not exceeding 3,787.69 million baht or 180.31 percent of the Company's NTA. Therefore, the transaction with EL is considered Connected transaction with size more than 100 million baht or 3 percent of the Company's NTA, whichever is lower, which is considered large transaction. The Company is required to request approval from the shareholders' meeting and must obtain approval with vote of three-fourth of the shareholders attend to the meeting and having the right to vote, excluding shareholders with an interest, and need to appoint an independent financial advisor (IFA) to provide opinion on the transaction.

However, since the total size of all financial assistance to EL this time is higher than 100.00 percent of net tangible assets, each consideration and approval may have a significant impact on the Company in the future. Therefore, in considering each agenda, shareholders should study the information carefully and clearly before considering.

#### **6.1.5 Conditions for entering into the transaction**

Conditions for entering into the transaction are subject to the approval of the Company's Extraordinary General Meeting of Shareholders No. 1/2025 on 6 January 2025.

#### **6.1.6 Source of fund**

The Company will use working capital which is generated from the Company's operating results and dividends received from subsidiaries that the Company receives. After the Company enters into the transaction, if the subsidiary defaults on payment, However, the Company will control the of non-performing loans ratio (NPL ratio) to not exceed 3 percent in accordance with the Company's policy and manage the financial structure appropriately to reduce the risk of default of the subsidiary carefully.

#### **6.1.7 Expected Benefit of the transaction**

Expected Benefit from EL's performance from EL's funding source which receives credit line from a financial institution in proportion

#### **6.1.8 Conflicted Directors and shareholders who did not attend and no voting rights at the meeting**

##### **6.1.8.1 Directors with an interest in the transaction**

1. Mr. Unchalin Punnipa is major shareholder of the Company and held position of Chairman of the Board, Chairman of Risk Management and Sustainable Development Committee, and President of the Company. 2. Mrs. Napassanun Punnipa is major shareholder of the Company and held position of Director, Chairman of Executive Committee, Nomination and Remuneration Committee, and Chief Executive Officer (CEO) of the Company. 3. Miss Somporn Ampaisutthipong held the position of Director, Executive Committee, and Chief Financial Officer (CFO) of the Company. Directors who are interested persons, did not attend the meeting and had no voting rights at the Company's Board of Directors' Meeting No. 6/2024 held on 14 November 2024 during the consideration.

#### 6.1.8.2 Shareholders with an interest in the transaction

List of interested shareholders in the transaction as of latest closing date of shareholder register on 14 November 2024, are as follows: 1. Eternal Growth Corporation Co., Ltd. as major shareholder of the Company and considered person with an interest in transaction 2. Mr. Unchalin Punnipa as a major shareholder of the Company and person with an interest in transaction 3. Mrs. Napassanun Punnipa as major shareholder of the Company and person with an interest in transaction 4. Miss Somporn Ampaisutthipong as shareholder of the Company and person with an interest in the transaction.

#### Information of shareholders with an interest in the transaction

No	Shareholders	No. Shares (Shares)	Proportion (Percent)
1	Eternal Growth Corporation Co., Ltd.	306,892,800	51.15
2	Mr. Unchalin Punnipa	22,680,000	3.78
3	Mrs. Napassanun Punnipa	19,138,900	3.19
4	Miss Somporn Ampaisutthipong	720,000	0.12
<b>Total shareholders with an interest</b>		<b>349,431,700</b>	<b>58.24</b>
3	Shareholders with voting rights	250,568,300	41.76
<b>Total Shareholders</b>		<b>600,000,000</b>	<b>100.00</b>

Source: the Company's share register is closed on 11 November 2024; the Company's closing share register prior this report.

In this regard, interested shareholders as of record date on 12 December 2024 may change from the aforementioned table above, and the Company will update the list of shareholders with interests after the Record Date in the Company's invitation letter.

#### 6.1.9 Board of director's opinion on the transaction

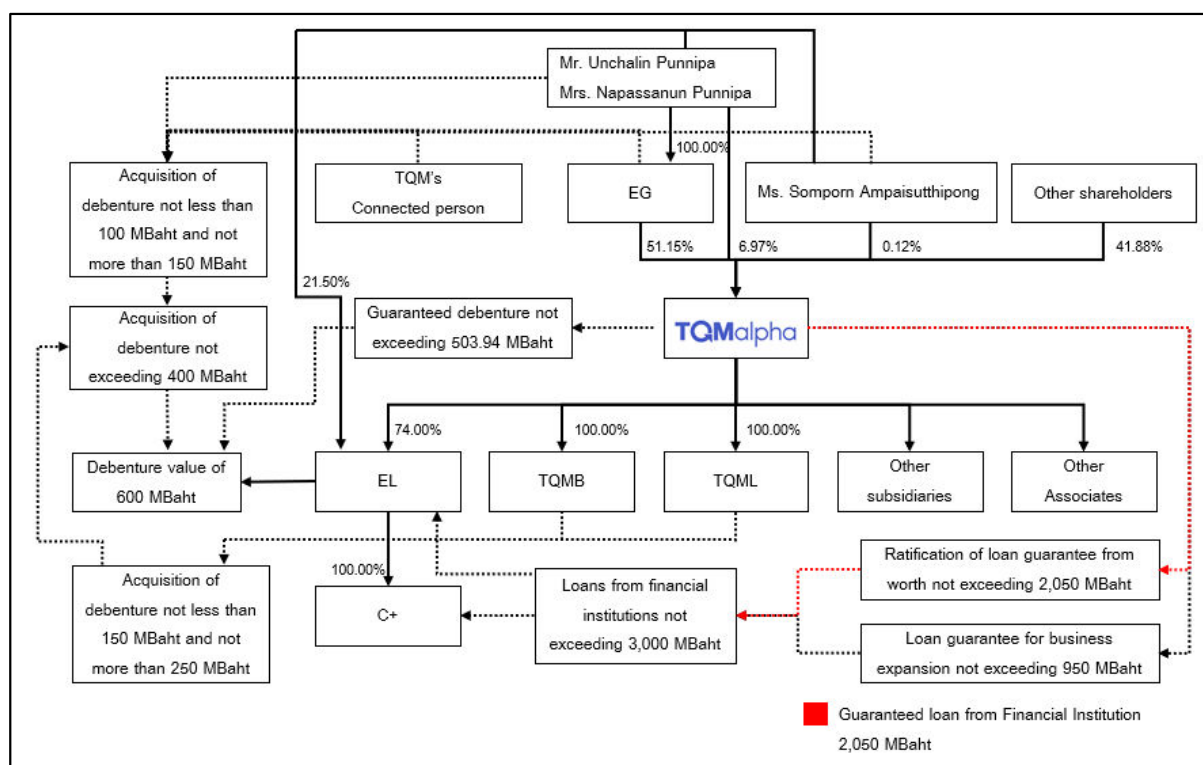
The Company's Board of Directors' Meeting No. 6/2024 on 14 November 2024, considered that the provision of financial assistance by guaranteeing credit line is a provision of financial assistance to the Company's subsidiaries, which are subsidiaries whose financial status and performance have been continuously acknowledged by the Company are safe for investment with good performance. It is considered that this transaction is appropriate by considering the following:

- (1) Since established in 2021, there are no operating results yet. In order to show financial institutions, the business growing overview and being able to operate, the Company's directors have invested because they are confident and can make profit for the TQM Alpha group.
- (2) It was a first financial institution requirement that required TQM Alpha to provide a 100% guarantee, which the first financial institution did not want other minority shareholders of EL to provide guarantees for this credit line (based on the documents that the company received). When the remaining financial institutions known, they wanted TQM Alpha to provide a 100% guarantee for the credit lines of EL and C+ as well.
- (3) By having TQM alpha guarantee, EL gets a lower interest rate on credit line, resulting in lower financing costs and higher profits that will generate higher profits for TQM alpha consolidate statement.
- (4) To expand the credit line to support business expansion in the future and retain good customer relationship for the company.
- (5) Meanwhile TQM Alpha entered into the guarantee of credit lines for EL and C+, it was found that EL and C+ were good debtors of financial institutions without late payment. Therefore, TQM Alpha has no obligation to pay on behalf of EL and C+ as guarantor under the guarantee contract.
- (6) Board of Directors deemed appropriate to approve Ratification and Guarantee of credit line for business expansion in the future.

**6.1.10 Audit Committee and/or directors that be different from Board of Director's opinion**

The Audit Committee has no opinion that differs from the Company's Board of Directors.

**Guarantee loans from Financial Institutions for Connected party Structured**



**6.2 Rationale of Ratification of loan guarantee from Financial Institutions to EL with total value 2,050 million baht**

**6.2.1 Objective of the Transaction**

TQM Alpha Public Company Limited (“TQM”) intends to guarantee a credit line from financial institutions for Easy Lending Company Limited (“EL”), a subsidiary of TQM holding 74.00 percent of total share. In guaranteed limit, the loan from financial institutions that TQM had previously guaranteed is worth 2,050 million baht as source of funds for conducting the lending business.

**6.2.2 Impact of loan guarantees from financial institutions**

According to loan guarantee from financial institutions, the Company will have a total debt from the guarantee not exceeding 2,050.00 million baht if EL defaults on payment or does anything that may cause the Company to assume debt instead. However, since the Company is required to prepare consolidated financial statements in accordance with the Publicly Accountable Entities (PAE) standards, which include the preparation of consolidated financial statement, if EL uses the credit line received from the financial institution, the Company will recognize the actual debt in full. Therefore, it will not cause the Company to recognize additional debt from the guarantee.

### 6.2.3 Appropriateness related to entering into the transaction

#### 6.2.3.1 Appropriateness of interest rates received from Financial Institutions

The interest rate received from financial institutions that the Company guaranteed the credit line for EL as of 30 September 2024, was 3.45 - 3.65 percent per annum, referring to EL's audited financial statements for 2023, which is lower than the market interest rate that financial institutions provide loans at 6.90 - 7.60 percent per annum, referring to the Minimum Loan Rate (MLR) from the Bank of Thailand on 14 November 2024. Therefore, IFA opined that the interest rate that EL receives from the financial institution is appropriate and will be able to facilitate EL manage its expenditure, which will reflect EL's performance in the Company's financial statements in the future.

#### 6.2.3.2 Appropriateness Proportion in considering the transaction

Due to the loan guarantee from a financial institution, it is only guarantee by TQM that exceeds the proportion of ordinary shares held by the Company in EL at 74.00% because it is requirement of the first financial institution that specifies that TQM must provide 100% guarantee without other minor shareholders of EL to be guarantor for credit line (based on the documents the company received). Therefore, when remaining financial institutions known this condition, other financial institutions required similar condition as first financial institution to require TQM guarantee 100% of credit lines of EL and C+ as well, without requiring from minority shareholders of EL, referring to TQM board of directors meeting 7/2024 held on 7 December 2024.

IFA considered that this excessive loan guarantee is appropriate because it complies with the conditions for requesting a credit line from a financial institution in order to receive an interest rate between 3.45 - 3.55 percent per annum. Although the Company has increased its debt burden from the guarantee, which is not consistent with proportion, and the remaining shareholders of 26 percent of EL's registered and paid-up capital, even if they pledge collateral to the financial institution, EL will not receive the interest rate and conditions currently received from the financial institution, and EL has no history of default since the date of the company's registration until at this moment.

### 6.2.4 Advantages of entering into the Transaction

#### 6.2.4.1 Expected return from EL's operations from loans received from financial institutions

The Company has the opportunity to receive return from EL's performance in proportion to 74.00 percent, if EL can provide the full credit limit requested from financial institutions. IFA has studied the performance in case that EL can continue its business after adjusting the cost and expense structure as follows:

(Unit: million baht)

Profit and Loss Projection	3M2024'F	2025F	2026F	2027F	2028F	2029F
<b>Total Revenue</b>	<b>32.89</b>	<b>131.57</b>	<b>132.37</b>	<b>135.71</b>	<b>137.86</b>	<b>140.10</b>
Cost of Service	(7.84)	(33.62)	(34.33)	(35.49)	(36.49)	(37.53)
Administrative Expense	(5.77)	(22.71)	(22.97)	(22.83)	(23.22)	(23.48)
<b>Earnings before interest and taxes</b>	<b>19.28</b>	<b>75.25</b>	<b>75.07</b>	<b>77.39</b>	<b>78.15</b>	<b>79.09</b>
Interest Income	0.14	0.14	0.15	0.15	0.15	0.15
Financial Cost	(12.14)	(48.54)	(48.51)	(48.51)	(48.54)	(48.52)

<b>Profit and Loss Projection</b>	<b>3M2024<sup>1</sup>F</b>	<b>2025F</b>	<b>2026F</b>	<b>2027F</b>	<b>2028F</b>	<b>2029F</b>
<b>Earnings before taxes</b>	<b>7.28</b>	<b>26.85</b>	<b>26.70</b>	<b>29.03</b>	<b>29.76</b>	<b>30.73</b>
Income Tax (20.00%)	(1.26)	(5.37)	(5.34)	(5.81)	(5.95)	(6.15)
<b>Net Profit</b>	<b>6.02</b>	<b>21.48</b>	<b>21.36</b>	<b>23.22</b>	<b>23.81</b>	<b>24.58</b>

Remark: EL performance information refer to 3.6 Feasibility study of EL performance: section 3, page 9

#### **6.2.4.2 Maintain credit lines and conditions received from financial institutions for operations.**

From lending business, source of funds is an important factor which used total credit line from financial institutions of 1,300.00 million baht referring to internal financial statements as of 30 September 2024 that received from the Company. When considering financial institution's interest rate at 3.45 - 3.65 percent per annum, referring to EL's audited financial statements for 2023, which is lower than the market interest rate that financial institutions provide at 6.90 - 7.60 percent per year, referring to the Minimum Loan Rate (MLR) from the Bank of Thailand on 14 November 2024, if EL is unable to maintain the credit line received, EL may not be able to efficiently pay its financial costs or may not be able to continue its business which will affect the Company as a whole because EL is considered a subsidiary of the Company.

Therefore, if shareholders approve this transaction, EL will be able to maintain the credit line from financial institutions. If the Company gets an offer from the financial institution in the future, the management will consider new credit lines that are not inferior to the current conditions.

#### **6.2.5 Disadvantages of entering into the Transaction**

##### **6.2.5.1 The Company does not receive any guaranteed fees.**

From the guarantee of financial institutions credit line to connected party this time, the Company will not receive any compensation from the guarantee worth 2,050.00 million baht. If the Company guarantees for the others, it may result in the Company receiving a guaranteed fee according to the amount that the Company will have to support. However, the Company guaranteeing loans from financial institutions to EL will reduce the burden of guarantees from external parties which will affect the Company's overall performance from consolidated financial statements.

##### **6.2.5.2 The Company has liabilities arising from guaranteed.**

The Company will have additional liabilities from the guarantee of 2,050.00 million baht if EL defaults or does anything that causes financial institutions to be able to request early payment before the due date. However, since EL is a subsidiary of the Company, the Company will recognize liabilities arising from the use of credit lines from financial institutions. Therefore, the Company's guarantee of EL's credit lines from financial institutions will not affect the Company's financial structure.

#### **6.2.6 Advantages of entering into the Transaction with Connected party**

##### **6.2.6.1 Flexibility in negotiation and coordination in setting loan terms.**

While EL is a subsidiary with common shareholders and directors, Negotiation between two companies is more flexible than negotiating with external parties. The Company can track performance and payments in

each payment cycle with necessary information such as financial status and debt repayment ability more conveniently than dealing with external parties.

## **6.2.7 Disadvantages of entering into the Transaction with Connected party**

### **6.2.7.1 Risk of being controlled by Connected party in terms of contract**

In general, entering into a transaction with a connected party may have Disadvantages of bargaining power over terms and conditions for transaction. Since EL shareholders are major shareholders and controlling person of the Company, the Company may not be able to fully negotiate for this transaction when compared with third parties.

However, the Company has carefully considered the conditions received from financial institutions and the operating performance of EL. Therefore, it is considered that the requirements from financial institutions are appropriate and it is expected that EL's operating results will be sufficient to pay the financial costs and principal within the due date.

## **6.2.8 Risk from entering into the Transaction**

### **6.2.8.1 Risk of the Company's shareholder not approved the transaction**

If the Company's shareholders do not approve the loan guarantee received from financial institutions worth 2,050.00 million baht, it may result in EL, as a subsidiary which the Company held 74.00 percent of total shares, having to repay to financial institutions that EL currently uses credit line as of 30 September 2024 with amount of 1,300.00 million baht. Therefore, if EL needs to repay loan to the financial institution, EL will have to find other sources of funds to compensate or continue operation which may result in higher costs or inability to continue the business. This result will also be reflected in the Company's operating results, as EL is considered a subsidiary.

### **6.2.8.2 Risk from default on EL's debt payments**

In general, if Obligee fails to repay on the due date, the Guarantor will be required to repay guaranteed debt instead. Therefore, in this credit guarantee from the financial institution to EL, if EL fails to repay the debt, the Company will be required to repay the actual debt to the financial institution. However, the Company can control and monitor EL's performance and reimbursement since EL is a subsidiary of TQM, holding 74.00 percent of total shares along with EL still operate.

According from EL's executives' interview, it was found that EL was in process of requesting financial status exemption from financial institutions, which is expected to be completed within first quarter of 2025. EL's cost and expense structure has been adjusted in terms of office rent and employee expenses, which is expected to reduce costs and expenses by a total of approximately 14.11 million baht per year. IFA has studied the feasibility of EL's operations under the condition that EL will be able to maintain the Loan amount as of 30 September 2024, subject to adjustments to employee costs and office rent for September 2024. It was found that EL will be able to return to profitability in 2025 and will be able to repay debts from financial institutions throughout its operations (Information of Feasibility Study, Section 3.6 Feasibility Study of EL's Performance: Section 3, Page 9).

Therefore, if EL can negotiate for an exemption with financial institutions and can reduce costs and expenses, it will result in EL being able to return to profit and could pay debts in the future.

#### **6.2.8.3 Risk of being controlled by major shareholders regarding to terms and conditions**

Due to EL has shareholders who are major shareholders and controlling persons of the Company who can control over the business through representatives to participate in management and some decisions of the Company, there is a risk that the Company may be controlled to enter into transactions to provide financial assistance that are not beneficial to the Company.

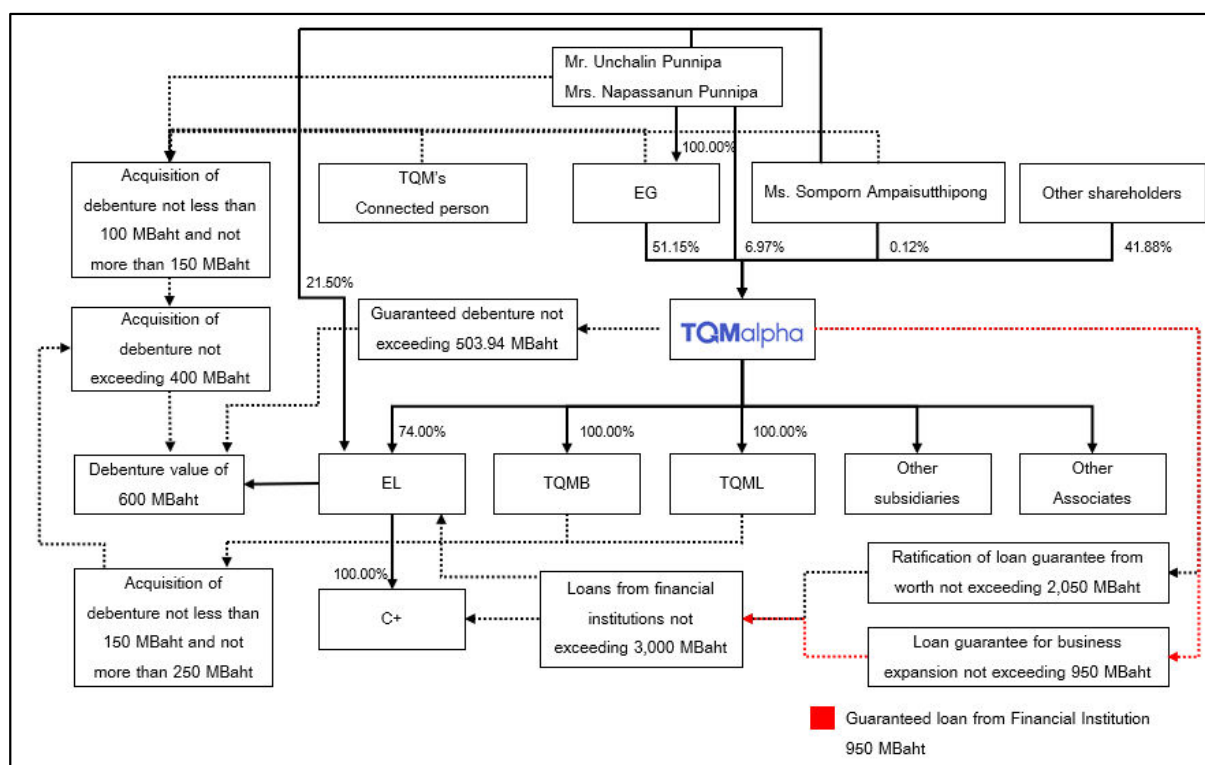
However, the Company has considered the operating outlook of EL comprehensively and expects that EL's performance will be sufficient to cover the financial costs and principal when due.

#### **6.2.9 IFA's Opinion on Rational of the Transaction**

IFA has considered the Rationale of the transaction by considering the appropriateness of interest rate that EL received from financial institution, which is lower than generally interest rate to the others, conditions of the transaction, advantages and Disadvantages of the transaction, advantages and Disadvantages of the transaction with connected party compared to external person, and risks of the transaction. For the reasons stated above, IFA as an independent financial advisor opined that providing financial assistance to EL will help the Company manage its financial costs and continue its lending business with appropriate and beneficial to the Company. **IFA opined that the transaction this time is reasonable.**



**Guarantee loans from Financial Institutions to Connected party Structured**



**6.3 Rationale of loan guarantee from Financial Institutions to EL with total value 950 million baht for Business Expansion**

**6.3.1 Objective of the Transaction**

TQM Alpha Public Company Limited (“TQM”) intends to guarantee credit line from a financial institution for Easy Lending Company Limited (“EL”), a subsidiary of TQM in which it held 74.00 percent of total shares with total amount not exceeding 950 million baht as source of funds for future business expansion. If EL gets an offer from a new financial institution with conditions not inferior to currently received.

**6.3.2 Impact of loan guarantees from financial institutions for EL**

According to loan guarantee from the financial institution, the Company will have total guarantee liabilities do not exceed than 950.00 million baht if EL defaults on payment or does anything that may cause the Company to assume debt instead. However, since the Company is required to prepare consolidated financial statements in accordance with the Publicly Accountable Entities (PAEs) standard, which includes the preparation of consolidated financial statement, if EL uses the credit line from financial institutions, the Company will recognize the actual debt in full. Therefore, the guarantee of loan will not cause the Company to recognize additional liabilities from the guarantee.

### **6.3.3 Appropriateness related to entering into the transaction**

#### **6.3.3.1 Appropriateness of interest rates received from Financial Institutions**

Since the Company has set criteria for considering new loans from financial institutions which must not inferior current conditions, IFA refer interest rate received from financial institutions that the Company guaranteed for EL as of 30 September 2024, which is 3.45 - 3.65 percent per annum, referring to EL's audited financial statements for 2023, which is lower than the market interest rate that financial institutions provide loans at 6.90 - 7.60 percent per annum, referring to the Minimum Loan Rate (MLR) from the Bank of Thailand on 14 November 2024. Therefore, IFA considers that the interest rate that receives from financial institutions are appropriate and will be able to benefit EL to manage its costs which will reflect EL's performance in the Company's financial statements in the future.

#### **6.3.3.2 Appropriateness Proportion in considering the transaction**

Due to the loan guarantee from a financial institution, it is only guarantee by TQM that exceeds the proportion of ordinary shares held by the Company in EL at 74.00% because it is requirement of the first financial institution that specifies that TQM must provide 100% guarantee without other minor shareholders of EL to be guarantor for credit line (based on the documents the company received). Therefore, when remaining financial institutions known this condition, other financial institutions required similar condition as first financial institution to require TQM guarantee 100% of credit lines of EL and C+ as well, without requiring from minority shareholders of EL, referring to TQM board of directors meeting 7/2024 held on 7 December 2024.

IFA considered that this excessive loan guarantee is appropriate because it complies with the conditions for requesting a credit line from a financial institution in order to receive an interest rate between 3.45 - 3.55 percent per annum. Although the Company has increased its debt burden from the guarantee, which is not consistent with proportion, and the remaining shareholders of 26 percent of EL's registered and paid-up capital, even if they pledge collateral to the financial institution, EL will not receive the interest rate and conditions currently received from the financial institution, and EL has no history of default since the date of the company's registration until at this moment.

#### **6.3.3.3 Appropriateness of considering future credit limits terms**

For consideration of loan guarantee from financial institutions for business expansion of value does not exceed 950 million baht, it was found that the Company will consider the conditions for guaranteeing a credit line from a new financial institution or increasing the credit limit from the original financial institution by giving it similar condition to similar debt of EL according to principle of pari passu refer to the Company's executives interview. This means that if it is a general loan without collateral, it must have similar condition as the others, unsecured debts, especially those related to the right to claim property or if it is a subordinated debt, it must have the similar condition as other subordinated debts as well, including interest rate of loan from the financial institution, the conditions for maintaining financial ratios and term of payment.

IFA considered that the credit line conditions for future business expansion are appropriate because they will increase business opportunity to expand the loan size to allow the business expansion in the future,

and the conditions are not inferior to currently received. Therefore, the Company will not lose benefits from the considering conditions in the future.

### 6.3.4 Advantages of entering into the Transaction

#### 6.3.4.1 Expected return from EL's operations from loans received from financial institutions

The Company has the opportunity to receive a return from EL's performance in proportion to 74.00 percent, if EL can provide the full credit limit requested from financial institutions. IFA has studied the performance in case that EL can continue its business after adjusting the cost and expense structure as follows:

(Unit: million baht)

<b>Profit and Loss Projection</b>	<b>3M2024<sup>1</sup>F</b>	<b>2025F</b>	<b>2026F</b>	<b>2027F</b>	<b>2028F</b>	<b>2029F</b>
Total Revenue	<b>32.89</b>	<b>131.57</b>	<b>132.37</b>	<b>135.71</b>	<b>137.86</b>	<b>140.10</b>
Cost of Service	(7.84)	(33.62)	(34.33)	(35.49)	(36.49)	(37.53)
Administrative Expense	(5.77)	(22.71)	(22.97)	(22.83)	(23.22)	(23.48)
Earnings before interest and taxes	<b>19.28</b>	<b>75.25</b>	<b>75.07</b>	<b>77.39</b>	<b>78.15</b>	<b>79.09</b>
Interest Income	0.14	0.14	0.15	0.15	0.15	0.15
Financial Cost	(12.14)	(48.54)	(48.51)	(48.51)	(48.54)	(48.52)
Earnings before taxes	<b>7.28</b>	<b>26.85</b>	<b>26.70</b>	<b>29.03</b>	<b>29.76</b>	<b>30.73</b>
Income Tax (20.00%)	(1.26)	(5.37)	(5.34)	(5.81)	(5.95)	(6.15)
<b>Net Profit</b>	<b>6.02</b>	<b>21.48</b>	<b>21.36</b>	<b>23.22</b>	<b>23.81</b>	<b>24.58</b>

Remark: EL performance information refers to 3.6 Feasibility study of EL performance: section 3, page 9

### 6.3.5 Disadvantages of entering into the Transaction

#### 6.3.5.1 The Company does not receive any guaranteed fees.

According to the loan guarantee from financial institutions to connected party, the Company will not receive any compensation from loan guarantee, it's totally worth 950.00 million baht. If the Company guarantees for the others, it may result in the Company receiving guarantee fee according to the amount that the Company will have to support. However, the Company guaranteeing loans from financial institutions for EL will reduce the burden of guarantees from external parties, which will affect the overall performance of the Company from consolidated financial statements.

#### 6.3.5.2 The Company has liabilities arising from guarantees.

The Company will have additional liabilities from a loan guarantee of 950.00 million baht if EL defaults on payment or performs any action that causes financial institutions be able to request early payment before the due date. However, since EL is a subsidiary of the Company, the Company will recognize liabilities increasing from actual credit lines from financial institutions. Therefore, the Company's guarantee of EL's credit lines from financial institutions will not affect the Company's financial structure.

### **6.3.6 Advantages of entering into the Transaction with connected party**

#### **6.3.6.1 Flexibility in negotiation and coordination in setting loan terms.**

While EL is a subsidiary with common shareholders and directors, Negotiation between two companies is more flexible than negotiating with external parties. The Company can track performance and payments in each payment cycle with necessary information such as financial status and debt repayment ability more conveniently than dealing with external parties.

### **6.3.7 Disadvantages of entering into the Transaction with connected party**

#### **6.3.7.1 Risk of being controlled by Connected party in terms of contract**

In general, entering into a transaction with a connected party may have Disadvantages of bargaining power over terms and conditions for transaction. Since EL shareholders are major shareholders and controlling person of the Company, the Company may not be able to fully negotiate for this transaction when compared with third parties.

However, the Company has carefully considered the conditions received from financial institutions and the operating performance of EL. Therefore, it is considered that the requirements from financial institutions are appropriate and it is expected that EL's operating results will be sufficient to pay the financial costs and principal within the due date.

### **6.3.8 Risk from entering into the transaction**

#### **6.3.8.1 Risk of the Company's shareholder not approved the transaction**

In case that the Company's shareholders do not approve loan guarantee from financial institutions worth 950.00 million baht, EL as a subsidiary which the Company held 74.00 percent of total shares, could have to find other sources of funds for business expansion in the future (if shareholders approve the ratification of loan guarantee from financial institutions worth 2,050 million baht), which may result in higher finance costs.

#### **6.3.8.2 Risk from default on EL's debt payments**

In general, if Obligee fails to repay on the due date, the Guarantor will be required to repay guaranteed debt instead. Therefore, in this credit guarantee from the financial institution to EL, if EL fails to repay the debt, the Company will be required to repay the actual debt to the financial institution. However, the Company can control and monitor EL's performance and reimbursement since EL is a subsidiary of TQM, holding 74.00 percent of total shares along with EL still operate.

When considering EL's operating results as of 30 September 2024, EL's cumulative operating results for 9 months showed insufficient profit before financial costs and income tax to pay EL's financial costs, resulting in a loss of 0.97 million baht and causing EL to be unable to maintain its financial ratio according to the terms of the credit line received from 2 financial institutions totaling 800.00 million baht. Therefore, if there is a early request for payment or cancellation of such credit line, it may result in EL being unable to repay debts from financial institutions and/or affecting the business operations going forward.

According from EL's executives' interview, it was found that EL was in process of requesting financial status exemption from financial institutions, which is expected to be completed within first quarter of 2025. EL's cost and expense structure has been adjusted in terms of office rent and employee expenses, which is expected to reduce costs and expenses by a total of approximately 14.11 million baht per year. IFA has studied the feasibility of EL's operations under the condition that EL will be able to maintain the Loan amount as of 30 September 2024, subject to adjustments to employee costs and office rent for September 2024. It was found that EL will be able to return to profitability in 2025 and will be able to repay debts from financial institutions throughout its operations (Information of Feasibility Study, Section 3.6 Feasibility Study of EL's Performance: Section 3, Page 9).

Therefore, if EL can negotiate for an exemption with financial institutions and can reduce costs and expenses, it will result in EL being able to return to profit and could pay debts in the future.

#### **6.3.8.3 Risk of being controlled by major shareholders regarding to terms and conditions**

Due to EL has shareholders who are major shareholders and controlling persons of the Company who can control over the business through representatives to participate in management and some decisions of the Company, there is a risk that the Company may be controlled to enter into transactions to provide financial assistance that are not beneficial to the Company.

However, the Company has considered the operating outlook of EL comprehensively and expects that EL's performance will be sufficient to cover the financial costs and principal when due.

#### **6.3.9 IFA's Opinion on Rationale of the Transaction**

IFA has considered reasonableness of the transaction by considering the appropriateness of the interest rate that EL received from financial institutions which is lower than financial institutions give to the others, the conditions of the transaction, advantages and Disadvantages of entering into the transaction, advantages and Disadvantages of entering into the transaction with connected party compared to third party and the risks of entering into the transaction. For the reasons stated above, IFA as an independent financial advisor opined that providing financial assistance to EL will support EL to manage financial costs and continue its operation with appropriate condition and beneficial to the Company. Therefore, **IFA is opined that entering into this transaction is reasonable.**

### Section 7: Summary of IFA's Opinion

Please view the summary of Independent Financial Advisor's opinion in Section 1 "Executive Summary" of this IFA's opinion report.

IFA has considered the reasonableness of the transaction by considering appropriateness of the interest rate and conditions of the transaction, advantages and Disadvantages of entering into the transaction, advantages and Disadvantages of entering into the transaction with connected party compared to third parties and the risk from entering into the transaction. From the reasons stated above, IFA as an independent financial advisor is of the opinion that:

1. Acquisition of Debenture that offered and issued by EL with value not less than 150 million baht and not more than 250.00 million baht, the Company's shareholders should approve the transaction.
2. Guarantee of debenture that issued and offered by EL with a value not exceeding 503.94 million baht, the Company's shareholders should approve the transaction.
3. Guaranteed credit line from financial institutions not exceeding 3,000.00 million baht, divided into 2 consideration items as follows:
  - 3.1 Ratification of loan guarantee from financial institutions for EL with a total value of 2,050 million baht, the Company's shareholders should approve the transaction.
  - 3.2 Guarantee of credit line from financial institutions for business expansion for EL with total value not exceeding 950 million baht. The Company's shareholders should approve the transaction.

The 3 agendas above will facilitate TQM have decisions to manage liquidity and cash flow more efficiently, including managing financial costs and interest rates from business operations to increase competitiveness. Moreover, the transaction is at an appropriate interest rate, both in terms of investment and fund raising, and is beneficial to the Company.

In addition, the Company's entering into these connected transactions pursuant to the Connected Transaction Notification, shareholders of the Company can consider the information, supporting reasons, and opinions on various issues as presented by IFA in this report.

Silom Advisory Co., Ltd., as the Independent Financial Advisor of the Company, hereby certifies that it has considered and studied the information with carefully and reasonableness according to the standards of a professional and has given reasons based on reasonableness and fair analysis, taking into account the benefits of the shareholders of the Company as the main consideration.

Best Regards,

.....Signature.....

(Mr. Pitak Kittiakrastein)

Managing Director

Silom Advisory Company Limited

.....Signature.....

(Mr. Nuttawat Kittiakrastein)

Operation Controller

Silom Advisory Company Limited

## Attachment 1: Summary of TQM Alpha Public Company Limited

### 1.1 Basic Information

<b>Company Name</b>	: TQM Alpha Public Company Limited
<b>Symbol</b>	: TQM
<b>Company Register Number</b>	: 0107561000307
<b>Company Business</b>	: TQM engages in investments in businesses related to non-life insurance brokerage, life insurance brokerage, reinsurance brokerage, personal loans, and providing services as managers, custodians of benefits, and assets management for related individuals and entities. Additionally, TQM group offers procurement and consulting services related to computer business, including software and hardware.
<b>Address</b>	: 123 Ladplakao Rd. Chorakhe Bua, Ladprao, Bangkok 10230
<b>Authorized share capital</b>	: 300,000,000.00 baht consists of 600,000,000 ordinary shares with a par value of 0.50 baht per share
<b>Paid-up capital</b>	: 300,000,000.00 baht consists of 600,000,000 ordinary shares with a par value of 0.50 baht per share

### 1.2 Company Background

TQM Corporation Public Company Limited was established on 4 July 2011 by Punnipa family to engage in business by holding shares in other companies (Holding Company) with the core business in providing insurance broker services. On 23 August 2022, the Company's name was changed into TQM Alpha Public Company Limited ("Company" or "TQM"). The Company presently consists of 13 subsidiaries and 4 associated companies (collectively called "TQM Group") operating 3 major businesses: insurance broker business, financial business, and technology platform business as follows:

No.	Company Name	Type of business	% shares
<b>Insurance Brokerage Business</b>			
1.	TQM Insurance Broker Co., Ltd. (TQMB)	Non-life insurance broker	100.00
2.	TJN Insurance Broker Co., Ltd (TJN)	Non-life insurance broker	100.00
3.	True Extra Broker Co., Ltd (TRUE EXTRA)	Non-life insurance broker	51.00
4.	TQM Life Insurance Brokerage Co., Ltd. (TQML)	Life Insurance brokerage	100.00
5.	True Life Broker Co., Ltd (TRUE LIFE)	Life Insurance brokerage	51.00
6.	TQR Public Company Limited (TQR)	Reinsurance brokerage business	44.00
7.	CASMATT Co., Ltd (CASMATT)	Procurement and consultancy service relating to computer business including software and hardware	100.00
8.	TO 2020 Co., Ltd (TO2020)	Investment in foreign countries	100.00
<b>Financial Business</b>			
9.	Easy Lending Company Limited (EL)	Multi-purpose personal loan	74.00
10.	Cashnow Plus Co., Ltd ("C+")	Secured loan	74.00
<b>Information Technology And Platform</b>			



No.	Company Name	Type of business	% shares
11.	Surekrub.com Co., Ltd ("SK")	Non-life insurance broker	58.00
12.	TQC Co., Ltd (TQC)	Health/accident insurance claims management service	100.00
13.	R Square Co., Ltd	Package software service	24.00
	<b>Associated Company</b>		
14.	TQD Co., Ltd (Associated company)	Insurance-related advise	40.00
15.	BuilK One Group Co., Ltd (BUILK) (Associated company)	High-quality package software and software development for business	40.00
16.	Alphasec Co., Ltd (Associated company)	Information technology service and advisor	13.00
17.	My Group Intelligent Co., Ltd (MGI) (Associated company)	Holding company	19.00

Source: TQM

TQM Group's core business focuses on providing insurance products to target customers; both individuals and corporates customers, based on database information. The Company's employees reach out and offer various types of insurance through multiple sales channels such as telemarketing, online platforms, direct sales (face-to-face), and agent/broker sales.

In 2021, the Company launched claims management services to enable more comprehensive business operations and to offer advisory services to customers. In 2022, TQM invested in Builk One Group Co., Ltd ("BUILK") to expand technology platform business to support the expansion of the insurance customer base. In addition, Easy Lending Company Limited ("EL") expanded its personal lending business by investing in Cashnow Plus Co., Ltd ("C+") which offered secured loans. At the end of 2023, EL increased its registered capital by 50.00 million baht to facilitate business growth. In 2024, EL increased its registered capital by 100.00 million baht, bringing its total registered capital to 200.00 million baht as of September 2024

#### Important Milestones

- 2021**
- Won Best Company Performance Awards for the listed companies on the Stock Exchange of Thailand with market capitalization between 30,000 million baht to 100,000 million baht
  - Invested in Easy Lending Company Limited ("EL"), a company specializing in personal loan services for insurance purchases and multi-purpose personal loans, by acquiring a 100 percent equity stake.
  - TQMB co-invested with individual investors to establish Surekrub.com Co., Ltd, a company specializing in non-life insurance brokerage services through online platform. TQM holds 59.9997 percent equity stake in the company.
  - TQM invested in True Life Broker Co., Ltd, a company specializing in group life insurance brokerage services, and True Extra Broker Co., Ltd, a company specializing in non-life insurance brokerage services. TQM holds 51.00 percent equity stake in both companies.
  - TQM invested in TQC Co., Ltd to provide claim services for health, accidents, and insurance claim consultation services. TQM holds a 99.99 percent equity stake in the company.

- 2022**
- Invested in 44.35 percent shares in TQR Public Company Limited, a company engaged in the reinsurance brokerage business
  - Invested in Builk One Group Co., Ltd, a provider of business management software and e-commerce services for the construction and real estate development industries, by acquiring 40.00 percent shares in the company
  - TQM, Invested in Cashnow Plus Co., Ltd to expand its financial business especially secured loans, by acquiring 99.99 equity stake of the company through Easy Lending Co., Ltd.
- 2023**
- Increase registered capital of Easy Lending Co., Ltd from 50 million baht to 100 million baht by issuing capital increase shares to facilitate business expansion
  - Provided a 300-million-baht loan to My Group Intelligent Co., Ltd, a holding that invests in various businesses, including logistics agencies. The loan agreement is a short-term contract with provisions allowing TQM to convert the loan into ordinary shares for long-term investment purposes. Additionally, TQM retains the right to receive loan repayment through an increase in My Group's registered capital.
  - TQMB signed an investment agreement for 10 million baht to increase the capital of Surekrub.com. Following the investment, TQMB will hold 60 percent shares of SK.
- 2024**
- Invested in My Group Intelligent Co., Ltd. by acquiring a 19.43 percent equity stake through a capital increase totaling 300 million baht
  - Increased the registered capital of Surekrub.com Co., Ltd. by 230,000 shares at 10 baht per share, bringing SK's registered capital to 22.3 million baht. The capital increase shares were then reallocated according to the new shareholding proportion, which is 58.22 percent of shares.
  - Increased registered capital of TJN Insurance Brokers Co., Ltd by 20,000 shares at 100 baht per share, bringing TJN's registered capital to 17 million baht. The capital increase shares were then reallocated according to the new shareholding proportion which is 100 percent of shares.
  - Increased registered capital of Easy Lending Co., Ltd by 1,000,000 shares at 100 baht per share, bringing EL's registered capital to 200 million baht. The capital increase shares were then reallocated according to the new shareholding proportion which is 74 percent of shares.
  - Increased registered capital of Cashnow Plus Co., Ltd by 800,000 shares at 100 baht per share, bringing C+'s registered capital to 100 million baht. The capital increase shares were then reallocated according to the new shareholding proportion which is 74 percent of shares.

### **1.3 Company Business**

#### **1.3.1 Insurance brokerage business**

##### Non-life insurance brokerage business

TQM Group operates a non-life insurance brokerage business through TQM Insurance Broker Co., Ltd. ("TQMB"), TJN Insurance Broker Co., Ltd. ("TJN"), and True Extra Broker Co., Ltd. ("TRUE EXTRA"), all of which are licensed to provide non-life insurance brokerage services. The non-life insurance products offered by TQM Group are sourced from various insurance companies approved by OIC. TQM Group carefully selects products that align with each company's sales channels and target customers. With support from over 35 reputable and financially stable insurance partners, TQM Group can offer a diverse range of products that meet the needs of its target market across all product categories. The four major insurance products introduced by TQM Group include motor insurance, fire insurance, marine insurance, and miscellaneous insurance.

##### Life Insurance Brokerage Business

TQM Group operates life Insurance brokerage business through TQM Life Insurance brokerage Co., Ltd. ("TQML") and True Life Broker Co., Ltd ("TRUE LIFE") which are the Company's subsidiaries that are licensed to provide insurance brokerage services. The life insurances introduced to customers are individual life insurance and group life insurance. All life insurance products offered by TQM Group are approved by OIC. TQM Group carefully selects products from more than 20 partners which are the leading life insurance companies in Thailand. With various products offered by TQML, TQM Group is able to TQM Group carefully selects products that align with each company's sales channels and target customers. With support from over 35 reputable and financially stable insurance partners, TQM Group is able to offer a diverse range of life insurance products that meet the needs of its target market across all product categories.

##### Reinsurance Brokerage Business

The reinsurance brokerage business is operated by TQR Public Company Limited (TQR) which offers comprehensive reinsurance services including consultancy services to offer treaty reinsurance and facultative reinsurance suitable for business partners including insurance and reinsurance companies, analyzing and developing insurance products, and providing advice on new insurance products from abroad to adapt them suitable for Thai insurance market. TQR also coordinates with business partners to effectively agree on reinsurance contracts to fully achieve reinsurance objectives. TQR's businesses are divided into 2 categories which are traditional business and alternative business.

##### Information Technology and Software Business

TQM Group offers services on information technology and software through CASMATT Co., Ltd ("CASMATT") to support business with comprehensive information system including business solutions consultancy, telemarketing, call center management, sale and service operations. CASMATT will research cutting-edge technologies to develop services that meet user demand in terms of hardware, network, software development, quality control, and data analysis. CASMATT also offers consultancy services on digital marketing, data analysis, process innovation, implementation of operational system and data center.

### **1.3.2 Financial Business**

#### Personal Lending business

TQM Group operates personal lending business through Easy Lending Company Limited ("EL") which provides personal loan regulated by Bank of Thailand (BOT). The current target customers are individual customers purchasing non-life insurance from TQMB. Personal loan service helps improving sustainability of the Company's business and helps TQMB expand its customer base, as it allows non-life insurance customers to access financial fund and reduces their financial limitation.

#### Auto Finance Business

Operated by Easy Lending Co., Ltd. ("Easy Lending" or "EL"), under the brand "Mee Ngern" or "Money Bear," the service targets customers who purchase car insurance through TQMB, leveraging TQMB's extensive customer base and its knowledge of customer payment behavior for efficient risk assessment. Furthermore, EL has additional risk management measures, such as evaluating assets from the headquarters and providing competitive pricing and Loan-to-Value (LTV) ratios for loan assessments in the market.

#### Property sale with consignment

The Company places a high priority on debt collection and emphasizes premium insurance. However, offering land title loans can benefit SME entrepreneurs, and the Company considers land as collateral based on market demand.

### **1.3.3 Technology Platform Business**

#### Online Platform

Surekrub.com Co., Ltd. ("SK") operates an online application business with the objective of providing insurance brokerage services to retail and corporate clients through an online platform. SK has developed a website, mobile application, and analytical tools that are integral to modern sales channels, enabling customers to conveniently and efficiently search for and compare products online, addressing customer needs in the digital era.

#### Claims Management Business

Operated by TQC, the company provides comprehensive claims management services for health, accident, and life insurance, offering customizable benefits tailored to policyholders' needs. TQC's target customers include private and government sectors, as well as non-life and life insurance companies and organizations of all types, both domestically and internationally.

#### System Development for Insurance Brokers and Agents

TQD offers digital platform for insurance and finance, with an aim to integrate financial technology products with insurance products to elevate Thai insurance industry. TQD is a leader in insurance software development and Insurtech industry. TQD analyzes and examines the needs and challenges in Thai insurance industry to tailor its services accordingly. The company consistently seeks to innovate and enhance its service platforms to meet the demands of today's dynamic landscape. TQD's 3 core businesses contain (1) System

Development Services: TQD develops an insurance brokerage system named Friday for Business which is an operation management system supporting growth in insurance market in digital era. This system enables customers to optimize their sales channels and processes, as well as manage the system's hiring, development, and maintenance. In the mobile application section, the aim is to provide a communication channel for customers. (2) Development of the company's own products, including a mobile application called "Friday", which is a tool to aid the work of a group of insurance agents in both life insurance and non-life insurance. The app provides access to services, products, and knowledge to help manage product offerings more efficiently and professionally. (3) Create an insurance community through a website called "Noon", which attracted approximately 1 million visitors by the end of 2023, and became one of the revenue streams from lead generation.

Construction and real estate services platform

Builk Group Limited ("BUILK") operates a business providing software development and services for enterprise customers (B2B). BUILK specializes in Enterprise Resource Planning (ERP) and Customer Relationship Management (CRM) for project-based organizations including construction, real estate, renewable energy, media, and event industries etc. Additionally, the company provides software services for technology sector related to construction, which focuses on cost, timeline, and quality management for construction and real estate projects. BUILK's revenue model includes recurring income from software service subscriptions, revenue from system implementation, sales of construction materials through B2B e-commerce, and digital transformation projects that connect industry stakeholders.

**1.4 TQM Group's Revenue Structure**

Products	2021		2022		2023		9 Month 2023		9 Month 2024	
	million baht	%	million baht	%	million baht	%	million baht	%	million baht	%
<b>Revenue from contracts with customers</b>										
Non-life insurance brokerage	3,142.86	85.95	3,178.69	85.83	3,194.48	85.86	2,418.03	86.08	2,609.13	86.61
Life Insurance brokerage	130.59	3.57	192.82	5.21	248.20	6.67	157.74	5.62	164.32	5.45
Reinsurance brokerage	224.65	6.14	217.97	5.89	240.51	6.46	176.85	6.30	174.93	5.81
Computer-related consultancy	0.14	0.00	0.14	0.00	0.14	0.00	0.10	0.00	0.10	0.00
Personal loans and other loans	0.00	0.00	0.10	0.00	1.63	0.04	0.42	0.02	32.76	1.09
Others	0.00	0.00	0.00	0.00	0.00	0.00	0.32	0.01	2.80	0.09
<b>Revenue from contracts with customers</b>	<b>3,498.23</b>	<b>95.67</b>	<b>3,589.72</b>	<b>96.93</b>	<b>3,684.95</b>	<b>99.04</b>	<b>2,753.47</b>	<b>98.02</b>	<b>2,984.03</b>	<b>99.06</b>
Other income <sup>1</sup>	158.27	4.33	113.70	3.07	35.75	0.96	55.67	1.98	28.45	0.94
<b>Total Revenue</b>	<b>3,656.50</b>	<b>100.00</b>	<b>3,703.43</b>	<b>100.00</b>	<b>3,720.70</b>	<b>100.00</b>	<b>2,809.13</b>	<b>100.00</b>	<b>3,012.48</b>	<b>100.00</b>

Source: TQM's 2021 – 2023 audited financial statements and a reviewed financial statement for Third quarter 2023 – 2024

### 1.5 The Company's Board of Directors

As of 26 September 2024, the board of directors of TQM Alpha Public Company Limited has 11 directors as follows:

No.	Name	Position
1	Mr. Unchalin Punnipa	Chairman
2	Mr. Marut Simasatien	Independent Director
3	Miss Ratchaniphorn Pukayaphorn	Independent Director
4	Mr. Shinnapat Wisutthipat	Independent Director
5	Miss Suvabha Charoenying	Independent Director
6	Mrs. Napassanun Punnipa	Director
7	Miss Ratana Punnipa	Director
8	Mr. Ampon Oniam	Director
9	Miss Somporn Ampaisutthipong	Director
10	Mr. Thana Tienatchariya	Independent Director
11	Mr. Nattavudh Pungcharoenpong	Non-Executive Director

Source: TQM's Certificate of Business Registration as of 26 September 2024

### 1.6 The Company's Shareholders

As of 11 November 2024, TQM Alpha Public Company Limited's top ten shareholders are as follows:

No.	Name	No. Of Shares	Percent
1	Eternal Growth Corporation Co., Ltd.	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	The 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
10	Mr. Vichit Shinwongworakul	5,306,900	0.88
<b>Total top 10 shareholders</b>		<b>512.11</b>	<b>85.35</b>
Other shareholders		87,894,340	14.60
<b>Total shareholders</b>		<b>600,000,000</b>	<b>100.00</b>

Source: TQM's shareholders register as of 11 November 2024 (the latest closing date prior to the IFA report)

## 1.7 Financial Statement

## 1.7.1 Statement Of Financial Position

Item	Consolidated financial statements for year ended 31 December						Consolidated financial statements for Third quarter ended 30 September	
	2021		2022		2023		2024	
	million baht	percent	million baht	percent	million baht	percent	million baht	percent
<b>Assets</b>								
<b>Current assets</b>								
Cash and cash equivalents	952.59	19.11	729.09	14.87	887.10	16.25	874.47	14.66
Personal loans and others	118.35	2.37	427.94	8.73	605.05	11.08	1,405.47	23.57
Accrued income and other current receivables	602.82	12.10	848.28	17.30	981.52	17.98	1,086.04	18.21
Short-term loans	0.00	0.00	0.00	0.00	300.00	5.50	0.00	0.00
Long-term loans due within one year	3.20	0.06	0.00	0.00	0.00	0.00	0.00	0.00
Dividend receivables	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Other current financial assets	767.89	15.41	394.75	8.05	450.69	8.26	437.98	7.34
Other current assets	52.70	1.06	60.94	1.24	57.67	1.06	79.78	1.34
<b>Total current assets</b>	<b>2,497.55</b>	<b>50.11</b>	<b>2,460.99</b>	<b>50.19</b>	<b>3,282.04</b>	<b>60.12</b>	<b>3,883.74</b>	<b>65.12</b>
<b>Non-current assets</b>								
Restricted cash	5.79	0.12	5.81	0.12	5.73	0.10	5.74	0.10
Other non-current financial assets	1,095.84	21.99	957.56	19.53	637.66	11.68	347.13	5.82
Investment in subsidiaries	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Investment in associates	0.00	0.00	247.99	5.06	282.80	5.18	591.44	9.92
Buildings and equipment	83.14	1.67	98.70	2.01	123.48	2.26	108.12	1.81
Right-of-use assets	498.18	10.00	394.68	8.05	458.50	8.40	409.88	6.87

Independent Financial Advisor's Opinion on the Connected Transaction

Item	Consolidated financial statements for year ended 31 December						Consolidated financial statements for Third quarter ended 30 September	
	2021		2022		2023		2024	
	million baht	percent	million baht	percent	million baht	percent	million baht	percent
Intangible assets	768.16	15.41	705.93	14.40	635.79	11.65	581.71	9.75
Deferred tax assets	31.81	0.64	29.65	0.60	31.97	0.59	34.73	0.58
Other non-current assets	3.28	0.07	1.72	0.03	1.45	0.03	1.36	0.02
<b>Total non-current assets</b>	<b>2,486.20</b>	<b>49.89</b>	<b>2,442.04</b>	<b>49.81</b>	<b>2,177.36</b>	<b>39.88</b>	<b>2,080.11</b>	<b>34.88</b>
<b>Total assets</b>	<b>4,983.75</b>	<b>100.00</b>	<b>4,903.03</b>	<b>100.00</b>	<b>5,459.40</b>	<b>100.00</b>	<b>5,963.85</b>	<b>100.00</b>
<b>Liabilities and equity</b>								
<b>Current liabilities</b>								
Insurance Premium Payables and Other Current Payables	453.92	9.11	365.95	7.46	368.89	6.76	398.13	6.68
Insurance Premium Received in Advance	81.24	1.63	116.20	2.37	117.60	2.15	121.33	2.03
Current Portion of Lease Liabilities	102.45	2.06	99.55	2.03	82.38	1.51	82.53	1.38
Short-Term Loans from Related Party	0.00	0.00	0.00	0.00	5.00	0.09	0.00	0.00
Short-Term Loans from Financial Institutions	0.00	0.00	400.00	8.16	540.00	9.89	1,300.00	21.80
Current Portion of Long-Term Loans from Financial Institutions	0.00	0.00	0.00	0.00	100.80	1.85	49.20	0.82
Corporate income tax payable	95.84	1.92	70.98	1.45	69.40	1.27	38.89	0.65
Other current provisions	14.63	0.29	12.09	0.25	8.59	0.16	16.76	0.28
Other current liabilities	35.58	0.71	45.72	0.93	48.26	0.88	64.48	1.08
<b>Total current liabilities</b>	<b>783.65</b>	<b>15.72</b>	<b>1,110.48</b>	<b>22.65</b>	<b>1,340.93</b>	<b>24.56</b>	<b>2,071.32</b>	<b>34.73</b>
<b>Non-current liabilities</b>								
Long-term loans from financial institutions	0.00	0.00	0.00	0.00	174.00	3.19	0.00	0.00
Lease liabilities	410.81	8.24	315.53	6.44	400.36	7.33	356.01	5.97
Deferred tax liabilities	181.02	3.63	190.44	3.88	129.48	2.37	111.49	1.87
Non-current provisions for employee benefits	138.47	2.78	128.24	2.62	138.90	2.54	146.50	2.46



Independent Financial Advisor's Opinion on the Connected Transaction

Item	Consolidated financial statements for year ended 31 December						Consolidated financial statements for Third quarter ended 30 September	
	2021		2022		2023		2024	
	million baht	percent	million baht	percent	million baht	percent	million baht	percent
Other non-current liabilities	0.00	0.00	0.60	0.01	1.65	0.03	1.49	0.02
<b>Total non-current liabilities</b>	<b>730.31</b>	<b>14.65</b>	<b>634.80</b>	<b>12.95</b>	<b>844.40</b>	<b>15.47</b>	<b>615.48</b>	<b>10.32</b>
<b>Total liabilities</b>	<b>1,513.96</b>	<b>30.38</b>	<b>1,745.28</b>	<b>35.60</b>	<b>2,185.33</b>	<b>40.03</b>	<b>2,686.80</b>	<b>45.05</b>
<b>Equity</b>								
Authorized share capital	300.00	6.02	300.00	6.12	300.00	5.50	300.00	5.03
(600.00 million ordinary shares with par value of 0.50 baht)								
Paid-up capital	300.00	6.02	300.00	6.12	300.00	5.50	300.00	5.03
(600.00 million ordinary shares with par value of 0.50 baht)								
Share premium	1,606.75	32.24	1,606.75	32.77	1,606.75	29.43	1,606.75	26.94
Surplus on business combination under common control	67.93	1.36	(247.12)	(5.04)	(247.12)	(4.53)	(247.12)	(4.14)
Retained earnings								
Appropriated								
Legal reserve	30.00	0.60	30.00	0.61	30.00	0.55	30.00	0.50
Unappropriated	529.18	10.62	636.02	12.97	924.26	16.93	1,064.46	17.85
Other Components of equity	142.50	2.86	244.64	4.99	100.61	1.84	(37.05)	(0.62)
<b>Equity Attributable to Owners of The Parent</b>	<b>2,676.37</b>	<b>53.70</b>	<b>2,570.29</b>	<b>52.42</b>	<b>2,714.49</b>	<b>49.72</b>	<b>2,717.04</b>	<b>45.56</b>
Equity of subsidiaries prior to business restructuring	457.88	9.19	0.00	0.00	0.00	0.00	0.00	0.00
Non-controlling interests	335.54	6.73	587.47	11.98	559.58	10.25	560.01	9.39
<b>Total equity</b>	<b>3,469.80</b>	<b>69.62</b>	<b>3,157.75</b>	<b>64.40</b>	<b>3,274.07</b>	<b>59.97</b>	<b>3,277.05</b>	<b>54.95</b>
<b>Total liabilities and equity</b>	<b>4,983.75</b>	<b>100.00</b>	<b>4,903.03</b>	<b>100.00</b>	<b>5,459.40</b>	<b>100.00</b>	<b>5,963.85</b>	<b>100.00</b>

Remark: TQM's 2021 – 2023 audited financial statements and reviewed financial statement for Third quarter 2023 – 2024

**1.7.2 Statement of Comprehensive Income**

Item	Consolidated financial statements for year ended 31 December						Consolidated financial statements for 9-month period ended 30 September					
	2021		2022		2023		2023		2024		2024	
	million baht	percent	million baht	percent	million baht	percent	million baht	percent	million baht	percent	million baht	percent
<b>Revenue</b>												
Revenue from contracts with customers	3,498.23	95.67	3,589.72	96.93	3,684.95	99.04	2,753.47	98.02	2,984.03	99.06		
Dividend income	10.19	0.28	9.59	0.26	10.78	0.29	8.57	0.30	4.57	0.15		
Bargain purchase gain	63.81	1.75	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00		
Other income	84.26	2.30	104.12	2.81	24.97	0.67	47.10	1.68	23.88	0.79		
<b>Total revenue</b>	<b>3,656.50</b>	<b>100.00</b>	<b>3,703.43</b>	<b>100.00</b>	<b>3,720.70</b>	<b>100.00</b>	<b>2,809.13</b>	<b>100.00</b>	<b>3,012.48</b>	<b>100.00</b>		
<b>Expenses</b>												
Costs of rendering of services	1,605.72	43.91	1,691.17	45.66	1,735.45	46.64	1,317.85	46.91	1,452.13	48.20		
Administrative expenses	854.56	23.37	923.65	24.94	916.98	24.65	721.59	25.69	715.31	23.74		
Reverse on impairment of investment in associates	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00		
<b>Total expenses</b>	<b>2,460.28</b>	<b>67.29</b>	<b>2,614.82</b>	<b>70.61</b>	<b>2,652.43</b>	<b>71.29</b>	<b>2,039.44</b>	<b>72.60</b>	<b>2,167.44</b>	<b>71.95</b>		
<b>Profit from operating activities</b>	<b>1,196.22</b>	<b>32.71</b>	<b>1,088.61</b>	<b>29.39</b>	<b>1,068.27</b>	<b>28.71</b>	<b>769.69</b>	<b>27.40</b>	<b>845.05</b>	<b>28.05</b>		
Finance income	26.88	0.74	23.50	0.63	36.12	0.97	20.07	0.71	30.76	1.02		
Financial costs	(2.45)	(0.07)	(1.72)	(0.05)	(25.20)	(0.68)	(12.58)	(0.45)	(46.31)	(1.54)		
Share of profit of associated companies using equity method	(1.60)	(0.04)	0.90	0.02	4.80	0.13	1.36	0.05	8.64	0.29		
<b>Profit before income tax expense</b>	<b>1,219.05</b>	<b>33.34</b>	<b>1,111.29</b>	<b>30.01</b>	<b>1,083.99</b>	<b>29.13</b>	<b>778.54</b>	<b>27.71</b>	<b>838.13</b>	<b>27.82</b>		
Tax expense	(229.82)	(6.29)	(225.76)	(6.10)	(224.41)	(6.03)	(165.63)	(5.90)	(166.15)	(5.52)		
<b>Net Profit</b>	<b>989.23</b>	<b>27.05</b>	<b>885.53</b>	<b>23.91</b>	<b>859.58</b>	<b>23.10</b>	<b>612.91</b>	<b>21.82</b>	<b>671.98</b>	<b>22.31</b>		

Independent Financial Advisor's Opinion on the Connected Transaction

Item	Consolidated financial statements for year ended 31 December						Consolidated financial statements for 9-month period ended 30 September					
	2021		2022		2023		2023		2024			
	million baht	percent	million baht	percent	million baht	percent	million baht	percent	million baht	percent		
<b>Other comprehensive income</b>												
<b>Items that will be reclassified subsequently to profit or loss</b>												
Profit (loss) from investments in equity securities to be measured at fair value through other comprehensive income - net from tax expense	170.77	4.67	120.79	3.26	(71.09)	(1.91)	(31.01)	(1.10)	(62.35)	(2.07)		
Gains (losses) from the remeasurement of employee benefit obligations - net from Tax Expense	(4.48)	(0.12)	4.46	0.12	(0.98)	(0.03)	(0.98)	(0.03)	4.93	0.16		
<b>Total items that will not be reclassified subsequently to profit or loss</b>	<b>166.29</b>	<b>4.55</b>	<b>125.25</b>	<b>3.38</b>	<b>(72.07)</b>	<b>(1.94)</b>	<b>(31.99)</b>	<b>(1.14)</b>	<b>(57.42)</b>	<b>(1.91)</b>		
<b>Other comprehensive income - net from Tax Expense</b>	<b>166.29</b>	<b>4.55</b>	<b>125.25</b>	<b>3.38</b>	<b>(72.07)</b>	<b>(1.94)</b>	<b>(31.99)</b>	<b>(1.14)</b>	<b>(57.42)</b>	<b>(1.91)</b>		
<b>Total comprehensive income</b>	<b>1,155.52</b>	<b>31.60</b>	<b>1,010.78</b>	<b>27.29</b>	<b>787.52</b>	<b>21.17</b>	<b>580.93</b>	<b>20.68</b>	<b>614.56</b>	<b>20.40</b>		
<b>Profit attributable to: (Loss)</b>												
Owners of parent	890.43	24.35	809.29	21.85	816.27	21.94	598.62	21.31	633.90	21.04		
Equity of existing shareholders before restructuring	97.48	2.67	30.99	0.84	0.00	0.00	0.00	0.00	0.00	0.00		
Non-controlling interests	1.32	0.04	45.25	1.22	43.31	1.16	14.30	0.51	38.08	1.26		
<b>Net Profit</b>	<b>989.23</b>	<b>27.05</b>	<b>885.53</b>	<b>23.91</b>	<b>859.58</b>	<b>23.10</b>	<b>612.91</b>	<b>21.82</b>	<b>671.98</b>	<b>22.31</b>		
<b>Total comprehensive income expense attributable to:</b>												
Owners of parent	1,056.72	28.90	928.93	25.08	744.20	20.00	566.63	20.17	572.53	19.01		
Equity of existing shareholders before restructuring	97.48	2.67	37.70	1.02	0.00	0.00	0.00	0.00	0.00	0.00		
Non-controlling interests	1.32	0.04	44.15	1.19	43.31	1.16	14.30	0.51	42.03	1.40		
<b>Total comprehensive income</b>	<b>1,155.52</b>	<b>31.60</b>	<b>1,010.78</b>	<b>27.29</b>	<b>787.52</b>	<b>21.17</b>	<b>580.93</b>	<b>20.68</b>	<b>614.56</b>	<b>20.40</b>		

Remark: TQM's 2021 – 2023 audited financial statements and a reviewed financial statement for Third quarter 2023 – 2024

**1.7.3 Statement of Cash Flow**

Item	Consolidated financial statements for year ended 31 December			Consolidated financial statements for 9 months ended 30 September
	2022		2023	
	2021	2022	2023	
	million baht	million baht	million baht	2024
<b>Cash flows from operating activities</b>				
Net profit	989.23	885.53	859.58	671.98
<i>Adjustments to reconcile profit (loss) to cash receipts (payments)</i>				
Tax expense	229.82	225.76	224.41	166.15
Financial costs	2.45	4.99	25.20	46.31
Depreciation and amortisation	177.44	229.68	230.64	167.94
(Reversal) Impairment loss recognised in profit or loss	20.19	(0.60)	(1.31)	1.26
Non-current provisions for employee benefits	18.64	16.42	16.78	14.02
Reversal of provisions	(23.41)	(2.53)	(3.50)	8.17
Fair value adjustment of investments in debt instruments measured at fair value through profit or loss	(2.54)	0.09	4.01	(2.23)
Gain from Sale of trading securities	0.00	0.00	1.76	(1.92)
Actual Gain (Loss) from Available-for-sale securities	0.00	0.00	0.00	0.00
Share of (profit) loss of associated companies using equity method (net from tax)	1.60	(0.90)	(4.80)	(8.64)
(Profit) loss from sale of land, buildings, and equipment	(0.66)	(1.54)	(0.66)	(0.12)
(Profit) loss on sale of financial assets	(0.12)	(0.03)	0.00	0.59
Loss from equipment amortization	0.03	0.00	0.00	0.00
Long-term loans provided to related companies	0.24	0.00	0.00	0.00
Loss from amortization of withholding tax expenses	0.00	0.00	0.00	0.00
Gain from bargain purchase	(63.81)	0.00	0.00	0.00
Loss from sale of intangible assets	0.00	0.00	0.00	0.00

Independent Financial Advisor's Opinion on the Connected Transaction

Item	Consolidated financial statements for year ended 31 December			Consolidated financial statements for 9 months ended 30 September	
	2022		2023		
	2021	2022	2023		2024
	million baht	million baht	million baht	million baht	
Gain on lease modification	0.00	0.00	(0.10)	(0.02)	
Unrealised gain on foreign exchange	0.00	0.00	0.00	2.05	
Dividends received	(10.36)	(9.59)	(10.78)	(4.57)	
Interest received	(28.33)	(23.50)	(28.02)	(30.76)	
<i>Changes in operating assets and liabilities</i>					
Accrued income and other current receivables	(133.61)	(249.50)	(130.34)	(108.23)	
Personal loan receivables	(118.35)	(309.60)	(177.11)	(800.42)	
Other current assets	(0.97)	(9.00)	(0.68)	(17.79)	
Other non-current assets	3.04	1.48	0.27	0.09	
Other non-current financial assets	(0.23)	(0.23)	0.01	0.66	
Insurance premium payables and other current payables	102.26	(99.26)	14.42	27.69	
Insurance premium received in advance	(5.34)	34.96	1.41	3.72	
Other current liabilities	(2.49)	9.92	1.06	17.27	
Other non-current liabilities	0.00	0.60	1.05	(1.65)	
Paid current provisions for employee benefits	(5.52)	(21.07)	(7.34)	(0.27)	
<b>Net cash generated from (used in) operations</b>	<b>1,149.18</b>	<b>682.04</b>	<b>1,015.97</b>	<b>151.27</b>	
Taxes received	4.21	2.12	6.96	2.00	
Taxes paid	(235.30)	(265.96)	(245.52)	(235.21)	
<b>Net cash from (used in) operating activities</b>	<b>918.09</b>	<b>418.20</b>	<b>777.40</b>	<b>(81.94)</b>	
<b>Cash flows from investing activities</b>					
Restricted cash increase	(0.00)	(0.02)	0.08	(0.02)	
Acquisition of other current financial assets	(343.79)	(302.04)	(460.41)	(53.17)	
Proceeds from sale current financial assets	108.91	673.15	398.84	170.32	

Independent Financial Advisor's Opinion on the Connected Transaction

Item	Consolidated financial statements for year ended 31 December			Consolidated financial statements for 9 months ended 30 September
	2021	2022	2023	
	million baht	million baht	million baht	
Acquisition of other non-current financial assets	(143.52)	0.00	0.00	(165.87)
Proceeds from sale non-current financial assets	0.00	284.29	201.84	301.45
Cash received from the redemption of investments in debenture measured at amortized cost	38.00	0.00	0.00	0.00
Acquisition of subsidiary	(230.71)	(521.17)	0.00	0.00
Cash received from investment in subsidiaries	12.00	4.00	0.00	0.00
Acquisition of associate	(1.60)	(247.09)	(30.00)	(300.00)
Short-term loans	0.00	0.00	(300.00)	0.00
Proceeds from acquisition subsidiary of non-controlling interests	4.00	0.00	0.37	0.00
Cash received from sale of equipment	1.14	1.61	0.96	1.19
Equipment purchase	(18.17)	(37.97)	(75.42)	(17.80)
Acquisition of intangible assets	(21.69)	(22.33)	(15.49)	(7.96)
Proceeds from repayment of loans to related parties	6.40	3.20	0.00	300.00
Loans provided to related companies	0.00	0.00	0.00	0.00
Dividends received	10.36	9.59	10.77	4.57
Interest received	31.26	27.74	26.74	32.89
Allowance for expected credit losses during the year	(0.66)	0.56	0.00	0.00
<b>Net cash from (used in) investing activities</b>	<b>(548.06)</b>	<b>(126.49)</b>	<b>(241.70)</b>	<b>265.61</b>
<b>Cash flows from financing activities</b>				
Proceeds from change in ownership interest in subsidiaries without a change on control	0.00	0.00	18.00	35.30
Short-term loans from financial institutions	0.00	400.00	140.00	760.00
Borrowing from directors	(1.00)	0.00	0.00	
Borrowing from related companies	0.00	0.00	5.00	(5.00)
Long-term loans from financial institutions	0.00	0.00	274.80	(225.60)

Independent Financial Advisor's Opinion on the Connected Transaction

Item	Consolidated financial statements for year ended 31 December			Consolidated financial statements for 9 months ended 30 September 2024
	2021	2022	2023	
	million baht	million baht	million baht	
Payment of lease liabilities	(105.75)	(105.43)	(108.81)	(82.85)
Interest payment	(2.44)	(5.68)	(17.11)	(31.27)
Cash paid for dividend	(821.16)	(804.11)	(689.56)	(646.89)
Cash received from ordinary share issuance of subsidiaries prior to business restructuring	306.00	0.00	0.00	0.00
Cash payment related to ordinary share issuance of subsidiaries prior to business restructuring	(7.41)	0.00	0.00	0.00
Cash received from Non-controlling interests	1.35	0.00	0.00	0.00
<b>Net cash flows provided by (used in) financing activities</b>	<b>(630.41)</b>	<b>(515.22)</b>	<b>(377.68)</b>	<b>(196.31)</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>(260.38)</b>	<b>(223.51)</b>	<b>158.02</b>	<b>(12.64)</b>
Cash and cash equivalents as of 1 January	1,212.97	952.59	729.09	887.10
<b>Cash and cash equivalents as of 31 December</b>	<b>952.59</b>	<b>729.09</b>	<b>887.10</b>	<b>874.47</b>

Remark: TQM's 2021 – 2023 audited financial statements and a reviewed financial statement for Third quarter 2023 – 2024

**1.7.4 Financial Ratio**

Financial Ratio	Unit	Year ended 31 December			Third quarter (nine-month) ended 30 September
		2021	2022	2023	2024
<b>Liquidity Ratio</b>					
Current ratio	Times	3.19	2.22	2.45	1.88
Quick Ratio	Times	3.12	2.16	2.18	1.84
Cash Flow Liquidity Ratio	Times	1.32	0.44	0.63	(0.05)
Accounts Receivable Turnover Ratio	Times	6.10	3.59	2.57	1.95
Average Collection Period	Day	53.62	73.77	90.62	94.84
Inventory Turnover Ratio	Times	NA. <sup>1</sup>	NA. <sup>1</sup>	NA. <sup>1</sup>	NA. <sup>1</sup>
Average Sale Period	Day	NA. <sup>1</sup>	NA. <sup>1</sup>	NA. <sup>1</sup>	NA. <sup>1</sup>
Accounts Payable Turnover Ratio	Times	4.23	4.13	4.72	5.05
Average Payment Period	Day	86.37	88.48	77.28	72.30
Cash Cycle	Day	NA. <sup>1</sup>	NA. <sup>1</sup>	NA. <sup>1</sup>	NA. <sup>1</sup>
<b>Profitability Ratio</b>					
Gross Profit (Loss) Margin	Percent	54.10	52.89	52.90	51.34
Operating Profit (Loss) Margin	Percent	34.19	30.33	28.99	28.32
Net Profit Margin	Percent	27.05	23.91	23.10	22.31
Return on Equity (ROE)	Percent	33.71	26.72	26.73	27.35
<b>Efficiency Ratio</b>					
Return on Assets (ROA)	Percent	23.03	17.91	16.59	15.69
Return on Fixed Assets	Percent	1,319.59	1,226.54	981.40	967.09
Asset Turnover Ratio	Times	0.85	0.75	0.72	0.70
<b>Financial Policy Ratio</b>					
Debt to Equity Ratio	Times	0.44	0.55	0.67	0.82
Interest bearing debt to EBITDA	Times	0.37	0.62	1.00	1.32
Interest Coverage Ratio	Times	489.06	632.14	42.39	18.25
Debt Service Coverage Ratio	Times	13.68	4.38	2.12	1.25
Dividend Payout Ratio	Percent	83.01	90.81	80.22	96.27

Remark: TQM's 2021 – 2023 audited financial statements and a reviewed financial statement for Third quarter 2023 – 2024 and IFA's calculations

<sup>1</sup>TQM does not record inventory; therefore, it is unable to calculate related ratios.



## **1.8 Industry Outlook**

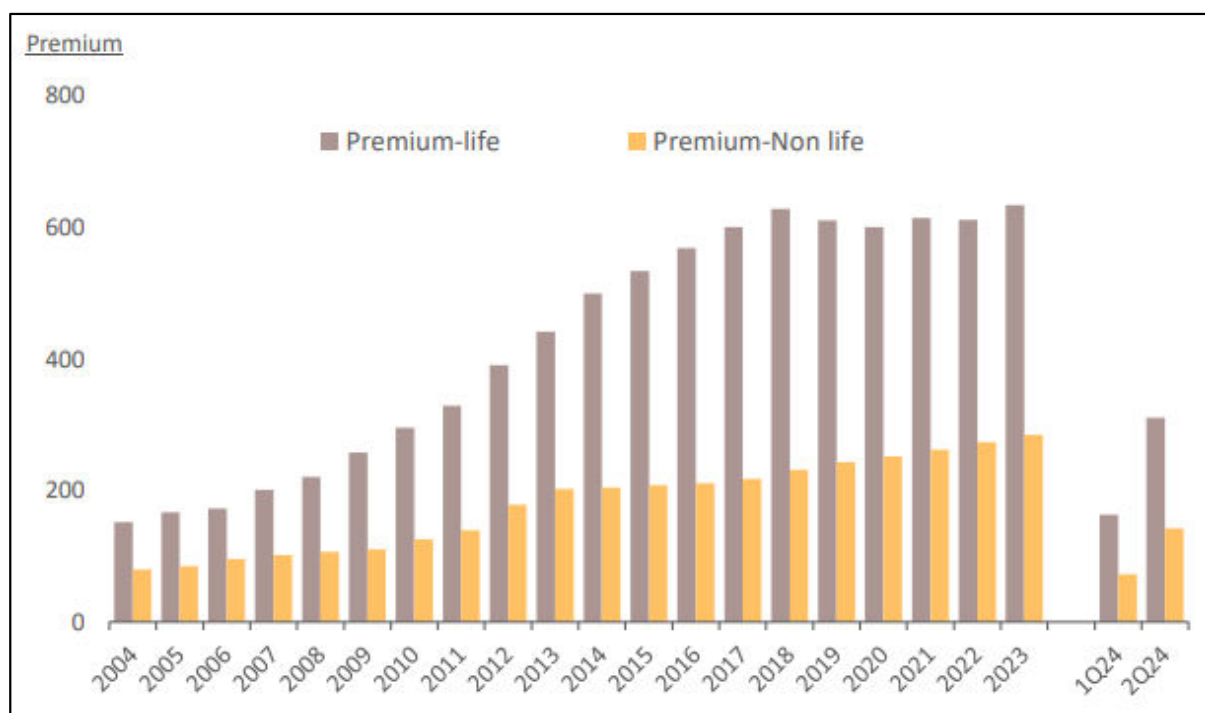
### **1.8.1 Insurance Brokerage Business**

Since the Insurance brokerage business is closely tied to the insurance industry, its business trends align with the growth of the insurance sector. Based on a study by the Thai Life Assurance Association, it was found that in 2024, the life insurance industry is expected to grow at a rate of 2-4 percent, with total premiums projected at approximately 640-650 billion baht, up from 630 billion baht in 2023. This growth aligns with Thailand's 2024 GDP growth forecast of 2.2-3.2 percent, as projected by the National Economic and Social Development Council. Key factors driving the growth of the life insurance business include an increasing public focus on health following heightened awareness of the impacts of emerging diseases like new COVID-19 variants and pollution issues such as PM2.5 dust. Additionally, rising medical expenses have encouraged people to prioritize their health and invest in health insurance. Thailand's transition into an aged society (Aged Society) further supports this trend, alongside business sector policies promoting the use of technology, such as AI and data analytics.

The non-life insurance business has the potential for continued growth in terms of insurance premiums, driven primarily by the recovery of economic activities. According to 2023 data from Kasikorn Research Center, this growth is further supported by reduced price competition due to a decline in the number of insurers and rising operational costs, particularly the increased costs of reinsurance. Kasikorn Research Center projects that total premiums in the non-life insurance sector for 2023 will grow steadily by 4-5 percent. The main cause of this growth is automobile insurance, with direct premiums in this category expected to increase by 6.8-7.5 percent compared to the previous year. This expansion is attributed to factors such as increased sales of new vehicles, growth in tourism, and transportation activities. Additionally, rising insurance premiums, due to reduced competition and higher underwriting costs driven by reinsurance rates, contribute to the industry's growth. Notably, premiums for electric vehicle (EV) insurance are approximately 20 percent higher on average than those for conventional vehicles in the same category, reflecting the immaturity of the EV insurance market.

The impact of COVID-19 insurance claims during 2020–2022, which amounted to a staggering 150 billion baht, led to the closure of four insurance companies and placed one company under rehabilitation. As of the end of 2022, the non-life insurance Fund still had over 50 billion baht in unsettled liabilities owed to creditors under insurance contracts. This situation highlights the need to closely monitor the role of regulatory authorities in securing funding and loans for the non-life insurance Fund to enable it to pay COVID-19 insurance claims on behalf of bankrupt and defunct insurers. Moreover, the non-life insurance Fund will require considerable time to recover to maintain its capacity as a safeguard or buffer for the non-life insurance sector and policyholders. This recovery is essential to restore confidence and stability in the industry.

**Amount of premiums paid for life and non-life insurance in Thailand**



Source: SEIC, OIC

**Insurance Business Risk**

The life insurance industry faces several ongoing challenges, primarily stemming from the trends and volatility in both domestic and global economic conditions. Key factors to monitor include interest rates, inflation, and the performance of the Thai stock market, all of which significantly affect public saving, investment, and spending behaviors. In addition, industry must keep a close eye on trade wars, international conflicts, climate change, and emerging diseases, as these factors directly impact public demand for and confidence in life insurance products. "Economic conditions and household debt have a direct effect on consumers' purchasing power. Since life insurance is not a primary necessity, decisions largely depend on premium costs and coverage benefits," Sararat noted. "Renewal rates among existing customers remain stable. However, common minor illnesses or 'Simple Diseases' continue to account for a significant proportion of claims." This highlights the need for the life insurance industry to adapt to evolving economic and social dynamics while maintaining its value proposition to customers.

**1.8.2 Financial Lending business**

According to Kasikorn Research Center's report on the Credit Outlook for the remainder of 2024, the credit performance of registered commercial banks in Thailand has been relatively weak in early 2024. As of the end of Q2/2024, bank credit contracted by 0.2 percent year-on-year (YoY), marking the first quarterly contraction since Q4/2009. Business loans and retail loans shrank by 1.3 percent YoY and 0.03 percent YoY, respectively, in Q2/2024. This credit contraction aligns with the economic slowdown, which has been impacted by both domestic and international factors, coupled with high household debt levels, limiting new loan utilization.

Additionally, Q2/2024 saw continued pressure from loan repayments, particularly in the government and business sectors.

Retail credit also exhibited signs of an overall slowdown, with specific categories showing the following trends: Housing loans: Growth slowed to 0.8 percent YoY, Auto hire-purchase loans: Contracted by 6.2 percent YoY, Credit card loans: Declined by 2.4 percent YoY, Personal loans: Growth decelerated to 4.4 percent YoY. These trends reflect the combined effects of economic challenges, high debt burdens, and reduced borrowing activity across various segments.

### Outlook for Credit in Thailand's banking system 2024

Kasikorn Research Center believes that while credit growth may accelerate in the second half of 2024 due to seasonal factors, the overall growth rate by the end of 2024 is expected to be 1.5 percent, lower than the previously projected 3.0 percent. This would mark the third consecutive year in which the growth rate of credit is lower than the growth of the economy, as measured by nominal GDP growth.

<b>Forecast for Credit in Thailand's Bank System 2024</b>				
<b>%Credit Growth</b>	<b>2022</b>	<b>2023</b>	<b>2024f</b>	<b>Prior forecast</b>
Thailand's commercial bank system – as of 13 Aug 24				
<b>Total credit</b>	<b>2.7</b>	<b>0.2</b>	<b>1.5</b>	<b>2.5-3.5</b>
<b>Business</b>	<b>-2.1</b>	<b>-2.7</b>	<b>1.5</b>	<b>0.9-1.7</b>
<b>Retails</b>	<b>3.1</b>	<b>2.3</b>	<b>0.3</b>	<b>3.0-3.7</b>
Housing	3.1	1.3	1.2	2.0-2.6
Leasehold	0.3	-0.4	-5.5	1.0-2.0
Credit Card	-13.1	2	2.2	4.0-6.0
Other consumption loans and PLoans	10.2	7.3	3	6.5-8.0

Source: BOT and KResearch's forecast as of 13 August 2024 \*financial activities are not included

### Overview of loans indicates a significant slowdown in the retail lending segment

The downward revision of the 2024 credit forecast for Thailand's banking system is primarily due to the situation in the retail credit segment, which accounts for approximately 36.8% of total loans. The main factor dragging down the outlook is the hire-purchase loans, which are expected to contract for the second consecutive year, primarily due to weaker-than-expected demand for new cars. While electric vehicle (BEV) sales have surged this year, the momentum is expected to slow in the second half of the year as some buyers may opt to wait for lower prices due to increased competition from Chinese BEV manufacturers. Additionally, reduced consumer borrowing capacity is impacting the approval of hire-purchase loans, especially in the Internal Combustion Engine (ICE) car market, which remains the primary segment.

On the business credit side, SME loans are expected to continue contracting, while large business loans will likely depend on seasonal factors related to exports and the positive effects of government stimulus measures to support overall economic activity. These measures should help offset the negative impact from the ongoing debt repayment pressures throughout the year.

**Factors that pressure credit:**

- a. Slower demand for loans from both businesses and households is evident in the Bank of Thailand's report on the financial sector's credit outlook for Q2/2024. Looking ahead over the next three months, credit demand remains cautious, continuing to slow across major business loans, housing loans, hire-purchase loans, and other consumer credit types. This trend is primarily driven by concerns about future revenue prospects.
- b. High household debt continues to pressure the ability to take on new loans, particularly for high-value credit products (Big-Ticket Items) such as housing loans and hire-purchase car loans. This trend has been clear over the past five years.
- c. Credit approval standards continue to focus on the appropriateness of customers' debt levels to ensure that borrowing supports the long-term stability of businesses and households, in line with international standards and Thai regulations. In the past and currently, when assessing loan applicants who are businesses, financial institutions considered factors like borrowing capacity (based on business plans, cash flow projections, and collateral/guarantees) and debt repayment capacity (based on repayment history and management data). The increase in credit risk, driven by broader environmental factors impacting various industries, has affected the volume of approved loans.

**1.9 Analysis on Operating Result and Financial Status**

**1.9.1 Operating Result**

Revenue from contracts with customers

Product	2021		2022		2023		Third quarter (9 months) 2023		Third quarter (9 months) 2024	
	M.Baht	%	M.Baht	%	M.Baht	%	M.Baht	%	M.Baht	%
<b>Revenue from contracts with customers</b>										
Non-life insurance brokerage	3,142.86	85.95	3,178.69	85.83	3,194.48	85.86	2,418.03	86.08	2,609.13	86.61
Life Insurance brokerage	130.59	3.57	192.82	5.21	248.20	6.67	157.74	5.62	164.32	5.45
Reinsurance brokerage	224.65	6.14	217.97	5.89	240.51	6.46	176.85	6.30	174.93	5.81
Computer-related consultancy service	0.14	0.00	0.14	0.00	0.14	0.00	0.10	0.00	0.10	0.00
Personal loans and other loans	0.00	0.00	0.10	0.00	1.63	0.04	0.42	0.02	32.76	1.09
Others	0.00	0.00	0.00	0.00	0.00	0.00	0.32	0.01	2.80	0.09
<b>Total Revenue from contracts with customers</b>	<b>3,498.23</b>	<b>95.67</b>	<b>3,589.72</b>	<b>96.93</b>	<b>3,684.95</b>	<b>99.04</b>	<b>2,753.47</b>	<b>98.02</b>	<b>2,984.03</b>	<b>99.06</b>
Other income <sup>1</sup>	158.27	4.33	113.70	3.07	35.75	0.96	55.67	1.98	28.45	0.94
<b>Total revenue</b>	<b>3,656.50</b>	<b>100.00</b>	<b>3,703.43</b>	<b>100.00</b>	<b>3,720.70</b>	<b>100.00</b>	<b>2,809.13</b>	<b>100.00</b>	<b>3,012.48</b>	<b>100.00</b>

Source: TQM's 2021 – 2023 audited financial statements and a reviewed financial statement for Third quarter 2023 – 2024

1. Other income includes dividend income, gains from negotiation, and other income. TQM Group's financial income is excluded

TQM Group's revenue includes revenue from non-life insurance brokerage, life insurance brokerage, and reinsurance brokerage. In addition, the Company also earns revenue from information technology, personal loans and other income such as dividend income, revenue from services and consultancy, compensation etc.

In 2022, the Company generated total revenue of 3,589.72 million baht from contracts with customers, reflecting an increase of 91.49 million baht or 2.62 percent compared to 2021, when revenue totaled 3,498.23 million baht. This growth was primarily driven by increased revenue from brokerage and other services, as well as an expansion in net insurance premiums from both non-life and life insurance segments. The Company achieved this revenue growth by broadening its sales channels, including the establishment of additional branches in other provinces and the enhancement of online platforms to better reach target customers. Notably, 85.83 percent of TQM Group's core revenue originated from non-life insurance products.

In 2022, the Company generated total revenue of 3,684.95 million baht from contracts with customers, reflecting an increase of 95.23 million baht or 2.65 percent compared to 2022. This growth was primarily driven by increased revenue from brokerage and other services, as well as an increase in revenue from premiums of group non-life insurance segment, voluntary car insurance segment. Revenue from life insurance brokerage services increased from an increase in sales of individual and group life insurance. Revenue from non-life insurance brokerage business remained TQM Group's core revenue, with 85.86 percent of total revenue.

In 2022, the Company generated total revenue of 3,684.95 million baht from contracts with customers, representing an increase of 95.23 million baht or 2.65 percent compared to the previous year. This growth was primarily attributable to higher revenue from brokerage and other services, as well as increased premiums in the group non-life insurance and voluntary car insurance segments. Additionally, revenue from life insurance brokerage services rose due to increased sales of individual and group life insurance policies. Non-life insurance brokerage business continued to be the core revenue driver for TQM Group, accounting for 85.86 percent of total revenue.

For the nine-month period ended 30 September 2024, the Company generated total revenue of 2,984.03 million baht from contracts with customers, reflecting an increase of 230.57 million baht or 8.37 percent compared to the same period in 2023, during which revenue totaled 2,753.47 million baht. This growth was primarily driven by the expansion of the non-life insurance brokerage business, as well as increased revenue from personal loans and other loan services.

#### Other income

In 2022, the Company reported other income of 113.70 million baht, representing a decrease of 44.56 million baht or 28.16 percent compared to 2021, when other income totaled 158.27 million baht. This decline was primarily attributed to one-off revenue recognized in 2021, including a profit of 63.81 million baht from the negotiation of the TRUE LIFE and TRUE EXTRA acquisition, and a reversal of provisions for TQR amounting to 27.24 million baht. In 2022, the Company did not record any one-off revenue, resulting in a year-over-year decrease in other income.

In 2023, the Company reported other income of 35.75 million baht, reflecting a decrease of 77.96 million baht or 68.56 percent compared to 2022. This decline was primarily due to the absence of a one-time profit from rent discounts amounting to 24.54 million baht, which TQM Group received in 2022 as a result of the COVID-19 circumstances. No such rent discounts were received in 2023.

For nine-month period ended 30 September 2024, the Company reported other income was 28.45 million, reflecting a decrease of 27.22 million baht or 48.90 percent compared to the same period in 2023, during which other income totaled 55.67 million baht. This decline was primarily attributable to an accounting reclassification, where certain items previously recorded as other income were reclassified as revenue from contracts with customers.

#### Costs of rendering of services

The costs of rendering services include expenses related to employees, commission fees, incentives, promotions, insurance policy delivery, advertising, public relations, and other related items. The largest portion of TQM Group's costs consists of employee-related expenses, such as salaries, bonuses, and employee benefits.

In 2022, the Company reported costs of rendering services amounting to 1,691.17 million baht, reflecting an increase of 85.45 million baht or 5.32 percent compared to 2021, when the cost was 1,605.72 million baht. This increase in costs was in line with the growth in revenue, with the major rises attributed to salary expenses and commission fees. The cost of rendering services as a percentage of revenue was 45.66 percent, showing a slight increase from 43.91 percent in 2021.

In 2023, the Company reported costs of rendering services amounting to 1,735.45 million baht, reflecting an increase of 44.28 million baht or 2.62 percent compared to 2022. The major rises were attributed to employee expenses supporting business expansion. The cost of rendering services as a percentage of revenue was 46.64 percent, showing a slight increase from 45.66 percent in 2022.

For the nine-month period ended 30 September 2024, the Company reported costs of rendering services amounting to 1,452.13 million baht, reflecting an increase of 134.28 million baht or 10.19 percent compared to the same period in 2021, when the cost was 1,317.85 million baht. This increase in costs was in line with the growth in revenue. The cost of rendering services as a percentage of revenue was 48.20 percent, showing an increase from 46.91 percent in the same period in 2021.

#### Gross Profit

In 2022, the Company reported a gross profit of 1,898.55 million baht, reflecting an increase of 6.04 million baht or 0.32 percent compared to 2021, when gross profit totaled 1,892.51 million baht. The Company's gross profit margin was 52.89 percent of revenue from contracts with customers, representing a decrease from 54.10 percent in 2021. This decline in the margin was due to a 2.62 percent increase in revenue from contracts with customers, while the cost of rendering services rose by 5.32 percent.

In 2023, the Company reported a gross profit of 1,949.50 million baht, reflecting an increase of 50.95 million baht or 2.68 percent compared to 2022. The Company's gross profit margin was 52.90 percent of

revenue from contracts with customers. The Company was able to maintain gross profit revenue due to a 2.65 percent increase in revenue from contracts with customers, while the cost of rendering services rose by 2.62 percent.

For the nine-month period ended 30 September 2024, the Company reported a gross profit of 1,531.91 million baht, reflecting an increase of 96.29 million baht or 6.71 percent compared to the same period in 2023, when the gross profit was 1,435.61 million baht. The Company's gross profit margin was 51.34 percent of revenue from contracts with customers, representing a slight decrease from 52.14 percent in the same period in 2023. Revenue from contracts with customers grew by 8.37 percent while the cost of rendering services grew by 10.19 percent.

#### Administrative expenses

TQM Group's administrative expenses consist of costs associated with employees in supporting departments.

In 2022, the Company reported administrative expenses of 923.65 million baht, reflecting an increase of 69.09 million baht or 8.09 percent compared to 2021, when administrative expenses were 854.56 million baht. The increase was primarily due to the Company's organizational restructuring and personnel recruitment to support the growth of the existing businesses and a newly launched business.

In 2023, the Company reported administrative expenses of 916.98 million baht, reflecting a decrease of 6.67 million baht or 6.67 percent compared to 2022. The Company's effective expense management resulted in a reduction in administrative expenses to 24.65 percent of total revenue, a slight decrease from 24.94 percent in 2022.

For the nine-month period ended 30 September 2024, the Company reported administrative expenses of 715.31 million baht, reflecting a decrease of 6.28 million baht or 0.87 percent compared to the same period in 2022 when the expenses were 721.59 million baht. The Company maintained the proportion of administrative expenses to 23.74 percent of total revenue, which was a slight decrease from the same period in 2023, when the expenses were 25.69 percent of total revenue.

#### Net profit

In 2022, the Company reported a net profit of 885.53 million baht, representing a decrease of 103.70 million baht or 10.48 percent compared to the 989.23 million baht recorded in 2021. This decline was primarily due to the absence of special gains recognized in 2021, which resulted in a reduction in other income. Additionally, the growth rates of costs of rendering services, administrative expenses, and tax expenses outpaced the growth in revenue. Despite these challenges, TQM Group achieved a net profit margin of 23.91 percent of total revenue, a slight decrease from 27.05 percent in 2021.

In 2023, the Company reported a net profit of 859.58 million baht, representing a decrease of 25.94 million baht or 2.93% compared to 2022. This decline was primarily attributed to a slight reduction in operating

profit and an increase in financial costs of 23.48 million baht, resulting from borrowings for business expansion. Nevertheless, the Company maintained a net profit margin of 23.10% of total revenue.

For the nine-month period ended 30 September 2024, the Company reported a net profit of 671.98 million baht, an increase of 59.07 million baht or 9.64% compared to 612.91 million baht for the same period in 2023. This growth was primarily driven by business expansion, reflected in a 7.24% increase in total revenue, while costs and expenses rose by 6.28%. The Company also incurred higher financial costs, which increased by 33.74 million baht due to borrowings for business expansion. Despite this, the Company achieved a net profit margin of 22.31% of total revenue, an improvement from 21.82% in the same period of 2023.

## **1.9.2 Financial status**

### Assets

TQM Group's major assets include cash and cash equivalents, personal loan receivables, Accrued service revenue and other receivables, current financial assets, Other non-current financial assets, Right-of-use assets and Intangible assets.

In 2022, the Company reported total assets of 4,903.03 million baht, representing a decrease of 80.72 million baht or 1.62% compared to 4,983.75 million baht in 2021. This decline was primarily due to investments made to support business expansion. Personal loan receivables increased by 309.60 million baht, reflecting the full-year recognition of TQM Group's lending business. Accrued service revenue and other receivables grew by 245.46 million baht, consistent with the rise in net insurance premiums sold. Additionally, the Company's investment in associates rose by 247.99 million baht following a 40.00% stake acquisition in BUILK. Conversely, current and non-current financial assets declined by 511.41 million baht, primarily due to the maturity of debt securities and fixed deposits. Cash and cash equivalents also decreased by 223.51 million baht. The Company generated 418.20 million baht in cash inflows from operating activities, while cash outflows included 126.49 million baht for financial asset investments and subsidiary acquisitions, and 515.22 million baht for financing activities, including borrowing and dividend payments. Right-of-use assets and intangible assets decreased by 165.73 million baht, mainly due to depreciation and amortization.

In 2023, the Company reported total assets of 5,459.40 million baht, an increase of 556.37 million baht or 11.35% compared to 2022. This growth was primarily driven by a 177.11 million baht increase in personal loan receivables, a 133.24 million baht rise in accrued service revenue and other receivables, and the addition of 300.00 million baht in short-term loans for lending to companies targeted for future investment. Cash and cash equivalents also increased by 158.02 million baht, supported by cash inflows from operating activities totaling 777.40 million baht, reflecting the Company's strong operational performance. The Company allocated 241.70 million baht in cash for investments, primarily related to lending and financial asset management, and 377.68 million baht for financing activities, including borrowing and dividend payments. However, current and non-current financial assets decreased by 263.96 million baht, primarily due to the maturity of debt securities and changes in the fair value of investments.

or the third quarter of 2024, the Company reported total assets of 5,963.85 million baht, reflecting an increase of 504.45 million baht or 9.24% compared to 2023. This growth was primarily driven by an 800.42



million baht increase in loans receivable, along with a 104.52 million baht rise in accrued service revenue and receivables, indicative of business expansion. Loans receivable decreased by 300.00 million baht due to repayments from a borrowing company, while the Company made an investment of 300.00 million baht in My Group Intelligent Co., Ltd. (MGI). However, current and non-current financial assets declined by 303.23 million baht, primarily due to a reduction in debenture and a loss from the revaluation of equity securities which the Company had invested.

#### Liabilities

In 2022, the Company reported total liabilities of 1,745.28 million baht, an increase of 231.32 million baht or 15.28% compared to 1,513.96 million baht in 2021. This increase was primarily due to borrowings to support the expansion of loan service business, with short-term loans from financial institutions rising by 400.00 million baht. Additionally, insurance premium creditors and other creditors decreased by 87.97 million baht, and finance lease liabilities decreased by 98.18 million baht due to scheduled lease payments.

In 2023, the Company reported total liabilities of 2,185.33 million baht, an increase of 440.05 million baht or 25.21% compared to 2022. This growth was mainly driven by a 140.00 million baht increase in short-term loans from financial institutions and a 274.80 million baht increase in long-term loans from financial institutions to further expand the loan service business.

For the third quarter of 2024, the Company reported total liabilities of 2,686.80 million baht, reflecting an increase of 501.47 million baht or 22.95% compared to 2023. This rise was primarily attributed to a 760.00 million baht increase in short-term loans from financial institutions, aimed at expanding personal loans and other loan products. However, long-term borrowings decreased by a net amount of 225.60 million baht due to partial loan repayments.

#### Equity

In 2022, the Company reported equity of 3,157.75 million baht, a decrease of 312.05 million baht or 8.99% compared to 3,469.80 million baht in 2021. This decline was primarily due to the consolidation of TQR's business, which resulted in a reduction of surplus on business combinations under common control by 247.12 million baht. Additionally, there was no equity from subsidiaries before the business restructuring, which had been recorded as 457.88 million baht in 2021. However, TQM Group's retained earnings increased by 106.84 million baht, reflecting a net profit of 809.29 million baht and dividend payments of 719.99 million baht.

In 2023, the Company's equity increased to 3,274.07 million baht, an increase of 116.32 million baht or 3.68% compared to 2022. This growth was mainly attributed to an increase in retained earnings of 288.24 million baht, resulting from a net profit of 816.27 million baht and dividend payments of 599.99 million baht. However, the Company also experienced a loss from the revaluation of equity investments, which resulted in a decrease in equity by 144.03 million baht.

For the third quarter of 2024, the Company reported equity of 3,277.05 million baht, an increase of 2.98 million baht or 0.09% compared to 2023. This slight increase was primarily due to net retained earnings from operating results, after deducting dividend payments of 140.20 million baht. However, the Company

recognized a further loss from the fair value measurement of equity investments through other comprehensive income, which resulted in a reduction of equity by 137.66 million baht.

### **1.9.3 Financial Ratio Analysis**

#### Current ratio

For the years 2021, 2022, 2023, and the nine-month period ended 30 September 2024, TQM Group reported Current Ratio of 3.19, 2.22, 2.45, and 1.88, and quick Ratio of 3.12, 2.16, 2.18, and 1.84 respectively. The decrease in the Company's current ratio was primarily attributed to an increase in current liabilities, mainly driven by borrowings for business expansion. While current assets also grew, the increase in current liabilities outpaced the growth in current assets. The rise in current assets was mainly driven by an increase in personal loans, other loans, and accrued service revenue and receivables. However, TQM Group experienced a continuous reduction in both current and non-current financial assets due to the management of debt securities, equity securities, and the recognition of losses from the fair value measurement of these assets.

#### Analysis on Financial Policy Ratio

For the years 2021, 2022, 2023, and the nine-month period ended 30 September 2024, TQM Group reported debt to Equity Ratio of 0.44, 0.55, 0.67, and 0.82, respectively. The increase in the Debt-to-Equity ratio was primarily driven by a rise in liabilities, particularly from increased borrowings to support business expansion. While equity also increased due to positive operating results, it grew at a slower rate due to annual dividend payments. Despite the higher borrowing levels and investments in associated companies, the Company has successfully maintained a relatively low Debt-to-Equity ratio (below 1) in recent years.

Regarding interest coverage, TQM Group reported Interest Coverage Ratio of 489.06, 632.14, 42.39, and 18.25, and Debt Service Coverage Ratio of 13.68, 4.38, 2.12, and 1.25, respectively. The decline in these ratios was mainly due to an increase in financial costs resulting from the higher borrowings for business expansion. Simultaneously, operating profit (EBIT) grew at a slower pace due to a modest increase in costs. Nonetheless, TQM Group has continued to generate positive operating profits and, when compared to its financial costs, demonstrates a strong ability to cover interest payments.

## Attachment 2: Summary of Easy Lending Company Limited

### 2.1 Basic Information

<b>Company Name</b>	: Easy Lending Company Limited
<b>Symbol</b>	: EL
<b>Company Register Number</b>	: 0105564011375
<b>Company Business</b>	: The company's core business is to provide financial services (personal loans) to retail customers.
<b>Address</b>	: 123 Ladplakao Rd. Chorakhe Bua, Ladprao, Bangkok 10230
<b>Authorized share capital</b>	: 200,000,000.00 baht consists of 2,000,000 ordinary shares with a par of 100.00 baht per share
<b>Paid-up capital</b>	: 200,000,000.00 baht consists of 2,000,000 ordinary shares with a par of 100.00 baht per share

### 2.2 Company Business

Easy Lending Co., Ltd. ("EL") and Cashnow Plus Co., Ltd ("C+"), in which EL holds 100 percent shares, are engaged in providing financial services and loans consisting of 1) Unsecured Loans: including insurance premium loans, employee welfare loans, online store loans, auto finance loans, personal loans (P-loan), which are regulated by the Bank of Thailand (BOT). These services are operated by Easy Lending Co., Ltd and 2) Secured Loans: which are governed by the Civil and Commercial Code, and are operated by Cashnow Plus Co., Ltd.

### 2.3 Board of Directors

As of 10 September 2024, the board of directors of Easy Lending Co., Ltd comprises of 2 directors as follows:

No.	Name - Surname	Position
1	Mr. Unchalin Punnipa	Director
2	Mrs. Napassanun Punnipa	Director

Source: EL's Certificate of Business Registration as of 10 September 2024

### 2.4 Company's Shareholders

As of 2 September 2024, the list of shareholders of Easy Lending Co., Ltd is as follows:

No.	Name - Surname	Shares	Percent
1	TQM Alpha Public Company Limited	1,479,996	74.00%
2	Mr. Unchalin Punnipa	160,002	8.00%
3	Mrs. Napassanun Punnipa	140,002	7.00%
4	Miss Somporn Ampaisutthipong	130,000	6.50%

No.	Name - Surname	Shares	Percent
5	Mr. Sitthiphat Charoenjitsereewong	20,000	1.00%
6	Mr. Peerasit Charoenjitsereewong	20,000	1.00%
7	Miss Ratchaniphorn Pukayaphorn	10,000	0.50%
8	Miss Supitchaya Theppitak	10,000	0.50%
9	Mr. Nattavudh Pungcharoenpong	10,000	0.50%
10	Mr. Shinnapat Wisutthipat	5,000	0.25%
11	Mr. Thana Tienatchariya	5,000	0.25%
12	Miss Phapimol Simasatien	3,334	0.17%
13	Miss Thanawan Simasatien	3,334	0.17%
14	Mr. Teetaj Wetthayavivorn	3,332	0.17%
	<b>Total</b>	<b>2,000,000</b>	<b>100.00</b>

Source: Copy of the shareholders list (Form Bor Jor. 5) as of 2 September 2024

## 2.5 Financial Statements

### 2.4.1 Statement of Financial Position

Item	Separated financial statements for year ended 31 December						Consolidated financial statements for year ended 31 December		Consolidated financial statements for the third quarter ended 30 September	
	2021		2022		2023		2023		2024	
	million baht	percent	million baht	percent	million baht	percent	million baht	percent	million baht	percent
<b>Assets</b>										
<b>Current assets</b>										
Cash and cash equivalents	33.83	22.15	16.14	3.47	53.12	7.71	59.82	8.61	126.83	8.21
Personal loan receivables	118.35	77.49	427.94	91.96	550.65	79.97	605.05	87.12	1,405.47	91.02
Other current receivables	0.41	0.27	0.82	0.18	18.11	2.63	17.96	2.59	3.16	0.20
Short-term lending to related company	0.00	0.00	0.00	0.00	35.00	5.08	0.00	0.00	0.00	0.00
Other current assets	0.08	0.05	0.19	0.04	1.14	0.17	1.15	0.17	3.59	0.23
<b>Total current assets</b>	<b>152.67</b>	<b>99.97</b>	<b>445.09</b>	<b>95.65</b>	<b>658.02</b>	<b>95.56</b>	<b>683.98</b>	<b>98.48</b>	<b>1,539.05</b>	<b>99.67</b>
<b>Non-current assets</b>										
Investment in subsidiaries	0.00	0.00	20.00	4.30	20.00	2.90	0.00	0.00	0.00	0.00
Leasehold improvements and equipment	0.03	0.02	0.18	0.04	2.42	0.35	2.42	0.35	1.29	0.08
Right-of-use assets	0.00	0.00	0.00	0.00	5.54	0.80	5.54	0.80	1.44	0.09
Intangible assets	0.00	0.00	0.06	0.01	1.43	0.21	1.43	0.21	1.87	0.12
Other non-current financial assets	0.01	0.01	0.01	0.00	1.00	0.14	1.00	0.14	0.13	0.01
Deferred tax assets	0.00	0.00	0.00	0.00	0.16	0.02	0.16	0.02	0.36	0.02
<b>Total non-current assets</b>	<b>0.04</b>	<b>0.03</b>	<b>20.24</b>	<b>4.35</b>	<b>30.55</b>	<b>4.44</b>	<b>10.55</b>	<b>1.52</b>	<b>5.08</b>	<b>0.33</b>
<b>Total assets</b>	<b>152.71</b>	<b>100.00</b>	<b>465.34</b>	<b>100.00</b>	<b>688.57</b>	<b>100.00</b>	<b>694.53</b>	<b>100.00</b>	<b>1,544.13</b>	<b>100.00</b>

Independent Financial Advisor's Opinion on the Connected Transaction

Item	Separated financial statements for year ended 31 December						Consolidated financial statements for year ended 31 December		Consolidated financial statements for the third quarter ended 30 September	
	2021		2022		2023		2023		2024	
	million baht	percent	million baht	percent	million baht	percent	million baht	percent	million baht	percent
<b>Liabilities and equity</b>										
<b>Current liabilities</b>										
Other current payables	2.40	1.57	8.92	1.92	15.54	2.26	21.46	3.09	21.10	1.37
Short-term lending	100.00	65.48	400.00	85.96	540.00	78.42	540.00	77.75	1,300.00	84.19
Current portion of lease liabilities	0.00	0.00	0.00	0.00	2.07	0.30	2.07	0.30	0.47	0.03
Corporate income tax payable	0.03	0.02	0.46	0.10	3.85	0.56	3.85	0.55	0.24	0.02
Other current liabilities	0.05	0.03	0.14	0.03	2.10	0.31	2.10	0.30	0.70	0.05
<b>Total current liabilities</b>	<b>102.48</b>	<b>67.11</b>	<b>409.52</b>	<b>88.00</b>	<b>563.56</b>	<b>81.84</b>	<b>569.49</b>	<b>82.00</b>	<b>1,322.51</b>	<b>85.65</b>
<b>Non-current liabilities</b>										
Lease liabilities	0.00	0.00	0.00	0.00	3.48	0.51	3.48	0.50	0.97	0.06
Non-current provisions for employee benefits	0.00	0.00	0.01	0.00	0.09	0.01	0.09	0.01	0.15	0.01
<b>Total non-current liabilities</b>	<b>0.00</b>	<b>0.00</b>	<b>0.01</b>	<b>0.00</b>	<b>3.57</b>	<b>0.52</b>	<b>3.57</b>	<b>0.51</b>	<b>1.12</b>	<b>0.07</b>
<b>Total liabilities</b>	<b>102.48</b>	<b>67.11</b>	<b>409.53</b>	<b>88.01</b>	<b>567.13</b>	<b>82.36</b>	<b>573.06</b>	<b>82.51</b>	<b>1,323.63</b>	<b>85.72</b>
<b>Equity</b>										
Authorized share capital	50.00	32.74	50.00	10.74	100.00	14.52	100.00	14.40	200.00	12.95
(500,000 shares with a par value of 100.00 baht)										
Paid-up capital	50.00	32.74	50.00	10.74	100.00	14.52	100.00	14.40	200.00	12.95
(500,000 shares with a par value of 100.00 baht)										
Retained earnings										
Appropriated										
Legal reserve	0.00	0.00	0.00	0.00	0.37	0.05	0.37	0.05	0.37	0.02
Unappropriated	0.23	0.15	5.81	1.25	21.07	3.06	21.10	3.04	20.14	1.30

Item	Separated financial statements for year ended 31 December						Consolidated financial statements for year ended 31 December		Consolidated financial statements for the third quarter ended 30 September	
	2021		2022		2023		2023		2024	
	million baht	percent	million baht	percent	million baht	percent	million baht	percent	million baht	percent
Equity attributable to owners of the parent	50.23	32.89	55.81	11.99	121.44	17.64	121.47	17.49	220.51	14.28
Non-controlling interests	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>Total equity</b>	<b>50.23</b>	<b>32.89</b>	<b>55.81</b>	<b>11.99</b>	<b>121.44</b>	<b>17.64</b>	<b>121.47</b>	<b>17.49</b>	<b>220.51</b>	<b>14.28</b>
<b>Total liabilities and equity</b>	<b>152.71</b>	<b>100.00</b>	<b>465.34</b>	<b>100.00</b>	<b>688.57</b>	<b>100.00</b>	<b>694.53</b>	<b>100.00</b>	<b>1,544.13</b>	<b>100.00</b>

Remark: EL's 2021 – 2022 separated audited financial statements, 2023 consolidated financial statements, and the third quarter ended 30 September 2024 consolidated financial statements

#### 2.4.2 Statement of Comprehensive Income

Item	Separated financial statements for year ended 31 December						Consolidated financial statements for year ended 31 December		Consolidated financial statements for the third quarter ended 30 September	
	2021		2022		2023		2023		2024	
	million baht	percent	million baht	percent	million baht	percent	million baht	percent	million baht	percent
<b>Revenue</b>										
Interest revenue from loan receivables	1.00	100.00	18.73	99.85	39.23	45.75	39.30	45.79	27.94	99.93
Revenue from other service	0.00	0.00	0.00	0.00	46.50	54.22	46.50	54.18	0.00	0.00
Other income	0.00	0.00	0.03	0.15	0.03	0.03	0.03	0.03	0.02	0.07
<b>Total revenue</b>	<b>1.00</b>	<b>100.00</b>	<b>18.76</b>	<b>100.00</b>	<b>85.76</b>	<b>100.00</b>	<b>85.82</b>	<b>100.00</b>	<b>27.96</b>	<b>100.00</b>
<b>Expenses</b>										
Costs of rendering of services	0.36	35.90	5.51	29.38	25.55	29.79	25.55	29.77	10.88	38.91
									26.37	36.51

Item	Separated financial statements for year ended 31 December						Consolidated financial statements for the third quarter ended 30 September					
	2021		2022		2023		2023		2024			
	million baht	percent	million baht	percent	million baht	percent	million baht	percent	million baht	percent		
Administrative expenses	0.33	33.32	3.04	16.22	19.25	22.45	19.39	22.60	18.24	65.22	21.13	29.26
<b>Total expenses</b>	<b>0.69</b>	<b>69.22</b>	<b>8.56</b>	<b>45.60</b>	<b>44.80</b>	<b>52.24</b>	<b>44.94</b>	<b>52.37</b>	<b>29.11</b>	<b>104.13</b>	<b>47.50</b>	<b>65.77</b>
<b>Profit from operating activities</b>	<b>0.31</b>	<b>30.78</b>	<b>10.21</b>	<b>54.40</b>	<b>40.96</b>	<b>47.76</b>	<b>40.88</b>	<b>47.63</b>	<b>(1.15)</b>	<b>(4.13)</b>	<b>24.72</b>	<b>34.23</b>
Finance income	0.05	4.97	0.03	0.14	0.19	0.22	0.26	0.31	0.11	0.41	0.13	0.18
Financial costs	(0.07)	(6.51)	(3.27)	(17.41)	(12.81)	(14.94)	(12.81)	(14.93)	(8.70)	(31.11)	(25.77)	(35.68)
<b>Profit before income tax expense</b>	<b>0.29</b>	<b>29.24</b>	<b>6.97</b>	<b>37.31</b>	<b>28.33</b>	<b>33.03</b>	<b>28.33</b>	<b>33.01</b>	<b>(9.74)</b>	<b>(34.83)</b>	<b>(0.92)</b>	<b>(1.28)</b>
Expenses Tax Expense	(0.06)	(5.84)	(1.39)	(7.43)	(5.67)	(6.61)	(5.67)	(6.60)	0.03	0.10	(0.05)	(0.06)
<b>Net profit</b>	<b>0.23</b>	<b>23.41</b>	<b>5.57</b>	<b>29.70</b>	<b>22.66</b>	<b>26.43</b>	<b>22.67</b>	<b>26.41</b>	<b>(9.71)</b>	<b>(34.73)</b>	<b>(0.97)</b>	<b>(1.34)</b>

Remark: EL's 2021 – 2022 separated audited financial statements, 2023 consolidated financial statements, and the third quarter ended 30 September 2024 consolidated financial statements

### 2.4.3 Statement of Cash Flow

Item	Separated financial statements for year ended 31 December			Consolidated financial statements for year ended 31 December		Consolidated financial statements for the third quarter ended 30 September		
	2021		2022		2023		2024	
	million baht	million baht	million baht	million baht	million baht	million baht	million baht	
<b>Cash flows from operating activities</b>								
Net profit	0.23	5.57	22.66	22.67	(0.97)			
<u>Adjustments to reconcile profit (loss) to cash receipts (payments)</u>								
Tax expense	0.06	1.39	5.67	5.67	0.05			
Financial costs	0.07	3.27	12.81	12.81	25.77			
Depreciation and amortisation	0.00	0.04	1.02	1.02	2.40			



Independent Financial Advisor's Opinion on the Connected Transaction

Item	Separated financial statements for year ended 31 December				Consolidated financial statements for year ended 31 December		Consolidated financial statements for the third quarter ended 30 September	
	2021		2022		2023		2024	
	million baht	million baht	million baht	million baht	million baht	million baht	million baht	million baht
Non-current provisions for employee benefits	0.00	0.01	0.08	0.08	0.08	0.08	0.06	0.06
Bad debt	0.00	0.00	0.00	0.00	0.00	0.00	0.65	0.65
Loss on expected credit impairment.	0.00	0.00	0.69	0.69	0.69	0.69	1.11	1.11
Gain from equipment sale	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Gain from adjustment of lease liabilities	0.00	0.00	0.00	0.00	0.00	0.00	(0.02)	(0.02)
Interest received	(0.05)	(0.03)	(0.19)	(0.19)	(0.19)	(0.26)	(0.13)	(0.13)
	<b>0.31</b>	<b>10.26</b>	<b>42.75</b>	<b>42.75</b>	<b>42.75</b>	<b>42.67</b>	<b>28.93</b>	<b>28.93</b>
<b><u>Changes in operating assets and liabilities</u></b>								
Other current receivables	(0.41)	(0.40)	(17.92)	(17.92)	(17.92)	(17.15)	14.79	14.79
Personal loan receivables	(118.35)	(309.60)	(122.71)	(122.71)	(122.71)	(177.74)	(801.07)	(801.07)
Assets held for sale	0.00	0.00	0.00	0.00	0.00	0.00	(1.17)	(1.17)
Other current assets	(0.08)	(0.05)	(0.95)	(0.95)	(0.95)	(0.96)	(0.79)	(0.79)
Other non-current assets	(0.01)	(0.00)	(1.05)	(1.05)	(1.05)	0.00	0.92	0.92
Other current payables	2.37	6.48	6.54	6.54	6.54	12.46	(0.26)	(0.26)
Other current liabilities	0.05	0.09	1.96	1.96	1.96	1.96	(1.41)	(1.41)
<b>Net cash generated from (used in) operations</b>	<b>(116.13)</b>	<b>(293.22)</b>	<b>(91.38)</b>	<b>(91.38)</b>	<b>(91.38)</b>	<b>(138.75)</b>	<b>(760.06)</b>	<b>(760.06)</b>
Taxes paid	(0.03)	(1.02)	(2.43)	(2.43)	(2.43)	(2.43)	(5.50)	(5.50)
<b>Net cash from (used in) operating activities</b>	<b>(116.16)</b>	<b>(294.24)</b>	<b>(93.81)</b>	<b>(93.81)</b>	<b>(93.81)</b>	<b>(141.18)</b>	<b>(765.56)</b>	<b>(765.56)</b>
<b>Cash flows from investing activities</b>								
Acquisition of subsidiary	0.00	(20.00)	0.00	0.00	0.00	0.00	0.00	0.00
Short-term loans	0.00	0.00	(35.00)	(35.00)	(35.00)	0.00	0.00	0.00
Other non-current financial assets	0.00	0.00	0.00	0.00	0.00	(1.05)	0.00	0.00
Cash paid for leasehold improvements and building renovations	0.00	(0.15)	(2.48)	(2.48)	(2.48)	(2.47)	(0.61)	(0.61)
Cash received from equipment sale	0.00	0.00	0.00	0.00	0.00	0.00	1.05	1.05
Intangible assets - net	0.00	(0.05)	(1.40)	(1.40)	(1.40)	(1.41)	(0.83)	(0.83)

Independent Financial Advisor's Opinion on the Connected Transaction

Item	Separated financial statements for year ended 31 December			Consolidated financial statements for year ended 31 December		Consolidated financial statements for the third quarter ended 30 September	
	2021	2022	2023	2023	2024		
	million baht	million baht	million baht	million baht	million baht	million baht	
Interest received	0.05	0.02	0.19	0.27	0.15		
<b>Net cash from (used in) investing activities</b>	<b>0.05</b>	<b>(20.18)</b>	<b>(38.69)</b>	<b>(4.66)</b>	<b>(0.24)</b>		
<b>Cash flows from financing activities</b>							
Cash received from short-term lending	100.00	770.00	2,000.00	190.00	760.00		
Repayment of short-term lending	0.00	(470.00)	(1860.00)	0.00	0.00		
Cash received from capital increase	50.00	0.00	50.00	0.00	100.00		
Payment of lease liabilities	(0.07)	0.00	(0.70)	(0.70)	(1.45)		
Dividend payment	0.00	0.00	(7.03)	(7.03)	0.00		
Interest expenses	0.00	(3.27)	(12.80)	(12.80)	(25.74)		
<b>Net cash provided by (used in) financing activities</b>	<b>149.93</b>	<b>296.73</b>	<b>169.47</b>	<b>169.47</b>	<b>832.82</b>		
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>33.83</b>	<b>(17.68)</b>	<b>36.97</b>	<b>23.63</b>	<b>67.01</b>		
Cash and cash equivalents as of 1 January	0.00	33.83	16.14	36.18	59.82		
<b>Cash and cash equivalents as at 31 December</b>	<b>33.83</b>	<b>16.14</b>	<b>53.12</b>	<b>59.82</b>	<b>126.83</b>		

Remark: EL's 2021 – 2023 audited financial statements and reviewed financial statement for the period ended 30 September 2024

## 2.4.4 Financial Ratio

Financial Ratio	Unit	Separated financial statements for year ended 31 December			Consolidated financial statements for year ended 31 December	Financial statements for the third quarter ended 30 September
		2564	2565	2566	2566	2024
<b>Liquidity Ratio</b>						
Current ratio	Time	1.49	1.09	1.17	1.20	1.16
Quick Ratio	Time	1.49	1.09	1.10	1.20	1.16
Cash Flow Liquidity Ratio	Time	(1.13)	(1.15)	(0.19)	(0.25)	(0.81)
Accounts Receivable Turnover Ratio	Time	0.01	0.07	0.08	0.06	0.09
Average Collection Period	Day	43,280.33	5,334.29	4,640.30	5,786.67	3,934.93
Inventory Turnover Ratio	Time	NA. <sup>1</sup>	NA. <sup>1</sup>	NA. <sup>1</sup>	NA. <sup>1</sup>	NA. <sup>1</sup>
Average Sale Period	Day	NA. <sup>1</sup>	NA. <sup>1</sup>	NA. <sup>1</sup>	NA. <sup>1</sup>	NA. <sup>1</sup>
Accounts Payable Turnover Ratio	Time	0.15	0.97	2.09	1.19	1.65
Average Payment Period	Day	2,438.77	374.89	174.70	306.63	220.94
Cash Cycle	Day	NA. <sup>1</sup>	NA. <sup>1</sup>	NA. <sup>1</sup>	NA. <sup>1</sup>	NA. <sup>1</sup>
<b>Profitability Ratio</b>						
Gross Profit (Loss) Margin	Percent	64.10	70.57	34.88	34.98	62.69
Operating Profit (Loss) Margin	Percent	30.78	54.48	104.39	104.03	34.98
Net Profit Margin	Percent	23.41	29.70	26.43	26.41	(1.34)
Return on Equity (ROE)	Percent	0.47	10.51	25.57	18.66	(0.75)
<b>Efficiency Ratio</b>						
Return on Assets (ROA)	Percent	0.15	1.80	3.93	3.26	(0.11)
Return on Fixed Assets	Percent	686.54	5,327.51	1,822.44	977.68	103.27
Asset Turnover Ratio	Time	0.66	6.07	14.86	12.41	8.60
<b>Financial Policy Ratio</b>						
Debt to Equity Ratio	Time	2.04	7.34	4.67	4.72	6.00
Interest bearing debt to EBITDA	Time	323.79	39.04	13.00	13.02	35.99
Interest Coverage Ratio	Time	4.73	3.12	3.20	3.19	0.96
Debt Service Coverage Ratio	Time	0.00	0.04	0.09	0.08	0.04
Dividend Payout Ratio	Percent	0.00	0.00	31.02	31.01	0.00
Loans with principal overdue for more than 90 days to total loans (non-performing loan ratio)	Percent	-	-	0.11	0.10	0.13
Net loans to interest-bearing debt, excluding cash on hand (Net Portfolio ratio)	Percent	1.79	1.11	1.12	1.25	1.20

Remark: EL's 2021 – 2023 audited financial statements and reviewed financial statement for the period ended 30 September 2024 and IFA's calculations

<sup>1</sup>EL does not record inventory; therefore, it is unable to calculate related ratios.

## **2.6 Analysis on Operating Result and Financial Status**

### **2.5.1 Operating Result**

#### Revenue from Interest received from personal loan receivables and other income

In 2022, EL (according to the separate financial statements) reported total revenue of 18.76 million baht, comprising 18.73 million baht of interest revenue from loans and 0.03 million baht of other income. This marked an increase of 17.76 million baht or 1,770.33 percent compared to 2021, driven primarily by the growth in personal lending business, which saw a significant rise in loan disbursements.

In 2023, EL (according to the separate financial statements) reported total revenue of 85.76 million baht, reflecting an increase of 67.00 million baht or 357.11 percent compared to 2022. This growth was mainly attributed to a 20.50 million baht increase in interest revenue from loans, along with a 46.50 million baht rise in revenue from other services, driven by system development and promotional services provided to TQML.

For the nine-month period ended 30 September 2024, EL (consolidated financial statements) recorded total revenue of 72.22 million baht, an increase of 44.26 million baht or 158.29 percent compared to the same period in 2023. This growth was primarily driven by a 42.73 million baht rise in interest revenue from personal loans and other loans. Additionally, revenue from other services grew by 1.42 million baht, stemming from services such as vehicle data checks, credit bureau checks, and debt collection services.

#### Costs of rendering of services

In 2022, EL (according to the separate financial statements) reported costs of rendering services totaling 5.51 million baht, reflecting an increase of 5.15 million baht or 1,433.14 percent compared to 2021. This increase was primarily driven by higher employee costs and service expenses to support the growth of loan services, which was in line with the revenue growth.

In 2023, EL (according to the separate financial statements) reported costs of rendering services of 25.55 million baht, an increase of 20.04 million baht or 363.50 percent compared to 2022. This increase was mainly attributed to higher employee costs required to support the continued business expansion.

For the nine-month period ended 30 September 2024, EL (consolidated financial statements) reported costs of rendering services of 26.37 million baht, reflecting an increase of 15.49 million baht or 142.37 percent compared to the same period in 2023. The increase was primarily due to higher employee costs, commission fees, and promotional expenses.

#### Gross profit

In 2022, EL (according to the separate financial statements) reported a gross profit of 13.22 million baht, reflecting an increase of 12.58 million baht or 1,959.17 percent compared to 2021. This growth was driven by strong operating results. EL achieved a gross profit margin of 70.57 percent from revenue generated through interest received from personal loan receivables, an improvement over the 64.10 percent gross profit margin in 2021.

In 2023, EL (according to the separate financial statements) reported a gross profit of 13.68 million baht, an increase of 0.46 million baht or 3.50 percent compared to 2022. While the company saw a rise in revenue from loan interests, the increased service costs required to support the business growth led to a reduction in the gross profit margin to 34.88 percent of interest revenue, down from 70.57 percent in 2022.

For the nine-month period ended 30 September 2024, EL (consolidated financial statements) reported a gross profit of 44.30 million baht, reflecting an increase of 27.24 million baht or 159.67 percent compared to the same period in 2023, which was in line with business expansion. The company achieved a gross profit margin of 62.69 percent of revenue generated through interests received from loans.

#### Administrative expenses

In 2022, EL (according to the separate financial statements) reported administrative expenses of 3.04 million baht, reflecting an increase of 2.71 million baht or 811.96 percent compared to 2021. This increase was primarily due to higher employee expenses and other administrative costs to support the growth of loan service business.

In 2023, EL (according to the separate financial statements) reported administrative expenses of 19.25 million baht, an increase of 16.21 million baht or 532.63 percent compared to 2022. The rise was mainly driven by higher employee expenses.

For the nine-month period ended 30 September 2024, EL (consolidated financial statements) reported administrative expenses of 21.13 million baht, an increase of 2.90 million baht or 15.89 percent compared to the same period in 2023. This increase was largely attributed to higher employee expenses.

#### Net profit

In 2022, EL (according to the separate financial statements) reported a net profit of 5.57 million baht, an increase of 5.34 million baht or 2,277.01 percent compared to 2021. This growth was driven by improved operating results, including higher revenue, service costs, administrative expenses, and financial costs from borrowings. EL's net profit margin was 29.70 percent of total revenue, which increased from 23.41 percent in 2021.

In 2023, EL (according to the separate financial statements) reported a net profit of 22.66 million baht, an increase of 17.09 million baht or 306.75 percent compared to 2022. The rise was mainly due to higher revenue from both interest revenue from loans and revenue from services provided to TQML. However, the company faced increasing costs, primarily from higher employee expenses to support business expansion and increasing financial costs from borrowings. The net profit margin for 2023 was 26.43 percent of total revenue.

For the nine-month period ended 30 September 2024, EL (consolidated financial statements) reported a net loss of 0.97 million baht, a decrease of 8.74 million baht or 90.04 percent compared to the same period in 2023. The company had a net profit margin of -1.34 percent of total revenue, showing improvement from the same period in 2023, which had the net profit margin of -34.73 percent.

## 2.5.2 Financial Status

### Assets

In 2022, EL (according to the separate financial statements) reported total assets of 465.34 million baht, an increase of 312.62 million baht or 204.71 percent compared to 2021. This growth was mainly driven by a rise in personal loan receivables, with the total amount of loans growing to 427.94 million baht. Additionally, at the end of 2022, EL made a 20.00-million-baht investment in its subsidiary, Cashnow Plus Co., Ltd. (C+), which operates in the secured lending business, to further expand its loan service operations.

In 2023, EL (according to the separate financial statements) reported total assets of 688.57 million baht, an increase of 223.23 million baht or 47.97 percent compared to 2022. This growth was primarily due to an increase in personal loans, which rose by 122.71 million baht to a total of 550.65 million baht. EL also provided 35.00 million baht in short-term loans to its subsidiary as working capital. Additionally, cash and cash equivalents increased by 36.97 million baht, primarily from business operations and additional borrowings, investments in building improvements, right-of-use assets, and intangible assets also increased to support business expansion.

For the third quarter of 2024, EL (consolidated financial statements) reported total assets of 1,544.13 million baht, an increase of 849.60 million baht or 122.33 percent compared to 2023. This significant growth was mainly driven by a sharp increase in personal loan receivables, which rose by 800.42 million baht, as EL and its subsidiary provided more loans. Cash and cash equivalents also increased, mainly due to business operations and borrowings to support business expansion.

### Liabilities

In 2022, EL (according to the separate financial statements) reported total liabilities of 409.53 million baht, an increase of 231.32 million baht or 299.62 percent compared to 2021. The primary driver of this increase was the rise in short-term loans from financial institutions, which grew by 300.00 million baht to support the expansion of personal lending business. Additionally, current liabilities rose by 6.52 million baht, mainly due to an increase in advance revenue from interest received from loans.

In 2023, EL (according to the separate financial statements) reported total liabilities of 567.13 million baht, an increase of 157.60 million baht or 38.48 percent compared to 2022. This increase was primarily due to a 140.00 million baht rise in short-term loans to further expand EL's personal lending business and a 5.55 million baht increase in lease liabilities for office space to support business growth.

For the third quarter of 2024, EL (consolidated financial statements) reported total liabilities of 1,323.63 million baht, an increase of 750.57 million baht or 130.98 percent compared to 2023. This significant rise was mainly driven by a sharp increase in short-term borrowings, which grew by 760.00 million baht to support further expansion of loan service business.

### Equity

In 2022, EL (according to the separate financial statements) reported equity of 55.81 million baht, an increase of 5.57 million baht or 11.09 percent compared to 2021. This growth was primarily due to improved operating results, with no dividend payments made in 2022.

In 2023, EL (according to the separate financial statements) reported equity of 121.44 million baht, an increase of 65.63 million baht or 117.61 percent. The increase was driven by EL's capital increase to support business expansion. On 22 June 2023, an extraordinary shareholders' meeting approved the issuance of 50.00 million ordinary shares at 100.00 baht per share, raising a total of 50.00 million baht. Additionally, retained earnings grew by 15.26 million baht, reflecting a net profit of 22.66 million baht. The company paid dividends totaling 7.03 million baht and allocated 0.37 million baht to a legal reserve.

For the third quarter of 2024, EL (consolidated financial statements) reported equity of 220.51 million baht, an increase of 99.03 million baht or 81.53 percent compared to 2023. This growth was mainly due to the issuance of 100.00 million shares at 100.00 baht per share, raising 100.00 million baht to further support business expansion. However, the company reported a net loss of 0.97 million baht for the nine-month period.

## **2.5.3 Financial Ratio Analysis**

### Liquidity Ratio

For 2021, 2022, and 2023 (according to the separate financial statements), EL reported a current ratio of 1.49, 1.09, 1.20 and a quick ratio of 1.49, 1.09, 1.17 respectively. The decline in the current ratio was mainly due to the expansion of personal lending business, which led to an increase in current assets. However, during these periods, EL also saw an increase in current liabilities, particularly from short-term borrowings to support business expansion.

For the consolidated financial statements in 2023 and the third quarter of 2024, the EL Group reported Current Ratio: 1.20 and 1.16; Quick Ratio: 1.20 and 1.16, respectively. The growth in personal loan receivables contributed to a 125.01 percent increase in current assets. However, the group also took on additional short-term borrowings to support its lending business, leading to a 132.23 percent rise in current liabilities, which grew faster than the increase in current assets.

### Financial Policy Ratio

For 2021, 2022, and 2023 (according to the separate financial statements), EL had a debt-to-equity ratio of 2.04, 7.34, and 4.67 respectively. The ratio in 2022 increased due to higher borrowings for business expansion, leading to a rise in liabilities, while equity grew by only 5.57 million baht from operating results. In 2023, the company raised an additional capital of 50 million baht, which resulted in a decrease in DE ratio. According to the consolidated financial statements for 2023 and the third quarter of 2024, EL group's debt-to-equity ratio was 4.72 and 6.00, respectively. This increase was due to borrowings of 760 million baht, which led to higher liabilities. EL group also raised 100 million baht in capital, but the loss in operating results led to an increase in equity of 99.03 million baht, causing the debt-to-equity ratio to rise.

Regarding the interest coverage ratio, for 2021, 2022, and 2023 (according to the separate financial statements), EL's interest coverage ratio was 4.73, 3.12, and 3.20, respectively. For the consolidated financial statements, the interest coverage ratio for 2023 and the nine-month period ended 30 September 2024 were 3.19 and 0.96 respectively. EL's debt service coverage ratio for 2021, 2022, and 2023 (according to the separate financial statements) were 0.00, 0.04, and 0.09 respectively. For the consolidated financial statements, the debt service coverage ratio for 2023 and the nine-month period ended 30 September 2024 were 0.08 and 0.04 respectively. These ratios indicate a decline in the ability to cover interest payments due to lower operational profits, higher service costs, and increasing expenses. Additionally, the company faced higher short-term borrowings of 760 million baht, which led to increased financial costs.



## Attachment 3: Summary of TQM Insurance Broker Co., Ltd.

## 3.1 Basic Information

<b>Company Name</b>	: TQM Insurance Broker Co., Ltd.
<b>Symbol</b>	: TQMB
<b>Company Register Number</b>	: 0105540084143
<b>Company Business</b>	: Non-life insurance brokerage and agency business
<b>Address</b>	: 123 Ladplakao Rd. Chorakhe Bua, Ladprao, Bangkok 10230
<b>Authorized share capital</b>	: 400,000,000.00 baht consists of 4,000,000 ordinary shares with a par value of 100.00 baht per share
<b>Paid-up capital</b>	: 400,000,000.00 baht consists of 4,000,000 ordinary shares with a par value of 100.00 baht per share

## 3.2 Company Business

TQM Insurance Broker Co., Ltd. (TQMB) is a subsidiary which TQM Alpha Public Company Limited holds 100 percent shares. TQMB is located at 123 Ladplakao Rd., Chorakhe Bua, Ladprao, Bangkok 10230, Thailand. The company specializes in non-life insurance brokerage and agency services.

## 3.3 Revenue structure

Product	2021		2022		2023		9M2023		9M2024	
	million baht	percent	million baht	percent	million baht	percent	million baht	percent	million baht	percent
<b>Revenue from contracts with customers</b>										
Brokerage revenue	1,908.66	60.20	1,862.98	58.09	1,894.92	59.34	1,492.39	61.09	1,688.55	64.98
Service revenue	1,221.02	38.51	1,277.00	39.82	1,272.53	39.85	905.24	37.06	887.58	34.16
<b>Total Revenue from contracts with customers</b>	<b>3,129.69</b>	<b>98.71</b>	<b>3,139.98</b>	<b>97.91</b>	<b>3,167.45</b>	<b>99.18</b>	<b>2,397.63</b>	<b>98.15</b>	<b>2,576.13</b>	<b>99.14</b>
Other income	40.77	1.29	67.08	2.09	26.12	0.82	45.27	1.85	22.28	0.86
<b>Total revenue</b>	<b>3,170.46</b>	<b>100.00</b>	<b>3,207.06</b>	<b>100.00</b>	<b>3,193.58</b>	<b>100.00</b>	<b>2,442.90</b>	<b>100.00</b>	<b>2,598.42</b>	<b>100.00</b>

Source: TQMB's 2021 – 2023 audited financial statements and reviewed financial statements for nine-month period ended 30 September 2024

## 3.4 Board of Directors

As of 19 November 2024, the board of directors of TQM Insurance Broker Co., Ltd. comprises 3 members as follows:

No.	Name	Position
1	Mr. Unchalin Punnipa	Director
2	Mrs. Napassanun Punnipa	Director
3	Miss Ratana Punnipa	Director

Source: MoC

### 3.5 Company's Shareholders

As of 19 November 2024, the list of shareholders of TQM Insurance brokerage Co., Ltd are as follows:

No.	Name	No. Of Shares	Percent
1	TQM Alpha Public Company Limited	3,999,998	100.00
2	Mr. Unchalin Punnipa	1	0.00
3	Mrs. Napassanun Punnipa	1	0.00
	<b>Total</b>	<b>500,000</b>	<b>100.00</b>

Source: MoC

### 3.6 Financial Statements

#### 3.6.1 Statement Of Financial Position

Item	Financial statements for year ended 31 December						Financial statements for the third quarter ended 30 September	
	2021		2022		2023		2024	
	million baht	percent	million baht	percent	million baht	percent	million baht	percent
<b>Assets</b>								
<b>Current assets</b>								
Cash and cash equivalents	596.73	28.53	458.72	23.07	466.75	21.08	450.37	20.28
Accrued income and other current receivables	466.22	22.29	653.22	32.85	815.76	36.84	969.74	43.66
Short-term loans to related company	62.80	3.00	0.00	0.00	1.00	0.05	3.00	0.14
Long-term loan provided for related companies due within one year	3.20	0.15	0.00	0.00	0.00	0.00	0.00	0.00
Other current financial assets	19.14	0.92	29.86	1.50	128.81	5.82	126.97	5.72
Other current assets	41.36	1.98	47.89	2.41	46.03	2.08	59.65	2.69
<b>Total current assets</b>	<b>1,189.46</b>	<b>56.87</b>	<b>1,189.69</b>	<b>59.83</b>	<b>1,458.35</b>	<b>65.87</b>	<b>1,609.73</b>	<b>72.47</b>
<b>Non-current assets</b>								
Restricted cash	0.10	0.00	0.10	0.01	0.00	0.00	0	0.00
Investment in subsidiaries	6.00	0.29	12.00	0.60	12.00	0.54	22.00	0.99
Other non-current financial assets	307.97	14.72	280.73	14.12	181.08	8.18	81.53	3.67
Buildings and equipment	76.11	3.64	92.62	4.66	115.30	5.21	100.54	4.53
Right-of-use assets	469.35	22.44	376.00	18.91	414.38	18.72	372.45	16.77
Intangible assets	14.18	0.68	13.07	0.66	8.70	0.39	6.66	0.30
Deferred tax assets	26.62	1.27	23.95	1.20	24.25	1.10	28.39	1.28
Other non-current assets	1.89	0.09	0.32	0.02	0.06	0.00	0.00	0.00
<b>Total non-current assets</b>	<b>902.23</b>	<b>43.13</b>	<b>798.79</b>	<b>40.17</b>	<b>755.77</b>	<b>34.13</b>	<b>611.57</b>	<b>27.53</b>
<b>Total assets</b>	<b>2,091.68</b>	<b>100.00</b>	<b>1,988.48</b>	<b>100.00</b>	<b>2,214.12</b>	<b>100.00</b>	<b>2,221.30</b>	<b>100.00</b>
<b>Liabilities and equity</b>								
<b>Current liabilities</b>								
Insurance premium payables and other current payables	404.68	19.35	299.42	15.06	292.87	13.23	311.29	14.01
Insurance premium received in advance	81.18	3.88	116.09	5.84	117.51	5.31	121.20	5.46
Current portion of lease liabilities	91.55	4.38	89.44	4.50	70.91	3.20	72.96	3.28
Corporate income tax payable	74.74	3.57	50.87	2.56	44.79	2.02	36.41	1.64
Other current provisions	14.60	0.70	12.06	0.61	8.57	0.39	16.73	0.75
Dividend payable	300.00	14.34	300.00	15.09	300.00	13.55	0.00	0.00
Other current liabilities	26.16	1.25	33.38	1.68	31.87	1.44	35.09	1.58
<b>Total current liabilities</b>	<b>992.91</b>	<b>47.47</b>	<b>901.27</b>	<b>45.32</b>	<b>866.52</b>	<b>39.14</b>	<b>593.68</b>	<b>26.73</b>

Item	Financial statements for year ended 31 December						Financial statements for the third quarter ended 30 September	
	2021		2022		2023		2024	
	million baht	percent	million baht	percent	million baht	percent	million baht	percent
<b>Non-current liabilities</b>								
Lease liabilities	393.63	18.82	306.31	15.40	367.46	16.60	326.77	14.71
Non-current provisions for employee benefits	112.08	5.36	102.49	5.15	106.34	4.80	120.61	5.43
Other non-current liabilities	0.00	0.00	0.60	0.03	1.65	0.07	0.00	0.00
<b>Total non-current liabilities</b>	<b>505.71</b>	<b>24.18</b>	<b>409.40</b>	<b>20.59</b>	<b>475.45</b>	<b>21.47</b>	<b>447.38</b>	<b>20.14</b>
<b>Total liabilities</b>	<b>1,498.62</b>	<b>71.65</b>	<b>1,310.67</b>	<b>65.91</b>	<b>1,341.98</b>	<b>60.61</b>	<b>1,041.06</b>	<b>46.87</b>
<b>Equity</b>								
Authorized share capital	400.00	19.12	400.00	20.12	400.00	18.07	400.00	18.01
(4.00 million ordinary shares with a par value of 100.00 baht per share)								
Paid-up capital	400.00	19.12	400.00	20.12	400.00	18.07	400.00	18.01
(4.00 million ordinary shares with a par value of 100.00 baht per share)								
Retained earnings								
Appropriated								
Legal reserve	40.00	1.91	40.00	2.01	40.00	1.81	40.00	1.80
Unappropriated	153.06	7.32	237.81	11.96	432.15	19.52	740.24	33.32
<b>Total equity</b>	<b>593.06</b>	<b>28.35</b>	<b>677.81</b>	<b>34.09</b>	<b>872.15</b>	<b>39.39</b>	<b>1,180.24</b>	<b>53.13</b>
<b>Total liabilities and equity</b>	<b>2,091.68</b>	<b>100.00</b>	<b>1,988.48</b>	<b>100.00</b>	<b>2,214.12</b>	<b>100.00</b>	<b>2,221.30</b>	<b>100.00</b>

Source: TQMB's 2021 – 2023 audited financial statements and reviewed financial statements for nine-month period ended 30 September 2024

**3.6.2 Statement of Comprehensive Income**

Item	Financial statements for year ended 31 December						Financial statements for the third quarter (9-month period) ended 30 September					
	2021		2022		2023		2023		2024			
	million baht	percent	million baht	percent	million baht	percent	million baht	percent	million baht	percent		
<b>Revenue</b>												
Revenue from contracts with customers	3,129.69	98.71	3,139.98	97.91	3,167.45	99.18	2,397.63	98.15	2,576.13	99.14		
Other income	40.77	1.29	67.08	2.09	26.12	0.82	45.27	1.85	22.28	0.86		
<b>Total revenue</b>	<b>3,170.46</b>	<b>100.00</b>	<b>3,207.06</b>	<b>100.00</b>	<b>3,193.58</b>	<b>100.00</b>	<b>2,442.90</b>	<b>100.00</b>	<b>2,598.42</b>	<b>100.00</b>		
<b>Expenses</b>												
Costs of rendering of services	1,390.85	43.87	1,478.58	46.10	1,530.63	47.93	1,156.32	47.33	1,253.75	48.25		
Administrative expenses	775.26	24.45	786.66	24.53	743.69	23.29	583.84	23.90	580.37	22.34		
<b>Total expenses</b>	<b>2,166.10</b>	<b>68.32</b>	<b>2,265.24</b>	<b>70.63</b>	<b>2,274.31</b>	<b>71.22</b>	<b>1,740.16</b>	<b>71.23</b>	<b>1,834.12</b>	<b>70.59</b>		
<b>Profit from operating activities</b>	<b>1,004.35</b>	<b>31.68</b>	<b>941.82</b>	<b>29.37</b>	<b>919.27</b>	<b>28.78</b>	<b>702.74</b>	<b>28.77</b>	<b>764.29</b>	<b>29.41</b>		
Finance income	13.04	0.41	14.94	0.47	20.28	0.64	12.85	0.53	14.87	0.57		
Financial costs	(1.64)	(0.05)	(1.34)	(0.04)	(7.15)	(0.22)	(2.41)	(0.10)	(13.79)	(0.53)		
<b>Profit before income tax expense</b>	<b>1,015.75</b>	<b>32.04</b>	<b>955.42</b>	<b>29.79</b>	<b>932.40</b>	<b>29.20</b>	<b>713.18</b>	<b>29.19</b>	<b>765.38</b>	<b>29.46</b>		
Expenses tax expense	(203.24)	(6.41)	(190.67)	(5.95)	(188.07)	(5.89)	(143.94)	(5.89)	(154.80)	(5.96)		
<b>Net profit</b>	<b>812.52</b>	<b>25.63</b>	<b>764.75</b>	<b>23.85</b>	<b>744.33</b>	<b>23.31</b>	<b>569.24</b>	<b>23.30</b>	<b>610.58</b>	<b>23.50</b>		

Source: TQMB's 2021 – 2023 audited financial statements and reviewed financial statements for nine-month period ended 30 September 2024

### 3.6.3 Financial Ratio

Financial Ratio	Unit	Financial statements for year ended 31 December			Financial statements for Third quarter (9-month period) ended 30 September
		2021	2022	2023	2024
<b>Liquidity Ratio</b>					
Current ratio	Time	1.20	1.32	1.68	2.71
Quick Ratio	Time	1.09	1.27	1.63	2.61
Cash Flow Liquidity Ratio	Time	1.05	0.62	0.80	0.49
Accounts Receivable Turnover Ratio	Time	7.11	5.61	4.31	3.85
Average Collection Period	Day	51.37	65.06	84.64	94.87
Inventory Turnover Ratio	Time	NA. <sup>1</sup>	NA. <sup>1</sup>	NA. <sup>1</sup>	NA. <sup>1</sup>
Average Sale Period	Day	NA. <sup>1</sup>	NA. <sup>1</sup>	NA. <sup>1</sup>	NA. <sup>1</sup>
Accounts Payable Turnover Ratio	Time	3.99	4.20	5.17	5.53
Average Payment Period	Day	91.43	86.91	70.62	65.96
Cash Cycle	Day	NA. <sup>1</sup>	NA. <sup>1</sup>	NA. <sup>1</sup>	NA. <sup>1</sup>
<b>Profitability Ratio</b>					
Gross Profit (Loss) Margin	Percent	55.56	52.91	51.68	51.33
Operating Profit (Loss) Margin	Percent	32.09	29.99	29.02	29.67
Net Profit Margin	Percent	25.63	23.85	23.31	23.50
Return on Equity (ROE)	Percent	142.79	120.35	96.05	79.33
<b>Efficiency Ratio</b>					
Return on Assets (ROA)	Percent	39.41	37.49	35.42	36.71
Return on Fixed Assets	Percent	1,123.87	1,066.42	844.23	869.81
Asset Turnover Ratio	Time	1.54	1.57	1.52	1.56
<b>Financial Policy Ratio</b>					
Debt to Equity Ratio	Time	2.53	1.93	1.54	0.88
Interest bearing debt to EBITDA	Time	0.43	0.37	0.42	0.35
Interest Coverage Ratio	Time	611.81	701.65	128.57	55.41
Debt Service Coverage Ratio	Time	12.38	11.90	13.13	15.90
Dividend Payout Ratio	Percent	95.01	88.92	73.89	49.13

Remark: TQMB's 2021 – 2023 audited financial statements and a reviewed financial statement for Third quarter 2023 – 2024 and IFA's calculations

<sup>1</sup>TQMB does not record inventory; therefore, it is unable to calculate related ratios.

## Attachment 4 : Summary of TQM Life Insurance Broker Co., Ltd.

## 4.1 Basic Information

<b>Company Name</b>	: TQM Life Insurance brokerage Co., Ltd.
<b>Symbol</b>	: TQML
<b>Company Register Number</b>	: 0105551106143
<b>Company Business</b>	: Life insurance brokerage and agency business
<b>Address</b>	: 123 Ladplakao Rd. Chorakhe Bua, Ladprao, Bangkok 10230
<b>Authorized share capital</b>	: 50,000,000.00 baht consists of 500,000 ordinary shares with a par value of 100.00 baht per share
<b>Paid-up capital</b>	: 50,000,000.00 baht consists of 500,000 ordinary shares with a par value of 100.00 baht per share

## 4.2 Company Business

TQM Life Insurance Brokerage Co., Ltd. (TQML) is a subsidiary which TQM Alpha Public Company Limited holds 100 percent shares. TQML is located at 123 Ladplakao Rd., Chorakhe Bua, Ladprao, Bangkok 10230, Thailand. The company specializes in life insurance brokerage and agency services.

## 4.3 Revenue Structure

Product	2021		2022		2023		9M2023		9M2024	
	million baht	%	million baht	%	million baht	%	million baht	%	million baht	%
<b>Revenue from contracts with customers</b>										
Brokerage revenue	81.75	84.47	83.74	78.71	89.58	76.38	83.89	88.96	75.71	85.16
Service revenue	13.90	14.36	21.50	20.21	11.98	10.21	10.35	10.98	13.17	14.81
<b>Total Revenue from contracts with customers</b>	<b>95.65</b>	<b>98.83</b>	<b>105.24</b>	<b>98.92</b>	<b>101.55</b>	<b>86.59</b>	<b>94.25</b>	<b>99.94</b>	<b>88.88</b>	<b>99.98</b>
Other income	1.13	1.17	1.15	1.08	15.73	13.41	0.06	0.06	0.02	0.02
<b>Total revenue</b>	<b>96.78</b>	<b>100.00</b>	<b>106.39</b>	<b>100.00</b>	<b>117.28</b>	<b>100.00</b>	<b>94.31</b>	<b>100.00</b>	<b>88.91</b>	<b>100.00</b>

Source: TQML's 2021 – 2023 audited financial statements and reviewed financial statements for nine-month period ended 30 September 2024

## 4.4 Board of Directors

As of 19 November 2024, the board of directors of TQM Life Insurance Broker Co., Ltd comprises 3 members as follows:

No.	Name	Position
1	Mr. Unchalin Punnipa	Director
2	Mrs. Napassanun Punnipa	Director
3	Miss Ratana Punnipa	Director

Source: MoC

#### 4.5 Company's shareholders

As of 19 November 2024, the list of shareholders of TQM Life Insurance brokerage Co., Ltd are as follows

No.	Name - Surname	Shares	Percent
1	TQM Alpha Public Company Limited	499,998	99.9996
2	Mr. Unchalin Punnipa	1	0.0002
3	Mrs. Napassanun Punnipa	1	0.0002
	<b>Total</b>	<b>500,000</b>	<b>100.00</b>

Source: MoC



**4.6 Financial Statements**

**4.6.1 Statement Of Financial Position**

Item	Financial statements for year ended 31 December						Financial Statements for the third quarter ended 30 September	
	2021		2022		2023		2024	
	million baht	percent	million baht	percent	million baht	percent	million baht	percent
<b>Assets</b>								
<b>Current assets</b>								
Cash and cash equivalents	36.48	54.22	43.49	55.65	92.63	70.49	78.26	66.00
Accrued income and other current receivables	5.79	8.61	12.58	16.10	3.45	2.62	3.93	3.32
Other current assets	6.51	9.67	4.52	5.78	5.44	4.14	8.23	6.94
<b>Total current assets</b>	<b>48.77</b>	<b>72.49</b>	<b>60.59</b>	<b>77.53</b>	<b>101.51</b>	<b>77.25</b>	<b>90.42</b>	<b>76.25</b>
<b>Non-current assets</b>								
Restricted cash	1.00	1.49	1.01	1.29	1.01	0.77	1.01	0.85
Other non-current financial assets	0.76	1.12	0.84	1.07	0.54	0.41	0.55	0.47
Leasehold improvements and equipment	0.40	0.59	0.22	0.28	0.20	0.15	0.14	0.12
Right-of-use assets	5.18	7.70	2.54	3.25	13.91	10.58	12.15	10.25
Intangible assets	11.05	16.43	12.82	16.40	13.94	10.61	13.94	11.75
Deferred tax assets	0.11	0.17	0.14	0.17	0.29	0.22	0.36	0.30
<b>Total non-current assets</b>	<b>18.51</b>	<b>27.51</b>	<b>17.56</b>	<b>22.47</b>	<b>29.89</b>	<b>22.75</b>	<b>28.16</b>	<b>23.75</b>
<b>Total assets</b>	<b>67.28</b>	<b>100.00</b>	<b>78.15</b>	<b>100.00</b>	<b>131.40</b>	<b>100.00</b>	<b>118.58</b>	<b>100.00</b>

Independent Financial Advisor's Opinion on the Connected Transaction

Item	Financial statements for year ended 31 December						Financial Statements for the third quarter ended 30 September	
	2021		2022		2023		2024	
	million baht	percent	million baht	percent	million baht	percent	million baht	percent
<b>Liabilities and equity</b>								
<b>Current liabilities</b>								
Insurance premium payables and other current payables	6.22	9.25	4.28	5.47	21.73	16.53	6.02	5.08
Current portion of lease liabilities	2.69	4.00	1.89	2.42	2.11	1.60	2.17	1.83
Corporate income tax payable	0.00	0.00	0.24	0.31	0.00	0.00	0.00	0.00
Other current liabilities	0.53	0.78	0.47	0.60	4.71	3.58	3.35	2.83
<b>Total current liabilities</b>	<b>9.44</b>	<b>14.04</b>	<b>6.88</b>	<b>8.80</b>	<b>28.54</b>	<b>21.72</b>	<b>11.54</b>	<b>9.73</b>
<b>Non-current liabilities</b>								
Lease liabilities	2.58	3.84	0.69	0.89	11.90	9.05	10.26	8.66
Non-current provisions for employee benefits	0.61	0.90	0.72	0.92	1.38	1.05	1.60	1.35
Other non-current liabilities	0.00	0.00	0.00	0.00	31.08	23.65	31.08	26.21
<b>Total non-current liabilities</b>	<b>3.19</b>	<b>4.74</b>	<b>1.41</b>	<b>1.81</b>	<b>44.35</b>	<b>33.75</b>	<b>42.94</b>	<b>36.21</b>
<b>Total liabilities</b>	<b>12.63</b>	<b>18.78</b>	<b>8.29</b>	<b>10.61</b>	<b>72.89</b>	<b>55.47</b>	<b>54.48</b>	<b>45.94</b>
<b>Equity</b>								
Authorized share capital	50.00	74.32	50.00	63.98	50.00	38.05	50.00	42.16
(500,000 shares with a par value of 100.00 baht per share)								
Paid-up capital	50.00	74.32	50.00	63.98	50.00	38.05	50.00	42.16
(500,000 shares with a par value of 100.00 baht per share)								
Retained earnings								
Appropriated								
Legal reserve	5.00	7.43	5.00	6.40	5.00	3.81	5.00	4.22
Unappropriated	(0.35)	(0.53)	14.86	19.02	3.82	2.91	9.10	7.67

Item	Financial statements for year ended 31 December								Financial Statements for the third quarter ended 30 September	
	2021			2022			2023		2024	
	million baht	percent	million baht	percent	million baht	percent	million baht	percent	million baht	percent
Other components of equity	0.00	0.00	0.00	0.00	(0.30)	(0.23)	0.00	0.00	0.00	0.00
<b>Total equity</b>	<b>54.65</b>	<b>81.22</b>	<b>69.86</b>	<b>89.39</b>	<b>58.52</b>	<b>44.53</b>	<b>64.10</b>	<b>54.06</b>	<b>64.10</b>	<b>54.06</b>
<b>Total liabilities and equity</b>	<b>67.28</b>	<b>100.00</b>	<b>78.15</b>	<b>100.00</b>	<b>131.40</b>	<b>100.00</b>	<b>118.58</b>	<b>100.00</b>	<b>118.58</b>	<b>100.00</b>

Source: TQML's 2021 – 2023 audited financial statements and reviewed financial statements for nine-month period ended 30 September 2024

#### 4.6.2 Statement of Comprehensive Income

Item	Financial statements for year ended 31 December						Financial Statements for the third quarter (nine-month period) ended 30 September					
	2564		2565		2566		2566		2566		2024	
	million baht	percent	million baht	percent	million baht	percent	million baht	percent	million baht	percent	million baht	percent
<b>Revenue</b>												
Revenue from contracts with customers	95.65	98.83	105.24	98.92	101.55	86.59	94.25	99.94	88.88	99.98	88.88	99.98
Revenue from other service	0.00	0.00	0.00	0.00	15.64	13.34	0.00	0.00	0.00	0.00	0.00	0.00
Other income	1.13	1.17	1.15	1.08	0.09	0.07	0.06	0.06	0.02	0.02	0.02	0.02
<b>Total revenue</b>	<b>96.79</b>	<b>100.00</b>	<b>106.39</b>	<b>100.00</b>	<b>117.28</b>	<b>100.00</b>	<b>94.31</b>	<b>100.00</b>	<b>88.91</b>	<b>100.00</b>	<b>88.91</b>	<b>100.00</b>
<b>Expenses</b>												
Costs of rendering of services	86.27	89.13	76.89	72.27	120.59	102.82	63.39	67.22	78.17	87.92	78.17	87.92
Administrative expenses	9.60	9.92	11.08	10.42	8.07	6.88	6.50	6.90	5.14	5.78	5.14	5.78
<b>Total expenses</b>	<b>95.87</b>	<b>99.06</b>	<b>87.98</b>	<b>82.69</b>	<b>128.66</b>	<b>109.70</b>	<b>69.90</b>	<b>74.12</b>	<b>83.31</b>	<b>93.71</b>	<b>83.31</b>	<b>93.71</b>

Independent Financial Advisor's Opinion on the Connected Transaction

Item	Financial statements for year ended 31 December						Financial Statements for the third quarter (nine-month period) ended 30 September					
	2564		2565		2566		2566		2024			
	million baht	percent	million baht	percent	million baht	percent	million baht	percent	million baht	percent	million baht	percent
<b>Profit from operating activities</b>	<b>0.91</b>	<b>0.94</b>	<b>18.42</b>	<b>17.31</b>	<b>(11.38)</b>	<b>(9.70)</b>	<b>24.41</b>	<b>25.88</b>	<b>5.60</b>	<b>6.29</b>	<b>5.60</b>	<b>6.29</b>
Finance income	0.18	0.19	0.15	0.14	0.45	0.39	0.16	0.17	0.35	0.39	0.35	0.39
Financial costs	(0.03)	(0.03)	(0.02)	(0.02)	(0.21)	(0.18)	(0.01)	(0.01)	(0.42)	(0.48)	(0.42)	(0.48)
<b>Profit before income tax expense</b>	<b>1.07</b>	<b>1.10</b>	<b>18.55</b>	<b>17.44</b>	<b>(11.13)</b>	<b>(9.49)</b>	<b>24.56</b>	<b>26.04</b>	<b>5.52</b>	<b>6.21</b>	<b>5.52</b>	<b>6.21</b>
Expenses tax expense	(0.02)	(0.02)	(3.34)	(3.14)	0.08	0.07	(4.90)	(5.20)	0.07	0.08	0.07	0.08
<b>Net profit</b>	<b>1.05</b>	<b>1.08</b>	<b>15.21</b>	<b>14.30</b>	<b>(11.05)</b>	<b>(9.42)</b>	<b>19.65</b>	<b>20.84</b>	<b>5.59</b>	<b>6.28</b>	<b>5.59</b>	<b>6.28</b>
<b>Other comprehensive income</b>												
<b>Items that will be reclassified subsequently to profit or loss</b>												
Gains (losses) from the remeasurement of employee benefit obligations - net from Tax Expense	0.00	0.00	0.00	0.00	(0.30)	(0.26)	0.00	0.00	0.00	0.00	0.00	0.00
<b>Total items that will not be reclassified subsequently to profit or loss</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>(0.30)</b>	<b>(0.26)</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
<b>Other comprehensive income - net from Tax Expense</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>(0.30)</b>	<b>(0.26)</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
<b>Total comprehensive income</b>	<b>1.05</b>	<b>1.08</b>	<b>15.21</b>	<b>14.30</b>	<b>(11.35)</b>	<b>(9.68)</b>	<b>19.65</b>	<b>20.84</b>	<b>5.59</b>	<b>6.28</b>	<b>5.59</b>	<b>6.28</b>

Source: TQML's 2021 – 2023 audited financial statements and reviewed financial statements for nine-month period ended 30 September 2024

### 4.6.3 Financial Ratio

Financial Ratio	Unit	Financial statements for year ended 31 December			Financial statements for Third quarter (9-month period) ended 30 September
		2021	2022	2565	2024
<b>Liquidity Ratio</b>					
Current ratio	Time	5.16	8.81	3.56	7.83
Quick Ratio	Time	4.48	8.15	3.37	7.12
Cash Flow Liquidity Ratio	Time	0.54	1.51	3.04	(0.57)
Accounts Receivable Turnover Ratio	Time	15.81	11.46	12.67	32.12
Average Collection Period	Day	23.09	31.86	28.81	11.36
Inventory Turnover Ratio	Time	NA <sup>1</sup>	NA <sup>1</sup>	NA <sup>1</sup>	NA <sup>1</sup>
Average Sale Period	Day	NA <sup>1</sup>	NA <sup>1</sup>	NA <sup>1</sup>	NA <sup>1</sup>
Accounts Payable Turnover Ratio	Time	14.44	14.64	9.27	7.51
Average Payment Period	Day	25.27	24.93	39.36	48.59
Cash Cycle	Day	NA <sup>1</sup>	NA <sup>1</sup>	NA <sup>1</sup>	NA <sup>1</sup>
<b>Profitability Ratio</b>					
Gross Profit (Loss) Margin	Percent	9.81	26.94	(18.74)	12.05
Operating Profit (Loss) Margin	Percent	0.96	17.50	(11.20)	6.30
Net Profit Margin	Percent	1.08	14.30	(9.42)	6.28
Return on Equity (ROE)	Percent	1.94	24.44	(17.22)	12.15
<b>Efficiency Ratio</b>					
Return on Assets (ROA)	Percent	1.56	20.92	(10.55)	5.96
Return on Fixed Assets	Percent	1,170.72	6,202.49	(3,392.35)	6,708.53
Asset Turnover Ratio	Time	1.44	1.46	1.12	0.95
<b>Financial Policy Ratio</b>					
Debt to Equity Ratio	Time	0.23	0.12	1.25	0.85
Interest bearing debt to EBITDA	Time	1.15	0.11	(1.86)	1.08
Interest Coverage Ratio	Time	30.50	1,025.28	(55.00)	13.19
Debt Service Coverage Ratio	Time	1.68	9.82	(3.76)	5.39
Dividend Payout Ratio	Percent	0.00	0.00	0.00	0.00

Remark: TQML's 2021 – 2023 audited financial statements and reviewed financial statement for the third quarter ended 30 September 2023 – 2024 and IFA's calculations

<sup>1</sup>TQML does not record inventory; therefore, it is unable to calculate related ratios.