

Information Memorandum on the Acquisition of Assets of One to One Contacts Public Company Limited

The Board of Directors' Meeting No. 22/2023 of One to One Contacts Public Company Limited (the "Company") held on 28 December 2023 resolved to approve the purchase of 9,000,000 ordinary shares in or equivalent to 100 percent of the total authorized share capital of Happy Products and Service Company Limited ("HPS") from Miss Apirawee Pichayadecha, Miss Duangkamon Kietsukasem (and/or their designee(s)), and LAZ INVESTMENTS LTD. (collectively referred to as the "Sellers") at the total purchase price of not more than THB 150,000,000, where HPS offers products and services through omnichannel platforms, including television, websites, online platforms, and social media (the "HPS Transaction") and the proposal of such matter for consideration and approval by the shareholders' meeting.

The transaction constitutes an acquisition of assets of the Company pursuant to the Notification of the Capital Market Supervisory Board No. TorChor. 20/2551 Re: Rules on Entering into Material Transactions Deemed as Acquisition or Disposal of Assets and the Notification of the Board of Governors of the Stock Exchange of Thailand Re: Disclosure of Information and Other Acts of Listed Companies Concerning the Acquisition and Disposition of Asset B.E. 2547 (as amended) (the "Acquisition or Disposal Notifications"). The transaction size of such transaction calculated based on the reviewed consolidated financial statements of the Company for the nine months ended 30 September 2023 and the audited financial statements of HPS for the year ended 31 December 2022, and the total value of consideration criterion, which gives the highest transaction value, is equivalent to 11.58 percent, and the aggregated size of the Company's other acquisitions of assets within the past six months and the HPS Transaction calculated based on the total value of consideration criterion, which gives the highest transaction value, is equivalent to 59.18 percent. Since the transaction size is more than 50 percent, the Company, therefore, is required to proceed as follows in accordance with the Acquisition or Disposal Notifications:

(1) report and disclose information on the transaction, containing at least the information specified in Schedule (1) of the Acquisition or Disposal Notifications, to the Stock Exchange of Thailand (the "SET");

(2) convene a shareholders' meeting to approve the entry into the transaction, which requires a vote of not less than three-fourths of the total number of votes of the shareholders attending the meeting and having the right to vote, excluding the votes of interested shareholders;

(3) send a notice of the shareholders' meeting pursuant to (2) to the shareholders no less than 14 days prior to the date of the shareholders' meeting, where the notice of the shareholders' meeting must contain at least the information specified in Schedule (2) of the Acquisition or Disposal Notifications; and

(4) appoint an independent financial advisor to provide opinions on the transaction where the Company has appointed Capital Advantage Company Limited ("CapAd") as its independent financial advisor to undertake such duties.

The proposed Transaction constitutes a purchase or acceptance of transfer of the business of other companies or private companies by the Company pursuant to Section 107(2)(b) of the Public Limited Companies Act B.E. 2535 (as amended) (the “PLC Act”), which requires a resolution of the shareholders’ meeting with a vote of not less than three-fourths of the total number of votes of shareholders attending the meeting and having the right to vote, excluding the votes of interested shareholders.

The proposed transaction does not constitute a connected transaction under the Notification of the Capital Market Supervisory Board No. TorChor. 21/2551 Re: Rules on Connected Transaction and the Notification of the Board of Governors of the Stock Exchange of Thailand Re: Disclosure of Information and Other Acts of Listed Companies Concerning the Connected Transactions B.E. 2546 (as amended) (the “Connected Transaction Notifications”) since the Sellers are not connected persons of the Company.

The Company would like to disclose the information on the transaction to the SET in accordance with the Acquisition or Disposal Notifications as follows:

Information Disclosure under Schedule (1) of the Acquisition or Disposal Notifications

1. Transaction Date

After the Board of Directors’ Meeting No. 22/2023 held on 28 December 2023 resolved to approve the entry into the HPS Transaction, the Company expects to enter into a share sale and purchase agreement with the Sellers (the “Share Sale and Purchase Agreement”) within 28 February 2024 and that the HPS Transaction will be completed within 30 April 2024 or as the contractual parties may agree, provided that all conditions precedent under the Share Sale and Purchase Agreement are completed, deferred, or waived by the relevant parties and all of the undertakings to complete the HPS Transaction are completed in accordance with the terms of such Share Sale and Purchase Agreement.

2. Parties Involved and Relationship with the Company

Purchaser	:	One to One Contacts Public Company Limited
Seller	:	The shareholders of HPS, i.e., Miss Apirawee Pichayadecha, Miss. Duangkamon Kietsukasem (and/or their designee(s)), and LAZ INVESTMENTS LTD. (collectively referred to as the “Sellers”). Additionally, the sole ultimate shareholder of LAZ INVESTMENTS LTD. is Ms. TAN LIAN KIOW
Relationship with the Company	:	The Sellers, including the Sellers’ connected persons and ultimate shareholder, do not have any relationship with the Company and are not the Company’s connected persons.

3. General Characteristics of the Transaction and Transaction Size

3.1 General Characteristics of the Transaction

The Company will purchase the ordinary shares in HPS from the Sellers. In this regard, the key details of the HPS Transaction are as follows:

Shares to be purchased	:	9,000,000 fully paid ordinary shares in HPS or equivalent to 100 percent of the total authorized share capital.
Consideration	:	The total purchase price is not more than THB 150,000,000.
Key conditions precedent	:	The board of directors' meeting and/or the shareholders' meeting of the Company approves the entry into the HPS Transaction.

3.2 Transaction Size

The total value of consideration that the Company will pay for the entry into the transaction will be not more than THB 150,000,000. The transaction size, which is calculated based on the reviewed consolidated financial statements of the Company for the nine months ended 30 September 2023 and the audited financial statements of HPS for the year ended 31 December 2022, and the total value of consideration criterion, which gives the highest transaction value, is equivalent to 11.58 percent.

Financial Information

(Unit: THB thousands)	The Company As at 30 September 2023	HPS As at 31 December 2022
Total assets	1,295,314.00	35,882.89
Intangible assets	49,528.00	16.50
Total liabilities	82,411.00	45,902.44
Non-controlling interests (if any)	-	-
Net tangible asset (NTA)	1,163,375.00	(12,296.00)
Net profit (loss)	(178,824.00)	(32,327.49)

Calculation of the Transaction Size

Calculation Criterion	Calculation Method	Calculation (THB thousands)	Transaction Size (Percent)
The net tangible asset (NTA) value criterion	$\frac{\text{NTA of the assets acquired}}{\text{NTA of the Company}} \times \text{Proportion of assets acquired} \times 100$	Not applicable due to the negative NTA of HPS	
The net profit from operating results criterion	$\frac{\text{Net profit of the assets acquired}}{\text{Net profit from operating results of the Company}} \times \text{Proportion of assets acquired} \times 100$	Not applicable due to the negative profit of the Company and HPS	
The total value of consideration criterion	$\frac{\text{Total value of consideration}}{\text{Total assets of the Company}} \times 100$	$\frac{150,000.00}{1,295,314.00} \times 100$	11.58

The equity shares issued as consideration for the assets criterion	<u>Equity shares issued as consideration for the assets x 100</u> Paid-up shares of the company	Not applicable as the Company is not issuing equity as consideration for the assets.
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The aggregated size of the Company's other acquisitions of assets within the past six months and the HPS Transaction calculated based on the total value of consideration basis, which gives the highest transaction value, is equivalent to 59.18 percent. In addition, the details of the Company's other acquisitions of assets within the past six months are as follows:

Date	Transaction	Transaction Size (Percent)			
		NTA Value Criterion	Net Profit Criterion	Total Value of Consideration Criterion	Value of Equity Shares Criterion
15 Aug 2023	Acquisition of land in Pathum Thani province.	N/A		9.45	N/A
23 Aug 2023	Investment in the ordinary shares of PEER FOR ALL COMPANY LIMITED.	39.52	N/A	38.15	N/A
Total		39.52	-	47.60	-

Since the transaction size is more than 50 percent, the Company, therefore, is required to proceed as follows in accordance with the Acquisition or Disposal Notifications:

- (1) report and disclose information on the transaction, containing at least the information specified in Schedule (1) of the Acquisition or Disposal Notifications, to the SET;
- (2) convene a shareholders' meeting to approve the entry into the transaction, which requires a vote of not less than three-fourths of the total number of votes of the shareholders attending the meeting and having the right to vote, excluding the votes of interested shareholders;
- (3) send a notice of the shareholders' meeting pursuant to (2) to the shareholders no less than 14 days prior to the date of the shareholders' meeting, where the notice of the shareholders' meeting must contain at least the information specified in Schedule (2) of the Acquisition or Disposal Notifications; and
- (4) appoint an independent financial advisor to provide opinions on the transaction where the Company has appointed CapAd as its independent financial advisor to undertake such duties.

The proposed Transaction constitutes a purchase or acceptance of transfer of the business of other companies or private companies by the Company pursuant to Section 107(2)(b) of the PLC Act, which requires a resolution of the shareholders' meeting with a vote of not less than three-fourths of the total number of votes of shareholders attending the meeting and having the right to vote.

However, the proposed transaction does not constitute a connected transaction under the Connected Transaction Notifications since the Sellers are not connected persons of the Company.

4. Details of the Acquired Assets

Upon completion of the HPS Transaction, the Company will hold 9,000,000 ordinary shares in or equivalent to 100 percent of the total authorized share capital of HPS. In this regard, key details on HPS are as follows:

4.1 General Information

Name of the company	Happy Products and Service Company Limited
Business type	Offering of products and services relating to health and beauty as well as home appliances through omnichannel platforms, including television (Nation TV), website at Happysshoppingofficial.com, online platforms (such as Shopee and Lazada), and social media (such as Facebook and Tiktok) under the name Happy Shopping.
Head office	89/1 Kasem Sap Bldg. 3 Fl. Vibhavadi Rangsit Rd. Chom Phon, Chatuchak, Bangkok
Date of incorporation	29 July 2016
Registered capital	THB 90,000,000
Paid-up capital	THB 90,000,000
Total number of shares	9,000,000 shares
Par value (per share)	THB 10

4.2 Shareholders

Name	Pre-transaction Shareholders ^{/1}		Post-transaction Shareholders	
	Number of Shares	Percent	Number of Shares	Percent
1. LAZ INVESTMENTS LTD. ¹	4,500,000	50.00	-	-
2. Miss Apirawee Pichayadecha ^{/2}	9,000,000	10.00	-	-
3. Miss Duangkamon Kietsukasem ^{/2}	3,600,000	40.00	-	-
4. The Company	-	-	8,999,998	100.00
5. Mr. Chirayu Chueyam	-	-	1	0.00
6. Mr. Issara Rounsuk-udom	-	-	1	0.00
Total	9,000,000	100.00	9,000,000	100.00

Remark ^{/1} The sole ultimate shareholder of LAZ INVESTMENTS LTD. is Ms. TAN LIAN KIOW

^{/2} and/or their designee(s).

4.3 Board of Directors

Pre-transaction Board of Directors	Post-transaction Board of Directors
1. Miss Kamonwan Kunwanna	1. Miss Kamonwan Kunwanna
2. Miss Duangkamon Kietsukasem	2. To be appointed by the Company
3. -	3. To be appointed by the Company

4.4 Key Financial Information

Key financial information of HPS based on the audited financial statements of HPS for the years ended 31 December 2020, 2021, and 2022, and the financial information from the management accounts of HPS for the nine months ended 30 September 2023, which can be summarized as follows:

Statements of Financial Position

Items	As at 31 Dec 2020 (Audited Financial Statements)		As at 31 Dec 2021 (Audited Financial Statements)		As at 31 Dec 2022 (Audited Financial Statements)		As at 30 Sep 2023 (Management Accounts)	
	THB millions	%	THB millions	%	THB millions	%	THB millions	%
Assets								
Current assets								
Cash and cash equivalents	11.59	22.57	1.61	4.61	8.38	23.36	9.76	33.12
Trade and other receivables	6.42	12.49	5.20	14.87	4.47	12.47	1.92	6.52
Temporary investment	0.58	1.13	0.58	1.66	0.58	1.62	0.58	1.97
Inventories	22.04	42.92	19.92	56.90	15.15	42.22	11.09	37.63
Undue input value added tax	0.84	1.63	2.11	6.02	0.72	2.02	-	-
Other current assets	0.61	1.19	0.13	0.38	0.77	2.14	1.53	5.19
Total current assets	42.08	81.94	29.56	84.43	30.08	83.83	24.89	84.46
Non-current assets								
Property, plant, and equipment	5.97	11.63	3.27	9.33	2.56	7.12	2.00	6.79
Intangible assets ^{/1}	1.75	3.40	1.27	3.62	2.32	6.45	1.80	6.11
Other non-current assets	1.56	3.03	0.92	2.62	0.93	2.60	0.79	2.68
Total non-current assets	9.28	18.06	5.45	15.57	5.80	16.17	4.58	15.54
Total assets	51.36	100.00	35.01	100.00	35.88	100.00	29.47	100.00
Liabilities								
Current liabilities								
Trade and other payables	45.57	88.73	57.83	165.20	31.73	88.41	36.26	123.00
Current portion of finance lease liabilities	0.00	0.00	0.00	0.00	0.01	0.03	-	-
Accrued expenses	9.17	17.86	9.21	26.31	6.81	18.98	6.47	21.95
Other current liabilities	1.02	1.98	0.83	2.37	0.24	0.66	0.77	2.61
Total current liabilities	55.75	108.57	67.87	193.88	38.78	108.08	43.50	147.56
Non-current liabilities								
Liabilities under finance lease agreements	0.00	0.00	0.00	0.00	0.03	0.09	0.02	0.07
Estimated non-current liabilities for employment benefits	2.78	5.41	4.83	13.80	7.09	19.75	3.93	13.33
Total non-current liabilities	2.78	5.41	4.83	13.80	7.12	19.85	3.95	13.40
Total liabilities	58.53	113.98	72.70	207.67	45.90	127.92	47.45	160.96
Shareholders' equity								
Authorized share capital								
9,000,000 ordinary shares of THB 10 each	10.00	19.47	30.00	85.70	90.00	250.82	90.00	305.29
Issued and fully paid-up share capital								

Items	As at 31 Dec 2020 (Audited Financial Statements)		As at 31 Dec 2021 (Audited Financial Statements)		As at 31 Dec 2022 (Audited Financial Statements)		As at 30 Sep 2023 (Management Accounts)	
	THB millions	%	THB millions	%	THB millions	%	THB millions	%
	9,000,000 ordinary shares of THB 10 each	10.00	19.47	30.00	85.70	90.00	250.82	90.00
Share premium	10.00	19.47	10.00	28.57	10.00	27.87	10.00	33.92
Retained deficits	(27.18)	(52.92)	(77.69)	(221.94)	(110.02)	(306.61)	(117.98)	(400.20)
Total shareholders' equity (loss)	(7.18)	(13.98)	(37.69)	(107.67)	(10.02)	(27.92)	(17.98)	(60.99)
Total liabilities and shareholders' equity	51.36	100.00	35.01	100.00	35.88	100.00	29.48	100.00

Remark ¹ i.e. Software SAP B1.

Statements of Comprehensive Income

Items	For the year ended 31 Dec 2020 (Audited Financial Statements)		For the year ended 31 Dec 2021 (Audited Financial Statements)		For the year ended 31 Dec 2022 (Audited Financial Statements)		For the nine months ended 30 Sep 2023 (Management Accounts)	
	THB millions	%	THB millions	%	THB millions	%	THB millions	%
	Revenues							
Revenues from sales	392.14	99.23	231.02	97.84	191.08	98.82	155.36	99.37
Other income	3.03	0.77	5.10	2.16	2.28	1.18	0.99	0.63
Total revenues	395.17	100.00	236.12	100.00	193.37	100.00	156.35	100.00
Expenses								
Cost of sales	329.29	83.33	199.26	84.39	158.18	81.80	117.02	74.84
Selling expenses	44.96	11.38	29.51	12.50	27.57	14.26	15.62	9.99
Administrative expenses	41.32	10.46	57.79	24.47	39.83	20.60	31.61	20.22
Total expenses	415.57	105.16	286.55	121.36	225.58	116.66	164.25	105.05
Profit (loss) before finance cost and income tax expenses	(20.40)	(5.16)	(50.44)	(21.36)	(32.21)	(16.66)	(7.96)	(5.09)
Finance cost	(0.04)	(0.01)	(0.08)	(0.03)	(0.12)	(0.06)	(0.06)	(0.04)
Profit (loss) before income tax expenses	(20.45)	(5.17)	(50.51)	(21.39)	(32.33)	(16.72)	(7.96)	(5.09)
Income tax (expenses) income	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Profit (loss) for the period	(20.45)	(5.17)	(50.51)	(21.39)	(32.33)	(16.72)	(7.96)	(5.09)

The reason for HPS's loss and negative shareholders' equity was because HPS had to make a substantial investment in television advertisements during its earlier years to expand its customer base and enhance brand recognition. This led to significant loss from 2020 to 2022. Presently, HPS has reduced the use of television advertisement, cost of sales, and selling and administrative expenses, resulting in its profit margin being on an upward trend since the third quarter of 2023.

5. Total Value of Consideration and Payment Conditions

5.1 Total Value of Consideration

The total value of consideration for the entry into the transaction is not more than THB 150,000,000 as detailed in Clauses 3.1 and 3.2. The Company will pay the consideration in cash to the Sellers after all conditions precedent under the Share Sale and Purchase Agreement are completed, deferred, or waived by the relevant parties and all of the undertakings to complete the HPS Transaction are completed in accordance with the terms of such Share Sale and Purchase Agreement. In addition, the Company placed a refundable deposit of THB 25,000,000 with Miss Apirawee Pichayadecha and Miss Duangkamon Kietsukasem for the purposes of conducting due diligence on HPS's business and may use such deposit as part of the payment of consideration under the Share Sale and Purchase Agreement to both Miss Apirawee Pichayadecha and Miss Duangkamon Kietsukasem. However, if the Company fails to obtain approval to enter into the transaction from the shareholders' meeting or is unable to reach an agreement on the final condition (i.e., the condition precedent and all other conditions under the terms and conditions of the Share Sale and Purchase Agreement to be negotiated and entered by the Sellers and the Company) within six months (i.e., within 24 May 2024) or until the date on which the relevant memorandum of understanding is terminated), the Company is able to request for a refund of such deposit in full within seven days from the date on which the memorandum of understanding is terminated. Additionally, Miss Apirawee Pichayadecha has pledged 900,000 shares and Miss Duangkamol Kietsukasem has pledged 3,600,000 shares in HPS to the Company, totaling 4,500,000 shares held by both individuals or equivalent to 50 percent of the total shares in HPS, as collateral for the refund of such deposit to the Company. The total collateral value is THB 75,000,000 based on the valuation using the discounted cash flow approach.

6. Value of Acquired Assets

The value of the acquired assets will be equal to the total value of consideration as detailed in Clause 5.

7. Basis Used to Determine the Value of Consideration

The basis used to determine the value of consideration is the sale and purchase price agreed upon by the Company and the Sellers. Additionally, the Company has determined the sale and purchase price by using the discounted cash flow approach and appraised the maximum value of 100 percent ownership interest in HPS at THB 189.37-213.36 million in aggregate or THB 21.04-23.70 per share by referring to assumptions used in assessing the enterprise value from past operational performance, revenue and cost data, business plan, and cost reduction plan of HPS. In this regard, the Company has engaged Discover Management

Company Limited (the “Financial Advisor”), a financial advisor company approved by the Office of the Securities and Exchange Commission, to assess HPS’s value. The Financial Advisor has relied on the information received from HPS’s executives and the key assumptions for the assessment of HPS’s value as follows:

(1) The average product selling prices for each channel in 2023 were based on the average selling prices for the nine months of 2023. For 2024 onwards, the growth rate of the average product selling prices was fixed at 1.65 percent throughout the estimation period. The growth rate of the products sold through various channels was primarily based on the estimation of HPS’s executives.

(2) The cost of goods sold was proportional to the sales revenue. For 2023, it was based on the proportion for the nine months of 2023 of 48.88 percent of the sales revenue. For 2024 onwards, it was based on the estimation of HPS’s executives, i.e., 46.50 percent of the sales revenue. Additionally, the cost of television airtime in 2023 was equivalent to the cost of television airtime during the nine months of 2023 (extrapolated to a full year). For 2024, the growth rate was fixed at 18.00 percent compared to the previous year as estimated by the executives. For 2025 onwards, the growth rate was fixed at 1.65 percent throughout the estimation period.

(3) The product shipping cost was proportional to the sales revenue. For 2023, it was based on the proportion for the nine months of 2023 of 3.23 percent of the sales revenue. For 2024 onwards, it was based on the estimation of the executives, i.e., 6.00 percent of the sales revenue.

(4) The employee salary and benefits in 2023 were equivalent to the employee salary and benefits for the nine months of 2023 (extrapolated to a full year). For 2024, a decrease of 25.00 percent from the previous year was fixed based on the estimation of the executives in accordance with the cost reduction plan implemented since the latter half of 2023. Additionally, for 2025 onwards, the annual growth rate was fixed at 3.00 percent according to HPS’s policy to increase employee salary.

(5) The cost for online media advertising and production in 2023 was equivalent to the cost for online media advertising and production for the nine months of 2023 (extrapolated to a full year). For 2024 onwards, it was estimated to grow at the rate of 1.65 percent per year.

(6) The cost for warehouse leasing and other cost of goods sold were proportional to the sales revenue. For 2023, these were based on the proportion for the nine months of 2023 of 3.09 percent of the sales revenue. For 2024 onwards, these were based on the average proportion of 2022 until the nine months of 2023, i.e., 3.26 percent of the sales revenue.

(7) The capital expenditure for leasehold, furniture, fixtures and equipment adjustment was set at THB 3 million throughout the estimation period.

(8) The registered capital is increased from THB 90.00 million to THB 150.00 million to ensure a positive shareholders' equity and enable the calculation of business value in accordance with the theory. However, the executives, taking into account the latest operating results of HPS and positive cash flow from increase in revenue and effective expense reduction plan, viewed that it might not be necessary to increase the capital if the business operations of HPS in the future aligns with its business plans.

Although the Company has considered the information that King Gen Public Limited Company ("KGEN") disclosed to the SET on 27 June 2023 on the disposal of ordinary shares in HPS and the cessation of HPS as a subsidiary of KGEN, where KGEN disposed 50 percent of the total ordinary shares in HPS at a total sale and purchase price of THB 10,083,999 or equivalent to THB 2.24 per share. However, the Company did not use such sale and purchase price as a reference in assessing the share value of HPS because the information that KGEN disclosed did not include details relating to the assumptions that KGEN relied on in assessing the share value of HPS at that time or other conditions related to such transaction. Therefore, the sale and purchase price in the past should not be used as a reference for the sale and purchase price for this transaction.

8. Expected Benefits to the Company

The Company expects that the entry into such transaction will provide benefits to the Company as follows:

(1) increase the sources of income to the Company and diversify risks in its investments, which will be conducive to the Company's potential to create security and stability for its business operations, resulting in long-term returns and benefits for the shareholders of the Company; and

(2) create synergy from HPS's business that will enhance the Company's current business and foster cost savings through economies of scale and shared internal resources, as well as contributing to the increase in the outbound call center services, especially in the sales or promotion of products or services through the Company's call center as per the Company's business expansion plan.

9. Source of Funding

The source of funding will be derived from the capital raised by the Company through the offering of up to 1,200,000,000 newly-issued ordinary shares via private placement in accordance with the resolutions of the Board of Directors' Meeting No. 19/2023 held on 21 November 2023. However, in the event that the shareholders' meeting does not approve the aforementioned offering of newly-issued ordinary shares, the Company will use its internal funds to enter into the transaction. According to the information in the consolidated financial statements of the Company as at 30 September 2023, the Company reported cash and cash

equivalents of THB 220.41 million, and reported financial assets of THB 244.28 million, making a total of THB 464.69 million. Although the Company may have to sell all financial assets to enter into the HPS Transaction, the Company views that such action is more worthwhile than retaining all financial assets because the investment in HPS is considered an opportunity for the Company to expand the contact center service business into segments that add value to the Company's current business, aligning with the Company's business expansion policy.

10. Conditions to the Transaction

The conditions to the transactions are detailed in Clause 3.1

11. Opinion of the Board of Directors

The Board of Directors unanimously resolved to approve entering into the said transaction and the proposal of such matter for consideration and approval by the shareholders' meeting as it had considered and shared the same view as the Executive Committee that, despite HPS's past performance indicated continuous losses, after it had stopped the business operations that required high amount of investments and failed to yield the targeted revenue and returned to focusing on selling products via consignment sales, i.e., HPS would recognize the cost of goods sold when the product was sold and could return the product of which sales did not meet the sales target to the consignor, this has resulted in HPS not having the burden to invest in inventories, reducing the risk in case a product fails to generate satisfactory sales, receiving higher profit margins, and reducing the need of working capital requirements. Moreover, taking into account HPS's plan to reduce administrative expenses, which had started to show results, HPS should be able return to profitability according to estimated future financial statements thanks to an increase in its customer base through continuous product sales via television and its plan to focus on expanding such existing customer base by implementing direct-to-consumer telephone sales (outbound telemarketing), which would generate income at a lower cost compared to selling products via television (collectively referred to as the "**Adjusted Business Plan of HPS**"). Therefore, the Adjusted Business Plan of HPS has resulted in its enterprise value assessment of THB 189.37-213.36 million in aggregate or THB 21.04-23.70 per share as assessed by the Company's Financial Advisor using the discounted cash flow approach and appraising the maximum value of 100 percent ownership interest in HPS. In addition, the Company has considered the information that KGEN disclosed to the SET on 27 June 2023 on the disposal of ordinary shares in HPS and the cessation of HPS as a subsidiary of KGEN, where KGEN disposed 50 percent of the total ordinary shares in HPS at a total sale and purchase price of THB 10,083,999 or equivalent to THB 2.24 per share. However, the Company did not use such sale and purchase price as a reference in assessing the share value of HPS because the information that KGEN disclosed did not include details relating to the assumptions that KGEN relied on in assessing the share value of HPS at that time or other conditions related to such transaction. Therefore, the sale and purchase price in the past should not be used as a reference for the sale and purchase price for this transaction.

Therefore, the Board of Directors viewed that the entry into the transaction, the placement of deposit as detailed in Clause 5, and the value of consideration as detailed in Clause 7 above were appropriate, reasonable, and beneficial to the Company and all shareholders of the Company in the long run as per the reasons specified in Clause 8 above. Moreover, the Company would still have sufficient working capital for its operations, and entry into the transaction would not materially impact its working capital.

12. Opinion of the Audit Committee

The opinion of the Audit Committee is not different from that of the Board of Directors of the Company as stated in Clause 11 above. However, after the Audit Committee has considered the opinion of CapAd, the independent financial advisor that provided an opinion on the HPS Transaction, including disadvantages and risks associated with the entry into the transaction, as detailed in the opinion of the said independent financial advisor, the Audit Committee had additional opinions in response specifically to those disadvantages and risks associated with the entry into the HPS Transaction as follows:

(1) Risk relating to HPS's liquidity, which may impose a burden requiring the Company to increase the capital in HPS or to provide financial support to HPS in the near future – The Audit Committee viewed that, as a result of the aforementioned Adjusted Business Plan of HPS, the liquidity of HPS since July 2023 had improved. Based on the information obtained from the due diligence process, it was found that HPS had positive cash flow every month and a cash balance of THB 11 million at the end of the year. Therefore, if the operations of HPS continue to align with the Adjusted Business Plan of HPS and there are no external factors impacting the operations of HPS, it is expected that HPS's shareholders' equity will become positive within 2025, that HPS will not face liquidity issues, and that the Company will not be required to increase capital in HPS or provide financial support to HPS in the near future.

(2) Risk relating to HPS's business operations, which may cause its operating results to not meet the expectations due to HPS's core revenue from the sale of products via digital television – The Audit Committee viewed that, as a result of the aforementioned Adjusted Business Plan of HPS, the operating results of HPS in the latter half of 2023 had improved. Additionally, HPS had grown its customer base through continuous sale of products via television and had a plan to focus on expanding such existing customer base by implementing direct-to-consumer telephone sales (Outbound Telemarketing), which would generate income at a lower cost compared to the sale of products via television. Hence, HPS's core revenue in the future may not solely come from the sale of products via digital television. Moreover, HPS had expanded its services to B2B customers by providing end-to-end management services relating to sale of products through telesales and online channels for organizations, which started to generate revenue for HPS starting from the fourth quarter of 2023. In addition, the investment in HPS would not only increase the Company's opportunities to generate revenue, but

also create synergy from sharing resources among internal functions, as well as increasing the proportion of outbound call center services, especially selling or offering products or services through the call center team, which was expected to generate revenue for the Company group as a whole of not less than THB 200 million, and yielding a higher profit margin than inbound call center services, which was the current core revenue of the Company. Therefore, the Audit Committee viewed that the risk of operating results not meeting the expectations was at an acceptable level, and if the operations of HPS continue to align with the Adjusted Business Plan of HPS and there are no external factors impacting the operations of HPS, it is expected that there will not be an issue due to HPS's core revenue from the sale of products via digital television.

(3) Risk relating to the impairment loss of goodwill due to the share sale and purchase price in HPS being higher than the fair value assessed by the independent financial advisor – The Audit Committee viewed that, although the share sale and purchase price in HPS was higher than the fair value assessed by the independent financial advisor and the independent financial advisor viewed that the said share sale and purchase price was inappropriate, the share sale and purchase price and the conditions to the transaction were appropriate due to the reasons as stated in Clause 11 above. Furthermore, the share sale and purchase price aligned with the assessment of HPS's enterprise value as assessed by the Company's Financial Advisor, using the discounted cash flow approach as detailed in Clause 7. Additionally, if the operations of HPS continue to align with the Adjusted Business Plan of HPS and there are no external factors impacting the operations of HPS, it is expected that the impairment loss of goodwill due to the share sale and purchase price in HPS being higher than the fair value assessed by the independent financial may be difficult to occur.

In this regard, the Audit Committee had compared the valuation assumptions using the discounted cash flow approach of the Financial Advisor and CapAd and found that there were significant differences in revenue assumptions, cost of sales (especially cost of goods sold), and terminal growth rate, and that the Financial Advisor's assumptions were appropriate because it had considered the reasonableness of the management's policy, the management's target revenue growth, the operational strategies to expand profit margins, and the improvement of product mix to increase returns for the Company, as well as the conditions of the industry related to sale of products, which grows with inflation. In this regard, details of the different assumptions and opinions of the Audit Committee are as follows:

Assumptions	Financial Advisor	Independent Financial Advisor (CapAd)
Revenue	<p>The Financial Advisor determined the average product selling prices for each channel in 2023 based on the average selling prices for the nine months of 2023. For 2024 onwards, the growth rate of the average product selling prices was fixed at 1.65 percent throughout the estimation period, based on the past five-year average headline inflation rate provided by the Bank of Thailand throughout the estimation period. Additionally, the growth rate of the products sold through various channels relied on by the Financial Advisor was primarily based on the estimation of HPS's executives, where:</p> <ul style="list-style-type: none"> ● The growth rate of inbound product sales was fixed at the rate of 5 percent for 2024 and 1 percent for 2025 – 2028. ● The growth rate of outbound product sales was fixed at 10 percent for 2024 and 5 percent for 2025 – 2028. ● The growth rate of online product sales via LINE Happy was fixed at 30 percent for 2024 and 1 percent for 2025 – 2028. ● The growth rate of online product sales via marketplace was fixed at 30 percent for 2024 and 1 percent for 2025 – 2028. ● The revenue from online product sales via website for 2023 – 2028 was fixed at THB 1.01 million. 	<p>The independent financial advisor determined the following assumptions relating to the revenue from the sale of products through various channels based on HPS's executives:</p> <ul style="list-style-type: none"> ● The revenue from inbound product sales was fixed at THB 10.17 million from 2024 – 2028, which is equivalent to the average revenue from product sales for 2021-2023, which was due HPS's continued selling of products through the Nation television channel only. ● The growth rate of the revenue from inbound product sales was fixed at 10 percent for 2024 and 5 percent for 2025 – 2028. ● The growth rate of the revenue from online product sales via LINE Happy was fixed at 6 percent for 2024 – 2028. ● The growth rate of the revenue from online product sales via marketplace was fixed at 6 percent for 2024 – 2028. ● The revenue from online product sales via website was fixed at THB 13.13 million, THB 8.65 million, THB 2.74 million, and THB 1.52 million, respectively. The revenue from sales through this channel had continuously declined, due to HPS's reducing the delivery of messages to customers via LINE to purchase products through the website and discontinuing the QR code for customers to scan and buy products through the website on their television screens. The independent financial advisor determined the revenue from online product sales via website at THB 1.42 million, which was close to the aforementioned revenue for 2023.
	<p><u>Opinion of the Audit Committee</u></p> <p>The Audit Committee had considered the reasonableness of the revenue assumptions of the Financial Advisor and the independent financial advisor, which contained material differences, especially the growth rate of inbound revenue, which was the core revenue, and viewed that the</p>	

Assumptions	Financial Advisor	Independent Financial Advisor (CapAd)
	<p>revenue assumptions of the Financial Advisor had taken into consideration the reasonableness of the management's policy to set a target for revenue growth, which contained clear directions for targeting specific customer groups, allowing for expectation for sales growth based on the revenue growth trend in the latter half of 2023. Therefore, the Audit Committee viewed that the revenue assumptions of the Financial Advisor were reasonable.</p>	

<p>Cost of Sale</p>	<p>The Financial Advisor determined the cost of sales assumptions, including, cost of goods sold, cost of television airtime, product shipping cost, employee salary and benefits, cost for online media advertising and production, cost for warehouse leasing and other cost of goods sold, based on the assumptions of HPS's executives as follows:</p> <ul style="list-style-type: none"> ● The cost of goods sold was proportional to the sales revenue. For 2023, it was based on the proportion for the nine months of 2023 of 48.88 percent of the sales revenue. For 2024 onwards, it was based on the estimation of HPS's executives, i.e., 46.50 percent of the sales revenue. ● The cost of television airtime in 2023 was equivalent to the cost of television airtime during the nine months of 2023 (extrapolated to a full year). For 2024, the growth rate was fixed at 18.00 percent compared to the previous year as estimated by the executives. For 2025 onwards, the growth rate was fixed at 1.65 percent throughout the estimation period. ● The product shipping cost was proportional to the sales revenue. For 2023, it was based on the proportion for the nine months of 2023 of 3.23 percent of the sales revenue. For 2024 onwards, it was based on the estimation of the executives, i.e., 6.00 percent of the sales revenue. ● The employee salary and benefits in 2023 were equivalent to the employee salary and benefits for the nine months of 2023 (extrapolated to a full year). For 2024, a decrease of 25.00 percent from the previous year was fixed based on the estimation of the executives in accordance with the cost reduction plan implemented since the latter half of 2023. Additionally, for 2025 onwards, the annual 	<p>The independent financial advisor determined the cost of sale assumptions, including, the cost of sales and services including, cost of goods sold, television advertising cost, shipping service cost, marketing cost, commission fee for telesales staff, other costs and cost for B2B service, as follows:</p> <ul style="list-style-type: none"> ● The cost of goods sold was fixed at 50.00 percent of the revenue, which was similar to the average cost of goods sold to sales revenue in 2022 – 2023. ● The television advertising cost was fixed at 27.5 percent of the sales revenue, which was similar to the television advertising cost in 2023. ● The shipping service cost was fixed at 6.5 percent of the sales revenue. ● The marketing cost was fixed at 2.1 percent of the sales revenue, which was similar to the marketing cost in 2023. ● The commission fee for telesales staff was fixed at 2.0 percent of the sales revenue. ● Other costs were fixed at 0.50 of the total revenue, which was similar to the other costs in 2023.
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Assumptions	Financial Advisor	Independent Financial Advisor (CapAd)
	<p>growth rate was fixed at 3.00 percent according to HPS's policy to increase employee salary.</p> <ul style="list-style-type: none"> • The cost for online media advertising and production in 2023 was equivalent to the cost for online media advertising and production for the nine months of 2023 (extrapolated to a full year). For 2024 onwards, it was estimated to grow at the rate of 1.65 percent per year throughout the estimation period. • The cost for warehouse leasing and other cost of goods sold were proportional to the sales revenue. For 2023, these were based on the proportion for the nine months of 2023 of 3.09 percent of the sales revenue. For 2024 onwards, these were based on the average proportion of 2022 until the nine months of 2023, i.e., 3.26 percent of the sales revenue. 	
	<p><u>Opinion of the Audit Committee</u></p> <p>The Audit Committee had considered the reasonableness of the cost of sales (particularly, the cost of goods sold) assumptions of the Financial Advisor and the independent financial advisor, which contained material differences, and viewed that the assumptions of the Financial Advisor better reflected the performance of the executives, including the negotiations aimed at increasing profit margins and improvement of the product mix to increase returns for the Company, aligning with the current actual figures, while the other cost of sales assumptions did not contain material differences. Therefore, the Audit Committee viewed that the cost of sales assumptions of the Financial Advisor were reasonable.</p>	
Selling and Administrative Expense	<p>The Financial Advisor determined the selling and administrative expense assumptions, including employee salary and benefits, cost of call center service, collection fee, revenue sharing expense, marketing expense, utilities expense, audit expense, central administration expense, depreciation and amortization cost and other expenses as follows:</p> <ul style="list-style-type: none"> • The employee salary and benefits in 2023 were equivalent to the employee salary and benefits for the nine months of 2023 (extrapolated to a full year). For 2024, a 	<p>The independent financial advisor determined the selling and administrative expense assumptions, including employee expense, cost of call center system, salary expense of telesales staff, program production cost, IT expense, leasing cost, office expense, audit fee and other fees, other expenses, deprecation cost and amortization cost, bank fees and lease interest, as follows:</p> <ul style="list-style-type: none"> • For 2024, the employee expense was fixed at THB 38.52 million or THB 3.21 million per month based on the average employee

Assumptions	Financial Advisor	Independent Financial Advisor (CapAd)
	<p>decrease of 25.00 percent from the precious year was fixed based on the estimation of the executives in accordance with the cost reduction plan implemented since the latter half of 2023. Additionally, for 2025 onwards, the annual growth rate was fixed at 3.00 percent according to HPS's policy to increase employee salary.</p> <ul style="list-style-type: none"> ● The cost of call center service was proportional to the sales revenue. For 2023, it was based on the proportion for the nine months of 2023 of 6.46 percent of the sales revenue. For 2024 onwards, it was based on the estimation of the executives, i.e., 3.00 percent of the sales revenue. ● The collection fee, revenue sharing expense, marketing expense, and other expenses were proportional to the sales revenue. For 2023, these were based on the proportion for the nine months of 2023 of 5.68 percent of the sales revenue. For 2024 onwards, these were based on the average rate from 2022 to the nine months of 2023 of 4.76 percent of the sales revenue. ● For 2023, the cost of leasing and leasehold amortization expense were equivalent to the expense for the nine months expense of 2023 (extrapolated to a full year). For 2024 onwards, the growth rate was fixed at 10 percent every three years, throughout the estimation period. ● For 2023, the utilities expense and audit expense were equivalent to the expense for the nine months expense of 2023 (extrapolated to a full year). For 2024 onwards, the annual growth rate was fixed at 1.65 percent based on the past five-year average headline inflation rate 	<p>expense from June to December 2023. This consideration was based on the current sufficient number of employees for HPS's business operation. An annual increase of 3.00 percent was fixed based on the average annual adjustment of employee salary ranging approximately from 3.00 to 5.00 percent.</p> <ul style="list-style-type: none"> ● For 2024-2025, the cost of call center system and service was fixed at THB 3.31 million per year based on service fees according to the Call Center system lease agreement with One To One Professional Company Limited (the subsidiary of the Company), covering a 24-month service contract. Additionally, an annual growth rate of 2.13 was fixed based on the average growth rate of the Consumer Price Index (CPI) in Thailand over the past 20 years (2003- November 2023) ● For 2024, the salary expense of telesales staff was fixed at THB 5.96 million or equivalent to THB 0.50 million per month, which was higher than the average expense for telesales staff from June to December 2024, to align with the increase in the number of staff to support outbound calls. An annual increase of 3.00 percent was fixed according to the average salary adjustment rate. ● For 2024, the program production cost was fixed at THB 2.40 million, which was close to the average program production cost in from 2022 to 2023. An annual increase of 2.13 percent was fixed based on the average growth rate of the Consumer Price Index (CPI) in Thailand over the past 20 years (2003 – November 2023). ● For 2024, the IT expense was fixed at THB 5.04 million according to HPS's business plan. The executives advised that there

Assumptions	Financial Advisor	Independent Financial Advisor (CapAd)
	<p>provided by the bank of Thailand.</p> <ul style="list-style-type: none"> ● No additional central administration expense was considered throughout the estimation period. ● The depreciation and amortization cost were calculated at a fixed rate using the straight-line method according to HPS's accounting standards, which depend on the type of assets. 	<p>would be an addition of SAP B1 software licenses cost for 2024 onwards, and an annual increase of 2.13 percent was fixed based on the average growth rate of the Consumer Price Index (CPI) in Thailand over the past 20 years (2003 – November 2023).</p> <ul style="list-style-type: none"> ● An annual increase of 2.13 percent was fixed for the leasing cost, office expense, audit fee and other fees based on the average growth rate of the Consumer Price Index (CPI) in Thailand over the past 20 years (2003 – November 2023). ● For 2024, other expenses were fixed at THB 1.95 million based on other expenses in the fourth quarter of 2023 to reflect HPS's expenditure control plan. An annual increase of 2.13 percent was fixed based on the average growth rate of the Consumer Price Index (CPI) in Thailand over the past 20 years (2003 – November 2023). ● The depreciation and amortization cost were calculated at a fixed rate using the straight-line method where the depreciation of each asset was calculated differently based on the HPS's accounting policy, averaging a five-year period. ● Bank fees and lease interest were fixed at THB 0.15 million based on the bank fees and lease interest in 2023.
	<p><u>Opinion of the Audit Committee</u></p> <p>The Audit Committee had considered the reasonableness of the selling and administrative expense assumptions of the Financial Advisor and the independent financial advisor and viewed that the assumptions did not contain material differences. Therefore, the Audit Committee viewed the selling and administrative expense assumptions of the Financial Advisor and the independent financial advisor were reasonable.</p>	

Assumptions	Financial Advisor	Independent Financial Advisor (CapAd)
Tax Expense	The Financial Advisor determined the tax expense assumption by fixing the tax rate at 20.00 percent of net profit before tax throughout the estimation period.	The independent financial advisor determined the tax expense assumption by fixing the corporate income tax rate at 20.00 percent throughout the estimation period. However, since HPS had accumulated tax losses that can be carried forward for tax deduction, HPS would not incur tax expense from 2024 to 2027.
<p><u>Opinion of the Audit Committee</u></p> <p>The Audit Committee had considered the reasonableness of the tax expense assumptions of the Financial Advisor and the independent financial advisor and viewed that the assumptions did not contain any difference. Therefore, the Audit Committee viewed that the tax expense assumptions of the Financial Advisor and the independent financial advisor were reasonable.</p>		
Capital Expenditure	The Financial Advisor determined that HPS's capital expenditure for the leasehold, fixtures and equipment, office equipment and intangible asset adjustment, during 2024-2029 should be fixed at THB 3.00 million throughout the estimation period.	The independent financial advisor determined that HPS's capital expenditure for the estimation year was equivalent to the average of depreciation and amortization cost because HPS would be required to incur capital expenditure to improve the depreciated existing assets in order to conduct its business on a going concern basis.
<p><u>Opinion of the Audit Committee</u></p> <p>The Audit Committee had considered the reasonableness of the capital expenditure assumptions of the Financial Advisor and the independent financial advisor and viewed that the assumptions did not contain material differences. Therefore, the Audit Committee viewed that the capital expenditure assumptions of the Financial Advisor and the independent financial advisor were reasonable.</p>		
Terminal Growth Rate	The Financial Advisor determined that the Terminal Growth Rate should be fixed at 1.65 percent on the conservative basis and based on the past five-year average headline inflation rate provided by the Bank of Thailand.	The independent financial advisor determined that there was no Terminal Growth Rate.
<p><u>Opinion of the Audit Committee</u></p> <p>The Audit Committee had considered the reasonableness of the Terminal Growth Rate assumptions of the Financial Advisor and the independent financial advisor, which contained material differences, and viewed that that the assumptions of the Financial Advisor better reflected the condition of household good sale industry, which should grow in line with the inflation rate. Therefore, the Audit Committee viewed that the Terminal Growth Rate assumptions of the Financial Advisor were reasonable.</p>		

(4) Risk relating to the reliance on executives and specific personnel for business operations –

The Audit Committee viewed that the executives and specific personnel were essential for the business operations of HPS in the early stages after the completion of the transaction. Therefore, the Company would

require that the Sellers cause HPS to enter into and/or amend existing employment contracts with the top executive of HPS so that such executive would continue performing the duty in managing HPS after the completion of the transaction, and that the Sellers must agree to be liable to the Company in case of any breach of the aforementioned contract.

(5) Risk relating to the possibility that the Company may not receive compensation for breach of contract or representations by the seller of shares in HPS that is a newly formed company with little paid-up capital – The Audit Committee viewed that the Company should require the sellers who were natural persons with financial status and ability to pay debts to agree to indemnify the Company if the said seller of shares in HPS that is a newly formed company fails to pay compensation for breach of contract or breach of representations to the Company.

Information Disclosure under Schedule (2) of the Acquisition or Disposal Notifications

13. Board of Directors' Responsibility on the Information Disclosure

The Board of Directors has reviewed the information provided to it with due care and was responsible for the information disclosure as stated in this document. In this regard, the Board of Directors affirms that the information contained in this document is correct and complete without any material misstatements or concealment of material facts required to be disclosed pursuant to Section 89/20 of the Securities and Exchange Act B.E. 2535 (as amended).

14. Opinion of an Independent Expert

-None-

15. Liabilities of the Company (as of 30 September 2023)

15.1 Total Amount of Term Loans and Collateral

-None-

15.2 Total Amount of Other Liabilities (Including Overdraft) and Collateral

-None-

15.3 Total Amount of Issued and Unissued Debt Instruments

-None-

15.4 Contingent Liabilities

15.4.1 Lease Liabilities and Service Agreements

The Company had commitments for minimum lease and service payments in relation to low-

value assets and the short-term lease, having the lease term of 12 months or less, and non-cancellable service agreements amounting to THB 8.0 million, becoming due within one year, and THB 1.6 million, becoming due later than one year but not later than five years.

15.4.2 Letters of Guarantee

The Company had outstanding letters of guarantee issued by local banks on behalf of the Company in respect of performance guarantee arising in the normal course of business amounting to THB 30.71 million.

16. Information of the Company

16.1 Nature of Business and Business Outlook of the Company, the Subsidiaries, and Affiliates

16.1.1 Nature of Business

The Company divides the service business into two types as follow:

(1) **Outsourced Contact Center and Digital Management Solutions** – The Company has three main service centers providing services in Thailand, located at Software Park Building, Chaengwattana Road; Thaisri Tower Krungthonburi Road, Khlongsan; and Buriram Castle, Changwat Buriram, all supporting approximately 2,200 seats, which can be further expanded to support demands or expansion of its customers. The call center and customer relations services are divided into four types as follows:

1) Fully Outsourced Contact Center Management Service

The Company provides services for organizations that need customer management through contact centers or customer management center without the high capital or costs required in setting up their own systems, thus, reducing the organization's operating costs by using the Company's fully outsourced contact center or customer management center services. The Company also offers services which cover various business cycles for both short-term or long-term projects, special marketing or promotional activities, telesales service, after sales service, customer retention and loyalty, internal and external customer satisfaction surveys, etc.

In providing the Company's fully outsourced customer management services, the Company provides services simply by providing information to customers or a fully outsourced contact center where the Company provides all resources, including the physical location, telephone system, computer system, both hardware and software applications, and customer relations personnel (customer service representatives), supervisors and quality inspectors for all customers employing the Company's contact center/customer management center services in various fields. The Company employs systems that support a wide variety of services, including services via telephone (voice), or other channels (non-voice), such as web chat, emails, social media and/or through digital services platform (self-services), such as mobile applications. By providing the service via the aforementioned three channels, the Company has developed an omnichannel platform to provide continuous service and a seamless experience for customers by utilizing modern technology.

2) Outsourced Contact Center Facility

The Company provides information center systems and equipment for customers that do not want to invest and utilize capital for the installation and development of the system or facility. The Company provides a high standard and quality customer contact center without the customers' investment. This alleviates the burden of the investment costs and creates flexibility for efficient management. These services are divided into the following six types: 1) outsourced contact center and customer management facility at the Company's site; 2) outsourced contact center and customer management facility at the customer's site; 3) contact center on demand and hosted contact center; 4) cloud contact center; 5) social CRM management; and 6) hybrid contact center solution to support business transformation and adapt to the rapidly changing technology.

3) Outsourced Customer Service Representative

The Company offers a full range of customer service management and recruitment services, including selection, training, monitoring, and quality control to continually maintain the standard of services. The Company also provides personnel replacement and staff welfare to reduce worries from customers on customer relations and to ensure that the personnel provide services to an international standard.

4) Contact Center Maintenance Service

The Company provides the contact center maintenance service by experts and experienced teams to ensure that all problems are resolved professionally and effectively without delay, ensuring seamless business operations.

(2) **Total Turnkey Solutions** – The Company offers consultation services, design, development and installation of Total Turnkey Solutions (Call Contact Center) for organizations that wish to invest in and install their own internal systems utilizing cutting edge technology by teams of specialist engineers in Contact Center / Customer Management. The Company provides all the hardware, software, and applications and integrates all systems to the requirements of each specific operation. Focusing on ensuring the designs and requirements correspond with the nature of the customer's business operations and increase business efficiency and provide a high standard of service.

16.1.2 Business Outlook

(1) **Technology** – Nowadays, customers demand digital services with modern technology in order to create value for their businesses, requiring the contact center business to adapt with the current business environment in order to provide efficient services and to keep in line with consumer behavior and reduce operating costs in the long run. Enterprises that are able to develop a wide range of digital products and services will have a competitive advantage, but the technology to be used with a group of customers must be appropriately chosen to ensure that it fits the business' needs. For example, certain service businesses which provide complex information have used artificial intelligence (AI) to provide services but have been unable to ensure customer satisfaction compared to traditional contact centers. However, businesses which provide simple information, such as the real estate business, have used chatbots as a convenient and fast solution to provide information and greatly reduce operation process.

(2) **Partners** – Running a self-sufficient business in this age of rapid and volatile technological changes may result in the business lacking the time or ability to adapt. Therefore, business cooperation with partners who have expertise in certain areas, such as contact center systems, specialized technologies, marketing channels, will be conducive to building credibility for the provision of quality service and contributing to success from business co-operation. Moreover, this is another way to quickly expand the business and develop each other's business.

(3) **Service and Service Channels** – Presently, social media communication has become an integral part of our lives. Therefore, contact center operators that adjust their services through social media or mobile application can reach most customer groups and directly recognize the needs of service users,

allowing them to analyze the behavior of users in order to continuously offer products and services that are appropriate for customers. In addition, a company's ability to adjust its service offerings to suit each customer's business operations by providing differentiated and unique services to its customers and maintaining gives it a competitive advantage.

(4) **Price** – Entry into the contact center industry by small enterprises tend to create competition in terms of pricing, as these enterprises are new to the industry and may lack the experience or knowledge to be able to fully calculate the costs of service and their main focus is on providing lower prices to get customers.

(5) **Service Quality** – To maintain the competitive advantage, contact center operators must develop their employee skills and knowledge to keep up with modern technology and develop technology for offering quality services. Quality services can be achieved through the development of modern technology and effective co-operation with skilled employees. Existing operators dominating the market have a competitive advantage in this area because they have more expertise and experience than new operators. Moreover, operators having certifications for product and service standards according to the ISO standards, which guarantee the quality of service by using clear indicators that are universally accepted, also have a competitive advantage as well.

(6) **Service Satisfaction Measurement** – The service business focuses on creating customer satisfaction by creating a great experience for customers (Customer Experience) in order to retain customers. Consumers in this digital age expect immediate service, prompt response, and quick access to information, and the operator's ability to do so are essential to customer satisfaction. Therefore, customers will choose contact center operators with clear criteria for measuring customer satisfaction and proper tracking period to analyze customer satisfaction results in order to improve service quality.

16.2 Summary Table of Financial Statements for the Past Three Years and the Current Year until the Latest Quarter, Explanation and Analysis of the Financial Position and Operating Results for the Past Year and the Current Year until the Latest Quarter, and Possible Risk Factors Capable of Affecting the Company's Profit

16.2.1 Summary of Financial Statements

Key Financial Information	31 Dec 2020	31 Dec 2021	31 Dec 2022	30 Sep 2023
Operating results (Unit: THB millions)				
Revenues from sales and services	678.83	597.41	620.46	413.67
Total revenues	685.09	657.16	634.89	471.13
Gross profit	76.44	108.32	107.47	60.44
Net profit	(48.85)	55.68	(116.22)	(274.75)

Key Financial Information	31 Dec 2020	31 Dec 2021	31 Dec 2022	30 Sep 2023
Financial position (Unit: THB millions)				
Total assets	698.26	1,002.97	979.36	1,295.31
Total liabilities	135.25	98.77	142.22	82.41
Shareholders' equity	563.01	904.20	787.91	1,212.90
Financial ratio				
Net profit margin (percent)	(7.13)	8.47	(18.23)	(59.42)
Return on equity (percent)	(6.83)	7.59	(13.74)	(27.95)
Return on assets (percent)	(5.60)	8.27	(13.97)	(25.09)
D/E (times)	0.24	0.11	0.17	0.07
Dividend payout ratio (percent)	2.52	3.39	-	-

16.2.2 Explanation and Analysis of the Financial Position and Operating Results

Operating Results

For the nine months ended 30 September 2023, the Company's group reported total revenues (excluding other revenues) of THB 413.7 million, which decreased by THB 21.8 million or 5.0 percent from the same period of the previous year, and reported net loss of THB 279.9 million, which increased by THB 170.5 million or 155.9 percent due to net loss to the Company of THB 274.8 million. In this regard, the increase in net loss resulted from an expected credit loss in Phygital Space Development Company Limited and a loss from investments in equity securities of THB 175.9 million, divided into loss from investments sales of THB 69.8 million and loss from changes in investment value of THB 105.8 million.

For 2022, the Company's group reported total revenues (excluding other revenues) of THB 620.5 million, which increased by THB 23.0 million or 3.9 percent compared to the previous year. Such increase was as a result of revenue from providing marketing communication services on online gaming platforms and e-sports competitions of subsidiaries invested in early 2022. Operating profit amounted to THB 44.8 million, but due to a loss from investments in equity securities of listed companies in the amount of THB 139.7 million, which can be divided into loss on disposal of investment in the amount of THB 40.7 million and loss on changes in the value of THB 98.9 million, and allowance for total assets of THB 20.8 million, including allowance for impairment of investment of THB 9.0 million, allowance of impairment of digital assets of THB 10.0 million, allowance for obsolete inventory of THB 1.4 million, and allowance for expected credit loss of THB 0.4 million, resulted in a loss with respect to the overall performance of 2022, with an overall net loss of THB 116.2 million, which increased by THB 171.9 million or 308.7 percent.

Financial Position

Assets

As of 30 September 2023, the Company's group reported total assets of THB 1,295.3 million, which

increased by THB 316.0 million or 32.3 percent compared to the end of the previous year. The increase in assets was mainly from the cash and cash equivalents from the exercise of warrants (OTO-W1) of THB 699.7 million in the previous quarter and the decrease in assets was from: 1) loss from investing in equity instruments of listed companies on the stock exchange of THB 175.9 million (from sales and marking to market); 2) providing a short-term loan of THB 100 million to another business (Wow Factor Public Company Limited), which is scheduled to be repaid on 25 January 2024, which had no impact on the Company's liquidity and in relation to which Wow Factor Public Company Limited pledged certain shares as collateral for the loan in favor of the Company; 3) payment of a deposit to study a wind power plant project in Vietnam of THB 100 million in the form of an investment in common shares of 19 percent of the total shares of a holding company, in relation to which the Company subsequently requested a refund of the deposit and cancelled the transaction; 4) payment of a security deposit of the group's subsidiaries for participating in joint investment studies with companies in Thailand to conduct joint investment studies in developing and marketing platforms, in relation to which the Company's group was in the process of negotiations to cancel the said transaction; and 5) payment of a deposit to invest in a peer-to-peer-lending platform business of THB 72.0 million, operating an electronic system or network for peer-to-peer lending transactions.

As of 31 December 2022, the Company's group reported total assets of THB 979.4 million, which decreased by THB 23.6 million or 2.4 percent when compared to the end of the previous year. The decrease was mainly from other current financial assets.

Liabilities

As of 30 September 2023, the Company's group reported total liabilities of THB 82.4 million, which decreased by THB 59.8 million or 42.1 percent when compared to the end of the previous year.

As of 31 December 2022, the Company's group reported total liabilities of THB 142.2 million, which increased by THB 43.5 million or 44.0 percent when compared to the end of the previous year. The increase was mainly from current liabilities in terms of trade and other payables.

Shareholders' Equity

As of 30 September 2023, the Company's group reported total shareholders' equity of THB 1,212.9 million, which increased by THB 375.8 million or 44.9 percent when compared to the end of previous year, which was caused by the exercise of the warrants (OTO-W1).

As of 31 December 2022, the Company's group reported total shareholders' equity of THB 787.91 million, which decreased by THB 116.29 million or 12.86 percent when compared to the end of the previous year.

16.2.3 Possible Risk Factors Capable of Affecting the Company's Profit

(1) Strategic Risk

- **Risk of Company Image and Reputation**

The Company places great importance on the data safety of both the Company and its customers. There are security systems in place to prevent the leakage of sensitive information and data to external parties, preventing external parties from accessing the Company's IT system, as well as setting up a backup to store important data in order for the Company to continue its operations seamlessly in the event of a data loss. Moreover, since 2020, the Company has implemented and developed technological safety standards and policies in accordance with the ISO/IEC 27001:2013 Standard to control the usage of data and forbid the use of portable data recording devices to prevent data leakages from the IT system and ensure that the Company's operations are conducted swiftly and are able to meet the set target. In 2022, the Company had no risk of reputation and intellectual property.

- **Risk from Technological Changes**

Technological changes have caused consumer behavior to change towards the digital age, with increasing demand for non-voice and self-service services. If the Company is unable to adjust its services to support the changes in technology or consumer behavior, this may adversely cause the Company to be unable to provide services that fit the needs of consumers and to face increased risks of losing customers. Therefore, the Company has adjusted its services to meet the consumer needs and demands by emphasizing non-voice services, social media communication, and software development to accommodate various technological changes as the customers may need, including by providing cleaning services with robots to reduce costs and increase operational efficiency. Moreover, the Company also organizes training for employees to be able to provide voice and non-voice services efficiently in order to improve customer satisfaction continuously.

- **Risk from Economic Competition**

The Company may be exposed to risk from regional competition. Large competitor companies from neighboring countries or other countries may enter into the Thai market, increasing the competition and possible loss of personnel to competitors and causing higher development and training costs, as well as higher salary and benefits for employees. The Company believes that offering services that meet the internationally accepted standard and that are capable of meeting customer demands is a key factor for customers to realize the benefits provided. The Company provides services to an international standard, including providing a variety of services to customers in order to diversify risks. Therefore, the Company has the potential to compete and increase its profitability in the changing economic conditions.

(2) **Operation Risk**

- **Risk from Turnover Rate of Skilled and Experienced Personnel in Providing Call Center Services**

The Company's business operations rely on personnel with capable communication and service skills, as well as managing interpersonal relationships with customers. In addition, some customer service representatives must use specialized skills and knowledge to provide services to some customers. The Company places huge importance on personnel development by training them to develop their skills continuously. The Company also provides training for its personnel before they start working in order to the services provided to the customers are up to standard. Hence, the loss of such experienced and skilled personnel for any reason may have an effect on the manpower, causing high cost of human resource management, including the time and resources needed to develop new personnel to replace those who have resigned. Therefore, the Company has reviewed and adjusted the organization structure in line with the current situation to be able to operate efficiently, as well as implementing a system to replace employees who are not available to work by having substitutes to replace them immediately and reduce issues that may occur at work. The Company has also implemented measures to reduce the risk of losing important personnel by having a personnel backup plan to mitigate the turnover rate of employees so as not to affect business operations. The Company has also set wages, compensation and welfare at a competitive level according to the market and has made a career growth plan to increase work motivation and reduce the risk of employee turnover.

- **Risk of Reliance on Personnel in Important Positions**

The Company's business requires the knowledge, ability, expertise, and experience of its personnel, especially the high-level management positions. If the Company is unable to retain such important personnel or recruit personnel with the same qualifications for such high-level management positions, operations may be affected. Therefore, the Company has implemented a succession plan covering high-level management positions, together with following up on the progress of such succession plan to ensure that the Company has executives with the knowledge, ability and experience to succeed in important positions in the future.

- **Risk from the Breach or Violation of Contractual Obligations**

The Company's main revenue comes from the outsourced contact center services business, as well as providing design services and developing a complete customer relations service center system operated under the contractual agreements with the counterparty. The Company or the parties involved in the contract may not be able to comply with the contract and may cause damage or fail to undertake actions as planned, such as delays in delivery, which may cause the Company to be subject to a penalty or higher costs for compliance with the contract. Therefore, the Company has set management guidelines by appointing the Legal Department to review the contracts, monitor non-compliance under the contracts, and report to the management. The Company also has a project kick-off meeting with the relevant parties before the start of the contract to define the roles and responsibilities and create a mutual understanding between all involved parties.

- **Risk from New Customers**

Entering into a bid to win a new customer comes with risks as well, such as the history of the customer, the offering of technology that meets the needs of the customers, including delivery and ability to pay. Therefore, the Company has a screening process before bidding.

- **Risk from Climate Change**

Climate change and global warming caused by the increasing greenhouse gases in the atmosphere result in risks from physical climate change and risks from the transition to a low-carbon society. This has caused many countries around the world to be more diligent and alert in taking action to reduce greenhouse gas emission from corporations, which is an international problem that all industries and sectors must work together to solve. Therefore, the Company has issued a policy along with setting the criteria and guidelines for assessing the carbon footprint of the organization to be used as a tool for assessing greenhouse gas emission from the production of products and offering of services. Moreover, the Company has joined various organizations for clean energy cooperation, encouraging emission quality assessment according to international standards, which not only adds credibility to the Company image, but also create sustainability to the business and increase the ability to manage the supply chain. The Company has also issued policies to reduce energy consumption and natural resources, to promote the use of clean energy, and to develop work processes which produce less greenhouse gas emissions, which not only helps reducing the utilities and energy costs, but also results in an increase in return on investment of clean technology, as well as creating opportunities to raise funds from investors looking for sustainable stocks.

- **Risk from Conditions of Sales and Service Contracts**

In the preparation of commercial contracts, different parties may have differing opinions on the terms of the contracts, causing the revision of the terms of the contracts until both parties are satisfied. This may cause delays in the delivery of purchased goods and services. The payment terms for the goods and services of medium to large organizations who are the main customers of the Company may contain inconsistencies. To reduce such risks, the management has engaged legal advisors who can provide legal advice, as well as studying and reviewing the terms of the contract to be in line with the needs of both the buyers and sellers and in line with the international standards, ensuring that the contracts are standardized and acceptable.

- **Investments Risks**

The Company has expanded its investments to new businesses with potential for high growth, namely, 1) Strategic Investment, i.e., investment in tangible and intangible assets, equity investments in companies that have businesses, products or services, and platforms that promote, support and add value to the Company, and (2) Financial Investment, i.e., management of excess liquidity by investing in equities or other financial instruments, etc. Such investments may cause the Company to face the risk from return on investment not meeting expectations, such as a loss from the business operations from the company invested by the Company and the volatility of the prices in the financial asset markets. However, the Board of Directors has set an investment policy for

the Investment Committee to use as guidelines to manage the investments and for all parties involved to be aware of their duties and responsibility to manage the operations with due care, as well as implementing a monitoring system to ensure that the investment made was in accordance with the established procedures.

16.3 Financial Projection for the Current Year

-None-

16.4 List of Directors, Executives and Top Ten Shareholders as at the Record Date of 15 January 2024

16.4.1 List of Directors

No.	First Name - Surname	Position
1	Mr. Supreedee Nimitkul	Independent Director and Audit Committee Member
2	Ms. Natenapa Pusittanont	Independent Director and Audit Committee Member
3	Mr. Priyong Teerasathain	Independent Director
4	Mr. Chaiwat Phithakraktham	Director
5	Mr. Prapat Yorkhant	Director
6	Mr. Issara Rounsuk-udom	Director
7	Mr. Chirayu Chueyam	Chairman of Executive Committee, Vice Chairman of the Board of Directors, and Chief Executive Officer

16.4.2 List of Executives

No.	First Name - Surname	Position
1	Mr. Chirayu Chueyam	Chief Executive Officer
2	Mr. Thawee Udomkitchote	Acting Deputy Chief Executive Officer and Acting Assistant Director of Business Support
3	Ms. Warunee Poodee	Senior Director of Operation
4	Mr. Praphan Somboonngern	Director of Information Technology
5	Mrs. Sasakorn Suppatkul	Director of Sales and Customer Services
6	Mr. Marut Thammaprapon	Assistant Director of Accounting and Finance
7	Ms. Jarinee Ritkanto	Assistant Director of Human Resource

16.4.3 List of Top Ten Shareholders

No.	Name	Number of shares	Percentage
1	Mr. Nattapong Seetavorarat	71,100,000	8.951
2	Mr. Boon-Aue Chitthanom	70,364,799	8.871
3	Thai NVDR Company Limited	20,125,583	2.537
4	Mr. Jarunpat Boonyang	20,000,000	2.521
5	Mr. Apisit Honglawan	18,491,000	2.331
6	Mr. Virat Anurakputti	17,150,000	2.162
7	Mr. Pinyo Rukpanmethree	13,700,000	1.727
8	Mr. Nopporn Achavakulthep	12,650,000	1.595
9	Ms. Sasithorn Pong-on	10,243,000	1.291
10	Mr. Wichai Kungvalchokchai	10,141,500	1.278
11	Other shareholders	529,370,627	66.736
	Total	793,236,509	100.000

16.5 Other Information Capable of Materially Affecting Decision Making by Investors

-None-

17. Opinion of the Board of Directors on the Adequacy of the Working Capital

The Board of Directors viewed that the Company's working capital would still be adequate for its business operations and entering into the transaction would not have a significant impact on the Company's working capital.

18. Pending Material Litigation or Dispute

As of 30 September 2023, the Company and its subsidiaries had no litigation or dispute worth more than 5 percent of the shareholders' equity based on the Company's consolidated financial statements as of 30 September 2023 and no other litigation or dispute which may have a material impact on the business operations of the Company and its subsidiaries.

19. Benefits or Related-Party Transactions between the Company and the Directors, Executives and Shareholders who Directly or Indirectly Hold more than 10 Percent of Shares

As of 30 September 2023, the Company's related-party transactions with individuals and juristic persons who might have conflicts of interest with the Company were as follows:

Related Party and Relationship	Transaction Type	Transaction Value (Unit: THB millions)	
		2022	For the nine months ended 30 Sep 2023
	Other receivables	0.46	0.48

Related Party and Relationship	Transaction Type	Transaction Value (Unit: THB millions)	
		2022	For the nine months ended 30 Sep 2023
1. <u>Inno Hub Co., Ltd.</u> , a subsidiary of the Company with common directors	Accrued income	-	-
	Loans to related parties	76.00	67.80
	Trade payables	0.02	-
	Cost of construction work	0.57	0.01
	Accrued expenses	-	-
2. <u>One to One Professional Co., Ltd.</u> , a subsidiary of the Company with common directors	Trade receivables		24.48
	Other receivables	19.61	3.91
	Trade payables	0.53	-
	Other payables	0.14	-
	Accrued income	-	0.31
	Management service income	0.66	9.21
	Project service income	17.56	47.22
	Construction contract income	1.01	-
	Interest income	0.12	-
	Cost of service	-	-
3. <u>EV Click Co., Ltd.</u> , a subsidiary of the Company with common directors	Other current assets	-	33.65
4. <u>CCS Carbon Clear Solution Co., Ltd.</u> , a subsidiary of the Company with common directors	Other current assets	-	9.68

20. Summary of Material Agreements within the Past Two Years

20.1 Lease Agreements

As of 30 September 2023, the Company's lease agreements were as follows:

No.	Location	Counterparty	Term	Expiration Date
1	Software Park Building, 9 th Floor	National Science and Technology	2 years and 11 months	31 Jul 2024
2	Software Park Building, 10 th Floor	Development Agency	3 years	

No.	Location	Counterparty	Term	Expiration Date
3	Software Park Building, 6 th Floor (Zone F, G2, H2 and I)		2 years and 11 months	
4	Software Park Building, 12 th Floor (Zone B, C, E, F and G)		2 years and 11 months	
5	Software Park Building, 12 th J Floor		2 years, 10 months and 16 days	
6	Software Park Building, 12 th I Floor		2 years, 9 months and 16 days	
7	ERGO Tower, 22 th Floor	STC Logistics Company Limited	3 years	30 Sep 2024
8	Buriram Castle	SIVA BANA Company Limited	3 years	31 Dec 2023 ¹
9	Nonthaburi Warehouse	Light Corporate Company Limited	3 years	31 Dec 2025
10	Regent House Building, 9 th Floor ²	Rajdamri Building Company Limited	3 years	15 May 2024

Remark ¹ The Company renewed such lease agreement for another three years on 1 September 2023 with the expiration date of 31 December 2026.

² Terminated since 30 November 2023.

21. Proxy Forms

Shareholders may appoint a member of the Audit Committee as their proxy to vote on their behalf at the shareholders' meeting as detailed in the Proxy Forms enclosed to the notice of the shareholders' meeting.
