

Opinion of the Independent Financial Advisor Concerning the Asset Acquisition

(Supporting Document for Agenda 8 of
the Extraordinary General Meeting of Shareholders No. 1/2024)

of



One to One Contacts Public Company Limited

The Independent Financial Advisor



Capital Advantage Company Limited

January 23, 2024

-TRANSLATION-

The English Translation of the Independent Financial Advisor's Opinion has been prepared solely for the convenience of foreign shareholders of One to One Contacts Public Company Limited and should not be relied upon as the definitive and official document. The Thai language version of the Independent Financial Advisor's Opinion is the definitive and official document and shall prevail in all aspects in the event of any inconsistency with this English Translation.

No. 018/2024

January 23, 2024

Subject: Opinion of the Independent Financial Advisor concerning the Asset Acquisition Transaction of One to One Contacts Public Company Limited

Attention: Shareholders of
One to One Contacts Public Company Limited

Attachments: 1) Information of Happy Products and Services Co., Ltd., which is the asset to be acquired.
2) Overview of E-Commerce and Home Shopping Business
Business overview and operating performance of One to One Contacts Public Company Limited is shown in Clause 4 of Information Memorandum of One to One Contacts Public Company Limited on the Asset Acquisition Transaction under Schedule 2 (Attachment 5), which are enclosed with the Notification of this Extraordinary Meeting of Shareholders.

References: 1) Resolution of the Board of Directors' Meeting No. 22/2023 of One to One Contacts Plc. held on December 28, 2023.
2) Information Memorandum on the Asset Acquisition Transaction of One to One Contacts Plc. Dated December 28, 2023, and its amendments.
3) Annual Registration Statement (Form 56-1) of One to One Contacts Public Company Limited For the year ended December 31, 2020, and Annual Registration Statement/Annual Report (Form 56-1 One Report) for the year ended December 31, 2021 – 2022.
4) Audited financial statements of One to One Contacts Public Company Limited for the 12-month period ended December 31, 2020 – 2022, the reviewed financial statements for 9 months ended September 30, 2023.
5) Audited financial statements of Happy Products and Services Company Limited for the 12-month period ended December 31, 2020 – 2022 and internal financial statements prepared by management for the 9-month period ending September 30, 2023.
6) Legal Due Diligence Report of Happy Products and Services Company Limited dated December 7, 2023, by Tilleke & Gibbins International Ltd.
7) Memorandum of understanding for the purchase of common shares of Happy Products and Services Company Limited, dated November 24, 2023, and additional information version as of December 28, 2023.
8) Share pledge agreement of Happy Products and Services Company Limited, dated November 24, 2023.
9) Draft Share Purchase Agreement of Happy Products and Services Company Limited dated December 28, 2023.
10) Company Affidavit, Memorandum of Association, general ledger and other information and documents, as well as interviews with the management and relevant staff of One to One Contacts Public Company Limited, and Happy Products and Services Company Limited.

Disclaimers: 1) Results of the study conducted by Capital Advantage Co., Ltd. ("**CapAd**" or the "**Independent Financial Advisor**" or the "**IFA**") in this report are based on information and assumptions provided by management of One to One Contacts Public Company Limited, and Happy Products and Services Company Limited, as well as

information disclosed to the public on the websites of the Securities and Exchange Commission (www.sec.or.th) and the Stock Exchange of Thailand (www.set.or.th).

- 2) The Independent Financial Advisor shall not be responsible for profits or losses and any impact resulting from the transaction.
- 3) The Independent Financial Advisor conducted the study with knowledge, skills, and cautiousness in accordance with the professional ethics.
- 4) The Independent Financial Advisor considers and provides its opinions based on the situation and information at the present time. Any significant change in such situation and information may affect the study results in this report.

The Board of Directors' Meeting No. 22/2023 of One to One Contacts Public Company Limited (the "**Company**") held on December 28, 2023 resolved to approve the purchase of common shares in Happy Products and Services ("**HPS**") from (1) Miss Apirawee Pichayadecha, (2) Miss Duangkamon Kietsukasem (or any specified individuals) (*In this regard, persons designated by person (1) and (2) are not the Company's connected persons*) and (3) LAZ INVESTMENTS LTD. (collectively referred to as "**the Sellers**") totaling 9,000,000 shares, with a par value of THB 10 per share, representing 100% of the total number of shares in HPS, at a total purchase price of THB 150,000,000. HPS is a provider and distributor of products through various distribution channels (omni channel), including television (Nation TV Channel 22), websites (Happyshoppingofficial.com), online platforms, and social media such as Facebook, Shopee, Lazada, TikTok, etc. under the name Happy Shopping (the "**HPS Share Acquisition Transaction**"), and it is proposed to present this matter to the shareholders' meeting for further consideration.

In this regard, HPS Shares Acquisition Transaction constitutes the acquisition of assets 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 Assets B.E. 2547, as its amendments, ("**Notifications on Acquisition or Disposition of Assets**"). The highest transaction size is equivalent to 21.92% according to the total value of consideration criteria based on the Company's reviewed consolidated financial statements ending on September 30, 2023, and when combined with the Company's previous asset acquisition transactions that occurred within 6 months prior to the date on which the Board of Directors' meeting resolved to propose to the shareholders' meeting to consider and approve the aforementioned transactions (with a maximum transaction size of 47.60% of the total value of consideration), the maximum transaction size is 59.18% based on the total value of consideration, thus falling under the Class-1 Transactions pursuant to the Notifications on Acquisition or Disposition of Assets, as defined by the transaction size equal to or higher than 50%.

Therefore, the Company is required to disclose information on the entering into the asset acquisition transaction to the Stock Exchange of Thailand and appoint an independent financial advisor to render an opinion to the shareholders of the Company. It also has to seek approval from the shareholders' meeting with affirmative votes of at least three-fourths of the total votes of the shareholders who attend the meeting and are eligible to vote, excluding shareholders with conflict of interest.

Moreover, the HPS Shares Acquisition Transaction also constitutes an acquisition or acceptance of transfer of other company's business of the Company pursuant to Section 107 (2) (Khor) of the Public Limited Companies Act B.E. 2535 (and its amendments), which requires the Company to hold a shareholders' meeting to consider and approve the HPS Shares Acquisition Transaction with required affirmative votes of not less than three-fourths of the total votes of the shareholders who attend the meeting and are eligible to vote.

The Company has appointed Capital Advantage Co., Ltd. as the independent financial advisor ("**CapAd**" or the "**Independent Financial Advisor**" or the "**IFA**") to render an opinion to shareholders concerning the reasonableness and appropriateness of price and conditions of the Asset Acquisition Transaction.

CapAd has studied details of the Information Memorandum on Asset Acquisition Transaction of the Company and information from interviews with management and executives of the Company as well as documents received from the Company, and HPS such as financial statements, financial projection, relevant agreements and documents, as well as information disclosed to the public, information disclosed on websites of the SET and the Office of the Securities and Exchange Commission

("SEC"), and financial information available from various websites as a basis for rendering our opinion on such transaction.

The opinion of CapAd in this report assumes that the information and documents provided are accurate, true, and complete as prepared by the management of the company and HPS. The Independent Financial Advisor has reviewed the information according to the professional standard and found no material anomalies. However, CapAd is unable to assure or guarantee any accuracy or completeness of such information. In deriving its opinion, CapAd considers the current operating environment and most up-to-date information at the time of issuance of this report. Any change or future incidents may have material impact on business operation and financial projection of HPS and assessment and analysis of CapAd, as well as decision of shareholders on the Asset Acquisition Transaction.

In providing the opinion to shareholders, CapAd studies and analyzes the information stated above by considering the reasonableness of the Asset Acquisition Transaction, price and conditions, and all relevant factors. CapAd has considered such information thoroughly and reasonably according to professional standards for the best interests of shareholders.

The attachments to this report are deemed as part of this opinion report and are information that shareholders should consider in conjunction with this report.

After considering and studying all the information on the Asset Acquisition Transaction, CapAd would like to summarize the results as follows:

Abbreviation

"Company" or "OTO"	One to One Contacts Public Company Limited
"The Company Group"	The Company, its subsidiaries and associated companies
"HPS"	Happy Products and Service Company Limited
"KGEN"	King Gen Public Company Limited
"PFA"	Peer For All Company Limited
"PSD"	Phygital Space Development Company Limited
"MOU for the Purchase of common shares"	Memorandum of understanding for the purchase of common shares of Happy Products and Services Company Limited, dated November 24, 2023, between Miss Duangkamon Kietsukasem and Miss Apirawee Pichayadecha and One to One Contacts Public Company Limited
"Share Pledge Agreement"	Share pledge agreement of Happy Products and Services Company Limited, dated November 24, 2023, between Miss Duangkamon Kietsukasem and Miss Apirawee Pichayadecha as pledgors and One to One Contacts Public Company Limited as a pledgee.
"Draft Share Purchase Agreement"	Draft Share Purchase Agreement of Happy Products and Services Company Limited dated December 28, 2023, between (1) Miss Apirawee Pichayadecha (2) Miss Duangkamon Kietsukasem and (3) LAZ INVESTMENTS LTD. as the Sellers and One to One Contacts Public Company Limited as the Buyer
"Share Purchase Agreement"	Share Purchase Agreement of Happy Products and Services Company Limited, signed by the Buyer and Sellers. As of the date of this report, the details of the agreement are still under negotiation.
"Sellers"	(1) Miss Apirawee Pichayadecha (2) Miss Duangkamon Kietsukasem (or any specified individuals) and (3) LAZ INVESTMENTS LTD.
"Private Placement" or "PP"	The issuance and offering of newly issued ordinary shares of the Company to specific person
"PP Shares Issuance and Offering Transaction"	The issuance and offering of up to 1,200,000,000 newly issued ordinary shares of the Company, with par value of THB 1 per share, via private placement to 6 persons at the offering price of THB 0.60 per share with a total value not exceeding THB 720,000,000
"HPS Shares Acquisition Transaction"	The purchase of all 9,000,000 common shares of Happy Products and Services Co., Ltd. with a par value of THB 10 per share, calculated as 100% of the total number of shares issued and fully paid of HPS.
"Core Business"	Providing Call Center and Customer Service Center of the Company
"Inbound Services"	Full-service Customer Service Center is provided, with the majority of revenue coming from inbound service, which provides information about products and services.
"Outbound Services"	Providing calling services to contact customers (Outbound Service) for sales and offering products and services.
"Tilleke & Gibbins"	Tilleke & Gibbins International Ltd. is the author of the Legal Due Diligence Report of HPS
"Independent Financial Advisor" or "IFA" or "CapAd"	Capital Advantage Company Limited
"SEC"	The Security and Exchange Commission, Thailand
"SET"	The Stock Exchange of Thailand
"Notifications on Acquisition or Disposition of Assets"	The Notification of the Capital Market Supervisory Board No. TorChor. 20/2551 Re: Rules on Entering into Material Transactions Deemed as Acquisition or Disposition 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 or Disposition of Assets B.E. 2547 (2004) and its amendments
"The Public Limited Companies Act"	The Public Limited Companies Act B.E. 2535 (and its amendments)
"NTA"	Net Tangible Assets
"WACC"	Weighted Average Cost of Capital

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Attachment 1: Information of Happy Products and Services Co., Ltd., which is the asset to be acquired.
Attachment 2: Overview of E-Commerce and Home Shopping Business

Executive Summary

The Board of Directors' Meeting No. 22/2023 of One to One Contacts Public Company Limited (the "**Company**") held on December 28, 2023 resolved to approve the purchase of common shares in Happy Products and Services ("**HPS**") from (1) Miss Apirawee Pichayadecha, (2) Miss Duangkamon Kietsukasem (or any specified individuals) (*In this regard, persons designated by person (1) and (2) are not the Company's connected persons*) and (3) LAZ INVESTMENTS LTD. (collectively referred to as "**the Sellers**") totaling 9,000,000 shares, with a par value of THB 10 per share, representing 100% of the total number of shares in HPS, at a total purchase price of THB 150,000,000. HPS is a provider and distributor of products through various distribution channels (omni channel), including television (Nation TV Channel 22), websites (Happyshoppingofficial.com), online platforms, and social media such as Facebook, Shopee, Lazada, TikTok, etc. under the name Happy Shopping (the "**HPS Share Acquisition Transaction**"), and it is proposed to present this matter to the shareholders' meeting for further consideration.

In this regard, the HPS Shares Acquisition Transaction constitutes the acquisition of assets 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 Assets B.E. 2547, as its amendments, ("**Notifications on Acquisition or Disposition of Assets**"). The highest transaction size is equivalent to 21.92% according to the total value of consideration criteria based on the Company's reviewed consolidated financial statements ending on September 30, 2023, and when combined with the Company's previous asset acquisition transactions that occurred within 6 months prior to the date on which the Board of Directors' meeting resolved to propose to the shareholders' meeting to consider and approve the aforementioned transactions (with a maximum transaction size of 47.60% of the total value of consideration), the maximum transaction size is 59.18% based on the total value of consideration, thus falling under the Class-1 Transactions pursuant to the Notifications on Acquisition or Disposition of Assets, as defined by the transaction size equal to or higher than 50%. In the past 6 months, the Company has acquired assets, which account for 47.60% of the total consideration. These transactions include (1) land purchases, which account for 9.45% of total consideration (referenced in document number OTO 076/2566 regarding land purchases, notified to the Stock Exchange of Thailand on September 1, 2023), and (2) investments in Peer For All Co., Ltd. ("**PFA**"), which account for 38.15% of total consideration (referenced in document number OTO 097/2566 regarding investment in PFA, notified to the Stock Exchange of Thailand on November 13, 2023).

Therefore, the Company is required to disclose information on the entering into the asset acquisition transaction to the Stock Exchange of Thailand and appoint an independent financial advisor to render an opinion to the shareholders of the Company. It also has to seek approval from shareholders' meeting with affirmative votes of at least three-fourths of the total votes of the shareholders who attend the meeting and are eligible to vote, excluding shareholders with conflict of interest.

Moreover, the HPS Shares Acquisition Transaction also constitutes an acquisition or acceptance of transfer of other company's business of the Company pursuant to Section 107 (2) (Khor) of the Public Limited Companies Act B.E. 2535 (and its amendments), which requires the Company to hold a shareholders' meeting to consider and approve the HPS Shares Acquisition Transaction with required affirmative votes of not less than three-fourths of the total votes of the shareholders who attend the meeting and are eligible to vote.

The Company has appointed Capital Advantage Co., Ltd. as the independent financial advisor ("**CapAd**" or the "**Independent Financial Advisor**" or the "**IFA**") to render an opinion to shareholders concerning the reasonableness and appropriateness of price and conditions of the Asset Acquisition Transaction. CapAd has considered the objectives and necessity of the transaction, along with the advantages, disadvantages, benefits, and risks as follows.

The Company has operated as a service provider, providing Call Center and Customer Service Center since 2001. Customers of the Company include government agencies, state enterprises, and private companies. The main customer group of the Company consists of airline groups, banking groups, insurance business groups, and retail groups.

However, since the outbreak of the Coronavirus Disease 2019 (COVID-19) at the beginning of the year 2020, the Company has been impacted by the cancellation of services by some project clients due to the suspension or reduction of service capacity. This directly affects the Company's operations. The Company's revenue from sales and services has continuously decreased. The main source of revenue, which is revenue from providing full-service customer relationship management to business aviation clients, has significantly decreased since the year 2020. Although these numbers have slightly improved in the year 2023 due to the gradual relaxation of the COVID-19 situation, there are still various risks. These risks include the possibility of a new strain of the disease spreading, political uncertainties both domestically and internationally.

The Company has therefore changed its business strategy by focusing on cost management, as well as developing more efficient work processes and transforming the business structure to utilize more Digital Technology. In addition, the Company aims to expand its operations by venturing into other businesses and seeking opportunities to invest in New S-Curve businesses (future industries that emphasize technology and innovation) to achieve sustainable long-term growth, while maintaining international service standards. This is done by leveraging the Company's experience and expertise in the industry. Furthermore, in recent years, the Company has attempted to generate revenue from its core business of providing full-service customer relationship management, primarily through Inbound Services to provide information about products and services. The goal is to increase revenue from Outbound Services, which involves contacting customers to offer products and services based on existing customer databases, to better meet customer needs. However, the Company has not been able to generate revenue from Outbound Services as originally targeted, as the strategies and skills used in providing Inbound Services and Outbound Services differ.

Therefore, the Company considers investing in common shares of HPS, which is a provider and distributor of products through various channels (omni channel) including television, websites, online platforms, and social media. It also has a Call Center department that can provide both Inbound Service and Outbound Service. This investment will help increase the Company's sources of income and diversify its investment risks. Additionally, it will contribute to the improvement of the Outbound Service, especially in terms of sales or offering products or services through the Company's Call Center, as planned by the Company.

The advantages and benefits of the Asset Acquisition Transaction are as follows:

- (1) It is a way to diversify investment risks and increase sources of income from service and product distribution businesses through various distribution channels (omni channel). It also helps to reduce reliance on income from Core Business that has been greatly affected by the COVID-19 situation, resulting in a significant decrease in the Company's income.
- (2) This is an investment that will help enhance the potential of the Call Center business, which is the Core Business of the Company, through the acquisition of HPS. This acquisition will help strengthen the Outbound Service, particularly in presenting products alongside sales, which is expected to increase customer satisfaction and result in higher revenue from existing channels for the Company. Additionally, the Company plans to collaborate with HPS to reach new customers, specifically for the Outbound Service, in which the Company has expertise in designing, developing, and installing comprehensive data service center systems, while HPS has a team of customer relations service experts, which will contribute to long-term growth for the Company.
- (3) This is an investment in a company that provides comprehensive services, which is likely to increase future revenue opportunities for the Company. HPS is a provider and distributor of products through various distribution channels (omni channel), including television, websites, online platforms, and social media. They offer sales support services that cover call center service, warehouse services, delivery services, payment services, offline and online advertising production services, and additional advertising time allocation services. This allows HPS to provide customers with a One Stop Service, which helps to increase convenience, save time and resources in their business operations. This strength enables HPS to penetrate new customer bases and increase future revenue opportunities for the Company.
- (4) It is an investment in a business without any debt burden and interest payments in paying for HPS shares, as the Company will use funds from Private Placement Shares Issuance and Offering Transaction.

However, the disadvantages and risks of the Asset Acquisition Transaction are as follows:

- (1) The liquidity risk of HPS, which may increase the burden for the Company to inject capital into HPS or provide financial assistance to HPS in the near future. Since the operation began in 2019, the performance and financial position of HPS have consistently indicated liquidity problems. HPS has lower current assets than current liabilities, which may indicate that HPS has a low ability to repay short-term debts. It has accumulated losses exceeding capital or negative shareholders' equity. It has a negative net loss from operations. There has been a negative cash flow from operations since 2020. In the notes to the financial statements of HPS for the fiscal years 2022 which is the latest audited financial statement, the Company's auditor mentioned the above indicators and commented that the situation indicates significant uncertainty regarding the appropriateness of the accounting criteria for ongoing operations. However, the parent company of HPS at that moment, which is King Gen Public Company Limited., provided financial support to ensure that HPS could meet its debt obligations for at least 12 months after the end of the reporting period. This allowed HPS to use the criteria for ongoing operations in preparing its financial statements. In the past, HPS received additional liquidity from its shareholders. Since 2020, HPS has consistently increased its capital for existing shareholders. Hence, following the completion of the HPS Shares Purchase Transaction, if the performance and financial indicators of HPS continue to display persistent liquidity challenges, it becomes the Company's obligation to provide financial assistance to HPS. This assistance can be in the form of capital infusion or provision of loans, ensuring the uninterrupted continuation of HPS's operations.
- (2) The risks of operating HPS business may result in operations not going as planned, as the main income of HPS comes from selling products through only one digital television channel, which is Nation TV Channel 22, with a contract signed on a yearly basis. Based on past data, it has been found that the rating of digital television channels affects the decrease in HPS's revenue. Additionally, customer behavior has changed, with particularly new generation individuals not watching television. In addition, if HPS is unable to maintain a consistent contract with Nation TV, it may directly impact the revenue from product sales - Inbound, which is the main source of income for HPS. In the year 2022 and the first 11 months of 2023, the aforementioned revenue accounted for 52.04% and 50.06%, respectively of the total revenue. Therefore, the future operations may not go as expected due to changes in various factors, which may affect the performance of HPS and the Company as a whole, which cannot be avoided.
- (3) Risk from impairment of Goodwill as referenced by the evaluation of the fair value of HPS in Part 3 of this report, the purchase price of HPS shares is higher than the fair value of HPS shares assessed by the Independent Financial Advisors. Therefore, the Company may be at risk of recording a loss from the impairment of goodwill in the future. In this regard, from the preliminary assessment of the IFA, the Company may need to record goodwill in the amount of THB 167.98 million (equivalent to 111.99% of the purchase price of HPS shares). However, the actual goodwill is calculated from the Purchase Price Allocation according to the Financial Reporting Standard No. 3, which is prepared by the Company in the future and is the discretion of the Company and its auditor. Therefore, the actual accounting recording in the future after the Purchase Price Allocation may be materially different from the above-mentioned figures.
- (4) The risk of relying on executives and specific personnel to operate the business. The Company needs to rely on key executives and teams of HPS, who have experience in providing and distributing products (Outbound Service) more than the Company's own team, which specializes in being a data service provider and customer relationship service center (Inbound Service).
- (5) Shareholders of the Company will be affected by a 20.80% decrease in the proportion of shareholding (Control Dilution) and a 1.32% decrease in the stock price of the Company (Price Dilution) due to the source of capital for the transaction to purchase HPS shares amounting to THB 150 million, which came from funds obtained from the issuance and offering of PP ordinary shares of the Company amounting to THB 125 million (because the Company has already paid a deposit to the Seller of HPS shares in the amount of THB 25 million).
- (6) The proposed purchase price for HPS shares is deemed unreasonable. The Independent Financial Advisor has assessed the fair value of HPS (or the value of HPS shares at 100%) to be between THB 24.57 - 28.20 million, which is lower than the HPS shares purchase price of THB 150 million, equivalent to 121.80 - 125.43 or less than 81.20% - 83.62%. Furthermore, it is worth noting that on June 27, 2023, King Gen PLC made an announcement to the Stock Exchange regarding the sale of 4,500,000 common shares of HPS. This transaction, which accounted for 50% of the total HPS shares, was completed with Clareville Capital Opportunities Fund Limited at a total value of

approximately THB 10.08 million. Consequently, the value of HPS stocks stood at 100% during that time, amounting to approximately THB 20.17 million (rounded up). It is important to highlight that this figure was lower than the purchase price of HPS shares in this transaction, which was THB 150.00 million, equivalent to THB 129.83 million or lower by 86.55%.

- (7) The Company may risk failing to receive the indemnity for damage caused by a breach of the agreement or the representations by the Sellers of HPS Shares (if any) since one of the Sellers are newly established entities with a small amount of paid-up capital.

Sufficiency of Source of Funds for the Transaction

The Company will use the capital received from the Private Placement Shares Issuance and Offering Transaction (which will be approved at this shareholders' meeting of the Company) to pay the compensation for the purchase of HPS shares in an amount not exceeding THB 150.00 million, which is equivalent to only 20.83% of the amount the Company will receive from the capital increase.

In addition, since the allocation of ordinary shares for the capital increase of the Company to support the offering of newly issued shares to Private Placement and the consideration of the purchase of ordinary shares in HPS are separate matters, the consideration and approval of the matters are independent of each other. Therefore, if the shareholders of the Company do not approve the consideration of the allocation of ordinary shares for the capital increase of the Company, the Company will use internal funds to pay the compensation for the purchase of HPS shares. As of September 30, 2023, the Company's consolidated financial statements have cash and cash equivalents of THB 220.41 million and financial assets of THB 244.28 million, totaling THB 464.69 million.

However, if we look at the overall picture of the Company's financial budget plan, the Company still has the burden of paying the remaining shares from the purchase of ordinary shares in Peer for All Co., Ltd. ("**PFA**"), amounting to THB 444.10 million (calculated from the total purchase value of THB 565 million, minus the collateral of THB 120.90 million) (*referenced in letter number OTO 097/2566 regarding the purchase of PFA shares, which was reported to the Stock Exchange of Thailand on November 13, 2023*). Moreover, the Company also plans to participate in bidding for large-scale government projects with a project value of at least THB 500 million, which requires the Company to prepare working capital for project operations before it can start generating income according to the contract (referenced in letter number OTO 099/2566 regarding the Notification of the Board of Directors' Meeting No. 19/2023 (Revised), which was reported to the Stock Exchange of Thailand on December 4, 2023). Therefore, if the shareholders of the Company do not approve the PP Share Issuance and Offering Transaction, the Company may not have sufficient capital to engage in HPS Share Acquisition Transaction, or if the Company considers engaging in HPS Share Acquisition Transaction, it may miss opportunities to invest in other businesses or miss opportunities to bid on projects according to the Company's plan, or it may have to face the risk of liquidity of the Company's working capital. Additionally, if the Company needs to sell financial assets to be a source of capital for transactions, the Company will be exposed to potential loss due to the sale of the investments, which may adversely impact the Company's performance.

Deposit according to MOU for the purchase of common shares of HPS

On November 24, 2023, the Company signed a memorandum of understanding for the purchase of common shares of Happy Products and Service Company Limited ("**MOU for the purchase of common shares**"). The Company also placed a refundable deposit of THB 25 million to Miss Apirawee Pichayadecha and Miss Duangkamon Kietsukasem for the purpose of conducting due diligence of HPS's business. Miss Apirawee Pichayadecha (holding 900,000 shares of HPS) and Miss Duangkamon Kietsukasem (holding 3,600,000 shares of HPS) are 2 of 3 shareholders of HPS, collectively owning 4,500,000 shares, which accounts for 50% of the total shares of HPS. The deposit of THB 25 million represents 16.67% of the total purchase price and 33.33% of the purchase value specifically for the shares held by the 2 out of 3 shareholders who signed the MOU for the purchase of common shares. The proportion of the deposit is 33.33%, it is considered higher than the general deposit rate of 10 - 20%. However, the Company has pledged the HPS shares of the aforementioned 2 out of 3 shareholders, totaling 4,500,000 shares, which is 50% of the total shares of HPS, in order to reduce potential risks.

However, according to the valuation of the fair value of HPS in Part 3 of this report, the fair value of the HPS shares that the Company has received a pledge is between THB 12.28 - 14.10 million, which is lower than THB 25 million deposit, equivalent to THB 10.90 - 12.72 million or less than 43.60% - 50.87% of the deposit. Therefore, the Company will be at risk if the company does not receive a

refundable deposit because the value of the shares of HPS that the Company received a pledge will not cover the value of the damage incurred from the loss of the deposit. However, in the Share Pledge Agreement, it states that in the event of forced sale of the pledged shares, the net amount of money received, or the price of the shares pledged (depending on the case) is less than the deposit amount according to the MOU for the purchase of common shares, including the debt from the breach, the pledgors (Miss Apirawee Pichayadecha and Miss Duangkamon Kietsukasem) agree to take responsibility for compensating the amount of money or share price that is lacking to the pledgee until it is fully paid as per the deposit amount according to the MOU for the purchase of common shares, including debts from breaches.

Termination of MOU for the purchase of common shares

The MOU for the purchase of common shares shall be cancelled in the event of any of the following circumstances:

- (1) Unsatisfactory due diligence results of HPS's business for the buyer (i.e., the Company).
- (2) Failure to obtain approval for the share purchase transaction from the Board of Directors' Meeting or the Shareholders' Meeting of the buyer.
- (3) Signing of the Share Purchase Agreement by the contracting party and other shareholders (in this case, LAZ INVESTMENTS LTD.).
- (4) Miss Apirawee Pichayadecha or Miss Duangkamon Kietsukasem (collectively referred to as "**the sellers under MOU for the purchase of common shares**") fails to comply with the conditions specified in the MOU for the purchase of common shares, and the buyer exercises the right to cancel this MOU for the purchase of common shares in writing.
- (5) The buyer fails to comply with the conditions specified in the MOU for the purchase of common shares, and the sellers under the MOU for the purchase of common shares exercise the right to cancel this MOU for the purchase of common shares in writing.
- (6) The contracting parties mutually agree to cancel this MOU for the purchase of common shares.
- (7) The contracting party and other shareholders do not sign the Share purchase Agreement within the timeframe of this MOU for the purchase of common shares.

In the event that this MOU for the purchase of common shares is cancelled under any of the above clauses (1) - (7), the sellers under the MOU for the purchase of common shares agrees to refund the deposit to the buyer within 7 days from the end date of this MOU for the purchase of common shares, unless in the case of clause (3) where the contracting parties agree in the Share Purchase Agreement to use the deposit as part of the payment for the share purchase price for the shares of the sellers.

Moreover, if the Company cannot agree on the final conditions¹ within a period of 6 months from the date of signing the MOU for the Purchase of common shares (within May 24, 2024) or until the date the MOU for the Purchase of common shares is cancelled, the Company can fully reclaim the deposit within 7 days from the date the MOU for the Purchase of common shares ends. The final conditions are in accordance with all conditions precedent under the rules and conditions of the Share Purchase Agreement that will be negotiated and agreed upon by the Sellers and the Buyer

After considering the objective and necessity of the transaction, as well as the advantages, disadvantages, benefits, and risks involved, the IFA is of the opinion that the Company has valid reasons and a necessity to increase sources of income and enhance the potential of the main business. However, due to the inappropriate purchase price of HPS shares, as well as the liquidity risk of HPS and potential accounting impact, the IFA believes that as of the date of this report, **this Asset Acquisition Transaction is not considered reasonable.**

In considering the appropriateness of price and conditions of the Asset Acquisition Transaction, the Independent Financial Advisor has the following opinion:

Value of HPS derived from various valuation approaches can be summarized in the table below:

¹ As of the date of this report, the details of the Share Purchase Agreement are still under negotiation. The final conditions will be determined and stated in the signed version of the Share Purchase Agreement by both the Buyer and the Sellers.

Table 1: Summary table comparing the value of HPS shares according to various valuation methods.

BPS	Fair value of HPS ^{1/}	Purchasing Price of HPS Shares ^{2/}	Purchase Price of HPS shares Higher (Lower) than Fair Value of HPS	
	(THB Million)	(THB Million)	(THB Million)	(%)
	(1)	(2)	(3) = (2) – (1)	(3) / (2)
Book Value Approach	n.a.	150.00	n.a.	n.a.
Adjusted Book Value Approach	n.a.	150.00	n.a.	n.a.
Market Value Approach	n.a.	150.00	n.a.	n.a.
Price to Book Value Ratio Approach	n.a.	150.00	n.a.	n.a.
Price to Earnings Ratio Approach	n.a.	150.00	n.a.	n.a.
Precedent Transaction Comparable Approach	20.17	150.00	129.83	86.55
Discounted Cash Flow Approach	24.57 – 28.20	150.00	121.80 – 125.43	81.20 – 83.62

Remarks:

1/ Fair value assessed by the Independent Financial Advisor

2/ The Company will purchase 9,000,000 ordinary shares in HPS, which is equivalent to 100% of the total number of shares in HPS, at a total purchase price of THB 150.00 million.

The Independent Financial Advisor is of the opinion that the Discounted Cash Flow Approach is the appropriate approach for valuing the total value of HPS shares (or the value of HPS shares at 100%) because it can reflect HPS's future profitability. Under this approach, the fair value of HPS shares is in the range of THB 24.57 – 28.20 million, which is lower than the purchase price of HPS shares by THB 121.80 – 125.43 million or by 81.20% - 83.62% of the purchase price of HPS.

Therefore, the IFA is of the opinion that the purchasing price of HPS shares of THB 150.00 million is considered inappropriate since it is higher than the fair value of HPS shares.

When considering reasonableness of the asset acquisition transaction and the appropriateness of price and conditions of the asset acquisition transaction, **the Independent Financial Advisor opines that shareholders should not approve the entering into this asset acquisition transaction.**

The valuation of HPS shares by the Independent Financial Advisor is based on past data of HPS and the current business plan of HPS' former management only (evaluated as is). However, the future performance of HPS, which will occur after this transaction, will be under the management of the Company. Therefore, the future value of HPS shares may be higher than the valuation by the Independent Financial Advisor, depending on the new business plan, value creation (synergy), cost reduction, and the ability to manage HPS in the future by the Board of Directors and management of the Company.

Shareholders should study information in all documents attached to the notice of the shareholders' meeting prior to making the decision. The consideration to approve the asset acquisition transaction rests primarily on and is the sole discretion of the shareholders.

CapAd, as the Independent Financial Advisor, hereby certifies that the above opinion is rendered with due care in accordance with the professional standards for the benefit of shareholders.

Details of the Independent Financial Advisor's opinion are as follows:

Part 1: General Details of the Asset Acquisition Transaction**1. Characteristics and Details of the Transaction****1.1 Objectives and Background of the Transaction**

The Board of Directors' Meeting No. 22/2023 of One to One Contacts Public Company Limited (the "**Company**") held on December 28, 2023 resolved to approve the purchase of common shares in Happy Products and Services ("**HPS**") from (1) Miss Apirawee Pichayadecha, (2) Miss Duangkamon Kietsukasem (or any specified individuals) and (3) LAZ INVESTMENTS LTD. (collectively referred to as "**the Sellers**") totaling 9,000,000 shares, with a par value of THB 10 per share, representing 100% of the total number of shares in HPS, at a total purchase price of THB 150,000,000. HPS is a provider and distributor of products through various distribution channels (omni channel), including television (Nation TV Channel 22), websites (Happyshoppingofficial.com), online platforms, and social media such as Facebook, Shopee, Lazada, TikTok, etc. under the name Happy Shopping (the "**HPS Shares Acquisition Transaction**"), and it is proposed to present this matter to the shareholders' meeting for further consideration.

1.2 Date of the Transaction

The Company expects to enter into a share sale and purchase agreement with the Sellers (the "**Share Purchase Agreement**") within February 28, 2024 and that the HPS Shares Acquisition Transaction will be completed within April 30, 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.

According to the Draft Share Purchase Agreement and the MOU for the Purchase of common shares, no specific timeframe has been set for the buyer and sellers to complete the purchase of HPS shares. However, the Memorandum of Understanding for the Purchase of Shares specifies a timeframe, stating that the MOU for the Purchase of common shares has a duration of 6 months from the date of signing the MOU for the Purchase of common shares (which is due within 6 months by May 24, 2024) or until this MOU for the Purchase of common shares is cancelled according to the conditions stated in the MOU for the Purchase of common shares, unless the buyer and sellers agree otherwise ("**Duration of the MOU for the Purchase of common shares**")

Termination of the MOU for the Purchase of common shares

The MOU for the Purchase of common shares will be cancelled when any of the following events occur.

- (1) The result of the due diligence of HPS's business is unsatisfactory to the Buyer (i.e., the Company).
- (2) The transaction of buying and selling shares did not receive approval from the Board of Directors' Meeting or the Shareholders' Meeting of the Buyer.
- (3) When the contracting party and other shareholders (in this case, LAZ INVESTMENTS LTD.) have signed the Share Purchase Agreement.
- (4) Miss Apirawee Pichayadecha or Miss Duangkamon Kietsukasem (collectively referred to as the "**sellers under the MOU for the Purchase of common shares**") did not comply with the conditions specified in the MOU for the Purchase of common shares, and the buyer exercised the right to terminate this MOU for the Purchase of common shares in writing.
- (5) The buyer did not comply with the conditions specified in the MOU for the Purchase of common shares, and the sellers under the MOU for the Purchase of common shares exercised the right to terminate this MOU for the Purchase of common shares in writing.
- (6) The contracting parties have mutually agreed to terminate this MOU for the Purchase of common shares.
- (7) When the contracting party and other shareholders did not sign the Share Purchase Agreement within the Duration of the MOU for the Purchase of common shares.

In the event that this MOU for the purchase of common shares is cancelled under any of the above clauses (1) - (7), the sellers under the MOU for the purchase of common shares agrees to refund the deposit to the buyer within 7 days from the end date of this MOU for the purchase of common shares, unless in the case of clause (3) where the contracting parties agree in the Share Purchase Agreement to use the deposit as part of the payment for the share purchase price for the shares of the sellers.

Moreover, if the Company cannot agree on the final conditions² within a period of 6 months from the date of signing the MOU for the Purchase of common shares (within May 24, 2024) or until the date the MOU for the Purchase of common shares is cancelled, the Company can fully reclaim the deposit within 7 days from the date the MOU for the Purchase of common shares ends. The final conditions are in accordance with all conditions precedent under the rules and conditions of the Share Purchase Agreement that will be negotiated and agreed upon by the Sellers and the Buyer

1.3 Contract Parties and Relationship with the Company

Table 1-1: Contract Parties and Relationship with the Company

Buyer	: One to One Contacts Public Company Limited (the "Company")
Sellers	: Miss Apirawee Pichayadecha ^{1/} for 900,000 shares, which is 10% the total number of shares. Miss Duangkamon Kietsukasem ^{1/} for 3,600,000 shares, which is 40% the total number of shares. LAZ INVESTMENTS LTD. ^{2/} for 4,500,000 shares, which is 50% the total number of shares.
Relationship between Buyer and Sellers	: 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

Remarks:

- 1/ and/or their designee(s). In this regard, Miss Apirawee Pichayadecha and Miss Duangkamon Kietsukasem are shareholders of HPS since March 7, 2019, which is the date of establishment of HPS. This information is referenced from the shareholder list of HPS (Form BorJor.5) dated January 5, 2024.
- 2/ LAZ INVESTMENTS LTD. is a limited company registered under the laws of the British Virgin Islands, with Ms. Tan Lian Kiow as the sole shareholder. In this regard, LAZ INVESTMENT LTD. has been a shareholder of HPS since September 30, 2023, according to the shareholder list of HPS (Form BOJ.5) dated January 5, 2024.

1.4 General Characteristics of the Transaction

The Company will acquire all ordinary shares of HPS in the amount of 9,000,000 shares with par value of THB 10.00 per share, representing 100% of total issued and paid-up shares of HPS, from the existing shareholders of HPS at the purchase price not exceeding THB 150,000,000. The Company will pay for such purchase price wholly in cash.

In entering into such transaction, the Company will enter into the HPS Share Purchase Agreement, of which the key terms and conditions are prescribed in the Information Memorandum on Asset Acquisition of the Company (Enclosure No. 5) enclosed with this notice to the shareholders' meeting.

(As of the date of preparing this report, the Company have not yet signed the HPS Share Purchase Agreement, and the IFA has received only draft HPS Share Purchase Agreement and information disclosed in the Information Memorandum on Asset Acquisition of the Company. Therefore, the IFA's opinion expressed herein is based on the information and documents we have obtained. As such, any change to the terms and conditions in the duly signed HPS Share Purchase Agreement may relatively affect the IFA's opinion provided herein.)

In this regard, summary of (draft) Share Purchase Agreement which has important agreements and conditions as follows:

Table 1-2: Summary of (draft) Share Purchase Agreement

Draft Share Purchase Agreement	
Parties	Buyer: The Company Sellers: Miss Apirawee Pichayadecha, Miss Duangkamon Kietsukasem and LAZ INVESTMENTS LTD.
No. of shares agreed to sell and purchase	All 9,000,000 shares of HPS with par value of THB 10.00 per share, consisting of: (1) Miss Apirawee Pichayadecha with 900,000 shares. (2) Miss Duangkamon Kietsukasem with 3,600,000 shares; and (3) LAZ INVESTMENTS LTD. with 4,500,000 shares
Closing date	After conditions precedent are completed, or deferred, and/or waived of rights under the condition's precedent by the relevant parties.

² As of the date of this report, the details of the Share Purchase Agreement are still under negotiation. The final conditions will be determined and stated in the signed version of the Share Purchase Agreement by both the Buyer and the Sellers.

Draft Share Purchase Agreement									
Sale and Purchase Price and Payment Method	<p>A total of THB 150.00 million</p> <p>The Company will pay the remaining purchase price (after deducting the deposit) of THB 125 million on the Closing date.</p> <p><u>Remark:</u> <i>On November 24, 2023, the buyer deposited a refundable deposit of THB 25 million to Miss Apirawee Pichayadecha and Miss Duangkamon Kietsukasem. The agreement allows the buyer to use the deposit as part of the compensation for the shares to be purchased by Miss Apirawee Pichayadecha and Miss Duangkamon Kietsukasem. In the event that this agreement is terminated for any reason, and the transaction is not completed, Miss Apirawee Pichayadecha and Miss Duangkamon Kietsukasem shall refund the deposit to the buyer within 3 working days from the date of termination of this agreement.</i></p>								
Key conditions precedent	<p>(1) The Company must receive approval from the Board of Directors and/or its shareholders' meeting for HPS Shares Acquisition Transaction.</p> <p>(2) There are no significant negative events affecting HPS.</p>								
Other key conditions	<p>(1) The Sellers agree to compensate the buyer for any damages arising from the Sellers' breach of this agreement or the Sellers' breach of warranty, or for any act or failure to act in accordance with any agreement, covenant, or provision of the Sellers as specified in this agreement. The Buyer must notify the Sellers in writing of the details of the damage, including the amount of damages the buyer intends to claim from the Sellers within 3 years (for matters unrelated to tax) and within 5 years for matters related to tax, counting from the completion of the transaction.</p> <p>(2) The Sellers' liability to compensate for any damages under this agreement shall not exceed the purchase price of the shares and shall be in proportion to the respective liability of each seller.</p> <table border="1"> <thead> <tr> <th>Sellers</th><th>Proportion of Liability (%)</th></tr> </thead> <tbody> <tr> <td>Miss Apirawee Pichayadecha</td><td>10</td></tr> <tr> <td>Miss Duangkamon Kietsukasem</td><td>40</td></tr> <tr> <td>LAZ INVESTMENTS LTD.</td><td>50</td></tr> </tbody> </table> <p>(1)</p>	Sellers	Proportion of Liability (%)	Miss Apirawee Pichayadecha	10	Miss Duangkamon Kietsukasem	40	LAZ INVESTMENTS LTD.	50
Sellers	Proportion of Liability (%)								
Miss Apirawee Pichayadecha	10								
Miss Duangkamon Kietsukasem	40								
LAZ INVESTMENTS LTD.	50								
Termination	<p>From the date of signing this agreement until the completion of the transaction, either party has the right to terminate this agreement by giving written notice to the other party, with immediate effect, in the following cases:</p> <p>(1) If either party breaches a material provision of the agreement and the other party has notified them to rectify the breach, but they fail to do so within 15 days from the date of receiving the notice.</p> <p>(2) If legal limitations arise.</p> <p>(3) If either party becomes bankrupt, is subjected to asset seizure, is ordered to restore business operations, or consents to someone else managing all their assets, or proceeds with accounting or company dissolution.</p>								
Enforcement of Laws and Suspension of Disputes	<p>Law of Thailand</p> <p>The contracting parties agree that in the event of any disputes arising under this agreement, the parties may file a lawsuit in the Thai court.</p>								

Source: Summary from the (draft) Share Purchase Agreement, dated December 28, 2023, by the IFA.

Remark: As of the date of this report, the details of the Share Purchase Agreement are still under negotiation. The final conditions will be determined and stated in the signed version of the Share Purchase Agreement by both the Buyer and the Sellers.

Figure 1.1: The Company's structure before entering into the Transaction.**Figure 1.2: The Company's structure after entering into the Transaction.**

Source: Annual Registration/Annual Report (Form 56-1 One Report) for the year 2022 of OTO, Resolution of the Board of Directors' Meeting No. 15/2023 and summarized by the IFA.

1.5 Details of Asset to be Acquired.

1.5.1 Information of Happy Products and Service Company Limited

Established on March 7, 2019, Happy Products and Service Company Limited has an initial registered capital of THB 5,000,000. Currently, HPS is a provider and distributor of products through various distribution channels (omni channel), including television, websites, online platforms, and social media.

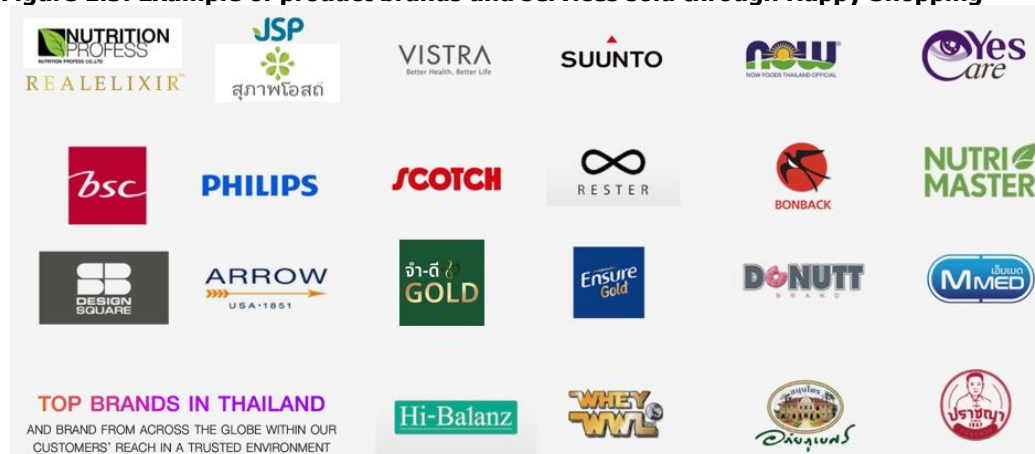
As of October 9, 2023, HPS has a registered and paid-up capital of THB 90,000,000, divided into 9,000,000 ordinary shares with a par value of THB 10.00 per share (further details of HPS can be found in Attachment 1 of this report)

Business Nature of HPS:

HPS operates a direct marketing business in selling products ("Happy Shopping"). Happy Shopping offers a variety of high-quality products in various categories to meet every customer's needs. These include health supplements, beauty and personal care products, fashion and accessories, kitchenware, electronic goods, consumer goods, as well as various service projects to meet the demands of the current and future world. The development is aligned with customer behavior and preferences, with products from various partner brands, including OTOP products.

The main target customer groups of Happy Shopping are the elderly or Baby Boomer customers (aged 55 and above) and working-age customers (Gen-X).

Figure 1.3: Example of product brands and services sold through Happy Shopping



Source: HPS

Currently, HPS divides its business structure into two parts, which are:

- 1) **Selling products through various channels:** HPS divides the distribution of products into two main channels.

Figure 1.4: Distribution channels of Happy Shopping.



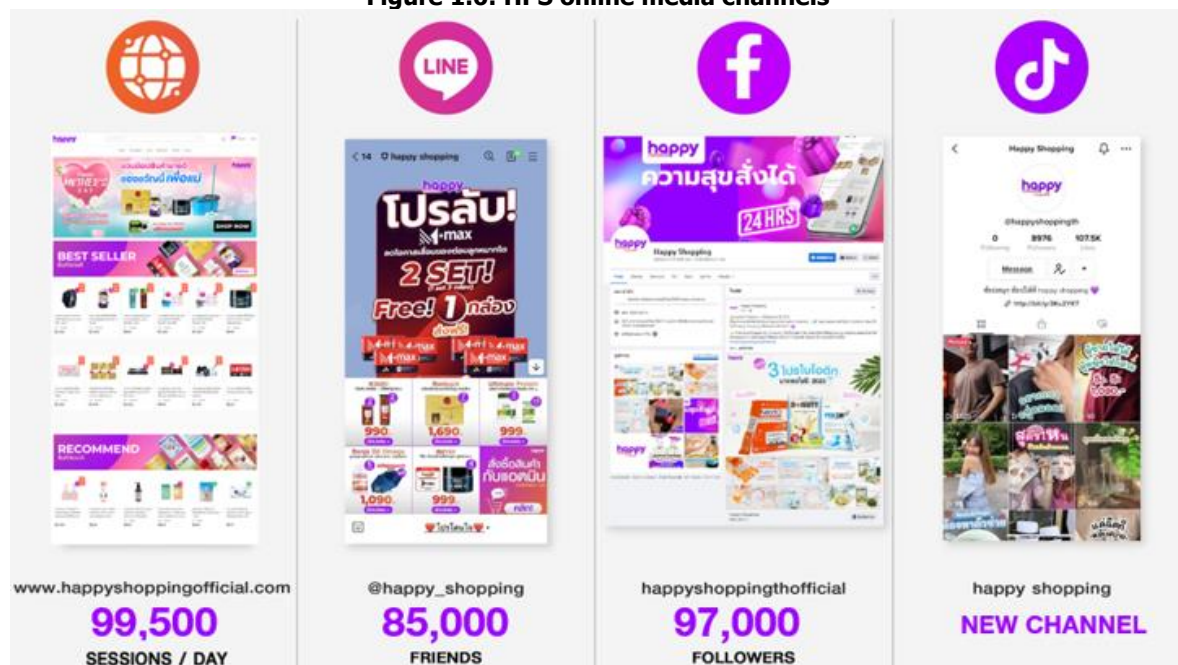
Source: HPS

- 1.1) **Direct marketing business in selling products (Home Shopping)** is a business that involves direct marketing in selling products and services through television programs and digital media, also known as home shopping business.

Figure 1.5: An example image of a product recommendation program through television programs.

Source: HPS

- 1.2) **Direct marketing business in Online Media** involves conducting direct marketing activities for selling products and services through various online platforms such as websites, Facebook, Instagram, TikTok, and Line applications.

Figure 1.6: HPS online media channels

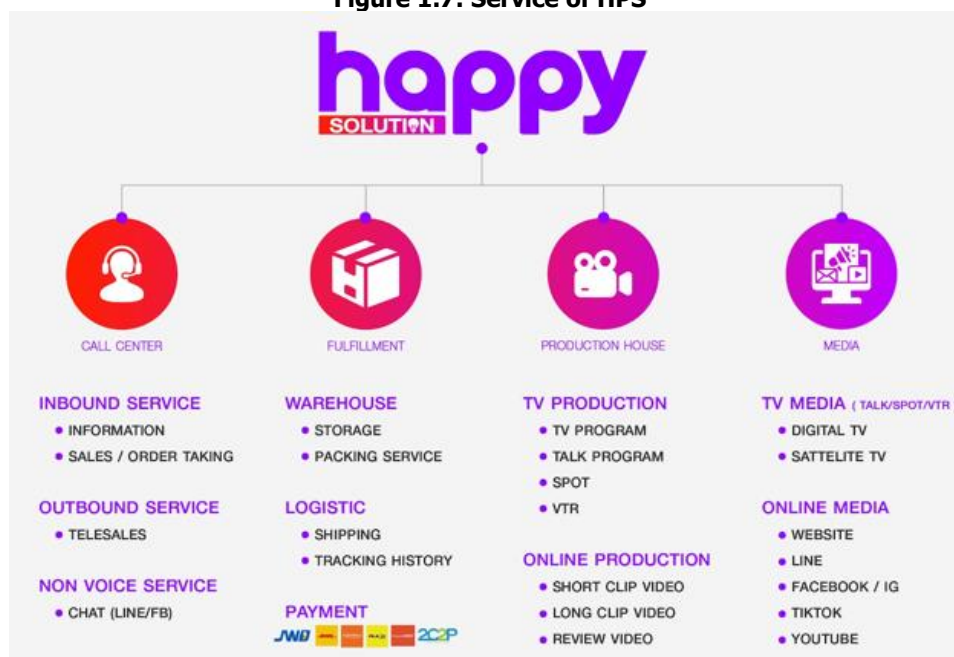
Source: HPS

Remark: information as of November 2023

2) Service related to product sales.

Currently, HPS provides services in 4 areas, including:

Figure 1.7: Service of HPS



Source: HPS

- 2.1) **Call Center:** Providing comprehensive and standardized call center services, which include:
 - Inbound Service: Providing services to receive incoming calls to provide information about products and services. Currently providing services to TV Home Shopping businesses that broadcast on digital TV channels.
 - Outbound Service: Providing services to contact customers to offer sales of products and services based on existing customer data, in order to directly offer products to customers according to their needs.
 - Online Service (Non-Voice Services): Providing services to respond to text messages (Chat) that customers inquire about online through email and messaging platforms such as Facebook and Line.
- 2.2) **Fulfillment Service:** Managing inventory and product delivery to enhance overall logistics efficiency for customers' businesses, including:
 - Warehouse Services: Providing warehouse services with an area of over 30,000 square meters. Managing the entire warehouse process, from receiving and storing goods to packaging, labeling, and preparing products for delivery.
 - Logistic Services: Providing delivery services through a leading courier company in Thailand. Delivery of goods within 3-5 days with a tracking system for shipment status.
 - Payment Services: Supporting various payment systems, including cash on delivery, credit card, bank counter, QR code scanning, and internet banking.
- 2.3) **Creative Design Production House:** To produce both offline and online advertising media, with a professional team working in a one-stop production house format.
- 2.4) **Advertising Media Services:** Digital and satellite television stations, as well as online advertising media on e-commerce platforms and social media.

1.5.2 HPS's business plan

HPS plans to increase sales through online product distribution channels. They have opened an additional channel through the TikTok application in late 2023. In addition, HPS plans to expand its customer base in the Business to Business (B2B) sector, offering specialized services to support product and service distribution. These services include (1) providing a dedicated Inbound Service Call Center during the time when customers' products are being promoted through digital television channels or

providing Outbound Service to contact existing customers to encourage repeat purchases, or (2) providing offline and online advertising media production services for customers' products.

1.6 Total Value of Consideration, Payment of Consideration, and Criteria for Determining Total Value of Consideration

Total Value of Consideration

The total value of the assets to be acquired is approximately THB 150.00 million, comprising all 9,000,000 ordinary shares of HPS with a par value of THB 10.00 per share. The book value of HPS shares as of December 31, 2022, was equal to minus THB 10.02 million (Or there is a cumulative loss exceeding the capital of THB 10.02 million)

Payment of consideration

The Company will fully pay the consideration for HPS Shares Acquisition Transactions of not exceeding THB 150.00 million in Cash to the Sellers and will accept the transfer of HPS shares on the same day as the full payment is made to the Sellers. The details of the payment are shown in Table 1-3 below.

In addition, the Company has placed a refundable deposit of THB 25 million, equivalent to 16.67% of the purchase price, to Miss Apirawee Pichayadecha and Miss Duangkamon Kietsukasem, on November 24, 2023, for the purpose of conducting due diligence on HPS's business. The Company may use the deposit as part of the payment under the Share Purchase Agreement to Miss Apirawee Pichayadecha and Miss Duangkamon Kietsukasem. If the Company does not receive approval to proceed with the transaction from the shareholders or cannot agree on the final conditions within a period of 6 months from the date of signing the MOU for the Purchase of common shares (within May 24, 2024) or until the date the MOU for the Purchase of common shares is cancelled, the Company can fully reclaim the deposit within 7 days from the date the MOU for the Purchase of common shares ends. The final conditions are in accordance with all conditions precedent under the rules and conditions of the Share Purchase Agreement that will be negotiated and agreed upon by the Sellers and the Buyer. Two sellers, namely Miss Apirawee Pichayadecha, brought 900,000 HPS shares and Miss Duangkamon Kietsukasem brought 3,600,000 HPS shares, which are all the shares held by both sellers, totaling 4,500,000 shares, representing 50% of all HPS shares, have been pledged with the Company at the total collateral value THB 75,000,000. The price is based on the Discounted Cash Flow Approach to serve as collateral in case the Company calls for the return of the deposit.

Table 1-3: Summary of the payment to the Sellers

No.	Sellers	Total Consideration for HPS Shares Acquisition Transaction (THB Million)		
		Deposit Paid on November 24, 2023	Remaining Consideration Will pay on the completion date	Total
1.	Miss Apirawee Pichayadecha	25.00	50.00	75.00
2.	Miss Duangkamon Kietsukasem			
3.	LAZ INVESTMENTS LTD.	-	75.00	75.00
Total		25.00	125.00	150.00

Criteria for determining total value of consideration

The basis used to determine the value of consideration for HPS Shares Acquisition Transaction 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% ownership interest in HPS at THB 213.36 million 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. The Company has engaged Discover Management Company Limited, which is a financial advisor company licensed by the SEC, to conduct a valuation. *(Please see more details in Information Memorandum on the Asset Acquisition Transaction of One to One Contacts Plc., dated December 28, 2023, and its amendment which notified to the Stock Exchange of Thailand on January 11, 2024).*

However, the Company has considered the information that King Gen Public Company Limited ("KGEN") has reported to the Stock Exchange of Thailand on June 27, 2023, regarding the sale of common shares of Happy Products and Service Company Limited (HPS) and the cessation of being a subsidiary company. KGEN has sold HPS's common shares in the proportion of 50% of all shares in HPS with a total purchase price is THB 10,083,999 or the share value is THB 2.24 per share. The Company does not use the said purchase price as a reference in determining the value of HPS's shares in any way because there was no information that KGEN used as an assumption in estimating the value of HPS's shares at that time or other conditions, related to this transaction.

1.7 Calculation of Transaction Size

The Asset Acquisition Transaction with details on how to calculate the size of transaction using financial data from the Company's financial statements as of September 30, 2023, as follows:

Table 1-4: Calculation of Net Tangible Assets (NTA)

Financial Information (Unit: THB Million)	The Company ^{1/}	HPS ^{2/}
Net Profit (Loss) for the past 12 months	(343.50) ^{3/}	(32.33) ^{4/}
Total Assets	1,295.31	35.88
Deduct Total Liabilities	82.41	45.90
Deduct Intangible Assets	25.19	2.32
Deduct Deferred Tax Assets	16.13	-
Deduct Right-of-Use Assets	8.22	-
Deduct Goodwill	-	-
Deduct Non-Controlling Interests	-	-
Net Tangible Assets (NTA)	1,163.38	(12.34)

Remarks:

1/ Financial Statements of the Company for the 9-months period ending on September 30, 2023, which has been reviewed by the auditor.

2/ Financial Statements of HPS for the year 2022, which has been audited by the auditor.

3/ Profit (loss) for the 12-month period from October 1, 2022, to September 30, 2023

4/ Profit (loss) for the 12-month period from January 1, 2022, to December 31, 2022.

Calculation of Asset Acquisition Transaction

Table 1-5: Calculation of Asset Acquisition Transaction

Criteria for Calculation of Transaction Size	Calculation Formula	Transaction Size
1. Net tangible asset (NTA) criteria	Not applicable due to the negative NTA of HPS	N/A
2. Net profit criteria	Not applicable due to the negative profit of the Company and HPS	N/A
3. Total value of consideration criteria	Total value of consideration / Total assets of the Company = THB 150.00 million / THB 1,295.31 million	11.58%
4. Total value of securities criteria	Not applicable because there is no issuance of new securities as consideration of assets to be acquired	-
Highest criteria: total value of consideration		11.58%
Combined size: The size of this Asset Acquisition Transaction + the Transactions from the past 6 Months^{1/} that have the highest value according to total value of consideration criteria		59.18%

Remark:

1/ In the past 6 months, the Company has acquired assets, which account for 47.60% of the total consideration. These transactions include (1) land purchases, which account for 9.45% of total consideration (referenced in document number OTO 076/2566 regarding land purchases, notified to the Stock Exchange of Thailand on September 1, 2023), and (2) investments in Peer For All Co., Ltd. ("PFA"), which account for 38.15% of total consideration (referenced in document number OTO 097/2566 regarding investment in PFA, notified to the Stock Exchange of Thailand on November 13, 2023).

1.8 Conditions on Entering into the Transaction

The Company will enter into HPS Shares Acquisition Transaction after all condition's precedent under the share purchase agreement have been fulfilled (please see additional details in Part 1, Clause 1.4 of this report). The conditions precedent are as follows:

- The Company must receive approval from the Board of Directors and/or its shareholders' meeting for HPS Shares Acquisition Transaction.
- There are no significant negative events affecting HPS

1.9 Agreement Related to the Entering into the Transaction

The Summary of the key information of the draft share purchase agreement is in Part 1, Clause 1.4 of this report.

1.10 Source of Funds for the Entering into the Transaction

The Company will use the capital raised from the offering of common shares, not exceeding 1,200,000,000 shares, with a par value of THB 1.00 per share, to be allocated to Private Placement to 6 individuals at a price of THB 0.60 per share, totaling not more than THB 720,000,000, as resolved at

the Board of Directors' Meeting No. 19/2023 of the Company held on November 21, 2023. However, this resolution is pending approval from the shareholders' meeting of the Company.³

2. Information of Happy Products and Services Co., Ltd. (HPS), which is the asset to be acquired.

Please refer to the Attachment 1 of the report

³ Agenda item 5 of the Extraordinary General Meeting of Shareholders No. 1/2024 of the Company, which will be held on February 19, 2024 is the agenda to consider the allocation of ordinary shares to increase capital by not more than 1,200,000,000 shares, with a par value of THB 1.00 per share, for offering to Private Placement to 6 individuals at a price of THB 0.60 per share, totaling not more than THB 720,000,000 ("**PP Shares Issuance and Offering Transaction**").

Part 2: Opinion of the Independent Financial Advisor on Reasonableness of the Asset Acquisition Transaction

In determining the reasonableness of the entering into the transaction, the IFA has taken the following key factors into consideration:

2.1 Objective and Necessity of the Transaction

The Company has operated as a service provider, providing Call Center and Customer Service Center since 2001 providing the following services: 1) Turnkey Total Solutions in Thailand, 2) Outsourced customer service representative services, covering a complete management and recruitment of customer relation staff, including selection, training, providing hardware and software, 3) Outsourced customer management facility at the customer's site, 4) Contact Center Equipment Rental and Software Rental Service both ready-made software and Contact Center software that can adjust the work system to suit each business, and 5) Contact Center Maintenance Services.

The target customer group of the Company is a business group that intends to manage customer relations and data services and does not have its own customer service center. Therefore, customers of the Company include government agencies, state enterprises, and private companies. The main customer group of the Company consists of airline groups, banking groups, insurance business groups, and retail groups.

However, since the outbreak of the Coronavirus Disease 2019 (COVID-19) at the beginning of the year 2020, the Company has been impacted by the cancellation of services by some project clients due to the suspension or reduction of service capacity. This directly affects the Company's operations. The Company's revenue from sales and services has continuously decreased. The main source of revenue, which is revenue from providing full-service customer relationship management to business aviation clients, has significantly decreased since the year 2020. Although these numbers have slightly improved in the year 2023 due to the gradual relaxation of the COVID-19 situation, there are still various risks. These risks include the possibility of a new strain of the disease spreading, political uncertainties both domestically and internationally, and problems with energy and consumer goods in the global market. These factors may create pressure on the cost of goods and services, as well as increase global inflation rates. This has an impact on consumer purchasing power and poses challenges to the economic recovery. It also affects the Company's business.

Table 2-1: Revenue Structure of the Company

Revenue Structure		2019		2020		2021		2022	
		THB Million	%	THB Million	%	THB Million	%	THB Million	%
1.	Revenue from sales and contract work								
	1.1 Sales and Turnkey Total Solutions	11.77	1.56	39.57	5.83	37.2	6.23	20.14	3.25
	Total revenue from sales and contract work	11.77	1.56	39.57	5.83	37.2	6.23	20.14	3.25
2.	Revenue from services								
	2.1 Fully Outsourced Contact Center Management Service	527.51	69.75	408.85	60.23	368.27	61.64	387.63	62.47
	2.2 Outsourced Contact Center Facility	11.09	1.47	12.72	1.87	25.77	4.31	22.31	3.60
	2.3 Outsourced Customer Service Representative	181.77	24.03	178.91	26.36	149.72	25.06	121.02	19.50
	2.4 Maintenance Service	24.15	3.19	38.78	5.71	16.46	2.76	9.33	1.50
	Total revenue from services	744.52	98.44	639.26	94.17	560.22	93.77	540.29	87.08
Total revenue from sales and services		756.29	100.00	678.83	100.00	597.42	100.00	560.43	90.32
3.	Revenue from other segment ^{1/}	0	0.00	0	0.00	0	0.00	60.03	9.68
Total		756.29	100.00	678.83	100.00	597.42	100.00	620.46	100.00

Remark:

1/ Revenue from the new company, Phygital Space Development Company Limited, which operates business in providing a gaming platform for gamers and owning esports teams to participate in Esports tournaments and all aspects of Esports. The total service income was THB 60 million, divided into THB 45.9 million from gaming tournaments, THB 11.8 million from sponsorships, and revenue from platform and media services.

The Company has therefore changed its business strategy by focusing on cost management, as well as developing more efficient work processes and transforming the business structure to utilize more Digital Technology. In addition, the Company aims to expand its operations by venturing into other businesses and seeking opportunities to invest in New S-Curve businesses (future industries that emphasize technology and innovation) in order to achieve sustainable long-term growth, while

maintaining international service standards. This is done by leveraging the Company's experience and expertise in the industry. Furthermore, in recent years, the Company has attempted to generate revenue from its core business of providing full-service customer relationship management, primarily through Inbound Services to provide information about products and services. The goal is to increase revenue from Outbound Services, which involves contacting customers to offer products and services based on existing customer databases, in order to better meet customer needs. However, the Company has not been able to generate revenue from Outbound Services as originally targeted, as the strategies and skills used in providing Inbound Services and Outbound Services differ.

Therefore, the Company considers investing in common shares of HPS, which is a provider and distributor of products through various channels (omni channel) including television, websites, online platforms, and social media. It also has a Call Center department that can provide both Inbound Service and Outbound Service. This investment will help increase the Company's sources of income and diversify its investment risks. Additionally, it will contribute to the improvement of the Outbound Service, especially in terms of sales or offering products or services through the Company's Call Center, as planned by the Company.

2.2 Comparison of Advantages and Disadvantages of the Transaction

2.1. Advantages and Benefits of the Transaction

(1) It is a way to diversify investment risks and increase sources of income.

Currently, the main source of income for the Company comes from revenue generated by call center and customer service centers ("**Core Business**"). In 2022, the revenue amounted to THB 560.43 million, accounting for 90.32% of the total revenue. Entering into HPS Shares Acquisition Transaction will provide the Company with additional sources of income from new businesses, which include being a provider and distributor of products through various distribution channels (omni channel), including television, websites, online platforms, and social media. Additionally, the Company will benefit from diversifying risks in various types of businesses.

In order to gain a comprehensive understanding of the strategy to decrease reliance on revenue generated from the primary business, the IFA considers that if the Company has acquired HPS shares since the beginning of 2022, as shown in Table 2-2, it can be seen that the proportion of income from the main business to total income will decrease from 90.32% to 67.20%, and the proportion of income from the service and product distribution business to total income will increase to 23.19%. Therefore, entering into HPS Shares Acquisition Transaction will diversify the investment risk and diversify the sources of income, helping to reduce the dependency on income from the Core Business, which is currently greatly impacted by the COVID-19 situation, resulting in a significant decrease in the Company's income. The income from the Company's original business in 2022 (before COVID-19) was THB 756.29 million, while the income in 2022 and the first 9 months of 2023 was THB 560.43 million and THB 410.40 million, respectively.

Table 2-2: The Company's revenue structure is divided according to the structure of business composition.

Revenue Structure		Consolidated Financial Statements of the Company						Consolidated Financial Statements of the Company after including HPS	
		2020		2021		2022		2022 Pro forma	
		THB Million	%	THB Million	%	THB Million	%	THB Million	%
1.	Revenue from sales and contract work								
	1.1 Sales and Turnkey Total Solutions	39.57	5.83	37.2	6.23	20.14	3.25	20.14	2.41
	Total revenue from sales and contract work	39.57	5.83	37.2	6.23	20.14	3.25	20.14	2.41
2.	Revenue from services								
	2.1 Fully Outsourced Contact Center Management Service	408.85	60.23	368.27	61.64	387.63	62.47	387.63	46.48
	2.2 Outsourced Contact Center Facility	12.72	1.87	25.77	4.31	22.31	3.60	22.31	2.68
	2.3 Outsourced Customer Service Representative	178.91	26.36	149.72	25.06	121.02	19.50	121.02	14.51
	2.4 Maintenance Service	38.78	5.71	16.46	2.76	9.33	1.50	9.33	1.12
	Total revenue from services	639.26	94.17	560.22	93.77	540.29	87.08	540.29	64.79
	Total revenue from sales and services	678.83	100.00	597.42	100.00	560.43	90.32	560.43	67.20
3.	Revenue from other segment ^{1/}	0	0.00	0	0.00	60.03	9.68	60.03	7.20

Revenue Structure		Consolidated Financial Statements of the Company						Consolidated Financial Statements of the Company after including HPS	
		2020		2021		2022		2022 Pro forma	
		THB Million	%	THB Million	%	THB Million	%	THB Million	%
4.	Revenue from service and product distribution business of HPS ^{2/}	0	0.00	0	0.00	0.00	0.00	193.37	23.19
	Total	678.83	100.00	597.42	100.00	620.46	100.00	833.97	100.00

Remarks:

1/ Revenue from the new company, Phygital Space Development Company Limited ("PSD"), which operates business in providing a gaming platform for gamers and owning esports teams to participate in Esports tournaments and all aspects of Esports. However, the Company has sold its ordinary shares of PSD in March 2023.

2/ Total Revenue of HPS

(2) This is an investment that helps enhance the potential of the Call Center business, which is the main business of the Company.

Based on the objectives and necessity of the transaction as mentioned above, the investment in HPS will strengthen the potential of the Call Center business, specifically in the Outbound Service, which is still a weak point of the Company. In the past 3 years, HPS has generated annual revenue from the Outbound Service ranging from THB 40 - 60 million, while the management of the Company has provided information that the performance of the Outbound Service of the Company has not met the target.

The acquisition of HPS will help strengthen the Outbound Service, particularly in presenting products alongside sales, which is expected to increase customer satisfaction and result in higher revenue from existing channels for the Company. Additionally, the Company plans to collaborate with HPS to reach new customers, specifically for the Outbound Service, in which the Company has expertise in designing, developing, and installing comprehensive data service center systems, while HPS has a team of customer relations service experts, which will contribute to long-term growth for the Company.

(3) This is an investment in a company that provides comprehensive services, which is likely to increase future revenue opportunities for the Company.

HPS is a provider and distributor of products through various distribution channels (omni channel), including television, websites, online platforms, and social media. They offer sales support services that cover call center service, warehouse services, delivery services, payment services, offline and online advertising production services, and additional advertising time allocation services. This allows HPS to provide customers with a One Stop Service, which helps to increase convenience, save time and resources in their business operations. This strength enables HPS to penetrate new customer bases and increase future revenue opportunities for the Company.

(4) It is an investment in a business without any debt burden and interest payments in paying for HPS shares.

In entering into the HPS Share Acquisition Transaction, the Company will use funds from PP Shares Issuance and Offering Transaction or cash flows from operations/working capital of the Company. Therefore, the Company has no debt burden and interest payments.

2.2. Disadvantages and Risks of the Transaction

(1) The liquidity risk of HPS, which may increase the burden for the Company to inject capital into HPS or provide financial assistance to HPS in the near future.

Since its operation in 2019, the operating results and financial position of HPS have consistently indicated liquidity problems. This means that:

- HPS has a current ratio (liquidity ratio) of less than 1, meaning that HPS has fewer current assets than current liabilities. This may indicate that HPS has a low ability to repay short-term debts or may have short-term debt payment problems.
- HPS has accumulated losses exceeding its capital or negative shareholder equity continuously.
- HPS has a net loss from operations.

- HPS has negative cash flow from operations since 2020.

Table 2-3: Summary of financial information that indicates the liquidity risk of HPS.

Statement of financial position	Dec 31, 19 (Audited) ^{1/}	Dec 31, 20 (Audited) ^{1/}	Dec 31, 21 (Audited) ^{1/}	Dec 31, 22 (Audited) ^{1/}	Sep 30, 23 (Internal FS) ^{2/}
Current Assets	60.04	42.08	29.56	30.08	24.90
Current Liabilities	68.49	55.75	67.87	38.78	43.50
Current Ratio	0.88	0.75	0.44	0.78	0.57
Accumulated losses exceeding capital (negative equity portion of shareholders)	(1.73)	(7.18)	(37.69)	(10.02)	(17.98)
Statement of comprehensive income	2019 (Audited) ^{1/}	2020 (Audited) ^{1/}	2021 (Audited) ^{1/}	2022 (Audited) ^{1/}	9M 2023 (Internal FS) ^{2/}
Net Loss	(6.73)	(20.45)	(50.51)	(32.33)	(7.96)
Cash Flow Statement	2019 (Audited) ^{1/}	2020 (Audited) ^{1/}	2021 (Audited) ^{1/}	2022 (Audited) ^{1/}	9M 2023 (Internal FS) ^{2/}
Cash flow from (used) in operating activities	21.80	(18.93)	(28.79)	(50.86)	N/A

Remarks:

1/ The financial statements for the year ended December 31, 2020, 2021 and 2022 were audited by KPMG Phoomchai Audit Ltd., a certified public accountant who is on the approved list of the SEC.

2/ The financial statements for the 9-month period ended September 30, 2565, are prepared by the management of HPS.

In the notes to the financial statements of HPS for the fiscal years 2020-2022, HPS's auditors mentioned the above indicators and commented that the situation indicates significant uncertainty regarding the appropriateness of the accounting criteria for ongoing operations. However, the parent company of HPS at that moment, which is King Gen Public Company Limited., provided financial support to ensure that HPS could meet its debt obligations for at least 12 months after the end of the reporting period. This allowed HPS to use the criteria for ongoing operations in preparing its financial statements.

In the past, HPS received additional liquidity from its shareholders. Since 2020, HPS has consistently increased its capital for existing shareholders. The details are as follows:

- In 2020 (January 7, 2020), HPS received capital of THB 15 million by issuing 500,000 ordinary shares with a par value of THB 10 per share, and the excess value of THB 20 per share.
- In 2021 (October 6, 2021), HPS received capital of THB 20 million by issuing 2,000,000 ordinary shares with a par value of THB 10 per share.
- In 2022 (June 8, 2022), HPS received capital of THB 60 million by issuing 6,000,000 ordinary shares with a par value of THB 10 per share.

Hence, following the completion of the HPS Shares Purchase Transaction, if the performance and financial indicators of HPS continue to display persistent liquidity challenges, it becomes the Company's obligation to provide financial assistance to HPS. This assistance can be in the form of capital infusion or provision of loans, ensuring the uninterrupted continuation of HPS's operations.

However, the management of the Company has provided information that HPS has adjusted its business strategy and implemented cost reduction plans during the second half of 2023. This has resulted in improved performance for HPS, as reflected in the internal financial statements prepared by HPS management, which show a net profit (excluding special items) from operations starting from June 2023 onwards. This has led to a significantly lower net loss for HPS in the first 9 months compared to the previous 3 years. If HPS can continue to maintain positive performance, the Company will have lower risk in this regard.

(2) The risk of operating HPS business, which may result in operations not going as planned.

HPS is a service provider and distributor of products through various distribution channels (omni channel). However, the main revenue of HPS comes from direct marketing through the main sales channel, which is the television shopping channel, also known as Home Shopping. The TV shopping programs are available on almost every digital TV channel. The program formats include both scheduled programs, which are time slots rented by TV stations for broadcasting on each channel throughout the day, and tie-ins with other programs that are currently airing, such as dramas, variety shows, and game shows. For sales through TV shopping channels, the rating of the digital TV channel that promotes the products is considered one of the key factors for the success of product sales. The rating of the digital TV channel is a measure of the popularity of the channel, indicating whether it has a large or small audience. A higher rating indicates greater popularity, as it means there are more viewers. Therefore,

conducting home shopping business in channels with a large number of viewers increases the chances of sales.

However, HPS generates its primary revenue by selling products exclusively through a digital TV channel, which is Nation TV Channel 22, with a contract signed on a yearly basis. Previous data indicates that the rating of this channel directly impacts the decline in HPS's income. Table 2-5 illustrates the sales trend of HPS over the past three years. In 2020, HPS experienced its highest sales, mirroring the high ratings of the national TV channel. Conversely, in 2021, when the rating of the national TV channel significantly dropped, HPS's income also experienced a substantial decline. Although there was a slight increase in the rating of the national TV channel in 2022, HPS's income did not correspondingly increase due to the reduction in airtime for product sales on the national TV channel. If HPS is unable to maintain a consistent contract with Nation TV, it may directly impact the revenue from product sales - Inbound, which is the main source of income for HPS. In the year 2022 and the first 11 months of 2023, the aforementioned revenue accounted for 52.04% and 50.06% respectively of the total revenue.

Table 2-5: Revenue data of HPS compared to the rating of Nation TV Channel

Item	2022	2021	2022
Total Revenue (THB Million)	395.17	236.12	193.37
Rating of Nation TV channel (Digital TV channels only)	0.205	0.109	0.129 ^{1/}
Ranking of Nation TV channel (Digital TV channels only)	9	12	12

Source: Nielsen and www.tvdigitalwatch.com

Remark: 1/ numbers for the first 6 months of the year 2022

Moreover, the home shopping TV market has experienced a decline since 2022, with a total market value of THB 16,000 million, growing at a rate of less than 10%. However, there has been growth observed in alternative channels. The market's stagnation can be attributed to its primary customer base consisting of individuals aged 45-70. In addition, customer behavior has changed, and they no longer watch television, especially the younger generation. (Shareholders can find more information on the overview of home shopping business in Attachment 2 of this report).

Therefore, the future performance may not go as expected due to changes in various factors, which may affect the performance of HPS and the Company itself.

However, HPS has now increased its distribution channels through various online platforms, as the value of the e-commerce market (the market for selling goods and services through digital platforms such as websites, applications, social media, or e-marketplaces) continues to grow steadily. (Shareholders can find more information on the overview of e-commerce business in Attachment 2 of this report). Furthermore, HPS has plans to offer services that support sales, such as call center services and offline and online advertising services, which are expected to increase revenue for HPS in the future.

(3) Risk From impairment of Goodwill

In the investment in 100% of HPS shares, the Company will have to make the "Purchase Price Allocation" (PPA) in accordance with TFRS3 (Revised 2020): Business Combinations. Such financial reporting standard outlines the principles and financial requirements for an acquirer of business or investment as follows: (1) to recognize and measure in its financial statements the acquired identifiable assets and acquired liabilities and non-controlling interests in the acquiree; (2) recognize and measure the goodwill acquired in the business combination or gain from purchase at a price that is lower than fair value; and (3) determine information to be disclosed to enable users of the financial statements to evaluate the nature and financial effects of the business combination. In this respect:

- If the purchase price of HPS shares is lower than fair value as of the purchase date, the Company (as the Buyer) must recognize a gain derived thereon in the statements of comprehensive income as of the purchase date; or
- If the purchase price of HPS shares is higher than fair value, the Company (as the Buyer) must recognize such difference as the goodwill as of the purchase date.

To provide a comparative view for shareholders (not actual financial figures for recording purposes), the important assumptions made by the Independent Financial Advisor are as follows:

- (a) The purchase price of HPS shares on the transaction date is THB 150 million.
- (b) The fair value of the net assets of HPS, as assessed by the Independent Financial Advisor using the adjusted book value approach as of September 30, 2023, based on the figures in Part 3, Clause 2 of this report, is negative THB 17.98 million.
- (c) This transaction will not result in any other intangible assets except for goodwill.

- (d) Goodwill is calculated as the difference between the purchase price of the shares and the fair value of the assets and liabilities of HPS, as assessed by the Purchase Price Allocation.

Based on the above information, the Company may need to record goodwill in the amount of THB 167.98 million (equivalent to 111.99% of the purchase price of HPS shares). In addition, according to Accounting Standard No. 36 regarding impairment of assets, the Company is obligated to test for impairment of goodwill arising from the purchase of assets, or whenever there are indicators of impairment on an annual basis. As long as goodwill remains or improves, it should be kept on its accounts. However, if the test results show a decrease in goodwill, the Company must write-off goodwill from its accounts. The write-off of goodwill will have a negative impact on the Company's net profit according to the consolidated financial statements. Nevertheless, this write-off of goodwill does not affect the Company's cash flow.

Furthermore, based on the fair value assessment of HPS in Part 3 of this report, the purchase price of HPS shares is higher than the fair value of HPS shares assessed by the Independent Financial Advisors. Therefore, the Company may be at risk of recording a loss from the impairment of goodwill in the future.

In this regard, goodwill as aforementioned are the preliminary estimation by the Independent Financial Advisor. The Purchase Price Allocation according to the Financial Reporting Standard No. 3 is prepared by the Company in the future and is the discretion of the Company and its auditor. Therefore, the actual accounting recording in the future after the Purchase Price Allocation may be materially different from above-mentioned figures.

- (4) Risks from relying on management and personnel specifically in the operation of business.

The format of providing services and distributing products through various distribution channels (omni channels) including television, websites, online platforms, and social media of HPS, which provides comprehensive services to customers, ranging from direct marketing services in product sales, inbound and outbound call services to provide product information, offer product sales, and close sales, warehouse and delivery services, payment system services, offline and online advertising media production services for sales or product promotion, and scheduling services for advertising time since 2019. HPS has managers and teams in Online Channel Management and TV and Online Production who are responsible for online product distribution and advertising production, which are considered important personnel in driving HPS's business.

Therefore, when engaging in the HPS Shares Purchase Transaction, the Company must rely on the important management and team of HPS, who have experience in providing and distributing (Outbound services), more than the team of the Company, which specializes in being a data service provider and customer relationship center (Inbound service).

In addition, the management of the Company has provided information that this change in HPS shareholders will not affect the business operations of HPS and will not impact the HPS team and management. The important management, Ms. Kamonwan Kunwanna, will continue to be a manager and director of HPS for the Company going forward.

- (5) Shareholders of the Company will be affected by the decrease in the proportion of shareholding (Control Dilution) and the decrease in the share price of the Company (Price Dilution) (in the case of successful offering of additional capital through PP shares).

As the HPS Shares Purchase Transaction amounting to THB 150 million is financed through funds acquired from the issuance and offering of PP ordinary shares for additional capital of THB 125 million by the Company (owing to the Company's prior deposit of THB 25 million to the Sellers).

If at the Extraordinary Shareholders' meeting of the Company No. 1/2024, approves the issuance and offering of additional capital shares not exceeding 1,200,000,000 shares with a par value of THB 1.00 per share, to offer for sale to Private Placement at a price of THB 0.60 per share, totaling no more than THB 720,000,000, and the 6 investors fully exercise their rights to subscribe for the aforementioned ordinary shares, it will result in the shareholders of the Company experiencing the following dilution effect.

Table 2-4: Dilution Effect

Dilution Effect	Under PP Shares Issuance and Offering Transaction	
	ALL ^{1/}	Only for the HPS Shares Acquisition Transaction
Control Dilution	60.20%	20.80%
Price Dilution	3.83%	1.32%

Remark:

1/ The details of the calculation will be in the Information Memorandum on the Issuance and Offering of Newly Issued Ordinary Shares of the Company to the Specific Persons through Private Placement (Enclosure No. 4) enclosed with this Notice to the Shareholders' Meeting.

In this case, the payment for compensation for HPS Shares Acquisition Transaction in the amount of THB 125 million comes from the increase in capital of 208,333,334 shares. The dilution effect calculation method specifically for HPS Shares Acquisition Transaction can be summarized as follows.

Control Dilution

The control dilution as per the following calculation

$$\begin{aligned}
 &= \frac{\text{Number of shares offered}}{\text{Number of paid-up shares} + \text{Number of shares offered}} \\
 &= \frac{208,333,334}{(793,236,509 + 208,333,334)} \\
 &= 20.80\%
 \end{aligned}$$

Price Dilution

The price dilution as per the following calculation:

$$\begin{aligned}
 &= \frac{\text{Market price before offering} - \text{Market price after all offerings}}{\text{Market price before offering}} \\
 &= \frac{0.64 - 0.63}{0.64} \\
 &= 1.32\%
 \end{aligned}$$

Market price before offering is calculated from the volume weighted average of the Company's share price for 15 consecutive trading days prior to the Board of Directors' Meeting dated November 21, 2023 (during from October 31, 2023, to November 20, 2023) which is equivalent to THB 0.64 per share.

Market price after offering is calculated from:

$$\begin{aligned}
 &= \frac{(\text{Market price before offering} \times \text{Number of paid-up shares}) + (\text{Offering price} \times \text{Number of shares offered})}{\text{Number of paid-up shares} + \text{Number of shares offered}} \\
 &= \frac{(0.64 \times 793,236,509) + (0.60 \times 208,333,334)}{793,236,509 + 208,333,334} \\
 &= \text{THB 0.63 per share}
 \end{aligned}$$

Henceforth, when issuing and offering ordinary shares to enhance the Company's capital, specifically intended for compensating the HPS Shares Acquisition Transaction, there will be an increase in the issuance of ordinary shares. Consequently, this will lead to a dilution of the proportion of shares held and the voting rights for shareholders (Control Dilution) by 20.80% and will also be influenced by a decrease in the share price (Price Dilution) of 1.32%.

(6) The proposed purchase price for HPS shares is deemed unreasonable.

The Independent financial advisors have assessed the fair value of HPS (or the value of HPS shares at 100%) to be between THB 24.57 - 28.20 million, which is lower than the HPS shares purchase price of THB 150 million, equivalent to THB 121.80 - 125.43 million or less than 81.20% - 83.62%. Therefore, the HPS shares purchase price is not reasonable. Furthermore, it is worth noting that on June 27, 2023, King Gen Public Company Limited made an announcement to the Stock Exchange regarding the sale of 4,500,000 common shares of HPS. This transaction, which accounted for 50% of the total HPS shares, was completed with Clareville Capital Opportunities Fund Limited at a total value of approximately THB 10.08 million. Consequently, the value of HPS stocks stood at 100% during that time, amounting to approximately THB 20.17 million (rounded up). It is important to highlight that this figure was lower than the purchase price of HPS shares in this transaction, which was THB 150.00 million, equivalent to THB 129.83 million or lower by 86.55%.

(7) The Company may risk failing to receive the indemnity for damage caused by a breach of the agreement or the representations by the Sellers of HPS Shares (if any) since one of the Sellers are newly established entities with a small amount of paid-up capital.

The (draft) Share Purchase Agreement of HPS stipulates that the Sellers agree to indemnify the buyer for any damages arising from the Sellers' breach of this agreement or breach of warranty, or any act or failure to act in accordance with any representation, agreement, covenant, or provision of the seller as specified in this agreement. The buyer must notify the Sellers in writing of the details of the damages, including the amount of damages the buyer intends to claim from the Sellers within 3 years (for non-tax matters) and within 5 years for tax matters, counting from the completion of the transaction. The Sellers liability for indemnifying any damages under this agreement shall not exceed the purchase price of the shares and shall be proportionate to the Sellers' respective liability as specified in Table 1.2 of this report. However, since the seller, LAZ INVESTMENTS LTD., is a newly established company on June 19, 2023, with only USD 100 in paid-up capital, it may not be able to indemnify any damages (if any) to the Company.

Although the Company has conducted legal due diligence on HPS, the Company should also conduct financial and tax due diligence on HPS promptly and notify the Sellers in writing to claim damages (if any) within 3 years (for non-tax matters) or 5 years (for tax matters) from the completion of the transaction to mitigate the Company's risk.

2.3 Other Analyses

2.3.1. Sufficiency of Source of Funds for the Transaction

The Company will use the capital received from the Private Placement Shares Issuance and Offering Transaction (which will be approved at this shareholders' meeting of the Company) to pay the compensation for the purchase of HPS shares in an amount not exceeding THB 150.00 million, which is equivalent to only 20.83% of the amount the Company will receive from the capital increase.

In addition, since the allocation of ordinary shares for the capital increase of the Company to support the offering of newly issued shares to Private Placement and the consideration of the purchase of ordinary shares in HPS are separate matters, the consideration and approval of the aforementioned matters are independent of each other. Therefore, if the shareholders of the Company do not approve the consideration of the allocation of ordinary shares for the capital increase of the Company, the Company will use internal funds to pay the compensation for the purchase of HPS shares. As of September 30, 2023, the Company's consolidated financial statements have cash and cash equivalents of THB 220.41 million and financial assets of THB 244.28 million, totaling THB 464.69 million. This amount is sufficient for the Transaction. Upon completion of the Transaction, the Company is obligated to remit the outstanding compensation amount of THB 125 million.

However, if we look at the overall picture of the Company's financial budget plan, the Company still has the burden of paying the remaining shares from the purchase of ordinary shares in Peer for All Co., Ltd. ("**PFA**"), amounting to THB 440.10 million (calculated from the total purchase value of THB 565 million, minus the collateral of THB 120.90 million) (*referenced in letter number OTO 097/2566 regarding the purchase of PFA shares, which was reported to the Stock Exchange of Thailand on November 13, 2023*). In addition, the Company also plans to participate in bidding for large-scale government projects with a project value of at least THB 500 million, which requires the Company to prepare working capital for project operations before it can start generating income according to the contract (referenced in letter number OTO 099/2566 regarding the Notification of the Board of Directors' Meeting No. 19/2023 (Revised), which was reported to the Stock Exchange of Thailand on December

4, 2023). Therefore, if the shareholders of the Company do not approve the PP Share Issuance and Offering Transaction, the Company may not have sufficient capital to engage in HPS Share Acquisition Transaction, or if the Company considers engaging in HPS Share Acquisition Transaction, it may miss opportunities to invest in other businesses or miss opportunities to bid on projects according to the Company's plan, or it may have to face the risk of liquidity of the Company's working capital. Additionally, if the Company needs to sell financial assets to be a source of capital for transactions, the Company will be exposed to potential loss due to the sale of the investments, which may adversely impact the Company's performance.

In considering the source of funds used for transactions, the IFA did not include the capital expected to be received from the conversion of the warrants to purchase newly issued ordinary shares of the Company No.1 ("**OTO-W1 Warrants**"), which will expire on November 29, 2024, and the warrants to purchase newly issued ordinary shares of the Company No.2 ("**OTO-W2 Warrants**"), which is currently pending approval from the Company's shareholders. The IFA did not consider them because the exercise price of OTO-W1 Warrants is THB 3 per share and the exercise price of OTO-W2 Warrants is THB 1.30 per share, which is much higher than the market price (based on the closing price as of January 17, 2024) of the Company's ordinary shares at THB 0.81 per share. It is uncertain whether the expected capital increase will be obtained. Furthermore, OTO-W2 Warrants can only be exercised for the first time when it reaches its one-year maturity, which is expected to be in mid-2025, a period quite distant from the anticipated time for HPS Share Acquisition Transaction.

2.3.2. Deposit according to MOU for the purchase of common shares of HPS

On November 24, 2023, the Company signed a memorandum of understanding for the purchase of common shares of Happy Products and Service Company Limited ("**MOU for the purchase of common shares**"). The Company also placed a refundable deposit of THB 25 million to Miss Apirawee Pichayadecha and Miss Duangkamon Kietsukasem for the purpose of conducting due diligence of HPS's business. Miss Apirawee Pichayadecha (holding 900,000 shares of HPS) and Miss Duangkamon Kietsukasem (holding 3,600,000 shares of HPS) are 2 of 3 shareholders of HPS, collectively owning 4,500,000 shares, which accounts for 50% of the total shares of HPS. The deposit of THB 25 million represents 16.67% of the total purchase price and 33.33% of the purchase value specifically for the shares held by the 2 out of 3 shareholders who signed the MOU for the purchase of common shares. If the proportion of the deposit is 33.33%, it is considered higher than the general deposit rate of 10 - 20%. However, the Company has pledged the HPS shares of the 2 out of 3 shareholders, totaling 4,500,000 shares, which is 50% of the total shares of HPS, in order to reduce potential risks.

However, according to the valuation of the fair value of HPS in Part 3 of this report, the fair value of the HPS shares that the Company has received a pledge is between THB 12.28 - 14.10 million, which is lower than THB 25 million deposit, equivalent to THB 10.90 - 12.72 million or less than 43.60% - 50.87% of the deposit. Therefore, the Company will be at risk if the company does not receive a refundable deposit because the value of the shares of HPS that the Company received a pledge will not cover the value of the damage incurred from the loss of the deposit. However, in the Share Pledge Agreement, it states that in the event of forced sale of the pledged shares, the net amount of money received, or the price of the shares pledged (depending on the case) is less than the deposit amount according to the MOU for the purchase of common shares, including the debt from the breach, the pledgors (Miss Apirawee Pichayadecha and Miss Duangkamon Kietsukasem) agree to take responsibility for compensating the amount of money or share price that is lacking to the pledgee until it is fully paid as per the deposit amount according to the MOU for the purchase of common shares, including debts from breaches.

2.3.3. The Appropriateness of the Conditions in the Draft Share Purchase Agreement

When evaluating the appropriateness of the conditions outlined in the Draft Share Purchase Agreement, the Independent Financial Advisor opines that the terms of the relevant contract are suitable and adhere to customary business practices.

(Please refer to the summary of key information regarding the Draft Share Purchase Agreement in Part 1, Clause 1.4 of this report.)

2.3.4. Legal Dispute

Referring to the legal due diligence report of HPS prepared by Tilleke & Gibbins on December 7, 2023, which states that as of the date specified in the report, HPS has one pending litigation case, which is a wrongful termination case. HPS is being sued by a former employee in case number R.1885/2566 to pay damages for wrongful termination in the amount of THB 511,875 (excluding interest). The aforementioned case is still ongoing.

Furthermore, in the (draft) Share Purchase Agreement, it is stipulated that the Sellers shall be responsible for any damages, including any expenses related to litigation or legal proceedings regarding the aforementioned matter.

2.4 Summary of the Opinion of the Independent Financial Advisor on Reasonableness of the Asset Acquisition Transaction

The Company has operated as a service provider, providing Call Center and Customer Service Center since 2001. Customers of the Company include government agencies, state enterprises, and private companies. The main customer group of the Company consists of airline groups, banking groups, insurance business groups, and retail groups.

However, since the outbreak of the Coronavirus Disease 2019 (COVID-19) at the beginning of the year 2020, the Company has been impacted by the cancellation of services by some project clients due to the suspension or reduction of service capacity. This directly affects the Company's operations. The Company's revenue from sales and services has continuously decreased. The main source of revenue, which is revenue from providing full-service customer relationship management to business aviation clients, has significantly decreased since the year 2020. Although these numbers have slightly improved in the year 2023 due to the gradual relaxation of the COVID-19 situation, there are still various risks. These risks include the possibility of a new strain of the disease spreading, political uncertainties both domestically and internationally.

The Company has therefore changed its business strategy by focusing on cost management, as well as developing more efficient work processes and transforming the business structure to utilize more Digital Technology. In addition, the Company aims to expand its operations by venturing into other businesses and seeking opportunities to invest in New S-Curve businesses (future industries that emphasize technology and innovation) in order to achieve sustainable long-term growth, while maintaining international service standards. This is done by leveraging the Company's experience and expertise in the industry. Furthermore, in recent years, the Company has attempted to generate revenue from its core business of providing full-service customer relationship management, primarily through Inbound Services to provide information about products and services. The goal is to increase revenue from Outbound Services, which involves contacting customers to offer products and services based on existing customer databases, in order to better meet customer needs. However, the Company has not been able to generate revenue from Outbound Services as originally targeted, as the strategies and skills used in providing Inbound Services and Outbound Services differ.

Therefore, the Company considers investing in common shares of HPS, which is a provider and distributor of products through various channels (omni channel) including television, websites, online platforms, and social media. It also has a Call Center department that can provide both Inbound Service and Outbound Service. This investment will help increase the Company's sources of income and diversify its investment risks. Additionally, it will contribute to the improvement of the Outbound Service, especially in terms of sales or offering products or services through the Company's Call Center, as planned by the Company.

The advantages and benefits of the Asset Acquisition Transaction are as follows:

- (1) It is a way to diversify investment risks and increase sources of income from service and product distribution businesses through various distribution channels (omni channel). It also helps to reduce reliance on income from Core Business that has been greatly affected by the COVID-19 situation, resulting in a significant decrease in the Company's income.
- (2) This is an investment that will help enhance the potential of the Call Center business, which is the Core Business of the Company, through the acquisition of HPS. This acquisition will help strengthen the Outbound Service, particularly in presenting products alongside sales, which is expected to increase customer satisfaction and result in higher revenue from existing channels for the Company. Additionally, the Company plans to collaborate with HPS to reach new customers, specifically for the Outbound Service, in which the Company has expertise in designing, developing,

and installing comprehensive data service center systems, while HPS has a team of customer relations service experts, which will contribute to long-term growth for the Company.

- (3) This is an investment in a company that provides comprehensive services, which is likely to increase future revenue opportunities for the Company. As HPS is a provider and distributor of products through various distribution channels (omni channel), including television, websites, online platforms, and social media. They offer sales support services that cover call center service, warehouse services, delivery services, payment services, offline and online advertising production services, and additional advertising time allocation services. This allows HPS to provide customers with a One Stop Service, which helps to increase convenience, save time and resources in their business operations. This strength enables HPS to penetrate new customer bases and increase future revenue opportunities for the Company.
- (4) It is an investment in a business without any debt burden and interest payments in paying for HPS shares, as the Company will use funds from Private Placement Shares Issuance and Offering Transaction.

However, the disadvantages and risks of the Asset Acquisition Transaction are as follows:

- (1) The liquidity risk of HPS, which may increase the burden for the Company to inject capital into HPS or provide financial assistance to HPS in the near future, since the operation began in 2019, the performance and financial position of HPS have consistently indicated liquidity problems. HPS has lower current assets than current liabilities, which may indicate that HPS has a low ability to repay short-term debts. It has accumulated losses exceeding capital or negative shareholders' equity. It has a negative net loss from operations. There has been a negative cash flow from operations since 2020. In the notes to the financial statements of HPS for the fiscal years 2022 which is the latest audited financial statement, the Company's auditors mentioned the above indicators and commented that the situation indicates significant uncertainty regarding the appropriateness of the accounting criteria for ongoing operations. However, the parent company of HPS at that moment, which is King Gen Public Company Limited., provided financial support to ensure that HPS could meet its debt obligations for at least 12 months after the end of the reporting period. This allowed HPS to use the criteria for ongoing operations in preparing its financial statements. In the past, HPS received additional liquidity from its shareholders. Since 2020, HPS has consistently increased its capital for existing shareholders. Hence, following the completion of the HPS Shares Purchase Transaction, if the performance and financial indicators of HPS continue to display persistent liquidity challenges, it becomes the Company's obligation to provide financial assistance to HPS. This assistance can be in the form of capital infusion or provision of loans, ensuring the uninterrupted continuation of HPS's operations.
- (2) The risks of operating HPS business may result in operations not going as planned, as the main income of HPS comes from selling products through only one digital television channel, which is Nation TV Channel 22, with a contract signed on a yearly basis. Based on past data, it has been found that the rating of digital television channels affects the decrease in HPS's revenue. Additionally, customer behavior has changed, with particularly new generation individuals not watching television. In addition, if HPS is unable to maintain a consistent contract with Nation TV, it may directly impact the revenue from product sales - Inbound, which is the main source of income for HPS. In the year 2022 and the first 11 months of 2023, the revenue accounted for 52.04% and 50.06%, respectively of the total revenue. Therefore, the future operations may not go as expected due to changes in various factors, which may affect the performance of HPS and the Company as a whole, which cannot be avoided.
- (3) Risk from impairment of Goodwill as referenced by the evaluation of the fair value of HPS in Part 3 of this report, the purchase price of HPS shares is higher than the fair value of HPS shares assessed by the Independent Financial Advisor. Therefore, the Company may be at risk of recording a loss from the impairment of goodwill in the future. In this regard, from the preliminary assessment of the IFA, the Company may need to record goodwill in the amount of THB 167.98 million (equivalent to 111.99% of the purchase price of HPS shares). However, the actual goodwill is calculated from the Purchase Price Allocation according to the Financial Reporting Standard No. 3, which is prepared by the Company in the future and is the discretion of the Company and its auditor. Therefore, the actual accounting recording in the future after the Purchase Price Allocation may be materially different from the above-mentioned figures.

- (4) The risk of relying on executives and specific personnel to operate the business. The Company needs to rely on key executives and teams of HPS, who have experience in providing and distributing products (Outbound Service) more than the Company's own team, which specializes in being a data service provider and customer relationship service center (Inbound Service).
- (5) Shareholders of the Company will be affected by a 20.80% decrease in the proportion of shareholding (Control Dilution) and a 1.32% decrease in the stock price of the Company (Price Dilution) due to the source of capital for the transaction to purchase HPS shares amounting to THB 150 million, which came from funds obtained from the issuance and offering of PP ordinary shares of the Company amounting to THB 125 million (because the Company has already paid a deposit to the Seller of HPS shares in the amount of THB 25 million).
- (6) The proposed purchase price for HPS shares is deemed unreasonable. The Independent Financial Advisor has assessed the fair value of HPS (or the value of HPS shares at 100%) to be between THB 24.57 - 28.20 million, which is lower than the HPS shares purchase price of THB 150 million, equivalent to THB 121.80 - 125.43 million or less than 81.20% - 83.62%. Furthermore, it is worth noting that on June 27, 2023, King Gen PLC made an announcement to the Stock Exchange regarding the sale of 4,500,000 common shares of HPS. This transaction, which accounted for 50% of the total HPS shares, was completed with Clareville Capital Opportunities Fund Limited at a total value of approximately THB 10.08 million. Consequently, the value of HPS stocks stood at 100% during that time, amounting to approximately THB 20.17 million (rounded up). It is important to highlight that this figure was lower than the purchase price of HPS shares in this transaction, which was THB 150.00 million, equivalent to THB 129.83 million or lower by 86.55%.
- (7) The Company may risk failing to receive the indemnity for damage caused by a breach of the agreement or the representations by the Sellers of HPS Shares (if any) since one of the Sellers are newly established entities with a small amount of paid-up capital.

Sufficiency of Source of Funds for the Transaction

The Company will use the capital received from the Private Placement Shares Issuance and Offering Transaction (which will be approved at this shareholders' meeting of the Company) to pay the compensation for the purchase of HPS shares in an amount not exceeding THB 150.00 million, which is equivalent to only 20.83% of the amount the Company will receive from the capital increase.

In addition, since the allocation of ordinary shares for the capital increase of the Company to support the offering of newly issued shares to Private Placement and the consideration of the purchase of ordinary shares in HPS are separate matters, the consideration and approval of the matters are independent of each other. Therefore, if the shareholders of the Company do not approve the consideration of the allocation of ordinary shares for the capital increase of the Company, the Company will use internal funds to pay the compensation for the purchase of HPS shares. As of September 30, 2023, the Company's consolidated financial statements have cash and cash equivalents of THB 220.41 million and financial assets of THB 244.28 million, totaling THB 464.69 million.

However, if we look at the overall picture of the Company's financial budget plan, the Company still has the burden of paying the remaining shares from the purchase of ordinary shares in Peer for All Co., Ltd. ("**PFA**"), amounting to THB 444.10 million (calculated from the total purchase value of THB 565 million, minus the collateral of THB 120.90 million) (*referenced in letter number OTO 097/2566 regarding the purchase of PFA shares, which was reported to the Stock Exchange of Thailand on November 13, 2023*). In addition, the Company also plans to participate in bidding for large-scale government projects with a project value of at least THB 500 million, which requires the Company to prepare working capital for project operations before it can start generating income according to the contract (referenced in letter number OTO 099/2566 regarding the Notification of the Board of Directors' Meeting No. 19/2023 (Revised), which was reported to the Stock Exchange of Thailand on December 4, 2023). Therefore, if the shareholders of the Company do not approve the PP Share Issuance and Offering Transaction, the Company may not have sufficient capital to engage in HPS Share Acquisition Transaction, or if the Company considers engaging in HPS Share Acquisition Transaction, it may miss opportunities to invest in other businesses or miss opportunities to bid on projects according to the Company's plan, or it may have to face the risk of liquidity of the Company's working capital. Additionally, if the Company needs to sell financial assets to be a source of capital for transactions, the Company will be exposed to potential loss due to the sale of the investments, which may adversely impact the Company's performance.

Deposit according to MOU for the purchase of common shares of HPS

On November 24, 2023, the Company signed a memorandum of understanding for the purchase of common shares of Happy Products and Service Company Limited ("**MOU for the purchase of common shares**"). The Company also placed a refundable deposit of THB 25 million to Miss Apirawee Pichayadecha and Miss Duangkamon Kietsukasem for the purpose of conducting due diligence of HPS's business. Miss Apirawee Pichayadecha (holding 900,000 shares of HPS) and Miss Duangkamon Kietsukasem (holding 3,600,000 shares of HPS) are 2 of 3 shareholders of HPS, collectively owning 4,500,000 shares, which accounts for 50% of the total shares of HPS. The deposit of THB 25 million represents 16.67% of the total purchase price and 33.33% of the purchase value specifically for the shares held by the 2 out of 3 shareholders who signed the MOU for the purchase of common shares. The proportion of the deposit is 33.33%, it is considered higher than the general deposit rate of 10 - 20%. However, the Company has pledged the HPS shares of the 2 out of 3 shareholders, totaling 4,500,000 shares, which is 50% of the total shares of HPS, in order to reduce potential risks.

However, according to the valuation of the fair value of HPS in Part 3 of this report, the fair value of the HPS shares that the Company has received a pledge is between THB 12.28 - 14.10 million, which is lower than THB 25 million deposit, equivalent to THB 10.90 - 12.72 million or less than 43.60% - 50.87% of the deposit. Therefore, the Company will be at risk if the company does not receive a refundable deposit because the value of the shares of HPS that the Company received a pledge will not cover the value of the damage incurred from the loss of the deposit. However, in the Share Pledge Agreement, it states that in the event of forced sale of the pledged shares, the net amount of money received, or the price of the shares pledged (depending on the case) is less than the deposit amount according to the MOU for the purchase of common shares, including the debt from the breach, the pledgors (Miss Apirawee Pichayadecha and Miss Duangkamon Kietsukasem) agree to take responsibility for compensating the amount of money or share price that is lacking to the pledgee until it is fully paid as per the deposit amount according to the MOU for the purchase of common shares, including debts from breaches.

After considering the objective and necessity of the transaction, as well as the advantages, disadvantages, benefits, and risks involved, the IFA is of the opinion that the Company has valid reasons and a necessity to increase sources of income and enhance the potential of the main business. However, due to the inappropriate purchase price of HPS shares, as well as the liquidity risk of HPS and potential accounting impact, the IFA believes that as of the date of this report, **this asset acquisition transaction is not considered reasonable.**

Part 3: Opinion of the Independent Financial Advisor on Appropriateness of Price and Conditions of the Asset Acquisition Transaction

The Independent Financial Advisor ("IFA") has evaluated the suitability of the share value of Happy Products and Service Company Limited ("HPS") through the utilization of multiple methods, encompassing 7 distinct approaches.

- 1) Book Value Approach
- 2) Adjusted Book Value Approach
- 3) Market Value Approach
- 4) Price to Book Value Ratio Approach: P/BV Ratio
- 5) Price to Earnings Ratio Approach: P/E Ratio
- 6) Precedent Transaction Comparable Approach
- 7) Discounted Cash Flow Approach

However, the IFA cannot evaluate the share value of HPS using the market value method, as HPS is not a listed company in the Stock Exchange of Thailand or any other stock market. Therefore, the evaluation of the share value of HPS will be done using the remaining 6 methods.

In evaluating the fair value of the assets to be acquired in this transaction, the IFA has considered the appropriateness of participating in this transaction based on the study of data and documents received from the Company and HPS, such as the business plan, financial estimates, audited financial statements, and HPS's internal financial statements. The past performance of HPS and various documents related to this transaction, including general disclosure information such as the 56-1 One Report for the year 2022, audited financial statements, Information Memorandum on this asset acquisition transaction, the legal due diligence report dated December 7, 2023 prepared by Tilleke & Gibbins, industry data and financial information from various websites, and information disclosed to the public on the websites of the SEC (www.sec.or.th) and the Stock Exchange of Thailand (www.set.or.th).

The opinions of the IFA in this report are based on the assumption that the information and documents provided are accurate and complete according to the Company's management and HPS. The IFA has checked the data according to professional standards and found no abnormalities in the key content. However, the IFA cannot guarantee the accuracy or completeness of the information. This opinion is based on the current situation and information available at the time of preparing this report. Any future changes or events may have significant implications for HPS's business operations and financial estimates, as well as the evaluations and analyses of the IFA, including decisions made by shareholders regarding the aforementioned assets.

After considering all relevant information and documents, the IFA would like to render our opinion on appropriateness of price of the ordinary shares of HPS as follows:

1. Book Value Approach

This method of valuation will demonstrate the value of HPS as shown in the accounts at any given time. It is an assessment based on the accounting value of HPS according to the latest financial statements as of September 30, 2023, which are the internal financial statements of HPS prepared by the management of HPS. The calculation of book value of HPS shares according to such financial statements is as shown below:

Table 3-1: Book value of HPS

Book Value of HPS	THB Million (except value per share)
Issued and paid-up capital	90.00
Share premium	10.00
Retained loss	(117.98)
Total shareholders' equity	(17.98)
Total no. of paid-up shares as of September 30, 2023 (shares)	9,000,000
Book Value per share (THB per share)	(2.00)

Remark:

1/ Par value of THB 10.00 per share.

However, the IFA cannot evaluate the value of the share through this method because the shareholders' portion of HPS has a negative value.

2. Adjusted Book Value Approach

Under this approach, value of HPS shares is derived from HPS's total assets, deducted by total liabilities, commitments and contingent liabilities as shown on the latest financial statements as at September 30, 2023, which is an internal statement of HPS prepared by HPS management, and adjusted by transactions arising after the financial statements date or transactions that will more accurately reflect actual value such as unrealized gain or loss from asset revaluation, tax losses carried forward, contingent liabilities, and events after the financial statements.

2.1 Gain (Loss) on asset revaluation

HPS does not provide property valuation as the majority of the assets are office rental improvements, installations, and office equipment. There is a short-term depreciation of 5 years, with a net book value of THB 1.99 million or 6.76% of the total assets as of September 30, 2023. However, the IFA believe that if the assets were to be appraised by independent appraisers, the appraised value would be close to the book value, with only a slight difference, as the majority of assets are assets with a relatively short lifespan and depreciate in value over time.

2.2 Tax loss carried forward

HPS incurred accumulated tax losses arising from losses from operation in 2019 - 2022. Such accumulated tax losses can be carried forward in order to reduce corporate income tax until 2025, as follows:

Table 3-2: Tax benefits from accumulated losses

Tax Year	Carried Forward Until	Accumulated Tax Losses (THB Million)
2019	2024	5.39
2020	2025	18.24
2021	2026	48.79
2022	2027	27.51
Total tax loss carried forward		99.93
Tax shield from tax loss carried forward^{1/}		19.99

Remark:

1/ Corporate income tax rate of 20%

HPS recorded accumulated tax losses amounting to THB 99.93 million, which can be claimed to reduce corporate income tax in the amount not exceeding THB 19.90 million. Such tax loss carried forward will gradually expire by 2027. However, based on the financial projection, the IFA expects utilization of tax loss carried forward will be limited at approximately THB 7.89 million or equivalent to tax shield of only THB 1.58 million. *(Please refer to details in Part 3, Clause 6 of this report).*

Therefore, the IFA made no adjustment on book value of HPS from tax loss carried forward.

However, since the IFA did not make any adjustments, the adjusted book value will be equal to the book value. Therefore, the IFA cannot assess the share value using this method, as the shareholder's portion of HPS has a negative value.

3. Price to Book Value Ratio Approach: P/BV Ratio

The IFA has assessed the common stock value of HPS by using the book value per share as shown in the financial statements as of September 30, 2023, which is an internal statement of HPS prepared by HPS management multiplied by the median P/BV ratio of listed companies in the Stock Exchange of Thailand in the service sector and the Market for Alternative Investment (mai) in the service sector, with a total of one company that operates and generates its main income from providing services and distributing products through various distribution channels similar to HPS, based on data up to December 28, 2023, which can be summarized as follows.

Table 3-3: Comparable listed company data

Name	Symbol	Type of Business
1. TVD Holdings PCL.	TVDH	Operates business by holding shares in other companies (Holding Company). The principal business operations of the Group are sales of goods and services through various marketing channels including providing, producing TV programs and selling of airtime for advertising.

Source: www.set.or.th

Financial information of the comparable listed company.

Table 3-4: Financial information of the comparable listed company

Company (Unit: THB million)	Market cap as of December 28, 2023 <i>(The last working day of 2023)</i>	Total Assets as of September 30, 2023	Total Revenues of the Previous 4 Quarters	Net Profit (Loss) of the Previous 4 Quarters (to the equity holder of the company)
1. TVDH	665.90	1,571.69	2,117.48 ^{1/}	(426.11) ^{1/}
HPS	n.a.	29.48^{2/}	204.30^{2/}	(16.47)^{2/}

Source: SETSMART and financial statements of each company published on the website

Remarks: n.a. (non-applicable) cannot be calculate

1/ Total revenue and profit (loss) for the past 12 months from October 1, 2022, to September 30, 2023.

2/ HPS information as of September 30, 2023, and total revenue and profit (loss) for the past 12 months from October 1, 2022, to September 30, 2023, according to HPS's internal financial statements prepared by management

Nevertheless, the IFA is not able to assess the value of the shares utilizing this method, as the book value per share of HPS is in a negative state.

4. Price to Earnings Ratio Approach: P/E Ratio

The IFA has evaluated the common share value of HPS by taking the net profit per share (Earnings per Share) as shown in the financial statements for the 12-month period ending on September 30, 2023. This is an internal statement prepared by HPS management, multiplied by the median value of the P/E Ratio of companies listed on the Stock Exchange of Thailand, in the service sector and the Market for Alternative Investment, in the service sector, totaling one company that operates and generates its main income from providing services and distributing products through various distribution channels similar to HPS, with data referenced up to December 19, 2023.

However, the IFA cannot evaluate the stock value using this method due to HPS's loss during the past 12 months of operation.

5. Precedent Transaction Comparable Approach

The IFA has evaluated the share value of HPS based on the past trading price of HPS shares, referring to the letter number KGEN - 007/2023 regarding the announcement of the sale of HPS shares and the dissolution of the subsidiary company, which was notified to the Stock Exchange of Thailand on June 27, 2023. In the letter, it was stated that King Gen Public Company Limited ("**KGEN**") has sold ordinary shares of HPS to Clareville Capital Opportunities Fund Limited, totaling 4,500,000 shares with a par value of THB 10 per share, equivalent to 50% of the total HPS shares. The transaction price was USD 70,000, equivalent to THB 2,468,900 (at an exchange rate of THB 35.24 on June 27, 2023), including the outstanding debt of THB 7,615,099 with KGEN. Therefore, the total value of the purchase and sale is THB 10,083,999.

When considering the total trading value of THB 10,083,999 for the sale of 4,500,000 HPS shares, the value of HPS is thus determined to be THB 20.17 million or a share value of THB 2.24 per share.

6. Discounted Cash Flow Approach

This method of valuation considers the future performance of HPS by calculating the present value of estimated net cash flows using an appropriate discount rate. The independent financial advisor ("IFA") has calculated the weighted average cost of capital (WACC) to be used as the discount rate and to calculate the future net cash flows from the financial estimates of HPS for the next 5 years (2024 - 2028), assuming that HPS will continue to operate as a going concern without any significant changes and under the current economic conditions and circumstances.

The IFA has prepared the financial estimates of HPS based on data and assumptions provided by the Company and HPS, as well as interviews with management and relevant personnel, for the purpose of determining the fair value of HPS and the appropriateness of the transaction price for this transaction. However, if there are changes in the economic conditions and other external factors that significantly affect the operations of HPS, as well as changes in the internal situation of HPS that deviate from the specified assumptions, the estimated value using this method will also change.

HPS Business

HPS is a service provider and distributor of products through various distribution channels (omni channel). Currently, HPS has two main sources of income: 1) revenue from product sales, such as dietary supplements, bird's nest drinks, cold-pressed natural oils, hemp seed balm, coffee, and household items, and 2) revenue from services, such as advertising media production.

The main income of HPS comes from revenue from product sales - Inbound, which is revenue from product sales through television channels, and revenue from product sales - Outbound, which is revenue from product sales that occur when HPS Telesales agents make phone calls to customers in the existing customer database who have previously ordered products. In 2022, the revenue from Inbound and Outbound product sales accounted for 52.04% and 32.89% respectively of the total revenue, accordingly. In the first 11 months of 2023, the revenue from Inbound and Outbound product sales accounted for 50.06% and 33.45% respectively of the total revenue, accordingly. During the past year until September 30, 2023, the main product sold by HPS was dietary supplements, which accounted for approximately 62.84% of the total sales revenue."

Currently, HPS sells products through a consignment sales model, which involves recording incoming products as inventory. The HPS team plans marketing strategies to select appropriate time periods for presenting each type of product. HPS accepts products to be sold as inventory only when the team is ready to present the products through various distribution channels. If any products remain unsold, HPS has the option to return them to the consignor, thereby minimizing the risk of inventory impairment.

The important financial estimation assumptions of HPS can be summarized as follows.

1) Revenue from sales

Revenue from product sales – Inbound refers to revenue from selling products through the main channel, which is the television channel known as Home Shopping. The TV shopping program is broadcasted throughout the day, with both short programs lasting 2 - 5 minutes and long programs lasting 30 minutes to 1 hour, as well as 1-minute advertisement spots. The program includes product presentations by hosts and the phone number of the Call Center. Interested customers will call the Call Center (**Inbound Call**), and telesales staff will close the sale, take orders, and arrange product delivery through a transportation company.

In the years 2020-2023, revenue from product sales – Inbound amounted to THB 271.50 million, THB 152.30 million, THB 100.55 million, and THB 113.36 million, respectively. The significant decrease in sales in 2021 was due to the decrease in the digital TV rating of Nation TV, which is the main distribution channel for HPS, from 0.205 to 0.109. However, the TV rating gradually improved since 2022, with a rating of 0.162 in November 2023. The monthly revenue from product sales - Inbound in 2023 ranged from THB 8.23 to 13.90 million per month (with an average of THB 9.45 million per month). Meanwhile, the aforementioned revenue in the second half of 2023 (July - November) averaged at THB 10.64 million per month.

In this estimation, the IFA assumes that the revenue from product sales - Inbound is THB 122.07 million (with an average of THB 10.17 million per month), which is equal to the average revenue from product sales - Inbound in the years 2021 - 2023. Based on careful analysis, it has been noted that HPS consistently distributes its products predominantly through a single television channel, Nation TV.

Revenue from product sales - Outbound refers to the revenue generated from sales made by HPS Telesales representatives who make phone calls to customers based on the existing customer base who have previously ordered products (**Outbound Call**). The main objective of the calls is to recommend additional purchases of the same products or to replace products that are expected to be used or consumed by customers. This increases the chances of customers placing orders because they are already familiar with the products.

In the years 2020 - 2023, revenue from product sales - Outbound was THB 48.88 million, THB 42.36 million, THB 63.56 million, and THB 75.27 million, respectively. The revenue only decreased in 2021, while starting from 2022, the revenue has been continuously growing. The average growth rate for the years 2021 - 2023 is 18.37%.

In this estimation, the IFA assumed that the revenue from product sales - Outbound would grow by 10% in 2024 and by 5% for the years 2025 - 2028, resulting in an average growth rate of 6.0% for the years 2024 - 2028. This assumption is based on information provided by HPS management, who have plans to increase the number of telesales representatives and the number of products sold through this channel, as they see the potential for revenue growth. After considering this, the IFA found that the assumption is reasonable when compared to the past trends of revenue growth and in line with the e-Commerce market growth trend of 6.0% according to Krungthai Compass, the research center of Krungthai Bank (*Shareholders can refer to additional information on overview of e-commerce business in Attachment 2 of this report*).

Revenue from product sales - PP Shop is the sale of dietary supplements through PP Shop via PPTV HD 36 channel. From January to July 2023, the total sales amounted to THB 5.00 million. However, the management of HPS explained that the company has stopped selling products through this channel since August 2023. Therefore, the IFA has determined that the aforementioned revenue is zero.

Revenue from online sales - Line Happy is the revenue from selling products online through the LINE application: @happy_shopping. Currently, HPS has 85,000 members on LINE, with 50,000 active users. HPS consistently presents products to customers through LINE.

In the years 2020 - 2023, the revenue from online sales - Line Happy was THB 26.60 million, THB 10.96 million, THB 10.37 million, and THB 13.77 million, respectively. The revenue decreased significantly in 2021 but remained relatively stable in 2021 - 2022. The revenue then grew again in 2023. The decrease in revenue in 2021 was due to the launch of HPS's online sales channel, the website <https://happyshoppingofficial.com>, which led some customers to purchase products through the website instead of LINE. Additionally, HPS management plans to increase the number of active users and promote sales through LINE in 2024.

In this estimation, the IFA assumes a 6.0% growth in revenue from online sales - Line Happy, based on the e-commerce market trend of 6.0% by Krungthai Compass, the research center of Krungthai Bank (*Shareholders can refer to additional information on overview of e-commerce business in Attachment 2 of this report*). The estimated revenue from online sales - Line Happy for the years 2024 - 2028 will range from THB 14.60 to 18.43 million, with an average of THB 16.46 million, which is close to the average value in the past years 2020 - 2023, which was THB 15.43 million.

Revenue from online sales - MarketPlace consists of revenue from selling products online through platforms for buying and selling goods online (MarketPlace). Currently, HPS sells through two main platforms, Lazada and Shopee.

Lazada: <https://www.lazada.co.th/shop/happyshoppingofficial>

Shopee: https://shopee.co.th/happyshopping_official

In the years 2020 - 2023, revenue from online sales - MarketPlace amounted to THB 5.73 million, THB 9.55 million, THB 10.08 million, and THB 11.80 million, respectively. This represents an average growth rate for the years 2021 - 2023 of 29.71%. The increasing revenue reflects the continuous growth trend of the e-commerce market in Thailand.

In this estimation, the IFA assumes a growth rate of 6.0% for revenue from online sales - MarketPlace, based on the growth trend of the e-commerce market at 6.0%.

Revenue from online sales - Website refers to revenue from selling products online through the website (Website: <https://happyshoppingofficial.com>).

In the years 2020 - 2023, revenue from online sales - Website amounted to 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 has been continuously decreasing due to the reduction in sending broadcast messages and

information to customers (Broadcast) from LINE, and the cancellation of QR Code that allows customers to scan and purchase products through the website on the television screen.

In this estimation, the IFA assumes that the revenue from online sales - Website will be approximately THB 1.42 million, which is close to the aforementioned revenue in 2023.

Revenue from online sales - Social Commerce is revenue from online sales through Facebook: <https://www.facebook.com/happysoppingthofficial> and TikTok happysoppingth.

In the years 2020 - 2023, revenue from online sales - Social Commerce was THB 2.97 million, 0.57 million, THB 0.17 million, and THB 0.36 million, respectively. Revenue from sales through this channel decreased in 2021 - 2022 and increased in 2023 due to the declining popularity of ordering products through Facebook and the increasing popularity of ordering through TikTok. HPS has started opening a sales channel through TikTok Shop in late 2023.

In this estimation, the IFA assumes that the projected revenue from online sales - Social Commerce in 2024 is THB 1.32 million, based on HPS's marketing plan to target new customers on TikTok and aiming for a growth rate of 1.0%, based on HPS's business plan.

Revenue from product sales - Others. In 2020, the revenue was from the sale of tour packages. However, currently HPS no longer sells this product. As for 2023, it is the sale of products to employees at a special price, which is uncertain income. Therefore, the IFA has determined that the aforementioned revenue is zero.

2) Revenue from services (Originally, HPS includes this revenue in the category of other incomes)

Revenue from services - B2C refers to revenue from providing services to individual customers, such as revenue from shipping fees that customers have to pay according to the conditions, and revenue from advertising fees, etc.

In the years 2020 - 2023, Revenue from services - B2C was THB 24.53 million, THB 8.93 million, THB 5.75 million, and THB 3.84 million, respectively. These revenues have continuously decreased due to many home shopping promotions offering free shipping, resulting in a continuous decrease in revenue from shipping fees collected from customers.

In this estimation, the IFA assumes that the revenue from B2C services is THB 3.66 million, based on the business plan of HPS and considering that this revenue is at the same level as in 2023.

Revenue from service – B2B is the revenue from providing services to organizational customers. The customer group includes both existing retailers who sell products through HPS and new customers who want to sell their products online. HPS can provide services to customers such as customer relationship centers (Call Centers) for customers promoting their products through digital television channels and providing offline and online advertising media services. According to interviews with HPS executives, HPS has started to reach organizational customers and has begun to have customers using their services.

In the past, HPS did not provide services in this area, so there is no past performance. However, HPS management sees an opportunity to increase revenue and has started to penetrate this customer group.

In this estimation, the IFA assumes that the revenue from B2B services in 2024 will be THB 7.14 million, based on the expected revenue from customers who have started using the service. In addition, the IFA believes that the transfer of the Call Center business unit from King Gen Public Company Limited ("**KGEM**") (the former major shareholder of HPS) in June 2023 will help generate revenue providing services according to target. For the years 2025 – 2028, the revenue in this area is expected to grow by 5.00% based on HPS's business plan.

3) Other revenues

In the past, the primary source of income in this sector was derived from revenue from HPS services. Nevertheless, since the IFA has already projected revenue from services pertaining to the aforementioned subjects, there is no necessity to reevaluate the income within this section.

In addition, the revenue from the sales and services in the past and projected years can be summarized as follows:

Table 3-5: Revenue from sales and services of HPS for the years 2020 - 2023 and projected years 2024 - 2028

Unit: THB Million	2563A	2564A	2565A	2566A ^{1/}	2567F	2568F	2569F	2570F	2571F
Revenue from product sales - Inbound	271.50	152.30	100.55	113.36	122.07	122.07	122.07	122.07	122.07
Revenue from product sales - Outbound	48.88	42.36	63.56	75.27	82.79	86.93	91.28	95.84	100.64
Revenue from product sales - PP Shop	-	-	-	5.00	-	-	-	-	-

Unit: THB Million	2563A	2564A	2565A	2566A ^{1/}	2567F	2568F	2569F	2570F	2571F
Revenue from online sales - Line Happy	26.60	10.96	10.37	13.77	14.60	15.47	16.40	17.39	18.43
Revenue from online sales - MarketPlace	5.73	9.55	10.08	11.80	12.50	13.25	14.05	14.89	15.79
Revenue from online sales - Website	13.13	8.65	2.74	1.52	1.42	1.42	1.42	1.42	1.42
Revenue from online sales - Social Commerce	2.97	0.57	0.17	0.36	1.32	1.33	1.35	1.36	1.37
Revenue from product sales - Others	1.81	-	-	0.16	-	-	-	-	-
Total revenue from sales	370.63	224.39	187.47	221.23	234.71	240.49	246.57	252.97	259.72
Revenue from service - B2C	24.53	8.93	5.75	3.84	3.66	3.66	3.66	3.66	3.66
Revenue from service - B2B	-	-	-	-	7.14	7.50	7.87	8.26	8.68
Total revenue from services	24.53	8.93	5.75	3.84	10.80	11.16	11.53	11.92	12.34
Total Revenue	395.16	233.32	193.22	225.08	245.51	251.64	258.10	264.90	272.05

Remark:

1/ Based on the actual revenue incurred from January to November of the year 2023 according to HPS's internal financial statement, as well as the estimated expenses for December 2023 by HPS.

4) Cost of Sales and Services

Cost of sales and services consist of cost of goods, TV advertising expenses, transportation service expenses, marketing expenses, commission for Telesales officers, other costs, cost of services – B2B

Important assumptions about cost of sales and services can be summarized as follows:

Cost of goods is the main cost of HPS's distribution business. HPS receives goods to be sold as inventory when the HPS team is ready to present them through various distribution channels, primarily through television advertising and secondarily through online channels.

In 2020 – 2023, cost of goods was THB 182.33 million, THB 105.57 million, THB 94.00 million, and THB 107.64 million, respectively, or 49.2%, 47.0%, 50.1%, and 48.7% of revenue from sales.

In this estimate, the IFA assumed that cost of goods is 50.0% of the revenue from sales, which is close to the average ratio of the cost of goods to revenue from sales in 2022 - 2023.

TV advertising expenses are the expense of purchasing airtime on television to promote or present products during that specific period of time. If customers are interested, they can call to order the products, generating revenue from sales - Inbound, with the main television channel being Nation TV.

In the years 2020 - 2023, TV advertising expenses were THB 79.93 million, THB 41.99 million, THB 25.76 million, and THB 30.67 million, respectively, or equivalent to 29.4%, 27.6%, 25.6%, and 27.1% of the revenue from sales - Inbound.

In this estimation, the IFA assumed that TV advertising expenses would be 27.5% of the revenue from sales - Inbound, which is similar to the television advertising ratio in 2023, in order to align with HPS's current business plan.

Transportation service expenses include transportation costs, warehouse rental fees, packaging fees, and collection fees.

In the years 2020 - 2023, the transportation service fees were THB 30.41 million, THB 20.29 million, THB 11.47 million, and THB 13.65 million, respectively, or 8.2%, 9.0%, 6.1%, and 6.2% of revenue from sales.

In this estimation, the IFA assumed that transportation service expenses would be 6.5% of revenue from sales, which is similar to the transportation service fee ratio in 2022 – 2023.

Marketing expenses. This expense is related to the use of online advertising media or digital advertising on various platforms, such as sending notification messages on Line Happy. This expense includes both monthly service contract fees and fees based on the frequency of using online advertising media.

In the years 2020 - 2023, marketing expenses amounted to THB 7.47 million, THB 5.25 million, and THB 4.29 million respectively, or accounted for 2.0%, 2.3%, and 3.7% of revenue from sales.

In this estimation, the financial consultant assumed that marketing expenses would be 2.1% of revenue from sales, which is close to the proportion of marketing expenses in 2023, in order to align with HPS's current business plan.

Commission for Telesales officers consists of additional money or compensation formats provided to Telesales officers or related individuals. Telesales officers are responsible for answering customer calls to order products or inquire about product information (Inbound) and making calls to customers based on the customer database to generate repeat purchases (Outbound).

HPS recently transferred the Call Center business from KGEN in June 2023. The commission for Telesales officers in 2023 is THB 2.41 million or 1.3% of revenue from Inbound and Outbound.

However, if considering only the revenue from Inbound and Outbound starting from June 2023 to align with the transfer of the Call Center business, the average commission rate from June to December 2023 is 2.0% of revenue from Inbound and Outbound

In this estimation, the IFA assumes a commission rate of 2.0% of revenue from Inbound and Outbound, which is equal to the average commission rate for Telesales officers from June to December 2023.

Other costs are the revenue share for digital TV channels, for example.

In the years 2020 - 2023, other costs were THB 2.38 million, THB 12.93 million, THB 4.73 million, and THB 0.96 million, respectively, or 0.60%, 5.54%, 2.45%, and 0.42% of total revenue. The high proportion of other costs to total revenue in 2021 is due to HPS having to pay additional revenue shares to digital TV channels. However, HPS has been able to negotiate new contracts that continuously reduce the proportion of these costs, and HPS management has provided information that they have been able to control costs in this area to an appropriate level in 2023.

In this estimate, the IFA assumes that other costs are approximately 0.50% of total revenue, which is close to the proportion of other costs in 2023.

Cost of Service - B2B Due to the revenue from service - B2B being a new source of income according to the HPS management plan, the team will estimate and control the cost to be at 70% of the revenue from B2B services.

In this estimation, the IFA assumes the cost of service - B2B to be 70% of the revenue from B2B services, based on HPS's business plan.

In summary, cost of sales and services in the past and projected years are as follows:

Table 3-6: Cost of sales and services of HPS for the year 2020 – 2023 and projected year 2024 - 2028

Unit: THB Million	2020A	2021A	2022A	2023A ¹	2024F	2025F	2026F	2027F	2028F
Cost of goods (1)	182.33	105.57	94.00	107.64	117.35	120.24	123.28	126.49	129.86
TV advertising expenses (2)	79.93	41.99	25.76	30.67	33.57	33.57	33.57	33.57	33.57
Transportation service expenses (3)	30.41	20.29	11.47	13.65	15.26	15.63	16.03	16.44	16.88
Marketing expenses (4)	7.47	5.25	7.00	4.29	5.04	5.16	5.29	5.43	5.58
Commission for Telesales officers (5)	-	-	0.01	2.41	4.15	4.18	4.27	4.36	4.45
Other costs (6)	2.38	12.93	4.73	0.96	1.23	1.26	1.29	1.32	1.36
Cost of B2B Projects (7)	-	-	-	-	5.00	5.25	5.51	5.79	6.07
Total (1) to (7)	302.53	186.04	142.97	159.62	181.59	185.29	189.24	193.40	197.77
Total revenue from sales (A)	370.63	224.39	187.47	221.23	234.71	240.49	246.57	252.97	259.72
Total revenue from services (B)	24.53	8.93	5.75	3.84	10.80	11.16	11.53	11.92	12.34
Total revenue (C) = (A)+(B)	395.16	233.32	193.22	225.08	245.51	251.64	258.10	264.90	272.05
Average cost of goods per revenue from sales (1) / (A)	49.2%	47.0%	50.1%	48.7%	50.0%	50.0%	50.0%	50.0%	50.0%
TV advertising expenses to Inbound revenue	29.4%	27.6%	25.6%	27.1%	27.5%	27.5%	27.5%	27.5%	27.5%
Transportation service expenses to Sales (3) / (A)	8.2%	9.0%	6.1%	6.2%	6.5%	6.5%	6.5%	6.5%	6.5%
Marketing expenses to Sales (4) / (A)	2.0%	2.3%	3.7%	1.9%	2.1%	2.1%	2.1%	2.1%	2.1%
Commission on Inbound + Outbound Revenue	0.0%	0.0%	0.0%	1.3%	2.0%	2.0%	2.0%	2.0%	2.0%
Other costs to total revenue (6) / (C)	0.60%	5.54%	2.45%	0.42%	0.50%	0.50%	0.50%	0.50%	0.50%
Cost of Service – B2B / Revenue from service – B2B	n.a.	n.a.	n.a.	n.a.	70.0%	70.0%	70.0%	70.0%	70.0%

Remark:

1/ Based on the actual expenses incurred from January to November of the year 2023 according to HPS's internal financial statement, as well as the estimated expenses for December 2023 by HPS.

5) Selling and Administrative Expenses

Selling and administrative expenses consist of employee expenses, cost of Call Center system and services, salary expenses of Telesales officers, production expenses, IT expenses, rent and office expenses, accounting fees and other fees, other expenses, depreciation and amortization expenses and interest expenses.

The summary of important assumptions for estimating selling and administrative expenses are as follows.

Employee expenses consist of salaries, bonuses, and various benefits of HPS monthly employees.

In the years 2020 - 2023, employee expenses amounted to THB 58.06 million, THB 48.52 million, THB 46.08 million, and THB 42.51 million, respectively. The significant decrease in employee expenses in 2023 is a result of the planned organizational restructuring, which began in June 2023. This has led to an average employee expense between June and December 2023 of approximately THB 3.21 million per month.

In this estimation, the IFA assumes that employee expenses in 2024 will be THB 38.52 million, or THB 3.21 million per month, based on the average employee expense between June and December 2023, due to consideration, it is seen that the current number of employees is sufficient for the operation of HPS business and the number of HPS employees during the last 3 months of 2023 remained stable. Additionally, it is assumed that there will be a 3.00% increase annually, in line with the general average salary adjustment rate of approximately 3.00% - 5.00% per year.

Cost of Call Center system and services includes expenses related to renting the Call Center system.

In the year 2020 - 2023, the cost of Call Center system and services was THB 32.79 million, THB 21.39 million, THB 19.57 million, and THB 11.17 million, respectively. In the past, HPS hired KGEN for the Call Center service system, which included Telesales staff and information system work. However, in June 2023, HPS has received the transfer of all Call Center operations from KGEN, resulting in a reduction in expenses in this area. Only expenses related to the information system of the Call Center remain, leading to a significant decrease in expenses in this area in the year 2023.

In this estimation, the IFA assumes the cost of Call Center system to be THB 3.31 million per year for 2024 - 2025, based on the contract with One to One Professional Company Limited (the subsidiary of the Company). The contract covers a 24-month service agreement, and it is assumed that there will be a 2.13% increase per year, based on the average growth rate of the Consumer Price Index (CPI) in Thailand for the past 20 years (2004 - 11M2023).

Salary expenses of Telesales officers include salaries and various benefits of Telesales officers.

HPS recently transferred the Call Center business from KGEN in June 2023. The salary expenses of Telesales officers in 2023 amounted to THB 3.36 million, with an average of THB 0.48 million per month from June to December 2023.

In this estimation, the IFA assumes the salary expenses of Telesales officers in 2024 to be THB 5.96 million, or THB 0.50 million per month, which is higher than the average salary expenses of Telesales officers from June to December 2023, in order to align with the increase in the number of officers to support the Outbound Call workload and assume a 3.00% increase per year, in line with the general average salary adjustment rate of 3.00 - 5.00% per year.

Production expenses for advertising media and non-production related production expenses, such as set decoration equipment, etc.

In the years 2020 - 2023, production expenses were THB 3.52 million, THB 2.95 million, THB 3.02 million, and THB 1.51 million, respectively. In 2023, production expenses decreased significantly according to HPS's cost reduction plan.

In this estimation, the IFA assumes that production expenses are THB 2.40 million per year in 2024, which is close to the average production expenses in 2022-2023. It is also assumed to increase by 2.13% per year, based on the average growth rate of the Consumer Price Index (CPI) of Thailand over the past 20 years (2004 - 2023).

IT expenses include the costs of computer leasing and various software copyrights in the years 2022 - 2023, amounting to THB 1.90 million and THB 2.54 million, respectively.

In this estimation, the IFA assumes that the IT expenses will be THB 5.04 million in the year 2024, according to HPS's business plan. The management has announced that starting from 2024, there will be additional SAP B1 software copyrights, and the assumption is that it will increase by 2.13% per year, based on the average growth rate of the Consumer Price Index (CPI) of Thailand in the past 20 years (2004 - 2023).

Rent and office expenses consist of office rent, studio rent, car rent, and utilities

In the years 2020 - 2023, the rent and office expenses were THB 8.08 million, THB 8.03 million, THB 3.46 million, and THB 3.53 million, respectively. In 2022, the rent and office expenses decreased significantly due to HPS moving to a new office location, resulting in lower rent.

In this estimation, the IFA assumes an increase of 2.13% per year for rent and office expenses, based on the average growth rate of the Consumer Price Index (CPI) of Thailand in the past 20 years (2004-2023), with 2023 as the base year.

Accounting fees and other fees

In the years 2020 - 2023, the accounting fees and other fees amounted to THB 0.57 million, THB 1.12 million, THB 1.13 million, and THB 0.62 million, respectively.

In this estimation, the IFA assumed an increase of 2.13% per year for the accounting examination fees and other fees, based on the average growth rate of the Consumer Price Index (CPI) in Thailand over the past 20 years (2004-2023), with 2023 as the base year.

Other expenses

In the year 2022 - 2023, other expenses amounted to THB 1.83 million and THB 4.05 million, respectively. The increase in other expenses was due to a one-time expense that occurred in March - April 2023. However, after implementing the cost reduction plan, the average other expenses of HPS from June to December 2023 were THB 0.167 million per month, and the average other expenses of HPS in the fourth quarter of 2023 were THB 0.162 million per month.

In this estimation, the IFA assumed that the other expenses would be THB 1.95 million in the year 2024, based on the other expenses in the fourth quarter of 2023, in order to reflect the cost control plan of HPS. Additionally, it was assumed that there would be a 2.13% increase per year, based on the average growth rate of the Consumer Price Index (CPI) of Thailand over the past 20 years (2004 - 11M2023).

Depreciation and Amortization expenses of leased assets, decorations, installations, and office equipment. The IFA are determined to have a constant rate of depreciation using the straight-line method for each type of asset. The depreciation cost of each asset will be calculated differently according to HPS accounting policies, on average over 5 years.

Bank fees and interest according to the lease agreement

In the years 2020 - 2023, bank fees and interest according to the lease agreement are equal to THB 0.03 million, THB 0.03 million, THB 0.03 million, and THB 0.15 million, respectively.

In this estimation, the IFA assumes that bank fees and interest according to the lease agreement are equal to THB 0.15 million, based on the bank fees and interest according to the lease agreement in the year 2023.

In summary, selling and administrative expenses in the past and estimated years are as follows:

Table 3-7: Selling and Administrative expenses of HPS for the year 2020 - 2023 and estimated year 2024 - 2028

Unit: THB Million	2020A	2021A	2022A	2023A ^{1/}	2024F	2025F	2026F	2027F	2028F
Employee expenses	58.06	48.52	46.08	42.51	38.52	39.68	40.87	42.09	43.35
Call Center system expenses	32.79	21.39	19.57	11.17	3.31	3.31	3.38	3.38	3.45
Salary expenses of Telesales officers	n.a.	n.a.	n.a.	3.36	5.96	6.14	6.32	6.51	6.71
Production expenses	3.52	2.95	3.02	1.51	2.40	2.45	2.50	2.56	2.61
IT expenses ^{2/}	n.a.	n.a.	1.90	2.54	5.04	5.15	5.26	5.37	5.48
Rent and office expenses	8.08	8.03	3.46	3.53	3.60	3.68	3.76	3.84	3.92
Accounting fees and other fees	0.57	1.12	1.13	0.62	0.63	0.64	0.66	0.67	0.69
Other expenses ^{2/}	2.28	3.85	1.83	4.05	1.95	1.99	2.03	2.07	2.12
Depreciation and Amortization expenses	2.35	2.49	3.15	2.76	1.61	1.61	1.61	1.61	1.61
Fee and interest expenses ^{2/}	0.03	0.03	0.03	0.15	0.15	0.15	0.15	0.15	0.15
Total	107.67	88.39	80.16	72.18	63.16	64.79	66.53	68.25	70.08

Remark: Accounting year ends on December 31 of each year.

n.a. (non-applicable) unable to calculate.

1/ Based on the actual expenses incurred from January to November of 2023 according to HPS's internal financial budget, as well as the estimated expenses for December 2023 by HPS.

2/ In the year 2020 - 2021, IT expenses were included in other expenses.

3/ Bank fees and interest from lease agreements.

6) Financial Cost

Since HPS does not have any credit facilities, there are no financial costs associated with loan interest. The interest expenses of HPS include relevant financial fees.

7) Corporate Income Tax

The Corporate Income Tax is fixed at 20% throughout the estimated period.

Nevertheless, since HPS has accumulated tax losses, it can be used to reduce taxes, as indicated in Table 3-2 in Part 3 of this report. Therefore, HPS will not have any income tax expenses in the years 2024 - 2027.

8) Capital Expenditure

HPS has not estimated this expense. However, the IFA has determined that HPS's investment expenditure in the estimated year should be equal to the average depreciation and amortization expenses. This is because, in order to continuously operate the business, HPS needs to invest in improving deteriorated assets.

9) Current Asset and Current Liabilities Turnover Rate

The current asset and current liability turnover rate, based on historical data from HPS, which is the average rate of the previous eight quarters, and estimated figures by HPS management are as follows:

AR turnover rate	Approximately 7.5 days
Inventory turnover rate	Approximately 40 days
AP turnover rate	Approximately 60 days

The financial estimates are summarized as follows:

Table 3-8: Financial estimates for the fourth quarter of 2023 and the years 2024 - 2028

HPS Income Statement (THB Million)	Quarter 4 2023F	2024F	2025F	2026F	2027F	2028F
Total revenue from sales	66.30	234.71	240.49	246.57	252.97	259.72
Total revenue from services	0.80	10.80	11.16	11.53	11.92	12.34
Total revenue	67.10	245.51	251.64	258.10	264.90	272.05
Cost of Goods Sold	46.46	181.59	185.29	189.24	193.40	197.77
Selling and Administrative Expenses	15.04	63.16	64.79	66.53	68.25	70.08
EBIT	5.60	0.75	1.56	2.33	3.25	4.19
Net Profit (Loss)	5.57^{1/}	0.60	1.42	2.18	3.11	3.24
EBITDA	6.00	2.36	3.17	3.94	4.87	5.81

Remark: Accounting year ends on December 31 of each year.

1/ Net profit (loss) for October - December 2023, based on the actual operating data for October - November 2023, but the data for December 2023 is an estimate from HPS management. The profit in the fourth quarter was relatively high due to the profit in October 2023, which had a net profit from operations of THB 3.44 million. However, this profit decreased to THB 1.17 million in November 2023, and it is estimated to be THB 0.69 million in December 2023. **Overall, in the year 2023, HPS still incurred a loss from operations of approximately THB 6.72 million.**

10) Terminal Value Growth

The IFA assumes no growth in terminal value throughout the estimated period.

11) Discount Rate

The discount rate used to calculate the present value of projected cash flows was the weighted average cost of capital (WACC) which was weighted calculation of Cost of Debt (K_d) and Cost of Equity (K_e) using the formula below:

$$WACC = K_e * E / (D + E) + K_d * (1 - T) * D / (D + E)$$

โดยที่	K_e	=	cost of equity or the required return on equity that shareholders require (R_e)
	K_d	=	cost of debt or the average interest rate on HPS's loan
	T	=	corporate income tax rate
	E	=	shareholder's equity
	D	=	interest-bearing debt

The cost of equity (K_e) was determined using the Capital Asset Pricing Model (CAPM) equation below:

$$K_e (\text{or } R_e) = R_f + \beta (R_m - R_f)$$

Where

Risk Free Rate (R_f) = 3.51% per annum based on 30-year government bond yield (information as of December 28, 2023), which is currently the longest government bond continually issued and offered in the market under the assumption that the Company is on a going concern basis

Beta (β)	=	0.77 times, based on the average Unlevered Beta of listed companies in the Stock Exchange of Thailand, service group, commercial category, and the Market for Alternative Investment (mai), service group, with a total of 1 company (please refer to Table 3-3: Comparable listed company data) that operates and generates its main revenue from service and product distribution through various distribution channels, similar to HPS, and adjusted the interest-bearing debt to equity ratio of HPS. However, HPS has no interest-bearing debt.
Market Risk (R_m)	=	10.74% per annum, which is the 32-year average rate of annual return from investment in the Stock Exchange of Thailand in 1992 to 2023, which is the period of the enforcement of Securities and Exchange Act B.E. 2535 as it is the most suitable period to reflect average return from the SET.
K_d	=	There is none because HPS does not have interest-bearing debt.
D/E Ratio	=	The estimated interest-bearing debt-to-equity ratio of HPS is zero, as HPS does not have any interest-bearing debt.
T	=	Corporate income tax rate expected 20% per annum

the aforementioned assumptions, WACC is equal to 9.11% per annum.

Based on the above assumptions, the estimated financial performance of HPS as a service provider and distributor of products through various distribution channels (omni channel) from October 1, 2023, to December 31, 2028, is as follows:

Table 3-9: Summary of HPS's financial performance for the fourth quarter of 2023 and the years 2024-2028.

HPS cash flow (THB Million)	Quarter 4 2566F	2567F	2568F	2569F	2570F	2571F
Earnings before interest and Tax	5.60	0.75	1.56	2.33	3.25	4.19
Tax amount before interest and corporate income tax ^{1/}	0.00	0.00	0.00	0.00	0.00	(0.84)
Depreciation	0.40	1.61	1.61	1.61	1.61	1.61
Capex	0.00	(1.61)	(1.61)	(1.61)	(1.61)	(1.61)
Changes in working capital	(21.69)	0.06	0.04	0.04	0.04	0.05
Free Cash Flow to Firm (FCFF)	(15.69)	0.81	1.60	2.37	3.30	3.40
Present Value of the Free Cash Flow to the Firm (PV of FCFF)	(15.35)	0.72	1.32	1.79	2.28	2.15

Remark: 1/ From 2023 -2027, HPS has no tax expenses as accumulated losses can be used for deductions.

Based on the estimated cash flow of HPS, the value of the shares can be calculated as follows:

Table 3-10: Summary of HPS cash flow estimation

PV of FCFF (as of September 30, 2023)	(THB Million)	(7.10)
PV of Terminal Value	(THB Million)	23.62
Total PV of net FCFF	(THB Million)	16.52
Adjusted Transaction		
Add: Cash (as of September 30, 2023)	(THB Million)	9.76 ^{1/}
(Less): Interest-bearing debt (as of September 30, 2023)	(THB Million)	-
Shareholder's equity of HPS	(THB Million)	26.29

Remark: 1/ Financial statements as of September 30, 2023, which are internal statements prepared by the management of HPS

From the valuation, HPS has a value equal to THB 26.29 million, or THB 2.92 per share.

Sensitivity Analysis

The Independent Financial Advisor has performed Sensitivity Analysis on the share value which adjusts the Discount rate which refers to WACC to increase/decrease by 0.5% from the base case which shows HPS value as follows:

Table 3-11: Sensitivity Analysis

Sensitivity Analysis	Unit	Discount Rate		
		WACC + 0.50%	Base Case WACC	WACC - 0.50%
Total value of HPS's shares (or the value of HPS shares at 100%)	THB Million	24.57	26.29	28.20
Share value of HPS	THB per share	2.73	2.92	3.13

From the sensitivity analysis by adjusting the discount rate, total value of HPS's shares (or the value of HPS shares at 100%) is equal to THB 24.57 – 28.20 million or share value of HPS is in the range of THB 2.73 – 3.13 per share.

However, this discounted cash flow approach is based on various assumptions received from HPS and the Company, including the adjustment of certain assumptions by the Independent Financial Advisor, in accordance with the principle of caution in the economic conditions and current situation. Therefore, any changes regarding the business plan and policies of HPS, including government policies or changes in economic conditions or abnormal events, may result in significant differences from the current operations of HPS or deviations from the estimated and predetermined variables. This may significantly change the estimated values under the aforementioned assumptions and may also impact the assessed value of HPS shares.

7. Summary of the IFA's Opinion on the Price of HPS shares

Summary table comparing the value of HPS shares according to various valuation methods.

Table 3-12: Summary table comparing the value of HPS shares according to various valuation methods.

Methods used in HPS price evaluation	Fair Value of HPS ^{1/}	Purchasing Price of HPS Shares ^{2/}	Purchase Price of HPS shares Higher (Lower) than Fair Value of HPS	
	(THB Million)	(THB Million)	(THB Million)	(%)
	(1)	(2)	(3) = (2) – (1)	(3)/(2)
Book Value Approach	n.a.	150.00	n.a.	n.a.
Adjusted Book Value Approach	n.a.	150.00	n.a.	n.a.
Market Value Approach	n.a.	150.00	n.a.	n.a.
Price to Book Value Ratio Approach	n.a.	150.00	n.a.	n.a.
Price to Earnings Ratio Approach	n.a.	150.00	n.a.	n.a.
Precedent Transaction Comparable Approach	20.17	150.00	129.83	86.55
Discounted Cash Flow Approach	24.57 – 28.20	150.00	121.80 – 125.43	81.20 – 83.62

Remarks:

1/ Fair value assessed by the Independent Financial Advisor

2/ The company will purchase 9,000,000 ordinary shares in HPS, which is equivalent to 100% of the total number of shares in HPS, at a total purchase price of THB 150.00 million.

As shown in the above table, total value of HPS's shares (or the value of HPS shares at 100%) derived from various valuation approaches is in the range of THB 20.17 – 28.20 million.

Book value approach is the approach that can reflect HPS performance and financial position at a period which considered from the performance in the past. However, this approach does not consider the actual value of the asset, HPS capability to generate profit in the future, and economic trends and industry overview. So, the valuation by using the book value approach may not reflect HPS's current status and derive appropriated value for HPS. However, the Independent Financial Advisor cannot evaluate the value of HPS shares using this method because the book value of HPS is negative.

Adjusted book value approach is the approach that adjusts the transactions to reflect the market value of assets more than the Book value approach e.g., Tax Saving from Losses Carried Forward or events that occurred after published financial statements including Gain/Loss from the valuation of the asset. This approach does not consider the actual value of assets, HPS capability to generate profit in the future, and economic trends and industry overview. However, the Independent Financial Advisor cannot evaluate the value of HPS shares using this method because the book value of HPS is negative.

Market value approach cannot be evaluated since HPS is not listed in the SET or any secondary market and does not have any price reference.

Price to Book value ratio (P/BV ratio) approach is using HPS book value to compare with P/BV ratio of listed companies in the Stock Exchange of Thailand, service group, commercial category, and the Market for Alternative Investment (mai), service group, with one company that operates and generates main income from service business and sales through various distribution channels similar to HPS. However, the Independent Financial Advisor cannot evaluate the value of HPS shares using this method because the book value of HPS is negative.

Price to Equity ratio (P/E ratio) approach is using HPS earning for 12 month ending September 30, 2023, to compare with P/E ratio of listed companies in the Stock Exchange of Thailand, service group, commercial category, and the Market for Alternative Investment (mai), service group, with one company that operates and generates main income from service business and sales through various distribution channels similar to HPS. However, the Independent Financial Advisor cannot evaluate the value of HPS shares using this method because HPS has incurred losses from operations over the past 12 months.

Precedent Transaction Comparable Approach

The method of comparing the prices of purchasing the same type of business in this report is a method used to evaluate the value of HPS shares by comparing the prices of HPS shares traded in the past, which occurred in June 2023. However, this method of evaluating the value of shares does not reflect the improved performance of HPS since July 2023, nor does it reflect the future profitability of HPS, as well as the overall economic and industry trends. Therefore, the Independent Financial

Advisor believes that evaluating the value using this method may not accurately reflect the appropriate value of HPS shares.

Discounted Cash Flow Approach will analyze the results of past operations as well as reflects the ability to generate cash flow and the future operations of HPS. The present value of net cash flow is calculated by estimating future cash flow based on various assumptions derived from HPS and set under economic conditions and current situations. Any changes that occur in the future that have a significant impact on the aforementioned assumptions may result in HPS's future performance not meeting expectations or causing variables used to assess value to change. Therefore, the value of the shares assessed by this method will also change accordingly.

In sum, the Independent Financial Advisor is of the opinion that the Discounted Cash Flow Approach is the appropriate approach for valuing the total value of HPS shares (or the value of HPS shares at 100%) because it can reflect HPS's future profitability. Under this approach, the fair value of HPS shares is in the range of THB 24.57 – 28.20 million, which is lower than the purchase price of HPS shares by THB 121.80 – 125.43 million or by 81.20% - 83.62% of the purchase price of HPS.

Therefore, the IFA is of the opinion that the purchasing price of HPS shares of THB 150.00 million is considered inappropriate since it is higher than the fair value of HPS shares.

The valuation of HPS shares by the Independent Financial Advisor is based on past data of HPS and the current business plan of HPS' former management only (evaluated as is). However, the future performance of HPS, which will occur after this transaction, will be under the management of the Company. Therefore, the future value of HPS shares may be higher than the valuation by the Independent Financial Advisor, depending on the new business plan, value creation (synergy), cost reduction, and the ability to manage HPS in the future by the Board of Directors and management of the Company.

According to HPS's business plan, the estimated total revenue of HPS between the years 2024 - 2027 will be between THB 268.18 - 290.13 million, which is an average growth rate of 6.78% per year. Meanwhile, the estimated revenue of HPS by the IFA between the years 2024 - 2028 will be between THB 245.51 - 272.05 million, which is an average growth rate of 3.90% per year. The main types of revenue with different estimated numbers are: (1) revenue from Service - B2B, which ranges from THB 7.80 - 9.04 million per year, (2) revenue from product sales - Inbound, which ranges from THB 2.60 - 6.38 million per year, (3) revenue from product sales - Outbound, which ranges from THB 3.97 - 4.59 million per year, (4) revenue from online sales - MarketPlace, which ranges from THB 3.18 - 4.04 million baht per year, and (5) revenue from online sales - Line Happy, which ranges from THB 2.05 - 4.27 million per year.

To provide a clearer picture, the valuation of HPS's shares was assessed using the Discounted Cash Flow Approach, based on the assumption of total income according to HPS's business plan while keeping other factors unchanged (as determined by the IFA).

The differences between the estimated income of HPS assessed by the IFA and the target set by HPS's management for the estimated years 2024 - 2028 can be summarized as follows:

Table 3-13: Summary of the differences between the estimated income of HPS assessed by the IFA and the target set by HPS's management for the estimated years 2024 - 2028

Unit: THB Million		2024F	2025F	2026F	2027F	2028F ^{1/}
Revenue from product sales - Inbound (IFA)		122.07	122.07	122.07	122.07	122.07
Revenue from product sales - Inbound (MGT)		124.67	125.92	127.18	128.45	128.45
Revenue from product sales - Outbound (IFA)		82.79	86.93	91.28	95.84	100.64
Revenue from product sales - Outbound (MGT)		86.76	91.09	95.65	100.43	100.43
Revenue from product sales - PP Shop (IFA)		0.00	0.00	0.00	0.00	0.00
Revenue from product sales - PP Shop (MGT)		0.00	0.00	0.00	0.00	0.00
Revenue from online sales - Line Happy (IFA)		14.60	15.47	16.40	17.39	18.43
Revenue from online sales - Line Happy (MGT)		18.87	19.05	19.25	19.44	19.44
Revenue from online sales - MarketPlace (IFA)		12.50	13.25	14.05	14.89	15.79
Revenue from online sales - MarketPlace (MGT)		16.54	17.04	17.55	18.07	18.07
Revenue from online sales - Website (IFA)		1.42	1.42	1.42	1.42	1.42
Revenue from online sales - Website (MGT)		1.42	1.42	1.42	1.42	1.42
Revenue from online sales - Social Commerce (IFA)		1.32	1.33	1.35	1.36	1.37

Unit: THB Million	2024F	2025F	2026F	2027F	2028F ^{1/}
Revenue from online sales - Social Commerce (MGT)	1.32	1.33	1.35	1.36	1.36
Revenue from product sales - Others (IFA)	-	-	-	-	-
Revenue from product sales - Others (MGT)	-	-	-	-	-
Total revenue from sales (IFA)	234.71	240.49	246.57	252.97	259.72
Total revenue from sales (MGT)	249.58	255.86	262.39	269.17	269.17
Revenue from Service - B2C (IFA)	3.66	3.66	3.66	3.66	3.66
Revenue from Service - B2C (MGT)	3.66	3.66	3.66	3.66	3.66
Revenue from Service - B2B (IFA)	7.14	7.50	7.87	8.26	8.68
Revenue from Service - B2B (MGT)	14.94	15.79	16.47	17.30	17.30
Total revenue from services (IFA)	10.80	11.16	11.53	11.92	12.34
Total revenue from services (MGT)	18.60	19.45	20.13	20.96	20.96
Total revenue (IFA)	245.51	251.64	258.10	264.90	272.05
Total revenue (MGT)	268.18	275.31	282.52	290.13	290.13

Remarks:

(IFA) Estimate by the IFA

(MGT) Estimate by HPS's management.

1/ HPS's management has prepared estimates for the period between 2024 - 2027. However, in order to complete the 5-year estimate, the independent financial advisors have determined that the revenue of HPS in 2028 will be equal to the revenue in 2027.

From the changes in estimated revenue figures shown in the table above total value of HPS shares (or the value of HPS shares at 100%) derived from various valuation approaches is in the range of THB 76.34 - 84.48 million or share value of HPS is in the range of THB 8.48 - 9.39 per share.

However, the share value of HPS at 100%, which is equal to THB 76.34 - 84.48 million, is still lower than the purchase price of HPS shares at THB 150.00 million, which is THB 65.52 - 73.66 million, or lower than 43.68% - 49.10% of the purchase price of HPS.

Part 4: Summary of Independent Financial Advisor Opinion regarding the Asset Acquisition Transaction

Please see the summary of Independent Financial Advisor opinion in “**Executive Summary**” page 6 of this report

However, shareholders should study information attached to the Invitation to this General Meeting of Shareholders for voting considerations. The approval of the acquisition of assets transactions depends on the shareholder’s discretion and decision as a priority.

CapAd, as the Independent Financial Advisor, hereby certifies that it has provided the above opinion cautiously in accordance with professional standard for the benefit of the shareholders.

Sincerely Yours,

Independent Financial Advisor
Capital Advantage Company Limited

-Patchara Netsuwan-

(Mr. Patchara Netsuwan)
Chief Executive Officer

-Saichalee Limaphichat-

(Miss Saichalee Limaphichat, CFA, CFP®)
Supervisor

Attachment 1

Business Overview of Happy Products and Services Co., Ltd.

1. General Information

Company name : Happy Products and Services Co., Ltd.
 Main business : Provide services and distribute products through various distribution channels (omni channel), including television, websites, online platforms, and social media
 Head Office : 89/1 Kasem Sap Bldg. 3 Fl. Vibhavadi Rangsit Rd. Chom Phon, Chatuchak, Bangkok 10900
 Registered Capital : THB 90,000,000, divided into 9,000,000 shares at the par value of THB 10.00
 Paid-up Capital : THB 90,000,000, divided into 9,000,000 shares at the par value of THB 10.00

2. Business Overview

Established on March 7, 2019, Happy Products and Services Co., Ltd. ("HPS") currently operates a business providing services and distributing products through various distribution channels (omni channel), including television, websites, online platforms, and social media.

3. Board of Directors

Before the entering into the transaction

As of October 9, 2023, HPS's Board of Directors consists of 2 directors as follows:

Table A-1: List of directors of HPS before entering into the transaction

	Name	Position
1.	Miss Kamonwan Kunwana	Director
2.	Miss Duangkamon Kietsukasem	Director

Source: HPS's company affidavit

Remark: The authorized signatories include Miss Kamonwan Kunwana, who signed her name, along with Miss Duangkamon Kietsukasem, and affix the company's seal

After entering into the transaction

Table A-2: List of directors of HPS after entering into the transaction

	Name	Position
1.	Miss Kamonwan Kunwana	Director
2.	To be appointed by the Company ^{1/}	Director
3.	To be appointed by the Company ^{1/}	Director

Source: Information regarding the acquisition of assets of the Company dated on December 28, 2023

Remark: 1/ Representative directors from OTO

4. Shareholder Structure

Before entering into the transaction

As of October 9, 2023, HPS has registered and paid-up capital of THB 90,000,000, divided into 9,000,000 ordinary shares at par value of THB 10.00 per share. Details of shareholders are as follows:

Table A-3: Shareholder Structure of HPS before entering into the transaction

No.	Shareholder Name	No. of Shares	Shareholding (%)
1	LAZ INVESTMENTS LTD. ^{1/}	4,500,000	50.00
2	Miss Duangkamon Kietsukasem	3,600,000	40.00
3	Miss Apirawee Pichayadecha	900,000	10.00
Total		9,000,000	100.00

Source: Information regarding the acquisition of assets of the Company dated on December 28, 2023

Remark:

1/ LAZ INVESTMENTS LTD. is a limited company registered under the laws of the British Virgin Islands, established on June 19, 2023, with a paid-up capital of 100 US dollars. The sole ultimate shareholder of LAZ INVESTMENTS LTD. is Ms. Tan Lian Kiow.

After entering into the transaction

The structure of shareholding after acquiring 100% of HPS shares

Table A-4: Shareholder Structure of HPS after entering into the transaction

No.	Shareholder Name	No. of Shares	Shareholding (%)
1	One to One Contacts Plc.	8,999,998	100.00
2	Mr. Chirayu Chueyam	1	0.00
3	Mr. Issara Rounsuk-udom	1	0.00
Total		9,000,000	100.00

5. Financial Highlights

- Statement of financial position for the year ended December 31, 2020, 2021, and 2022 are as follows:

Table A-5: Statement of financial position of HPS

Statement of Financial Position (Unit: THB)	Dec 31, 2020 Audited ^{1/}	Dec 31, 2021 Audited ^{1/}	Dec 31, 2022 Audited ^{1/}
<u>Current assets</u>			
Cash and cash equivalents	11,590,701	1,614,650	8,381,683
Current investments	580,000	581,148	582,011
Trade and other receivables	6,416,635	5,204,119	4,473,844
Inventories	22,040,469	19,916,519	15,149,345
Tax on purchases that have not yet reached the deadline	838,293	2,107,236	723,805
Other current assets	612,365	132,365	768,544
Total current assets	42,078,463	29,556,037	30,079,232
<u>Non-current assets</u>			
Leasehold improvement and equipment	5,973,884	3,266,629	2,555,226
Intangible assets	1,745,670	1,267,428	2,316,017
Other non-current assets	1,557,491	915,610	932,412
Total non-current assets	9,277,045	5,449,667	5,803,655
Total assets	51,355,508	35,005,704	35,882,887
<u>Current liabilities</u>			
Trade and other payables	45,565,522	57,828,650	31,725,096
Current portions of Lease Liabilities	-	-	9,898
Accrued expenses	9,171,599	9,211,087	6,809,472
Other non-current liabilities	1,017,135	827,902	236,523
Total current liabilities	55,754,256	67,867,639	38,780,989
<u>Non-current liabilities</u>			
Non-current liabilities of Lease Liabilities	-	-	33,818
Employee benefit obligations	2,778,689	4,830,129	7,087,638
Total non-current liabilities	2,778,689	4,830,129	7,121,456
Total liabilities	58,532,945	72,697,768	45,902,445
Shareholders's Equity			
Share Capital			
Authorised Share Capital	10,000,000	30,000,000	90,000,000
Issued and fully paid-up share capital	10,000,000	30,000,000	90,000,000
Share premium account on issue of share	10,000,000	10,000,000	10,000,000
Deficits	(27,177,437)	(77,692,064)	(110,019,558)
Accumulated loss exceeds capital	(7,177,437)	(37,692,064)	(10,019,558)
Net debt from accumulated losses exceeding capital	51,355,508	35,005,704	35,882,887

- Statement of comprehensive income for the year ended December 31, 2020, 2021, and 2022 are as follow:

Table A-6: Statement of comprehensive income of HPS

Statement of Comprehensive Income (Unit: THB)	Year 2020 Audited^{1/}	Year 2021 Audited^{1/}	Year 2022 Audited^{1/}
<u>Revenues</u>			
Sales	392,139,541	231,018,575	191,082,485
Other income	3,026,653	5,100,193	2,284,669
Total revenues	395,166,194	236,118,768	193,367,154
<u>Expenses</u>			
Cost of services	329,286,836	199,257,750	158,176,596
Selling expenses	44,964,029	29,508,459	27,565,408
Administrative expenses	41,318,881	57,787,839	39,834,743
Total expense	415,569,746	286,554,048	225,576,747
Loss before finance cost and income tax	(20,403,552)	(50,435,280)	(32,209,593)
Finance cost	43,752	79,347	117,901
Loss for the year	(20,447,304)	(50,514,627)	(32,327,494)

Remark:

1/ Financial statements for the year ended December 31, 2020, 2021, and 2022 were audited by KPMG Phoomchai Audit Ltd., a certified public accountant who is on the approved list of the SEC.

Management Discussion and Analysis of HPS

Financial Position

Assets

On December 31, 2020 - 2022, HPS had a total asset of THB 51.36 million, THB 35.01 million, and THB 35.88 million, respectively. This represents a decrease of 31.84% from December 31, 2020, and an increase of 2.51% from December 31, 2021. The majority of HPS's decreased assets on December 31, 2021, came from a decrease in cash and cash equivalents, which was caused by a loss of THB 50.51 million. The increased assets on December 31, 2022, were mainly due to an increase in cash and cash equivalents.

Liabilities

On December 31, 2020 - 2022, HPS had a total debt of THB 58.53 million, THB 72.70 million, and THB 45.90 million, respectively. This increased by 24.20% from December 31, 2020 and decreased by 36.86% from December 31, 2021. The majority of HPS's increased debt as of December 31, 2022, came from an increase in trade and other payables, while the majority of HPS's decreased debt as of December 31, 2022, came from a decrease in trade and other payables.

Accumulated loss exceeds capital (Negative shareholder's equity)

On December 31, 2020 - 2022, HPS had accumulated losses exceeding capital, amounting to THB 7.18 million, THB 37.69 million, and THB 10.02 million, respectively. This represents an increase of 425.15% from December 31, 2020, which is a result of the increase in accumulated losses from the net loss in 2564 of THB 50.51 million and a decrease of 73.42% from December 31, 2021, which is a result of the increase in capital of THB 60 million in 2022.

Operating Performance

Sales

The income from sales has continuously decreased over the past 3 years, from THB 392.14 million in 2020 to THB 231.02 million in 2021, representing a decrease rate of 41.09%. It further decreased to THB 191.08 million in 2022, representing a decrease rate of 17.29%. The main reason for the decreased income from sales in 2021 was the reduction in the digital TV rating of Nation TV, which is the main distribution channel for HPS products, from 0.205 in 2020 to 0.109 in 2021. Meanwhile, the decreased income in 2022 was due to a reduction in airtime for selling products through Nation TV.

Cost of Sales

The cost of sales decreased according to the decrease in sales revenue. In the years 2020 - 2022, the cost of sales for HPS was THB 329.29 million, THB 199.26 million, and THB 191.08 million, respectively. These amounts represent 83.97%, 86.25%, and 82.78% of the sales revenue, respectively.

Selling expenses

The selling expenses decrease in accordance with the decrease in sales. However, the proportion of sales expenses to sales revenue increases. In the years 2020 - 2022, HPS had sales expenses of THB 44.96 million, THB 29.51 million, and THB 27.57 million, respectively, accounting for 11.47%, 12.77%, and 14.43% of sales revenue, respectively. The main reason for the increasing proportion of sales expenses to sales revenue is that while sales revenue decreases, HPS is unable to reduce expenses in line with the decrease in sales.

Administrative expenses

The administrative expenses between the years 2020 - 2022 were THB 41.32 million, THB 57.87 million, and THB 39.83 million, respectively, accounting for 10.46%, 24.47%, and 20.60% of the total income. The proportion of management expenses to total income increased significantly in 2021 due to a significant decrease in income from sales caused by the decrease in ratings of the digital television channel, Nation TV. This led to a decrease in viewership of the Nation TV channel. However, fixed management expenses such as employee salaries and office rent could not be significantly reduced. Meanwhile, the proportion of management expenses to total income decreased in 2022 because HPS continuously tried to reduce costs by adjusting the employee structure, resulting in a decrease in salary expenses. Additionally, there were office relocations, which significantly reduced rental expenses.

Net Loss

In the years 2020 - 2022, HPS incurred net losses of THB 20.45 million, THB 50.51 million, and THB 32.33 million respectively.

Attachment 2

Overview of e-Commerce and Home Shopping Business

Overview of e-Commerce Business

Krungthai COMPASS Research Center reports the results of the analysis of Thailand's e-Commerce market data, stating that currently more than half of the people in Thailand have purchased or used products/services through E-Commerce platforms. In the past 5 years, the number of users has increased from 30.7 million people in 2019 to 41.5 million people in 2023, primarily driven by increased internet access coverage among the Thai population.

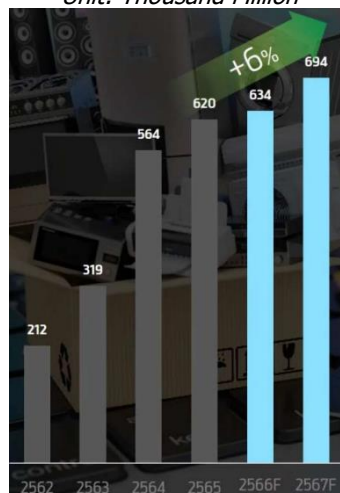
In addition, the eCommerce-Thailand report indicates that the E-Commerce market continues to gain popularity among Thai people, as reflected in the increased expenditure on purchasing goods/services through the e-Commerce market, which has nearly tripled from THB 2,970 per person in 2019 to THB 8,840 per person in 2023.

Bank transfers, credit/debit cards, and e-wallets are the three main forms of payment that consumers prefer to use. Meanwhile, cash on delivery (COD) has seen a decrease in popularity over the past 5 years. Currently, bank transfers are the most popular method of payment, accounting for 32% of the e-commerce market value. This is followed by credit/debit cards and e-wallets, both with a 22% market share. COD has a 17% market share, which has decreased by 5% from the year 2019, reflecting a shift towards bank transfers and e-wallets in the past 5 years.

As for the e-commerce market value in Thailand, it was valued at over THB 6.2 trillion in the year 2022. It is projected to continue growing at a rate of over 6% per year, reaching THB 6.34 - 6.94 trillion between the years 2023 - 2024.

Diagram 1: Thai E-Commerce market value

Unit: Thousand Million



Source: Statista eCommerce-Thailand, We Are Social and analyzed by Krungthai COMPASS

In the past 5 years, there has been an increase in consumer purchases through e-commerce channels in various product categories, including:

- (1) Personal & Household Care group, which includes products in the Beauty and Health categories such as hair care products, cosmetics, vitamins, supplements, and household cleaning products. The revenue from sales has increased from THB 36,000 million in 2019 to THB 139,000 million in 2022. The market share has also increased from 17% to 22% during the same period.
- (2) Beverages group, which has seen an increase in revenue from THB 22,000 million to THB 126,000 million in the period of 2019 - 2023. This represents a market share increase of 2 times, reaching 20% in 2023.
- (3) Foods group, which has seen an increase in sales from THB 11,500 million in 2019 to THB 55,000 million in 2023. The market share has increased from 6% to 9% during the same period.
- (4) Electronics group, despite expanding in the e-commerce market, has experienced a significant decrease in market share by 18% in the past 5 years.

Source:

- The Thai e-commerce market continues to grow, with over 41.5 million users, according to Thanasettakij's website on June 25, 2023.
- KTB expects the Thai e-commerce market to grow by 6% annually in the years 2023 - 2024, with a value of approximately THB 700,000 million, according to efinancethai on June 22, 2023.

Diagram 2: Market Value of Thai E-Commerce separated by product/service category.



Source: Statista eCommerce-Thailand, We Are Social and analyzed by Krungthai COMPASS

Overview Home Shopping Business

The TV Home Shopping Association (Thailand) or THA consists of 6 well-known home shopping channels, including TV DIRECT, TRUE SHOPPING, O SHOPPING, SHOP CHANNEL, JKN HI SHOPPING, and MV SHOPPING MALL, joining forces with major members, it showcases the potential of the TV home shopping platform, emphasizing the trustworthiness of the organization that consumers can rely on.

Mr. Sorachot Amphanwong, the President of the TV Home Shopping Association (Thailand), revealed that the total market value of home shopping television is THB 16,000 million. Overall, the home shopping business is significantly affected by COVID-19, which has impacted the entire retail market. This has resulted in the best-selling products during this period being in the food category. The impact of each channel varies depending on which product group they primarily sell.

In terms of the behavior of Thai people adapting to the New Normal lifestyle during the COVID-19 pandemic and the lockdown period, it has resulted in consumers turning to purchase products on TV home shopping platforms and online platforms more frequently. This is because it is convenient and allows for online payment, provides delivery services, offers product guarantees, and sells products from reliable and standardized businesses. The Thai TV Home Shopping Association (Thailand) has signed an MOU with the Office of the Consumer Protection Board (OCPB) to enhance business operations that adhere to regulations and guidelines from relevant agencies. This is considered a symbol of confidence for the TV home shopping platform.

TV Home Shopping business has the advantage of presenting products through various platforms, including digital TV channels that air advertisements, satellite TV channels in the form of 24-hour home shopping, online channels, and telesales. In addition, there is also a strong point in creating content to present products and the quality of broadcasting, as well as presenting interesting promotions. Therefore, TV Home Shopping is one of the platforms that lacks products, which can stimulate consumers to make real-time purchasing decisions.

TV Home Shopping is considered a distribution channel that has lower costs and management expenses compared to modern retail channels, as it does not require upfront fees for new products and does not need to stock large quantities of goods. Therefore, business owners can manage their finances effectively, adapting to the slow global economy. Additionally, TV Home Shopping is a platform that can present products and engage in targeted marketing, along with creating high-quality content that can attract and stimulate purchasing decisions effectively.

At the same time, TV shopping businesses have a large customer base, including the Baby Boomer generation born between 1946 - 1964 and the Gen X generation born between 1965 - 1979,

who still have the habit of watching TV as their main media and are in the process of learning to make online purchases. This is an opportunity for entrepreneurs who want to expand their business by integrating offline channels with online or TV home shopping (omni channel) to reach the target audience through all channels.

The trend of products on home shopping TV found that the group of dietary supplements is still a popular product. This is because COVID-19 has led to consumers paying more attention to their health. In terms of global trends, it is found that the younger generation is starting to watch TV less, which now allows for a clear division of customers who watch home shopping TV. They are adults with independent professions, housewives, or business owners who have high purchasing power and time. They mostly reside in different provinces, allowing for clearer communication and better response to the target consumer group.

On June 27, 2023, Mr. Sorachot Amphanwong, Chairman of the Executive Committee of Shop Global (Thailand) Co., Ltd., a company engaged in the business of selling television products through the "Shop Channel" under the umbrella of Sahapat Group, revealed that the overall market for home shopping television has been slowing down since 2022, with a total market value of THB 16,000 million, growing by less than 10%. However, it has been growing in other channels, leading business owners to adjust and expand their sales channels to online commerce. Currently, online commerce is a strong and growing channel, with a value of THB 30,000 - 40,000 million, accounting for 30-40% of the total market value of online commerce, which is valued at THB 100 trillion. The reason why the market is not growing is because the main customers are elderly people aged 45 - 70.

While customer behavior is changing, especially among the younger generation, and the cost of selling through home shopping TV channels is up to 10 times higher than online, during a 1-hour period, one live salesperson can sell more than twice as much as home shopping TV. This has led the company to increase its presence in live commerce channels in 2023. However, they will still maintain home shopping TV because if they only focus on TV shopping, they will not grow.

Source:

- The Thai TV Home Shopping Association reaffirms its belief in "Stand together, Shop with confidence" from BrandAge Online on May 26, 2022.
- The home shopping business unites through the THA association, following the strategy of "Together we are" promoting cross-channel sales of featured products from Matichon Online on May 27, 2022.
- TV Home Shopping enters the "Shop Channel" under the Sahapat Group, adjusting its direction to enter the "Live Commerce" from Matichon Online on June 27, 2023.