

-TRANSLATED VERSION-

## Opinion Report of the Independent Financial Advisor

Regarding

the Business Restructuring by way of the Partial Business Transfer (PBT) and/or the Sale  
and Purchase of Partial Business

(Only Applicable to the Partial Business Transfer and/or the Partial Business Acquisition Classified as  
the Company's Related Party Transaction)

For

The Shareholders of General Engineering Public Company Limited



Prepared by



I V Global Securities Public Company Limited

10 November 2023

*The English Translation of the Opinion Report of the Independent Financial Advisor on the Business Restructuring by way of the Partial Business Transfer (PBT) and/or the Sale and Purchase of Partial Business of General Engineering Public Company Limited has been prepared solely for the convenience of foreign shareholders of General Engineering Public Company Limited and should not be relied upon as the definitive and official document.*

*The Thai language version of the Opinion of the Company is the definitive and official document and shall prevail in all General Engineering Public Company Limited aspects in the event of any inconsistency with this translation.*

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- Attachment 3 Summary of Appraisal Report of  
General Engineering Public Company Limited
- Attachment 4 Summary of Appraisal Report of  
Inno Precast Company Limited

## ABBREVIATION

Abbreviation	Meaning
SEC	: The Securities and Exchange Commission
SET	: The Stock Exchange of Thailand
Notification on Acquisition or Disposal of Assets	: Notification of the Capital Market Supervisory Board No. ThorJor. 20/2551 Re: Rules on Entering into Material Transactions Deemed as Acquisition or Disposal of Assets, and the Notification of the Stock Exchange of Thailand Re: Disclosure and Guideline for Listed Company on Acquisition or Disposal of Assets B.E. 2547 and its amendments
Notifications on Connected Transaction	: Notification of the Capital Market Supervisory Board No. TorChor. 21/2551 on Rules on Connected Transactions dated August 31, 2008 (as amended) and the Notification of the Board of Governors of the Stock Exchange of Thailand on Disclosure of Information and Other Acts of Listed Companies on Connected Transactions 2003 dated 19 November 2003 (as amended)
Independent Financial Advisor or “I V Global” or “IFA”	: I V Global Securities Public Company Limited
“the Company” or “GEL”	: General Engineering Public Company Limited
“Inno Precast” or “INPC”	: Inno Precast Company Limited
“Pruksa” or “PSH”	: Pruksa Holding Public Company Limited
“Quartz Holding 2” or “Quartz 2”	: Quartz Holding 2 Company Limited
“Precast” or “PW”	: Precast Concrete
PW CRN	: PW CRN Precast Production Factory
PW CRS	: PW CRS Precast Production Factory
BV	: Book Value Approach
ABV	: Adjusted Book Value Approach
PE	: Price to Earnings Ratio Approach
VWAP	: Volume Weighted Average Price Approach or VWAP
EV	: Enterprise Value
EBITDA	: Earnings before interest, taxes, depreciation, and amortization

Ref: IB 52/2566

November 10, 2023

Subject: Opinion Report of the Independent Financial Advisor Regarding the Business Restructuring by way of the Partial Business Transfer (PBT) and/or the Sale and Purchase of Partial Business of General Engineering Public Company Limited

To: Audit Committee and Shareholders of  
General Engineering Public Company Limited

Attachment: 1) Company Information and Operating Results of General Engineering Public Company Limited  
2) Company Information and Operating Results of Inno precast Company Limited  
3) Summary of Appraisal Report of General Engineering Public Company Limited  
4) Summary of Appraisal Report of General Inno precast Company Limited

References: 1) Resolution of the meeting of General Engineering Public Company Limited's Board of Directors no. 7/2023 held on October 20, 2023;  
2) Information Memorandum of General Engineering Public Company Limited on the related transaction dated October 24, 2023;  
3) Annual Report (Form 56-1 One Report) of General Engineering Public Company Limited for the year ended December 31, 2022;  
4) Audited Financial Statements of General Engineering Public Company Limited for 12-month period ended December 31, 2020 - 2022 and 6-month period ended June 30, 2023;  
5) Audited Financial Statements of Inno Precast Company Limited for 12-month period ended December 31 2022;  
6) Information and other documents, as well as interviews with managements and relevant personal of General Engineering Public Company Limited;  
7) Information and other documents, as well as interviews with managements and relevant personal of Inno Precast Company Limited;  
8) Information and other documents related to this transaction from General Engineering Public Company Limited.  
9) Information and other documents related to this transaction from Inno Precast Company Limited and Pruksa Holding Public Company Limited.  
10) Information and other documents related to this transaction from the Company and Inno Precast Company Limited.

**Disclaimers:**

The result of the study by I V Global Securities Public Company Limited (“**Independent Financial Advisor**” or “**IFA**”) in this report (or the “IFA Report”) is based on the information and assumptions provided by the executives of General Engineering Public Company Limited and the information disclosed to the public through the website of the Securities and Exchange Commission of Thailand (the “SEC”) ([www.sec.or.th](http://www.sec.or.th)), the Stock Exchange of Thailand (the “SET”) ([www.set.or.th](http://www.set.or.th)), and Business Online Public Company Limited ([www.bol.co.th](http://www.bol.co.th)).

The opinion of the IFA in this report is based on the assumptions that all the information and documents received are accurate and complete and reflects the operating environment and most up-to-date information at the time of issuance of this report. However, there may be any incident having material impact on the Company’s business operations and plans, as well as decision of the shareholders. The Independent Financial Advisor expresses its opinion under the current circumstance. If there is a significant change in the circumstance or any information, the result of the study may be affected. The IFA shall not be responsible for the profits or the losses and any impacts resulting from this transaction.

In rendering its opinion in this report, the IFA has considered the reasonableness of conditions of the transaction as well as other related factors thoroughly and rationally in accordance with the professional judgments.

The Attachment of this IFA report is the part of IFA’s opinion, audit committee and shareholders of the Company should consider the attachment together with the report.

## Executive Summary

According to the Shareholders' Meeting which held on Thursday, 27 April 2023 has approved the investment in Inno Precast ("Inno Precast") by way of Entire Business Transfer (EBT) and issuing new ordinary shares of the Company for settlement. And on 26 May 2023 the Company became a shareholder in Inno Precast of 51% stake with Quartz Holding 2 Company Limited ("Quartz Holding 2"), a subsidiary of Prukha Holding Public Company Limited ("PSH") and holds 49% stake in Inno Precast. Inno Precast is a company established with the objective of producing precast concrete wall panel business in construction (precast factory business) in accordance with the agreement relating to transaction support and additional business cooperation which the Company has entered into with PSH Group. During this investment, PSH, as a business partner, agreed to support Inno Precast's business operations. By purchasing precast products from Inno Precast to be used in the business of PSH Group within the framework of agreed terms and conditions. In the previous 2022 year, Inno Precast has manufactured and distributed precast to the PSH Group and third parties in the proportion of 80% and 20% respectively. Investment in Inno Precast is in line with the Group's strategy and core business as the Company operates the business of manufacturing and distributing construction materials, including precast products, to customers in the real estate and construction sectors, and from not being able to adequately meet the needs of customers by Inno Precast. The production capacity of Inno Precast is approximately 4.4 million sq.m./year. In addition, Inno Precast is a Green Factory and imports "Carbon Cure" green technology to be used as the first real estate development group in Thailand to produce Low Carbon Precast. In terms of business, Investment in Inno Precast will increase the Company's production capacity from 0.80 million sq.m./year to 5.20 million sq.m./year, which will help expand the Company's precast business base to have a stronger customer base. It will also increase the revenue share of the Company's precast products and help drive the Company's development as a leader in the international precast market.

After considering Inno Precast performance after the aforementioned investment transaction, the business of Inno Precast is likely to continue growth. For that reason, the Company therefore intends to transfer the precast business to Inno Precast. By restructuring the business this time by way of partial business transfer and/or sale and purchase of partial business with Inno Precast, the Company and the subsidiary group will become more agile and flexible, allowing more efficient business management. Moreover, the Company will be able to analyze and track the performance of the Company and the subsidiary group for each type of business from the financial statements, which will be separated more clearly. This enables the Company to analyze and monitor the performance of the Company and its subsidiaries for each type of business from separate financial statements more clearly. It will also help the Company to better manage the risks of each type of business and reduce conflicts of interest between the Company and Inno Precast. In addition, it will continue to increase opportunities for the expansion of the company's precast business and Listed on the Stock Exchange of Thailand (Spin Off) in the future.



The Board of Directors' Meeting No. 7/2023 of General Engineering Public Company Limited (the "Company"), which was held on 20 October 2023, has resolved to approve the Company's plan to restructure the business of the Company by way of a partial business transfer (PBT), and/or the sale and purchase of partial business of the Company, i.e. the precast factory business to Inno Precast Company Limited ("Inno Precast"), the subsidiary which the Company holds 1,019,999 ordinary shares, representing 51% of the total issued shares of Inno Precast, by entering into the partial business transfer agreement and/or the sale and purchase agreement of partial business and related agreements with Inno Precast and related parties. The business restructuring by way of the partial business transfer (PBT) and/or the sale and purchase of partial business transaction has a total value of approximately 880 million Baht, whereby Inno Precast will make the payment of the consideration by (a) issuing its newly issued ordinary shares to the Company in the amount of not exceeding 1,070,991 shares at the price of 570.50 Baht per share, equivalent to a total value of 611.00 million Baht (in addition, Inno Precast will issue its newly issued ordinary shares in the amount of 701,140 shares to Quartz Holding 2 Company Limited ("Quartz Holding 2"), the major shareholder of Inno precast, which is an entity in the group company of Pruksa Holding Public Company Limited ("PSH") whereby Quartz Holding 2 currently holds 49% of the total shares of Inno Precast) the issuance of additional capital shares by Inno Precast is not issued in proportion to the shareholding of existing shareholders; (b) paying in cash to the Company in the amount of 124 million Baht; and (c) acquiring the assets related to the precast business, which consists of lands and factory buildings (after such assets have been released from collateral obligations), from the Company at the total value of 145 million Baht provided that the payable amount shall be subject to deduction of the rental fee that Inno Precast has leased such assets from the Company for the period of three years before the assets have been released from collateral obligations. The rental fee is fixed at the rate of 11.6 million Baht per annum (total 3 years is amounted of 34.8 million Baht) Thus, If the lease is renewed between Inno Precast and the Company. The Company will comply with the criteria for entering into transactions with connected persons according to the Notification of the Capital Market Supervisory Board No. TOR 21/2551. Criteria for Connected Transactions dated 31 August 2008 (including as amended) and Notification of the Stock Exchange of Thailand Re: Disclosure of Information and Operations of Listed Companies in the Connected Transaction B.E. 2546 dated 19 November 2003 (including as amended) (the "Partial Business Transfer Transaction").

This partial business transfer and/or the sale and purchase of partial business transaction will transfer only the operation, assets, liabilities, rights and duties under related contracts, and employees in connection with the Company's precast factory business to Inno Precast. The partial business transfer and/or the sale and purchase of partial business transaction value will be assessed according to book value, or adjusted book value/fair value at the date of business transfer and/or the sale and purchase of partial business. However, the purchase price of the transferred business and/or business sale and purchase may be changed based on the value of assets and liabilities at the date of business transfer and/or the sale and purchase of partial business.

In addition, the business restructuring transaction which will be presented to the Shareholders' Meeting is not a continuation or related to investment transaction in Inno Precast as approved by Shareholders' Meeting in the year of 2023, which held on 27 April 2023. In other words, the transaction of investment in Inno Precast is a matter in which the Company expands its business by investing in the Precast business by way of Entire Business Transfer (EBT) from PSH Group. And the Company issued newly issued ordinary shares (Private Placement) to PSH as compensation, including the partnership with PSH was completed in the second quarter of 2023. Meanwhile, this restructuring transaction is a plan initiated later to consolidate the precast factory business of the Company to Inno Precast by way of partial business transfer and/or the sale and purchase of partial business. The Company foresees that this restructuring will enhance the efficiency of the precast factory business of the Group of the Company. Therefore, the Company was presented to the shareholders' meeting for consideration at this meeting.

After the business restructuring is completed, The Company will hold 2,090,990 shares in Inno Precast, representing 55.4 percent of the total paid-up capital shares of Inno Precast and Inno Precast will be the operator of the precast factory business of the group companies, and the Company will cease to operate the precast factory business. The Company will continue to operate a variety of other businesses, including pre-stressed concrete pile product, precast concrete for infrastructure product, post-tensioned product, glass fiber reinforcement product, bored pile product, soil Cement column product and chemical construction product. The business restructuring will increase the production capacity and extend the customer base of Inno Precast business.

As for controlling Inno Precast after the transaction, the Company will have a stake in Inno Precast which increases from 51% of the registered capital before the transaction to 55.4% of the registered capital after the transaction. However, Inno Precast is still a subsidiary of the Company. In addition, the board of directors and the management structure has not changed since entering into this transaction. The Company will continue to manage Inno Precast business as the parent company. And the Company will receive the return of investment in the term of dividends. If in the future, Inno Precast has profitable operating performance, the Company is entitled to receive dividends in proportion to this amount.

In case of partial business transfer of precast business to Inno Precast, it will be conducted in accordance with the Revenue Department's regulation on partial business transfer (PBT) in order to be entitled to tax benefits, for which the Company is required to receive approval from its Shareholder's Meeting. Additionally, the aforementioned partial business transfer is regarded as the selling and transfer of a substantial undertaking of a company pursuant to Section 107(2)(A) of the Public Limited Companies Act 1992, which requires approval from the Shareholder's Meeting of the Company with no less than three-fourth of all votes of the shareholders attending the meeting and entitled to vote.

The partial business transfer and/or the sale and purchase of partial business is also considered as a connected transaction of the Company as Quartz Holding 2 is a shareholder of Inno Precast, holding 980,000 shares representing 49% of Inno Precast total issued shares. Quartz Holding 2 has a common major shareholder

with the Company, PSH, which holds 1,572,729,730 shares in the Company, representing 18.26% of the Company's total issued shares, and PSH also holds 100% shares in Quartz Holding 2. Therefore, the aforementioned business restructuring through the entering into partial business transfer agreements and/or sale and purchase agreement of partial business and related agreements with Inno Precast is considered as transactions to be entered into with a connected person of the Company and connected transactions under the Notification of the Capital Market Supervisory Board No. TorChor. 21/2551 on Rules on Connected Transactions dated August 31, 2008 (as amended) and the Notification of the Board of Governors of the Stock Exchange of Thailand on Disclosure of Information and Other Acts of Listed Companies on Connected Transactions 2003 dated 19 November 2003 (as amended) ("**Notifications on Connected Transaction**"). Upon the calculation of transaction size according to the Notifications on Connected Transaction by taking into account of the consolidated financial statement of the Company for the 2/2023 Quarter ended 30 June 2023 which has been reviewed by a certified auditor, the transaction size equals to 48.03% of the net tangible assets (NTA) of the Company, which is considered as a large connected transaction.

Therefore, the Company is required to comply with the regulations prescribed by the Notifications on Connected Transaction as follows:

- (1) Prepare and disclose information memorandum on the business restructuring by way of partial business transfer and/or sale and purchase of partial business through the entering into a partial business transfer agreement and/or sale and purchase agreement of partial business and related agreements with Inno Precast to the SET in accordance with the Notifications on Connected Transaction;
- (2) Appoint an independent financial advisor to provide opinions in relation to the business restructuring by way of partial business transfer and/or sale and purchase of partial business through the entering into a partial business transfer agreement and/or sale and purchase agreement of partial business and related agreements with Inno Precast in accordance with the Notifications on Connected Transaction, and deliver such opinion to the shareholders of the Company. In this regard, the Company has appointed I V Global Securities Public Company Limited as an independent financial advisor for the aforementioned purposes.
- (3) Deliver a shareholders' meeting invitation to the shareholders no later than 14 days in advance, containing the minimum information required under the Notifications on Connected Transaction; and
- (4) Arrange for the shareholders' meeting to consider and approve the aforementioned transaction, whereby the Company requires a vote of approval from the shareholders' meeting of no less than 3/4 majority of the shareholders attending the meeting and have the right to vote, excluding votes of shareholders with interests.

In this regard, the transactions related to the partial business transfer and/or sale and purchase of partial business is also considered as an acquisition of assets under the Notification of the Capital Market Supervisory

Board No. TorJor 20/2551 Re: Rules on Entering into Material Transactions Deemed as Acquisition or Disposal of Assets dated 31 August 2008 (as amended) 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 2004 dated 29 October 2004 (as amended) (“**Notifications on Acquisition and Disposition of Assets**”). In part of the transaction where the Company has received 1,070,991 newly issued ordinary shares of Inno Precast as consideration for the partial business transfer and/or sale and purchase of partial business, upon calculation based on the consolidated financial statement of the Company for the 2/2023 Quarter ended 30 June 2023 which has been reviewed by a certified auditor, the largest transaction size according to the total consideration criteria equals to 8.93%. This transaction, in part of the transfer of precast business to Inno Precast, is also considered as a disposition of assets under the Notifications on Acquisition and Disposition of Assets, and upon the calculation of the transaction size using the consolidated financial statement of the Company for the 2/2023 Quarter ended 30 June 2023 which has been reviewed by a certified auditor, the largest transaction size equals to 8.06% according to the total consideration criteria. These transactions are considered as a minor transaction, the Company therefore has no duty to comply with the Notifications on Acquisition and Disposition of Assets. Since the Company has not resolved to propose to the Shareholders' Meeting No. 1/2023 to consider the acquisition of assets of subsidiaries and the disposition of assets according to the Notifications on Acquisition and Disposition of Assets. Therefore, If within 6 months after the Board of Directors' resolution at this time. The Company enters into an asset acquisition or disposal transaction, the Company will include the size of this transaction in consideration of the transaction as well as proceed in accordance with the Notifications on Acquisition and Disposition of Assets.

The Board of Directors Meeting of the Company no. 7/2023, held on 20 October 2023, resolved to propose to the Extraordinary Shareholders' Meeting no. 1/2023, held on 30 November 2023 to approve the Transaction. The agenda for the Extraordinary General Meeting of Shareholders No. 1/2023 related to entering into this transaction is as follows.

- Agenda 3 To consider and approve the business restructuring plan by the way of the Partial Business Transfer (PBT) and/or the sale of partial business to a subsidiary.
- Agenda 4 To consider and approve the transfer of ownership of land and structures to Inno Precast Company Limited pursuant to the partial business transfer and/or the sale and purchase of partial business and to fix the conditions for making payment in consideration of transfer of ownership of land and structures.

Consideration of agenda 3 to agenda 4 is a mutual condition. If any agenda is not approved, it will be deemed that other agendas (agenda 3 to agenda 4) that have been approved will be cancelled and there will be no further consideration of other agendas.

Nonetheless, in deciding whether to approve or disapprove the said Transaction, the shareholders can make consideration thereon based on the above reasons and opinion rendered by the Independent Financial Advisor. The final decision depends on the shareholders' individual judgment.

I V Global Securities Public Company Limited ("**Independent Financial Advisor**" or "**IFA**"), the Independent Financial Advisor appointed by the Company, has studied the relevant information as well as interviewed with Company's management and related company, price and conditions necessary for acquisition transaction of General Engineering Public Company Limited. In addition, IFA has considered rationale of the Transaction and fairness of Transaction price of acquisition transaction and connected transaction, as well as benefits, consequences, risk factors, and strengths and weaknesses of the Transaction. IFA's opinion on the Transaction can be summarized as follows:

#### **Opinion of the Independent Financial Advisor on the Reasonableness of the Partial Business Transfer Transaction**

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The Independent Financial Advisor is of the opinion that by entering into this transaction, the Company will augment its shareholding in INPC. This will enhance the potential to garner proportionately higher returns from INPC. Through this restructuring, INPC will allocate an additional 1,070,991 shares to the Company at a rate of 570.50 baht per share, summing up to 611.00 million baht. This includes the distribution of 701,140 additional ordinary shares to Quartz 2, a company within the PSH group. Notably, the issuance of new shares of INPC are not being issued proportionally to the current shareholders' stakes. Consequently, upon completion of this transaction, the Company will possess an elevated share count in INPC, amounting to approximately 55.43 percent of INPC's total issued shares, an increase from the initial stake of 51.00 percent. This amplified ownership percentage will position the Company to realize proportionately higher returns from its investment.

Furthermore, the Company's precast business will be under the management of INPC. As this business will be operated under INPC, having companies from the PSH group among its principal shareholders, PSH is a multifaceted enterprise, deeply acquainted with the construction industry and possesses the capability to source premium raw materials and wields significant bargaining power. By aligning the precast business under INPC's management, there is an enhanced ability to negotiate raw material procurement, likely leading to reduced material costs and amplified profits. This structural change also has the potential to introduce economies of scale, with INPC streamlining order management, raw material production planning, and post-sales services from a unified hub. This offers a prospect for the PSH group to have a more hands-on involvement in the operational strategy in alignment with the Company's strategic roadmap, bolstering business growth. The partnership extends beyond just holding stakes in INPC; it opens avenues for mutual knowledge exchange, collective raw material procurement negotiations to maximize bargaining clout, and potential future collaborative ventures. Additionally, through this transaction, the Company stands to gain a partial cash compensation of 124.00 million baht and further remuneration in the form of rent or property costs amounting to 145.00 million baht. These funds can be strategically allocated to settle interest-bearing liabilities or replenish the Company's working capital, thereby enhancing its liquidity position.

The partial business transfer and/co the compensation to be derived from the partial business transfer are deemed appropriate. The consideration of 880.00 million baht, which the Company will obtain from the disposal of its precast business, aligns with the fair value range as appraised by the Independent Financial Advisor. The Independent Financial Advisor is of the opinion that the fair value of the precast production and distribution business being transferred lies between 828.02 and 926.25 million baht. Hence, the valuation for this partial business transfer is appropriate. Moreover, when considering the entirety of the fair value of the compensation the Company is set to receive from INPC, which ranges from 818.39 to 924.33 million baht, the agreed consideration of 880.00 million baht falls squarely within this range. Consequently, the total compensation from INPC is justifiable and appropriate.

Nevertheless, the partial business transfer and/or the partial business acquisition of the Company's operations by INPC will result in a diminished ownership interest in the Company's precast business assets. Should the precast business flourish in the future, this might lead to the Company garnering a proportional segment of the profits from its precast business assets. Moreover, the intricacies involved in the partial business transfer and/or the partial business acquisition of the Company's operations, including the issuance of INPC's newly issued shares and the sale or leasing of related assets, categorize this as a complex transaction. The execution might be protracted due to its intricate nature. Certain assets, currently pledged as collateral with financial institutions, necessitate negotiations for their release, adding to the time required. As such, this business restructuring may not only be time-consuming but might also introduce additional transaction-related expenses for the Company.

However, in evaluating the suitability and rationale of undertaking this related-party transaction, the Independent Financial Advisor is of the opinion that the entry into this transaction with the PSH Group paves the way for future business growth opportunities for the Company, achieving through mutual knowledge sharing, increase clarity in the business operations of the group of companies, which will increase the opportunity in funding sources ,collaborative negotiations for raw material procurement to bolster INPC's bargaining leverage, and an expansion of the customer base encompassing both the PSH Group's and the Company's clientele. Additionally, there exists the potential for joint ventures in related sectors in the future, such as the construction materials industry or real estate development. Engaging in the transaction with the PSH Group, the Company remains confident that the various agreements will be executed as envisioned. Even though this is a related-party transaction, both the Company and the PSH Group will carefully evaluate the procedures and merits of the transaction, ensuring it aligns with the overarching interests of both the Company and INPC.

Furthermore, engaging in a related-party transaction could raise concerns over potential conflicts of interest between the PSH Group and the Company, particularly in terms of pricing and compensation associated with this transaction. There might also be subsequent related-party transactions in the future. Consequently, the Company must adhere to regulations governing related-party transactions. Such dealings are approached with the same rigor and scrutiny as transactions with external third parties, always prioritizing the Company's best interests. This approach ensures that minority shareholders remain insulated from any adverse effects arising from these related-party transactions.

In addition, the entry into the transaction with the PSH group may necessitate the Company to discontinue its business of producing precast concrete wall panels used in construction, or the precast business, to ensure clarity and prevent conflicts of interest. This step is also to avoid potential future commercial competition with INPC. Moreover, after the partial business transfer and/or partial business acquisition to INPC, the Company will hold approximately 55.43% of INPC's total issued shares after restructuring, an increase of about 4.43%. This increase may not be considered significantly material.

Moreover, when juxtaposing this transaction with dealings involving external entities, the Company would forfeit the chance to co-manage its precast business under INPC alongside PSH. There may also be constraints in identifying external parties possessing the requisite capabilities and readiness to engage in the transaction as envisioned. Interactions with such external entities, including negotiations, could be protracted before arriving at mutually advantageous terms.

Furthermore, potential risks associated with undertaking this transaction encompass:

- 1) Risk associated with the uncertainty related to INPC's prospective operational outcomes and the returns the Company anticipates post-business restructuring.

Should INPC's future performance fall short of established objectives, it would notably impact its fair value and the subsequent returns the Company anticipates from INPC. Conversely, if INPC's operational outcomes significantly exceed expectations, the Company would stand to benefit from its engagement in this transaction. Hence, the variability in INPC's forthcoming performance, which might deviate from initial projections, is a paramount risk associated with this transaction. This variability is of particular significance since it will directly influence the fair value and anticipated returns the Company aims to secure from INPC post-transaction.

- 2) Risk associated with the unpredictability of the additional benefits derived from business integration (synergy).

Following the restructuring, the Company's precast business will fall under the management of INPC, with significant shareholding vested in companies from the PSH group. This arrangement is likely to yield reduced raw material costs and enhanced profits, coupled with the potential realization of economies of scale stemming from the business amalgamation. However, synergy benefits, being contingent on future developments, are inherently unpredictable. Consequently, there is a considerable risk that the anticipated synergies may not materialize, leading to outcomes that diverge markedly from initial expectations.

- 3) Risk associated with encountering delays or failure in obtaining approvals to release certain assets currently pledged as collateral with financial institutions. It may cause a risk of changes in the value of assets in the future.

As a result of this transaction, there's an associated asset purchase pertaining to the precast business, which encompasses land and factory buildings valued at a cumulative 145 million baht. This transaction will proceed once the assets have been liberated from collateral agreements with financial institution

creditors. Consequently, the Company will experience potential risks stemming from delays in relinquishing the collateral's mortgage obligations with these creditors. Moreover, If the Company is unable to release the aforementioned assets from being collateral within 3 years, it will affect INPC's decision regarding the renewal of the lease agreement with the Company. This poses a risk that the value of the assets and the rental rate may change in the future, potentially impacting the value and appropriateness of the transaction at this time. Including with there be a scenario where the necessary approvals are not secured to release such assets from their collateral status with the financial institutions, it could impair INPC's capability to procure these assets for business operations. This might necessitate revisions to transaction structures in the future.

- 4) Risk associated with the possibility that the transaction could face postponement or cancellation, which could subsequently impact the execution of the Company's strategic business plan or introduce unforeseen costs.

This partial business transfer transaction and/or the partial business acquisition may be influenced by unforeseen internal and external factors. These variables could potentially delay or even terminate the transaction. Such disruptions could prevent the Company from finalizing the transaction as initially intended, subsequently impacting the execution of the Company's strategic business plan.

- 5) Risk associated with the partial transfer of business activities (PBT) and/or the partial business acquisition with a subsidiary. Due to the conditions of the contract and legal criteria related to the partial transfer of business.

In the ongoing business restructuring, in the form of a partial business transfer and/or partial business acquisition, both the Company (as the transferor) and INPC (as the transferee) are obligated to adhere to the stipulations of the business transfer agreement. Moreover, they must satisfy the requirements set forth in the Revenue Code, royal decrees, directives from the Director-General, and other pertinent legislation until the business transfer reaches its completion and becomes fully effective. Should any unforeseen events or impacts arise, preventing the Company and INPC from complying with these contractual and/or regulatory obligations, potential ramifications could be incurred. This includes not only potential damages but also the loss of anticipated tax advantages, such as VAT, specific business taxes, and stamp duties associated with the partial business transfer, as outlined in the Revenue Code and relevant governing laws.

The Independent Financial Advisor is of the opinion that the most suitable valuation approach for the business engaged in producing and distributing precast (PW) and for determining the value of INPC's shares is the discounted cash flow approach. The fair value of the precast production and distribution business (PW) is estimated to range between 828.02 and 926.25 million baht, which translates to 531.35 to 673.34 baht per share. This is predicated on the fact that both INPC and the Company's precast production and distribution business (PW) are ventures that consistently yield stable cash flows and have a well-defined future business strategy. As such, the



Independent Financial Advisor is of the opinion that the valuation using the discounted cash flow approach is the most appropriate for this particular valuation.

The Independent Financial Advisor is of the opinion that executing the transaction to dispose of the precast production and distribution business (PW) for a value of 880.00 million baht is appropriate due to the fact that the proposed price squarely falls within the fair value range of 828.02 to 926.25 million baht for the precast production and distribution business (PW). **Consequently, the sale transaction of the precast production and distribution business (PW) at this juncture is deemed to be reasonably priced.**

Furthermore, the Independent Financial Advisor is of the opinion that the issuance of additional INPC shares at a price of 570.50 baht per share to both the Company and Quartz 2 is appropriate due to the fact that the price of the additional shares aligns with the fair value range of INPC, which is estimated between 531.35 and 673.34 baht per share. **Consequently, the proposed price for INPC's newly issued shares is deemed appropriate.**

In addition, The business restructuring by way of the partial business transfer (PBT) and/or the sale and purchase of partial business transaction has a total value of approximately 880 million Baht, whereby Inno Precast will make the payment of the consideration by

- (1) Inno Precast will issue its newly issued ordinary shares to the Company in the amount of not exceeding 1,070,991 shares at the price of 570.50 Baht per share, equivalent to a total value of 611.00 million Baht;
- (2) Pay in cash in the amount of 124 million Baht;
- (3) Pay for the acquisition of the assets related to the precast business, which consists of lands and factory buildings (after such assets have been released from collateral obligations), from the Company at the total value of 145 million Baht provided that the payable amount shall be subject to deduction of the rental fee that Inno Precast has leased such assets from the Company for the period of three years before the assets have been released from collateral obligations. The rental fee is at the total amount of 11.6 million Baht per year. (total 3 years is amounted of 34.8 million Baht)

The Independent Financial Advisor is of the opinion that executing a transaction with a total consideration of 880.00 million baht is appropriate based on the fact that this value falls within the fair value range of all consideration that GEL is expected to receive from the transaction, as determined by the Independent Financial Advisor. This fair value range is estimated to be between 818.39 and 924.33 million baht. **As such, the consideration value for this particular transaction is deemed appropriate.**

Upon considering the terms of the Company's proposed transaction, the Independent Financial Advisor is of the opinion that this endeavor is intricate, encompassing numerous stipulations that require third-party approvals, including from relevant governmental bodies. This is especially true given that it involves a partial business transfer. Moreover, certain assets are encumbered and necessitate release from financial institution creditors. Consequently,

the Independent Financial Advisor is of the opinion that the Company exercise diligence and judicious assessment before proceeding, ensuring that the aforementioned conditions can be effectively met as per the outlined plan.

Regarding precedent conditions and conditions of entering into the transaction, IFA has opined that the conditions of entering into the transaction **are appropriate** and relay to Notifications on Acquisition or Disposition of Assets and Notifications on Connected Transaction and all terms and regulations are common for The partial business transfer transaction and don't damage Company's interest and shareholders' interest.

After considering information and rationale of this report, IFA opined that the shareholders, thus, should **approve** The partial business transfer transaction.

Nonetheless, in deciding whether to approve or disapprove the said Transaction, the shareholders can make consideration thereon based on the above reasons and opinion rendered by the Independent Financial Advisor. The final decision depends on the shareholders' individual judgment.

The details of independent financial advisor's opinion are described as follows:

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**Part 1: General Characteristics of the Transaction****1.1 Characterostics and Details of the Business Restructuring by way of the Partial Business Transfer (PBT) and/or the Sale and Puchase of Partial Business****1.1.1 The Objective and Necessity of the Transaction**

According to the Shareholders' Meeting which held on Thursday, 27 April 2023 has approved the investment in Inno Precast ("Inno Precast") by way of Entire Business Transfer (EBT) and issuing new ordinary shares of the Company for settlement. And on 26 May 2023 the Company became a shareholder in Inno Precast of 51% stake with Quartz Holding 2 Company Limited ("Quartz Holding 2"), a subsidiary of Prukha Holding Public Company Limited ("PSH") and holds 49% stake in Inno Precast. Inno Precast is a company established with the objective of producing precast concrete wall panel business in construction (precast factory business) in accordance with the agreement relating to transaction support and additional business cooperation which the Company has entered into with PSH Group. During this investment, PSH, as a business partner, agreed to support Inno Precast's business operations. By purchasing precast products from Inno Precast to be used in the business of PSH Group within the framework of agreed terms and conditions. In the previous 2022 year, Inno Precast has manufactured and distributed precast to the PSH Group and third parties in the proportion of 80% and 20% respectively. Investment in Inno Precast is in line with the Group's strategy and core business as the Company operates the business of manufacturing and distributing construction materials, including precast products, to customers in the real estate and construction sectors, and from not being able to adequately meet the needs of customers by Inno Precast. The production capacity of Inno Precast is approximately 4.4 million sq.m./year. In addition, Inno Precast is a Green Factory and imports "Carbon Cure" green technology to be used as the first real estate development group in Thailand to produce Low Carbon Precast. In terms of business, Investment in Inno Precast will increase the Company's production capacity from 0.80 million sq.m./year to 5.20 million sq.m./year, which will help expand the Company's precast business base to have a stronger customer base. It will also increase the revenue share of the Company's precast products and help drive the Company's development as a leader in the international precast market.

After considering Inno Precast's performance after the aforementioned investment transaction, the business of Inno Precast is likely to continue growth. For that reason, the Company therefore intends to transfer the precast business to Inno Precast. By restructuring the business this time by way of partial business transfer and/or sale and purchase of partial business with Inno Precast, the Company and the subsidiary group will become more agile and flexible, allowing more efficient business management. Moreover, the Company will be able to analyze and track the performance of the Company and the subsidiary group for each type of business from the financial statements, which will be separated more clearly. This enables the Company to analyze and monitor the performance of the Company and its subsidiaries for each type of business from separate financial statements more

clearly. It will also help the Company to better manage the risks of each type of business and reduce conflicts of interest between the Company and Inno Precast. In addition, it will continue to increase opportunities for the expansion of the company's precast business and Listed on the Stock Exchange of Thailand (Spin Off) in the future.

The Board of Directors' Meeting No. 7/2023 of General Engineering Public Company Limited (the "Company" or "GEL"), has resolved to approve the Company's plan to restructure the business of the Company by way of a partial business transfer (PBT), and/or the sale and purchase of partial business of the Company, i.e. the precast factory business to Inno Precast Company Limited ("Inno Precast" or "INPC"), the subsidiary which the Company holds 1,019,999 ordinary shares, representing 51% of the total issued shares of Inno Precast, by entering into the partial business transfer agreement and/or the sale and purchase agreement of partial business and related agreements with Inno Precast and related parties. The business restructuring by way of the partial business transfer (PBT) and/or the sale and purchase of partial business transaction has a total value of approximately THB 880 million, whereby Inno Precast will make the payment of the consideration by (a) issuing its newly issued ordinary shares to the Company in the amount of not exceeding 1,070,991 shares at the price of THB 570.50 per share, equivalent to a total value of THB 611.00 million (in addition, Inno Precast will issue its newly issued ordinary shares in the amount of 701,140 shares to Quartz Holding 2 Company Limited ("Quartz Holding 2" or "Quartz 2"), the major shareholder of Inno precast, which is an entity in the group company of Pruksa Holding Company Limited ("PSH") whereby Quartz Holding 2 currently holds 49% of the total shares of Inno Precast) the issuance of additional capital shares by Inno Precast is not issued in proportion to the shareholding of existing shareholders; (b) paying in cash to the Company in the amount of THB 124 million; and (c) acquiring the assets related to the precast business, which consists of lands and factory buildings (after such assets have been released from collateral obligations), from the Company at the total value of THB 145 million provided that the payable amount shall be subject to deduction of the rental fee that Inno Precast has leased such assets from the Company for the period of three years before the assets have been released from collateral obligations. The rental fee is fixed at the rate of THB 11.6 million per annum (total 3 years is amounted of THB 34.8 million). Thus, If the lease is renewed between Inno Precast and the Company. The Company will comply with the criteria for entering into transactions with connected persons according to the Notification of the Capital Market Supervisory Board No. TOR 21/2551. Criteria for Connected Transactions dated 31 August 2008 (including as amended) and Notification of the Stock Exchange of Thailand Re: Disclosure of Information and Operations of Listed Companies in the Connected Transaction B.E. 2546 dated 19 November 2003 (including as amended).

The partial business transfer and/or the sale and purchase of partial business transaction will transfer only the operation, assets, liabilities, rights and duties under related contract, and employees in connection with the Company's precast factory business to Inno Precast. The partial business transfer and/or the sale and purchase of partial business transaction value will be assessed according to book value, or adjusted book value/fair value at the date of business transfer and/or the sale and purchase of partial business. However, the purchase price of the

transferred business and/or business sale and purchase maybe changed based on the value of assets and liabilities at the date of business transfer and/or the sale and purchase of partial business.

In addition, the business restructuring transaction which will presented to the Shareholders' Meeting is not a continuation or related to investment transaction in Inno Precast as approved by Shareholders' Meeting in the year of 2023, which held on 27 April 2023. In other words, the transaction of investment in Inno Precast is a matter in which the Company expands its business by investing in the Precast business by way of Entire Business Transfer (EBT) from PSH Group. And the Company issued newly issued ordinary shares (Private Placement) to PSH as compensation, including the partnership with PSH was completed in the second quarter of 2023. Meanwhile, this restructuring transaction is a plan initiated later to consolidate the precast factory business of the Company to Inno Precast by way of partial business transfer and/or the sale and purchase of partial business. The Company foresees that this restructuring will enhance the efficiency of the precast factory business of the Group of the Company. Therefore, the Company was presented to the shareholders' meeting for consideration at this meeting.

And after the restructuring complete. The Company will hold 2,090,990 shares in Inno Precast, representing 55.4% of the total issued shares of Inno Precast and Inno Precast will be the operate of the precast factory business and the Company will cease to operate the precast factory business used in construction. However, the company still operates a variety of businesses, including prestressed concrete pile products, precast concrete parts for utilities, beamless floor system products, glass fiber reinforced concrete parts products, bored pile products and cement soil piles, and construction chemicals products. The restructuring at this time will increase production capacity and expand the customer base for Inno Precast's business.

The Company will cease the precast factory business in order not to cause conflicts of interest and actions that may lead to commercial competition with Inno Precast that may occur in the future. as follows

- (1) Operate, invest or do anything that would compete with Inno Precast's business in Thailand, except as an agent for selling and marketing Inno Precast or selling precast products for which GEL has agreed to Inno Precast to act as manufacturer of such precast products.
- (2) Assisting or advising any person or entity regarding Inno Precast's business.
- (3) Solicit or induce employees of Inno Precast, unless it is a general public recruitment.
- (4) Solicit or find customers whose customers have done business with Inno Precast within 12 months prior to the Board of Directors' resolution to enter into this transaction.
- (5) Disclose information or Trading Confidential of Inno Precast or information which will affect Inno Precast.

As for controlling Inno Precast after the transaction, the Company will have a stake in Inno Precast which increases from 51% of the registered capital before the transaction to 55.4% of the registered capital after the transaction. However, Inno Precast is still a subsidiary of the Company. In addition, the board of directors and the management structure has not changed since entering into this transaction. The Company will continue to manage Inno Precast business as the parent company. And the Company will receive the return of investment in the term of

dividends. If in the future, Inno Precast has profitable operating performance, the Company is entitled to receive dividends in proportion to this amount.

In order to complete the business restructuring transaction by way of the partial business transfer and/or the sale and purchase of partial business, the Company, Inno Precast and related parties will enter into the partial business transfer agreement and/or the sale and purchase agreement of partial business and related agreements, including but not limited to partial business transfer agreement, share subscription agreement, lease agreement, asset sale and purchase agreement and option agreement to sale and purchase of asset. After the business restructuring is completed, the Company will hold 2,090,990 ordinary shares in Inno Precast, representing 55.4% of the total issued shares of Inno Precast. The transaction is estimated to be completed within three months from the date the resolution of shareholders' meeting approving the transaction is obtained.

According to the terms of relevant agreements abovementioned, the partial business transfer and/or the sale and purchase of partial business transaction under the business restructuring plan will occur only after the specified conditions precedent have been satisfied or waived by the relevant counterparties. The key conditions precedent under the agreements related to the partial business transfer is including but not limited to;

1. The accounting and legal due diligence of Inno Precast's business has been completed reasonably satisfactory to the Company.
2. The Board of Directors' and Shareholders' Meeting of the Company have approved the partial business transfer and/or the sale and purchase of partial business transaction and the sale of related assets to Inno Precast, including the entry into agreements, contracts and/or other documents relevant to the transaction, and any other actions to ensure the completion of the transaction.
3. The Shareholders' Meeting of Inno Precast has approved the capital increase and the allocation of newly issued shares to the Company as a payment of the transaction, including approving any other matters necessary and/or related to the transaction.
4. The partial have been entered into relevant agreements, and such agreements are valid or have been waived by related counterparties or related persons.
5. All approvals from any Governmental Authority necessary to permit for the consummation of the Transaction have been duly received (if any).
6. There must be no material adverse change that may affect the transaction.

In case of partial business transfer of precast business to Inno Precast, it will be conducted in accordance with the Revenue Department's regulation on partial business transfer (PBT) in order to be entitled to tax benefits, for which the Company is required to receive approval from its Shareholder's Meeting. Additionally, the aforementioned partial business transfer is regarded as the selling and transfer of a substantial undertaking of

acompany pursuant to Section 107(2)(A) of the Public Limited Companies Act 1992, which requires approval from the Shareholder's Meeting of the Company with no less than three-fourth of all votes of the shareholders attending the meeting and entitled to vote.

The partial business transfer and/or the sale and purchase of partial business is also considered as a connected transaction of the Company as Quartz Holding 2 is a shareholder of Inno Precast, holding 980,000 shares representing 49% of Inno Precast's total issued shares. Quartz Holding 2 has a common major shareholder with the Company, PSH, which holds 1,572,729,730 shares in the Company, representing 18.26% of the Company's total issued shares, and PSH also holds 100% shares in Quartz Holding 2. Therefore, the aforementioned business restructuring through the entering into partial business transfer agreements and/or sale and purchase agreement of partial business and related agreements with Inno Precast is considered as transactions to be entered into with a connected person of the Company and connected transactions under the Notification of the Capital Market Supervisory Board No. TorChor. 21/2551 on Rules on Connected Transactions dated August 31, 2008 (as amended) and the Notification of the Board of Governors of the Stock Exchange of Thailand on Disclosure of Information and Other Acts of Listed Companies on Connected Transactions 2003 dated 19 November 2003 (as amended) ("**Notifications on Connected Transaction**"). Upon the calculation of transaction size according to the Notifications on Connected Transaction by taking into account of the consolidated financial statement of the Company for the 2/2023 Quarter ended 30 June 2023 which has been reviewed by a certified auditor, the transaction size equals to 48.03% of the net tangible assets (NTA) of the Company, which is considered as a large connected transaction. Therefore, the Company is required to comply with the regulations prescribed by the Notifications on Connected Transaction as follows:

- (1) Prepare and disclose information memorandum on the business restructuring by way of partial business transfer and/or sale and purchase of partial business through the entering into a partial business transfer agreement and/or sale and purchase agreement of partial business and related agreements with Inno Precast to the SET in accordance with the Notifications on Connected Transaction;
- (2) Appoint an independent financial advisor to provide opinions in relation to the business restructuring by way of partial business transfer and/or sale and purchase of partial business through the entering into a partial business transfer agreement and/or sale and purchase agreement of partial business and related agreements with Inno Precast in accordance with the Notifications on Connected Transaction, and deliver such opinion to the shareholders of the Company. In this regard, the Company has appointed I V Global Securities Public Company Limited as an independent financial advisor for the aforementioned purposes.
- (3) Deliver a shareholders' meeting invitation to the shareholders no later than 14 days in advance, containing the minimum information required under the Notifications on Connected Transaction; and



- (4) Arrange for the shareholders' meeting to consider and approve the aforementioned transaction, whereby the Company requires a vote of approval from the shareholders' meeting of no less than 3/4 majority of the shareholders attending the meeting and have the right to vote, excluding votes of shareholders with interests.

In this regard, the transactions related to the partial business transfer and/or sale and purchase of partial business is also considered as an acquisition of assets under the Notification of the Capital Market Supervisory Board No. TorJor 20/2551 Re: Rules on Entering into Material Transactions Deemed as Acquisition or Disposal of Assets dated 31 August 2008 (as amended) 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 2004 dated 29 October 2004 (as amended) ("**Notifications on Acquisition and Disposition of Assets**"). In part of the transaction where the Company has received 1,070,991 newly issued ordinary shares of Inno Precast as consideration for the partial business transfer and/or sale and purchase of partial business, upon calculation based on the consolidated financial statement of the Company for the 2/2023 Quarter ended 30 June 2023 which has been reviewed by a certified auditor, the largest transaction size according to the total consideration criteria equals to 8.93%. This transaction, in part of the transfer of precast business to Inno Precast, is also considered as a disposition of assets under the Notifications on Acquisition and Disposition of Assets, and upon the calculation of the transaction size using the consolidated financial statement of the Company for the 2/2023 Quarter ended 30 June 2023 which has been reviewed by a certified auditor, the largest transaction size equals to 8.06% according to the total consideration criteria. These transactions are considered as a minor transaction, the Company therefore has no duty to comply with the Notifications on Acquisition and Disposition of Assets. Since the Company has not resolved to propose to the Shareholders' Meeting No. 1/2023 to consider the acquisition of assets of subsidiaries and the disposition of assets according to the Notifications on Acquisition and Disposition of Assets. Therefore, if within 6 months after the Board of Directors' resolution at this time. The Company enters into an asset acquisition or disposal transaction, the Company will include the size of this transaction in consideration of the transaction as well as proceed in accordance with the Notifications on Acquisition and Disposition of Assets.

The Board of Directors' Meeting No. 7/2023 which was held on 20 October 2023, has resolved to propose to the Shareholders' Meeting No. 1/2023, which will be held on 30 November 2023, to consider approving the aforementioned business transfer transactions. The agenda for the Shareholders' Meeting No. 1/2023 related to this transaction is as follows:

- Agenda 3 To consider and approve the business restructuring plan by the way of the Partial Business Transfer (PBT) and/or the sale of partial business to a subsidiary.
- Agenda 4 To consider and approve the transfer of ownership of land and structures to Inno Precast Company Limited pursuant to the partial business transfer and/or the sale and purchase of partial business and

to fix the conditions for making payment in consideration of transfer of ownership of land and structures.

Consideration of agenda 3 to agenda 4 is a mutual condition. If any agenda is not approved, it will be deemed that other agendas (agenda 3 to agenda 4) that have been approved will be cancelled and there will be no further consideration of other agendas.

### 1.1.2 General Description of the Transaction

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Following the Company's investment in Inno Precast Company Limited on 26 May 2023, which the Company has become a shareholder of Inno Precast by acquiring 51% shareholding, and Quartz Hold 2 (a subsidiary in the PSH Group) held 49% shares in Inno Precast. Inno Precast is a company incorporated for the purpose of operating the precast factory business in accordance with the agreement supporting the entering into the transaction and further business cooperation between the Company Group and the PSH group as business partners, whereby PSH agrees to support Inno Precast's business operations by purchasing precast products from Inno Precast for use in the PSH Group's business in accordance with the agreed terms and conditions. In the previous 2022 year, Inno Precast has manufactured and distributed precast to the PSH Group and third parties in the proportion of 80% and 20% respectively. Investment in Inno Precast is in line with the Group's strategy and core business as the Company operates the business of manufacturing and distributing construction materials, including precast products, to customers in the real estate and construction sectors, and from not being able to adequately meet the needs of customers by Inno Precast. The production capacity of Inno Precast is approximately 4.4 million sq.m./year. In addition, Inno Precast is a Green Factory and imports "Carbon Cure" green technology to be used as the first real estate development group in Thailand to produce Low Carbon Precast. In terms of business, Investment in Inno Precast will increase the Company's production capacity from 0.80 million sq.m./year to 5.20 million sq.m./year, which will help expand the Company's precast business base to have a stronger customer base. It will also increase the revenue share of the Company's precast products and help drive the Company's development as a leader in the international precast market.

After considering Inno Precast's performance after the aforementioned investment transaction, the business of Inno Precast is likely to continue to grow. For that reason, the Company therefore intends to transfer the precast business to Inno Precast. By restructuring the business this time by way of partial business transfer and/or sale and purchase of partial business with Inno Precast, the Company and the subsidiary group will become more agile and flexible, allowing more efficient business management. Moreover, the Company will be able to analyze and track the performance of the Company and the subsidiary group for each type of business from the financial statements which will be separated more clearly. This enables the Company to analyze and monitor the performance of the Company and its subsidiaries for each type of business from separate financial statements more clearly. It will also help the Company to better manage the risks of each type of business and reduce conflicts of

interest between the Company and Inno Precast. In addition, it will continue to increase opportunities for the expansion of the company's precast business and Listed on the Stock Exchange of Thailand (Spin Off) in the future.

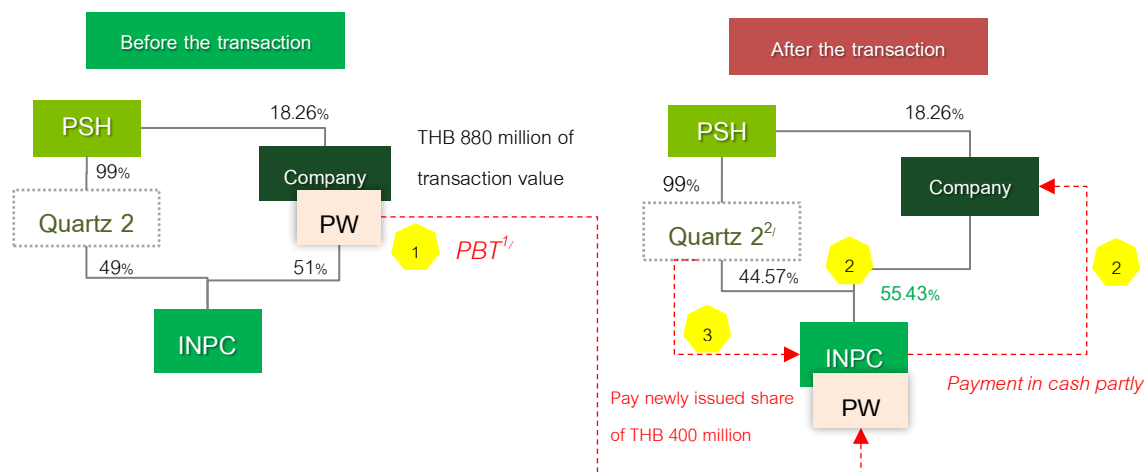
The business restructuring this time will be conducted by way of partial business transfer (PBT) and/or the sale and purchase of partial business with a total value of 880 million Baht. Inno Precast will (a) issue 1,070,991 newly issued ordinary shares to the Company as consideration for the partial business transfer; and (b) paying in cash to the Company in the amount of 124 million Baht; and (c) acquiring the assets related to the precast business, which consists of lands and factory buildings (after such assets have been released from collateral obligations), from the Company at the total value of 145 million Baht provided that the payable amount shall be subject to deduction of the rental fee that Inno Precast has leased such assets from the Company for the period of three years before the assets have been released from collateral obligations. The rental fee is fixed at the rate of 11.6 million Baht per annum. (total 3 years is amounted of THB 34.8 million).

Summary of the procedure for restructuring the Company's business by partial business transfer (PBT) and/or the sale and purchase of partial business are as follows:

1. The Company will transfer the precast factory business of the Company to Inno Precast which will be done by partial business transfer (PBT) and/or the sale and purchase of partial business with a total value of THB 880.00 million.
2. Inno Precast will pay compensation for partial business transfer and/or the sale and purchase of partial business of such business in the total value of THB 880.00 million, as follows
  - 2.1 Issuance of new shares to the Company in the amount of not more than 1,070,991 shares at the price of THB 570.50 per share, totaling THB 611.00 million.
  - 2.2 Cash payment to the Company in the amount of THB 124 million, and
  - 2.3 Purchase of assets related to precast factory business which include: Land and factory buildings from the Company (after the assets are released as collateral) with the total value of THB 145 million. The value of the property paid will be deducted from the rent that Inno Precast leased from the Company for a period of 3 years prior to the release of the property as collateral, which is THB 11.6 million per year (total 3 years totaling THB 34.8 million). Thus, If the lease is renewed between Inno Precast and the Company. The Company will comply with the criteria for entering into transactions with connected persons of the Company according to the Notification of the Capital Market Supervisory Board No. TOR 21/2551. Criteria for Connected Transactions dated August 31, 2008 (including as amended) and Notification of the Stock Exchange of Thailand Re: Disclosure of Information and Operations of Listed Companies in the Connected Transaction B.E. 2546 dated 19 November 2003 (including as amended).
3. Quartz 2 Subscribed for 701,140 newly issued ordinary shares of Inno Precast at a par value of THB 570.50 each or THB 400,000,000

The procedure for restructuring the Company's business by partial business transfer (PBT) and/or the sale and purchase of partial business, including subscription for new shares of Quartz 2, shall be subject to the conditions and agreements relating to partial business transfer and/or the sale and purchase of partial business, including contracts related to this transaction.

### Shareholding Structure Before and After the Transaction



Remarks: 1/ The sale of precast factory business will be conducted by way of the partial business transfer and/or sale and purchase of partial business.

2/ Quartz Holding 2 to subscribe to the newly issued capital increase ordinary share of Inno Precast for a number of 701,140 shares (Seven Hundred One Thousand One Hundred and Forty shares), at a value of THB 570.50 (Five Hundred and Seventy Baht Fifty Satang) per share or equivalent to THB 400,000,000 (Four Hundred Million Baht). Accordingly, after the increase in the registered capital of Inno Precast, Quartz Holding 2 shall hold shares in Inno Precast at the proportion of 44.57 percent of the registered capital of Inno Precast. The subscription price for the capital increase ordinary shares received by Inno Precast will receive from Quartz Holding 2 will be used by Inno Precast to repay the loan from Quartz Holding 2 under the Loan Agreement between Inno Precast and Quartz Holding 2 dated 22 May 2023, for the loan credit of THB 400,000,000 (Four Hundred Million Baht Only) in the entire amount.

#### 1.1.3 Date, Month, Year of the Transaction

The Company anticipates that the partial business transfer and/or the sale and purchase of partial business transaction and all of related transactions will be completed within Quarter 4/2023 (subject to the completeness of the conditions precedent specified in the agreements related to the transactions), after the resolution of the Shareholders' Meeting of the Company approving the partial business transfer and/or the sale and purchase of

partial business transaction, Inno Precast's issuance of the newly issued ordinary shares transaction, as well as other necessary and/or relevant matters related to the transaction is obtained.

The Company has evaluated the time frame for entering into this transaction. as follows

No.	List	Expected Processing Period
1.	The Company's shareholders' meeting resolved to approve the transaction.	30 November 2023
2.	The Company will transfer its precast factory business to Inno Precast.	December 2023
3.	Inno Precast will pay compensation for partial business transfer and/or sale and purchase of partial business by issuing new shares to the Company in the amount of not more than 1,070,991 shares at the price of THB 570.50 per share, totaling THB 611.00 million, and paying cash to the Company in the amount of THB 124 million.	December 2023
4.	The Company and Inno Precast entering into an agreement to purchase assets related to the precast factory business, which consists of: Land and factory buildings from the Company (after the assets are released as collateral) with the total value of THB 145 million. The value of the property paid will be deducted from the rent that Inno Precast leased from the Company for a period of 3 years prior to the release of the property as collateral, which is THB 11.6 million per year (total 3 years totaling THB 34.8 million).	The agreement becomes effective on the closing date (which is expected to occur in December 2023).
5.	Inno Precast issuance of new shares to Quartz 2 totaling 701,140 shares at a par value of THB 570.50 each or THB 400 million.	December 2023
6.	Once Inno Precast received the payment from Quartz 2, Inno Precast will be repaid the loan to Quartz 2 under the loan agreement between Inno Precast and Quartz 2, dated 22 May 2023 in the amount of THB 400 million.	December 2023

However, the above timelines are estimates only. The transaction is subject to compliance with the terms and conditions of the business transfer agreement and related contracts, as well as compliance with the rules and regulations related to this transaction.

#### 1.1.4 Related Parties and Relationship with the Company

##### The Partial Business Transfer and/or Sale and Purchase of Partial Business from the Company to Inno Precast

Seller or the Trasferor : General Engineering Public Company Limited

Buyer or the Acceptor : Inno Precast Company Limited

Relationship with the Listed Company : Inno Precast's major shareholder is an entity in the group company of PSH, which is the Company's major shareholder. Therefore, Inno Precast is considered as the connected person of the Company under the Notification on Connected Transactions.

The Issuance of Inno Precast's Newly Issued Ordinary Shares to the Company and Quartz Holding 2

- The Issuer : Inno Precast Company Limited, the Company's subsidiary.
- The Subscribers :  
 1. General Engineering Public Company Limited, who will receive Inno Precast's newly issued shares in an amount not exceeding 1,070,991 shares.  
 2. Quartz Holding 2 Company Limited, who will receive Inno Precast's newly issued shares in an amount not exceeding 701,140 shares.
- Relationship with the Listed Company : Quartz Holding 2's major shareholder is an entity in the group company of PSH, which is the Company's major shareholder. Therefore, Quartz Holding 2 is considered as the connected person of the Company under the Notification on Connected Transactions.

The Lease of the Company's Lands and Factory Buildings to Inno Precast

- Lessor : General Engineering Public Company Limited
- Lessee : Inno Precast Company Limited, the Company's subsidiary
- Relationship with the Listed Company : Inno Precast's major shareholder is an entity in the group company of PSH, which is the Company's major shareholder. Therefore, Inno Precast is considered as the connected person of the Company under the Notification on Connected Transactions.

**1.1.5 Type and Transaction Size****Calculation of Connected Transactions**

The summary of the financial information of the Company and related company in connection with the transaction based on financial statements which have been audited or reviewed by a certified public accountant are as follows:

Financial Information (Unit: THB Million)	INPC	Company
	Separate Financial Statement	Consolidated Financial Statement <sup>1/</sup>
Ended as of	31 December 2022	30 June 2023
Total Assets	2,698.80	10,923.94

Financial Information (Unit: THB Million)	INPC	Company
	Separate Financial Statement	Consolidated Financial Statement <sup>1/</sup>
Ended as of	31 December 2022	30 June 2023
<u>Deducted</u> Total Liabilities	2,498.55	6,851.50
<u>Deducted</u> Intangible Assets <sup>2/</sup>	-	1,192.86
<u>Deducted</u> Minority Shareholders' Equity	4.49	142.06
<b>Net Tangible Assets (NTA)</b>	<b>195.76</b>	<b>2,737.52</b>
Net Profit for the period of 12 months	0.25 <sup>3/</sup>	-272.35 <sup>4/</sup>

Remark: 1/ The financial statement as of 30 June 2023, which has been reviewed by the certified public accountant.

2/ Intangible Assets consists of right-of-use assets, deferred tax assets, and other intangible assets.

3/ Net Profit for the period of 12 months ended 31 December 2022.

4/ Calculated from net profit of the parent company for the period of 12 months ended 30 June 2023.

#### Calculation of the Connected Transaction Size

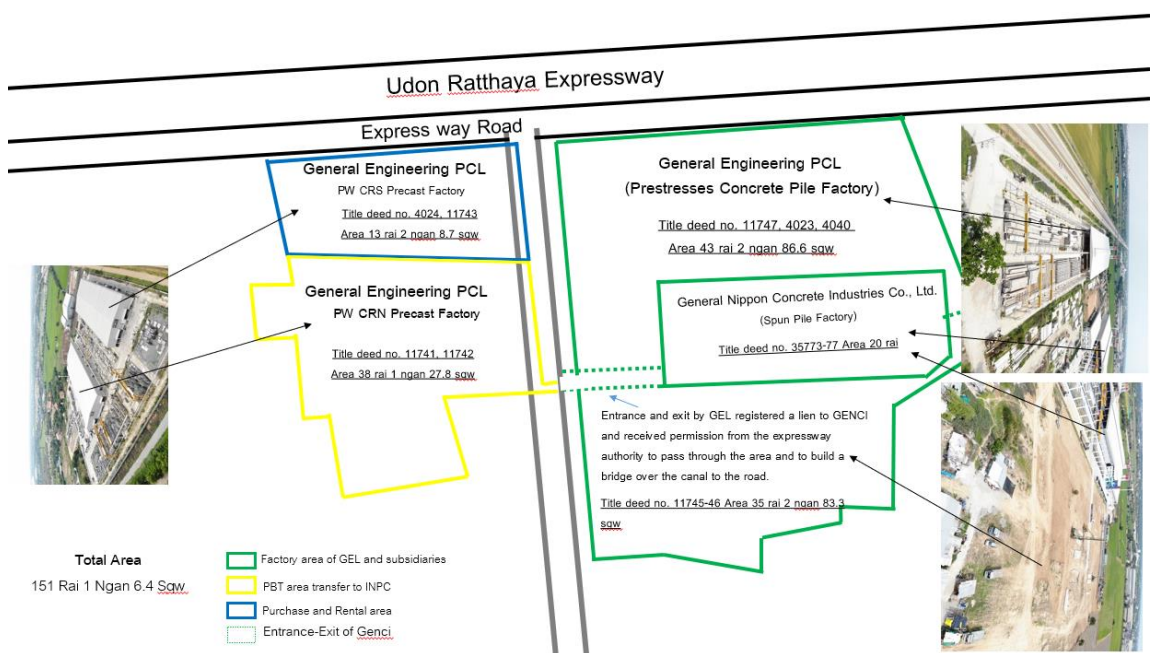
- (1) The partial business transfer and/or sale and purchase of partial transaction from the Company to Inno Precast (including the issuance of Inno Precast's newly issued shares as the part of payment for the business transfer and/or sale and purchase of partial business) is considered as transaction relating to assets or services with the total value of THB 880 million. The transaction size equals to 32.15%.
- (2) The lease transaction of the Company's lands and factory buildings to Inno Precast having the total value of THB 34.80 million (the rental fee is fixed at the amount of THB 11.6 million per annum, for the period of three years). The transaction size equals to 1.27%.
- (3) The issuance of Inno Precast's newly issued shares transaction to Quartz Holding 2 amounts to THB 400 million. The transaction size equals 14.61%.

The total amount of all connected transactions is equivalent to 48.03%. (In this regard, the Company has no other connected transaction with the abovementioned related parties in the past 6 months.) Such transactions are considered as connected transaction type 3 according to Notifications on Connected Transaction, which is the transaction on the receipt of financial assistance with the total amount of more than 20 million Baht, or more than 3% of the Company's NTA. Therefore, the Company is required to comply with the regulations as prescribed in the Notifications on Connected Transaction as follows:

- (1) Prepare and disclose information memorandum on the business restructuring by way of partial business transfer and/or sale and purchase of partial business through the entering into a partial

- business transfer agreement and/or sale and purchase agreement of partial business and related agreements with Inno Precast to the SET in accordance with the Notifications on Connected Transaction;
- (2) Appoint an independent financial advisor to provide opinions in relation to the business restructuring by way of partial business transfer and/or sale and purchase of partial business through the entering into a partial business transfer agreement and/or sale and purchase agreement of partial business and related agreements with Inno Precast in accordance with the Notifications on Connected Transaction, and deliver such opinion to the shareholders of the Company. In this regard, the Company has appointed I V Global Securities Public Company Limited as an independent financial advisor for the aforementioned purposes.
  - (3) Deliver a shareholders' meeting invitation to the shareholders no later than 14 days in advance, containing the minimum information required under the Notifications on Connected Transaction; and
  - (4) Arrange for the shareholders' meeting to consider and approve the aforementioned transaction, whereby the Company requires a vote of approval from the shareholders' meeting of no less than 3/4 majority of the shareholders attending the meeting and have the right to vote, excluding votes of shareholders with interests.

Land and factory buildings used in the business operations of the Company and subsidiaries



Source: Information from the Company.



Land and factory buildings on the title deed no. 11741 and 11742, which will transfer partial business to INPC



Source: Property appraisal report of an independent appraiser.

#### 1.1.6 Details of Disposed Assets

Based on the financial statements as of 30 June 2023, the Company has total assets of THB 10,923.94 million. The Company will transfer partial business to INPC in the amount of THB 816.90 million or 7.48% of total assets. Details are as follows:

Unit: THB Million	As at 30 Jun 2023	Note
Current assets	2,306.22	
Property, plant and equipment - net	5,482,351	The company will transfer partial assets. It has a book value of 816.90 million baht.
Non-current assets	3,135.38	
<b>Total assets</b>	<b>10,923.94</b>	
Liabilities	6,851.50	
Shareholders' equity	4,072.45	
<b>Total Liabilities and Shareholders' equity</b>	<b>10,923.94</b>	

Details of disposed assets are as follows:

##### (1) Precast Factory

Precast factory with book value as of 30 June 2023 of THB 816.90 million. It is divided into 2 groups as follows:

##### Group 1: Disposed Assets

No.	List	Book value as of 30 June 2023
1.	Land and factory building on title deeds No. 11741 and 11742, total land area of 38-1-27.8 rai or 15,327.8 square wah.	301.85
2.	PW CRN Factory Machinery <sup>1/</sup>	344.25
3.	Land and factory building on title deed no. 4024 and 11743, total land area 13-2-07.7 rai or 5,407.7 square wah.	141.88
4.	PW CRS Factory Machinery <sup>2/</sup>	24.12
5.	Others <sup>3/</sup>	4.80
	<b>Total</b>	<b>675.02</b>

- Remarks: 1/ The machinery of PW CRN plant, located on title deeds No. 11741 and 11742, is a machine for producing precast concrete wall panel products, precast concrete slabs outdoor.
- 2/ PW CRS plant machinery is located on title deeds No. 4024 and 11743, where INPC will pay for the purchase of assets related to the precast factory business, consists of land and factory buildings (after the assets are released as collateral) with a total value of THB 145 million, which the value of the property paid will be deducted from the rent that Inno Precast leased from the company for a period of 3 years prior to the release of the property as collateral, which is equivalent to a rental of THB 11.6 million per year.
- 3/ The company will process the computer office equipments and vehicle transfer only related to PW CRN factory and PW CRS factory, including transferring employees of PW CRN factory and PW CRS factory and employee benefits to INPC.

Group 2: Rental Property and the Right to Purchase Property<sup>1/</sup>

No.	List	Book value as of 30 June 2023
1.	Land and factory building on title deed no. 4024 and 11743, total land area 13-2-07.7 rai or 5,407.7 square wah.	141.88
	<b>Total</b>	<b>141.88</b>

- Remark: 1/ Purchase of assets related to precast factory business which include: Land and factory buildings from the Company (after the assets are released as collateral) with the total value of THB 145 million. The value of the property paid will be deducted from the rent that Inno Precast leased from the Company for a period of 3 years prior to the release of the property as collateral, which is THB 11.6 million per year (total 3 years totaling THB 34.8 million). Thus, If the lease is renewed between Inno Precast and the Company. The Company will comply with the criteria for entering into transactions with connected persons of the Company according to the Notification of the Capital Market Supervisory Board No. TOR 21/2551. Criteria for Connected Transactions dated August 31, 2008 (including as amended) and Notification of the Stock Exchange of Thailand Re: Disclosure of Information and Operations of Listed Companies in the Connected Transaction B.E. 2546 dated 19 November 2003 (including as amended).

### 1.1.7 Total Value of Consideration

#### 1.1.7.1 The Partial Business Transfer and/or the Sale and Purchase of Partial Business from the Company to Inno Precast

The Company will transfer its precast business including but not limited to the ownership in land and structures relating to precast business including precast manufacturing factory and relevant assets, employees and customer contracts having the total value of consideration amounts to 880 million Baht. Inno Precast will pay for the partial business transfer and/or sale and purchase of partial business to the Company as follows:

- (1) Inno Precast will issue its newly issued ordinary shares to the Company in the amount of not exceeding 1,070,991 shares at the price of 570.50 Baht per share, equivalent to a total value of 611.00 million Baht;
- (2) Pay in cash in the amount of 124 million Baht;
- (3) Pay for the acquisition of the assets related to the precast business, which consists of lands and factory buildings (after such assets have been released from collateral obligations), from the Company at the total value of 145 million Baht provided that the payable amount shall be subject to deduction of the rental fee that Inno Precast has leased such assets from the Company for the period of three years before the assets have been released from collateral obligations. The rental fee is at the total amount of 11.6 million Baht per year.

#### Information of Inno Precast Company Limited

The Company will receive 1,070,991 newly issued ordinary shares at the price of THB 570.50 per share or a total value of THB 611 million to pay for the partial business transfer, and Quartz 2 will receive 701,140 newly issued ordinary shares at the price of THB 570.50 per share or a total value of THB 400.00 million. To support the debt-to-equity conversion of Quartz 2. As a result, after the transaction, the Company's shareholding in INPC will increase from 51.00% of INPC's paid-up capital (before the transaction) to 55.43% of INPC's paid-up capital (after the transaction), thus affecting the Company's rights as a shareholder of INPC, increasing by 4.43% of INPC's registered capital after the transaction).

#### (1) General Information

Company Name	Inno Precast Company Limited
Nature of Business	Manufacture of articles of concrete for construction
Company Address	69/5 Moo. 11 Phahon Yothin Rd. Khlong Nueng, Khlong Luang, Pathum Thani 12120
Register Number	0135565029626
Registered Date	22 November 2022
Registered Share Capital	THB 200,000,000

Paid up Share capital THB 200,000,000

(2) List of Major Shareholders

The list of shareholders of INPC before and after the transaction is as follows:

No.	Shareholder Name of INPC	Before the transaction		Capital increase	After the transaction	
		As at 20 October 2023			No. of Share (Shares)	No. of Share (Shares)
		No. of Share (Shares)	% Share (%)			
1.	GEL	1,019,999	51.00	1,070,991	2,090,990	55.43
2.	Quartz 2	980,0000	49.00	701,140	1,681,140	44.57
3.	Mr.Thitipong Tangpoonphonvivat	1	0.00	-	1	0.00
<b>Total</b>		<b>2,000,000</b>	<b>100.00</b>	<b>1,772,131</b>	<b>3,772,131</b>	<b>100.00</b>

Source: List of Shareholders of INPC

Remark: 1/ Capital increase to support the partial transfer of the Company's business by issuing 1,070,991 newly issued ordinary shares at the price of THB 570.50 per share, or the total value of THB 611.00 million.

2/ Capital increase to support the debt conversion of Quartz 2 by issuing 701,140 newly issued ordinary shares at the price of THB 570.50 per share, or a total value of THB 400.00 million.

(3) List of Directors

The Board of Directors of Inno Precast as of 29 May 2023 consists of 7 people as follows:

- 1) Mr. Uthen Lohachitpitak
- 2) Miss Surawee Chaithumrongkool
- 3) Miss Panjan Woratanarat
- 4) Mr. Suvait Theeravachirakul
- 5) Mr. Thitipong Tangpoonphonviva
- 6) Mr. Wuttichai Sresthabutra
- 7) Mr. Kanit Niphanphaisan

(4) Statement of Financial Position

Items	As at 31 Dec 2022 <sup>1/</sup>
Unit	THB Million
Cash and deposits at financial institutions	192.17
Accounts receivable	113.50
Inventories - net	53.31
Other current assets	0.24
<b>Total current assets</b>	<b>359.22</b>
Property, plant and equipment - net	2,335.09

Items	As at 31 Dec 2022 <sup>1/</sup>
Unit	THB Million
Other intangible assets	4.49
<b>Total non-current assets</b>	<b>2,339.58</b>
<b>Total assets</b>	<b>2,698.80</b>
Accounts payable and other account payable <sup>2/</sup>	2,405.46
Income tax payable	0.06
Other non-current liabilities	65.21
<b>Total current liabilities</b>	<b>2,470.74</b>
Provision of employee benefit liabilities	27.82
<b>Total non-current liabilities</b>	<b>27.82</b>
<b>Total Liabilities</b>	<b>2,498.55</b>
Authorized share capital	200.00
Issued and paid-up share capital	200.00
Accumulated retained earnings	0.25
<b>Total shareholders' equity</b>	<b>200.25</b>
<b>Total liabilities and shareholders' equity</b>	<b>2,698.80</b>

Source: Financial statements audited by certified public accountant of KPMG Phoomchai Audit Ltd.

Remark: 1/ Financial Statements for the accounting period from November 22, 2022 (Company Registration Date) to December 31, 2022

2/ As of 31 December 2022, Account payable and other account payable were accrued from the transfer of assets with PSH Group, which was subsequently partially repaid and converted into short-term loans from Quartz 2 amounting to approximately THB 400.00 million and loans from financial institutions amounting to approximately THB 1,800.00 million. The remainder are general account payables from business operations

#### (5) Statement of Profit and Loss

Items	Ended 31 Dec 2022
Unit	THB Million
Revenue from sales and services	20.47
<b>Total revenue</b>	<b>20.47</b>
Cost of sales and services	16.84
Administrative expenses	3.26
<b>Total expenses</b>	<b>20.10</b>
<b>Operating income (loss)</b>	<b>0.37</b>
Interest expenses	0.06
<b>Earning before income taxes</b>	<b>0.31</b>
Income taxes	0.06
<b>Net income (loss)</b>	<b>0.25</b>

Source: Financial statements audited by certified public accountant of KPMG Phoomchai Audit Ltd.

Remark: 1/ Financial Statements for the accounting period from November 22, 2022 (Company Registration Date) to December 31, 2022

### 1.1.7.2 The Lease of the Company's Lands and Factory Buildings to Inno Precast

The total value of consideration amounts to THB 34.80 million. (The rental fee is the amount of THB 11.60 million per year, for the period of three years).

Land lease area and factory buildings on the title deed no. 4024 and 11743.



Source: Property appraisal report of an independent appraiser.

Inno Precast leased land and buildings from PSH with total land area 191-1-72 rai or 76,572 square wah with 5 factory buildings and buildings on the land for the production of concrete products such as precast slabs, prefabricated wall, precast concrete parts or other components of the building with an annual rental of THB 120 million. Pay rent on a quarterly basis, 10-year lease period (26 May 2023 to 25 May 2033) (Details of the lease agreement appear in part 1, Clause 1.1.10, Summary of key agreements)

### 1.1.7.3 The Issuance of Inno Precast's Newly Issued Ordinary Shares to Quartz Holding

Inno Precast will issue its newly issued ordinary shares in the amount of 701,140 shares to Quartz Holding 2 at the price of THB 570.50. The total value of consideration amounts THB 400 million, which the subscription price for the capital increase ordinary shares received by Inno Precast will receive from Quartz Holding 2 will be used by Inno Precast to repay the loan from Quartz Holding 2 under the Loan Agreement between Inno Precast and Quartz Holding 2 dated 22 May 2023, for the loan credit of THB 400,000,000 (Four Hundred Million Baht Only) in the entire amount.

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### 1.1.8 Basis for Determining the Value of Consideration and the Payment Terms

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Determination of the value of compensation is based on agreement from negotiations between the parties and assumptions that the Company and PSH mutually agree on. By evaluating the value of assets and business in the precast factory business that will be restructured this time from the book value as at 30 June 2023, which is approximately THB 816.9 million.

The Company has prepared additional information for shareholders' consideration as to the reasonableness of determining the value of consideration, namely information on the appraised value of the assets by an independent appraiser, and information on the fair value of the business which is valued according to various criteria and methods. According to the independent financial advisor's opinion report Additional information in this section will appear in the information regarding entering into connected transactions that will be presented to the shareholders' meeting. Property appraisal report by independent appraiser and report the opinion of an independent financial advisor, which the company will disclose through the communication channels of the Stock Exchange, and is attached as part of the notice of the Extraordinary General Meeting of Shareholders No. 1/2023, which will be sent to all shareholders of the company not less than 14 days in advance of the next meeting date.

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### 1.1.9 Conditions of the Transaction

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The Company will enter into the transaction after receiving approval from the shareholders as well as when other conditions precedents stipulated in the partial business transfer agreement and/or the sale and purchase agreement of partial business and other related agreements have been completed or waived. Key condition precedents under the Partial Business Transfer Agreement, including but not limited to the following, can be summarized as follows:

1. The accounting and legal due diligence of Inno Precast's business has been completed reasonably satisfactory to the Company.
2. The Board of Directors' and Shareholders' Meeting of the Company have approved the partial business transfer and/or the sale and purchase of partial business transaction and the sale of related assets to Inno Precast, including the entry into agreements, contracts and/or other documents relevant to the transaction, and any other actions to ensure the completion of the transaction.
3. The Shareholders' Meeting of Inno Precast has approved the capital increase and the allocation of the newly issued shares to the Company as a payment of the transaction, including approving any other matters necessary and/or related to the transaction.
4. The parties have been entered into relevant agreements, and such agreements are valid or have been waived by related counterparties or related persons.
5. All approvals from any Governmental Authority necessary to permit for the consummation of the Transaction have been duly received (if any).

6. There must be no material adverse change that may affect the transaction.

In addition to the conditions for entering into the above transaction, the Company has invested in Inno Precast by way of Entire Business Transfer (EBT) and issuance of newly issued ordinary shares of the Company for settlement on 26 May 2023, the Company became a shareholder in Inno Precast of 51% stake with Quartz Holding 2 Company Limited (“Quartz Holding 2”), a subsidiary of Prukha Holding Public Company Limited (“PSH”), and holds 49% stake in Inno Precast. Inno Precast is a company established with the objective of production of precast concrete wall panels business for construction. INPC and PSH have 2 related transactions related to such transactions as follows:

**(1) Rental transaction between INPC and Prukha Real Estate Public Company Limited (a subsidiary of PSH)**

Amount: THB 30 million/quarterly with total value of THB 1,200 million (10 years)

Lease Agreement Period: Long-term lease 10 years

(The Agreement Period 26 May 2023 - 25 May 2033)

Relationship between the parties:

Lessor : Prukha Real Estate Public Company Limited (a subsidiary of PSH)

Lessee: INPC (As of the lease agreement date (23 May 2023), INPC is remain a subsidiary of PSH, in which PSH holds 100% shares in INPC through Quartz 1 and Quartz 2.)

Since as of the date of the lease agreement entered into on 23 May 2023, PSH has not yet acquired a stake in GEL, the Company considers that the lease agreement does not fall under the Company’s related transaction because of PSH acquiring shares in GEL on 26 May 2023. In addition, the lease transaction is in accordance with the conditions of the EBT transaction to ensure the smooth operation of INPC, whereby both parties (PSH and INPC group companies (as of the contract date, INPC is a subsidiary of PSH)) negotiated and agreed on a combined rent prior to the transaction.

This lease agreement is a long-term lease with a term of 10 years and both parties have already registered the land lease agreement with the Land Department.

The Independent Financial Advisor is of the opinion that since the asset lease agreement dated 23 May 2023 is entered into between PSH Group companies and INPC, PSH is currently the shareholder of the Company totaling 1,572,729,730 shares, representing 18.26% of the Company’s total issued shares. Be a shareholder with special interests. Therefore, in the future, if this lease agreement expires and INPC continue leasing the property. The Independent Financial Advisor is of the opinion that the Company must consider the appropriateness and cost-effectiveness of renewing the lease agreement as well as proceed with the procedure for entering into transactions with connected persons of the Company and



the Connected Transaction according to the Notification of the Capital Market Supervisory Board No. TOR 21/2551 Criteria for Connected Transactions dated August 31, 2008 (including as amended) and Notification of the Stock Exchange of Thailand Re: Disclosure of Information and Operations of Listed Companies in the Connected Transaction B.E. 2546 dated 19 November 2003 (including as amended)

## (2) Management Fee

Amount: THB 6.5 million/Monthly with total value of THB 156 million (2 years)  
 Agreement Period: Short-term 2-year Service Agreement  
 (The agreement period is 16 December 2022 until a period of 2 years from the closing date of the contract on 16 January 2023 of EBT)

### Relationship between the parties:

Servant : PSH  
 Service Recipient: INPC (a subsidiary of PSH)

As of the contract date of 16 December 2022, PSH has not acquired any shares in GEL, the Company considers that the agreement does not fall under the Company's related transactions because PSH acquiring shares in GEL on 26 May 2023 onwards. If the contract expires in 2024, if INPC renew the agreement. The Company will continue to carry out the procedure for entering into related transactions and connected transactions.

The Independent Financial Advisor is of the opinion that at the expiry of the agreement period on 16 December 2022, apart from the Company's obligation to proceed with the procedure for entering into related transactions and the aforementioned connected transactions, the Company and INPC should consider the necessity and reasonableness of renewing such management fee agreement.

### 1.1.10 Summary of key agreements

In restructuring the business this time, the Company, Inno Precast, and related parties will be entering into the following agreements:

#### 1. Share Subscription Agreement

Parties	(1) Inno Precast Company Limited (2) General Engineering Public Company Limited and (1) Inno Precast Company Limited (1) Quartz Holding 2 Company Limited
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Objectives	Inno Precast will accept a part of the Company's businesses and/or purchase of partial business, namely precast factory business, which includes but not limited to assets, agreements, and personnel as specified, and will issue an specified amount of its newly issued ordinary shares and cash proceeds as considerations as agreed. Inno Precast will issue its newly issued ordinary shares to offer for sale to the Company, and the Company will subscribe for such newly issued ordinary shares in accordance with the conditions in this agreement and the Partial Business Transfer Agreement and/or the Sale and Purchase Agreement of Partial Transfer.
Share subscription	<p>Inno Precast will issue 1,772,131 newly issued ordinary shares and the Company will subscribe for 1,070,991 shares of such newly issued ordinary shares, with a total value of THB 611,000,000. After the share subscription is completed, the Company will hold 55.4% of Inno Precast's shares.</p> <p>Quartz Holding 2 will subscribe for 701,140 shares of such newly issued ordinary shares, with a total value of THB 400,000,000. After the share subscription is completed, the Company will hold 44.6% of Inno Precast's shares.</p>

## 2. Partial Business Transfer Agreement

Parties	<p>(1) Inno Precast Company Limited ("Transferee")</p> <p>(2) General Engineering Public Company Limited ("Transferor")</p>
Objectives	The Transferor intends to transfer a part of its business, namely precast factory business, to the Transferee, which is a company in the same company group. The Transferor and the Transferee intend that the partial business transfer under this agreement constitutes a partial business transfer under the Revenue Code for tax benefits.
Assets transferred	<ol style="list-style-type: none"> <li>Ownership, possession rights, intellectual property rights, right to use, and all related rights (whether direct or indirect), as well as benefits regardless of the form. Such properties include but not limited to machines, buildings, vehicles, and other assets related to the precast factory business.</li> <li>Agreements and backlogs between the Transferor and customers and supplier which are related to the target business, as well as rights and obligations which the Transferor possesses for use in the operation of the precast factory business.</li> </ol>

	<p>3. Personnel related to the precast factory business, as well as money, debts, employee benefits, and/or other benefits.</p> <p>Details of transferred assets appear in Clause 1.1.6 “Details of Disposed Assets” of this report.</p>
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### 3. Amendment to the Shareholders' Agreement

Parties	<ol style="list-style-type: none"> <li>1. Quartz Holding 2 Company Limited</li> <li>2. General Engineering Public Company Limited</li> </ol>
Objectives	To amend the Shareholder's Agreement of Inno Precast Company Limited between Quartz Holding 2 and the Company, which the parties entered into on 16 January 2023, and its amendments dated 23 May 2023 and 24 May 2023.
Key Obligations	Amend the shareholding proportion of Quartz Holding 2 and the Company in Inno Precast, as well as share certificates and information which are related to the transaction under the Share Subscription Agreement; the shareholding proportion will be according to this agreement which are the Company and Quartz Holding 2 hold 55.4% and 44.6% shareholding in Inno Precast Respectively.

### 4. Amendment to Undertaking Agreement

Parties	<ol style="list-style-type: none"> <li>1. General Engineering Public Company Limited</li> <li>2. A major shareholder in the Company, namely Mr.Thitipong Tangpoonphonvivat</li> <li>3. Pruksa Holding Public Company Limited</li> </ol>
Nature of Agreements	Agreement to amend the Undertaking Agreement between the Company, a major shareholder in the Company, and PSH, which the parties have entered into on 26 January 2023 and its amendment dated 23 May 2023.
Key Obligations	Inserts an additional clause in the Undertaking Agreement between the Company, a major shareholder in the Company, and PSH, which stipulates that the Company and subsidiaries and associate companies of the Company will assist Inno Precast, whereby the Company will act as an agent for distributing and marketing for Inno Precast. Additionally, the Company and subsidiaries and associate

companies of the Company will use best effort in ensuring that Inno Precast's revenue from precast-related products will be as agreed.

#### 5. Agreement to Sale and Purchase of Assets

Parties	<ol style="list-style-type: none"> <li>1. Inno Precast Company Limited</li> <li>2. General Engineering Public Company Limited</li> </ol>
Nature of Agreement	<p>Inno Precast agrees to purchase assets as stipulated under this agreement from the Company, namely, land, buildings, machines, and equipment necessary for the utilization of such land and assets at the price of THB 145,000,000, within 3 years from the closing date under the Share Subscription Agreement.</p> <p>As of the date of this agreement, the aforementioned assets are under collateral obligation, whereby the Company has agreed to enter into a lease agreement (the content of the Lease Agreement is as summarized below) while the aforementioned assets are under collateral. Payment for rent which Inno Precast pays under the Lease Agreement will be considered as a part of payment price under this agreement.</p>

#### 6. Lease Agreement

Parties	<ol style="list-style-type: none"> <li>1. General Engineering Public Company Limited (the "Lessor")</li> <li>2. Inno Precast Company Limited (the "Lessee")</li> </ol>
Nature of Agreement	<p>The Lessor agrees to lease and the Lessee agrees to rent the rented assets, namely land situated at Chieng Rak Noy Sub-District, Sam Khok District, Pathum Thani, as well as any buildings situated on such land for the purposes of manufacturing concrete such as precast slabs, precast wall, precast concrete, or any other component of a building, along with any other businesses which are related to the said business. The lease term is 3 years and the rent is charged at the rate of THB 11.60 million per year (total 3 years is amounted of THB 34.8 million).</p>

Thus, if the lease is renewed between Inno Precast and the Company. The Company will comply with the criteria for entering into transactions with connected persons of the Company according to the Notification of the Capital Market Supervisory Board No. TOR 21/2551 Criteria for Connected Transactions dated 31 August 2008 (including as amended) and Notification of the Stock Exchange of Thailand Re: Disclosure of Information and Operations of Listed Companies in the Connected Transaction B.E. 2546 dated 19 November 2003 (including as amended)

In addition, Inno Precast has key agreement with PSH Group companies since before the Company became a shareholder in Inno Precast on 26 May 2023, as follows:

1. Property Lease Agreement

Date	23 May 2022
Parties	(1) Pruksa Real Estate Public Company Limited (Lessor) (2) Inno Precast Company Limited (Lessee)
Leased Property	(1) Real estate, i.e. land located in Lat Sawai Subdistrict, Lamlukka District, Pathum Thani Province, 35 title deeds and 14 building items. (2) Movable property, including computers, furnishings and equipment, and vehicles Computer Software Total 3,220 Items.
Period	The term is 10 years from 26 May 2023 to 25 May 2033, unless otherwise agreed by the parties. Unless either or both parties agree to exercise their right to renew this Agreement.
Rent	Pay rent quarterly, divided into (1) Rental of property in the amount of THB 29,700,000 - 32,670,000 per quarter (2) Rental fee for movable property THB 300,000 - 330,000 per quarter
Renewal	The lessee has the right to request the lessor to renew the lease agreement for another 2 times for a period of 5 years each, provided that the lessee must notify the lessor in writing not less than 12 months in advance of the exercise of the right to renew the lease.

Transfer Rights	The lessee shall not transfer the rights and/or obligations under this Agreement to any other person, and the lessee shall not sublease the leased property to any person without the prior written consent of the lessor.
Remark	This lease is a long-term lease with a term of 10 years and both parties have registered the land lease agreement with the Land Department.

## 2. Service Agreement

Date	16 December 2022
Parties	(1) Pruksa Holding Public Company Limited (Servant) (2) Inno Precast Company Limited (Service Recipient)
Scope of Services	Provision of services related to operations, purchasing, accounting, tax, finance, human resources, law, Information Technology, and Enterprise Management System (ERP)
Duration of Service	<u>Initial Term</u> Effective from 16 December 2022 until a period of 2 years from the closing date of the contract on 16 January 2023. <u>Renewal Period</u> The period is 1 year from the expiry date of the first period.
Service Fee	The monthly service fee is THB 6,500,000, excluding VAT (for the first period).

### 1.1.11 Additional Information

#### 1) Impact on the Group's financial position after the restructuring

After this restructuring, the financial position of the Group, including the Company and INPC, will change, which is summarized as follows:

##### 1.1) Impact on the Company's separate financial statements

The Company will have increased assets from cash received of THB 124.00 million and investment in INPC increased at cost of THB 611.00 million and decreased assets from the Company's precast business disposed of totaling approximately THB 675.02 million (as of 30 June 2023). The difference from the transaction will affect the retained earnings and shareholders' equity of the Company depending on the book value of the assets as of the transaction date and the accounting methods involved in the merger.

In addition, in the future, the Company will have more assets from cash received from rental and other related assets totaling THB 145.00 million and reduced assets from other related assets disposed of in the future totaling approximately THB 141.88 million (as of 30 June 2023). The Company will recognize rental income each year and recognize profit or loss from future disposal of such assets based on the book value of such assets in the future and related accounting methods.

#### 1.2) Impact on INPC's separate financial statements

INPC will have increased assets from the transfer of the Company's precast business totaling approximately THB 675.02 million (as of 30 June 2023), a decrease in assets from cash payments of THB 124.00 million (net of assets increased by approximately THB 551.02 million) and a decrease in liabilities from repayment of loans of THB 124.00 million. The Company's equity increased from the capital increase of 1,772,131 shares at the price of THB 570.50 per share, or approximately THB 1,011.00 million. Such transaction may result in profit and loss from the merger depending on the book value of the assets as of the transaction date and the accounting methods involved in the merger.

In addition, in the future, INPC will have more assets from the purchase of other related assets totaling approximately THB 141.88 million (as of 30 June 2023) and reduced assets from cash expenses for rent and other related assets totaling THB 145.00 million. The Company will recognize rental expenses each year and may incur profit and loss from the purchase of assets depending on the future book value of the assets and related accounting methods.

#### 1.3) Impact on the Company's consolidated financial statements

In the consolidated financial statements, the Company will have a decrease in liabilities from the repayment of loans of THB 400.00 million and shareholders' equity increased from capital increase in subsidiaries to non-controlling shareholders' equity. Thus, For the transfer of partial business and/or the sale of assets between the Company and INPC, the assets of the precast factory business are still considered assets in the Company's consolidated financial statements. Such transactions may differ from the method of accounting records, which are expected to be considered as transactions under the same control which will have an impact on shareholders' equity in the Company's consolidated financial statements. Therefore, it depends on the method of accounting related to the merger as of the transaction date.

### 2) Machine Information

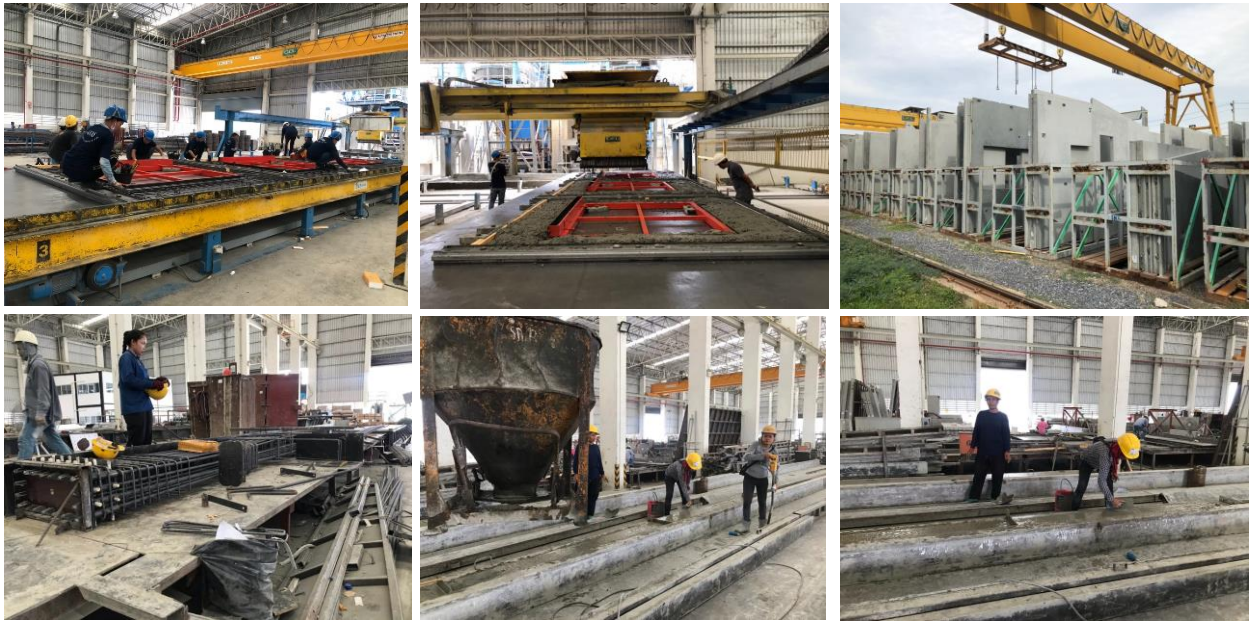
#### 2.1) Machine Information of the Company

The Company has supplied high quality architectural precast concrete by using modern technology and machinery from Germany. Precast concrete of the Company has good quality, accurate dimensions and strength from clients' requirement because of using robots to install formwork. the Company precast concrete walls can facilitate installation and contribute to reduce both of construction time and substantial cost. In addition, precast

concrete can produce a variety of shapes and sizes to meet the architectural design. In addition, the company uses Fully automatic technology from Germany by planning and controlling the entire production process with master computer system. Thus, it can make every piece of precast concrete accurate and complete for size, position and embedded material (system work) as well as the work piece surface will be smooth.

In addition, the Company is the only manufacturer in Thailand that is able to produce double walls in accordance with German standards to install insulation between the walls to prevent heat for energy building.

#### Precast factory of the Company



Source: Information from the Company's website and illustrations from the Company.

#### 2.2) Machine Information of INPC

INPC's precast factory utilizes the world's most advanced technology and machinery from Germany to automate and control computer every step of production. This results in higher quality parts than general standards. In addition, the Concrete Recycling system is used to remove effluents and concrete debris from work and separate sandstone for use in the production process again. It is considered to be the first Green Factory in Thailand to adopt this system in the Precast Concrete manufacturing industry.



### Precast Factory of INPC



Source: Website of PSH

If compare the production capability of the Company and INPC, there is a difference in the product model that customers demand because the Company will be able to produce more diverse products than INPC, but in terms of production capacity and modern production style, INPC's precast factory will be more modern and there will still be remaining production capacity that can support customer growth in the future.

#### **1.1.12 Opinion of the Board of Directors of the Company regarding the entering into of the Transaction, Meeting Attendance and Vote Casting of Directors with Interests**

The Board of Directors' Meeting No. 7/2023 as held on 20 October 2023, has considered the details of the entering into the transaction, expected benefits, risks that may occur, and various related information. The Board of Directors' Meeting has resolved to approve the proposal of entering into the aforementioned transaction to be submitted to the shareholders' meeting for consideration and approval. The Board of Directors is of the opinion that the aforementioned transaction is a reasonable and appropriate transaction, by taking into account of the business plan and business goals of the Company and Group of companies, and for the optimum benefit of the Company and the Shareholders at most.

Entering into such transactions. The Board of Directors considered and expressed the following opinions:

**1. Business restructuring will bring additional benefits from the merger (Synergy).**

This contributes to the economy of scale from the management of production costs and other expenses, as well as allowing the Group's business management to be more flexible and flexible. Because there will be a clear separation of each type of business. This enables the Company to analyze and monitor the performance of the Company and its subsidiaries more clearly. It will also help the Company to better manage the risks of each type of business and reduce conflicts of interest between each other. Inno Precast will continue to increase opportunities for the company's precast business expansion and Listed on the Stock Exchange of Thailand (Spin Off) in the future

**2. Inno Precast's future performance risk and the return that the Company will receive from Inno Precast after business restructuring.**

The benefits that the Company will receive from this transaction are partly due to the return that the Company will receive from Inno Precast after the restructuring, which merged the Company's precast business that had already been transferred to Inno Precast. Therefore, if Inno Precast's future performance fail to meet the target will significantly affect the fair value and returns that the Company will receive from Inno Precast. However, as a result of the addition of the action agreement between the Company, the major shareholder in the Company and PSH, the Company and its subsidiaries and associates shall provide assistance to Inno Precast. The Company shall act as sales and marketing agent for Inno Precast and will use its best efforts to ensure that sales of Inno Precast's precast related products are in accordance with the agreement, which will support Inno Precast's performance to meet the targets.

**3. Risk of delay with the authorities involved in this transaction**

There are transactions that need to be carried out with the relevant authorities to complete the transaction as planned. However, the Company has prepared and planned work to complete this transaction as planned.

Director(s) of the Company, namely Ms.Surawee Chaithumrongkool, refrained from attending and casting votes in agenda which approved the connected person transaction this time as the aforementioned director(s) is a nominated director(s) of the PSH Group.

**1.1.13 The Opinion of the Audit Committee and/or Directors of the Company which differs from the opinion of the Board of Directors**

There are no directors who have a different opinion from the opinion of the Board of Directors' meeting

**1.2 Company Information and Operating Results of General Engineering Public Company Limited ("GEL" or "the Company")**

Details are shown in Attachment 1 of this Independent Financial Advisor Report.

1.3	Company Information and Operating Results of Inno Precast Company Limited (“INPC”)
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Details are shown in Attachment 2 of this Independent Financial Advisor Report

**Part 2: Opinion of the Independent Financial Advisor Regarding the Reasonableness of the Business Restructuring by way of the Partial Business Transfer (PBT) and/or the Sale and Purchase of Partial Business with the Company's Subsidiary**

The independent financial advisor holds the view that entering into this transaction is reasonable. This assessment takes into account various key factors, including the advantages, disadvantages, and risks associated with the transaction, as outlined below:

**2.1 The Objective of Entering into the Transaction**

The Board of Directors' Meeting No. 7/2023 of General Engineering Public Company Limited (the "Company"), which was held on 20 October 2023, has resolved to approve the Company's plan to restructure the business of the Company by way of a partial business transfer (PBT), and/or the sale and purchase of partial business of the Company, i.e. the precast factory business ("Precast Business" or "Precast Factory Business" or "PW business") to Inno Precast Company Limited ("Inno Precast" or "INPC"), the subsidiary. The business restructuring by way of the partial business transfer (PBT) and/or the sale and purchase of partial business transaction has a total value of approximately 880 million Baht, whereby Inno Precast will make the payment of the consideration by

- (1) The issuing its newly issued ordinary shares to the Company in the amount of not exceeding 1,070,991 shares at the price of 570.50 Baht per share, equivalent to a total value of 611.00 million Baht (in addition, Inno Precast will issue its newly issued ordinary shares in the amount of 701,140 shares to Quartz Holding 2 Company Limited ("Quartz Holding 2" or "Quartz 2"), the major shareholder of Inno precast, which is an entity in the group company of Pruksa Holding Company Limited ("PSH") whereby Quartz Holding 2 currently holds 49% of the total shares of Inno Precast) The issuance of additional capital shares by Inno Precast is not issued in proportion to the shareholding of existing shareholders; and
- (2) Paying in cash to the Company in the amount of 124 million Baht; and
- (3) Acquiring the assets related to the precast business, which consists of lands and factory buildings (after such assets have been released from collateral obligations), from the Company at the total value of 145 million Baht provided that the payable amount shall be subject to deduction of the rental fee that Inno Precast has leased such assets from the Company for the period of three years before the assets have been released from collateral obligations. The rental fee is fixed at the rate of 11.6 million Baht per annum (total 3 years is amounted of 34.8 million Baht)

(collectively, the "Partial Business Transfer Transaction")

The partial business transfer and/or the sale and purchase of partial business is also considered as a connected transaction of the Company as Inno Precast's major shareholder is an entity in the group company of PSH, which is the Company's major shareholder. Therefore, Inno Precast is considered as the connected person of the Company under the Notification on Connected Transactions.

The independent financial advisor holds the view that engaging in this transaction will bear implications for both the Company and its shareholders. The particulars are outlined below:

## 2.2 Transaction Benefits and Drawbacks of Pursuing the Transaction

### 2.2.1 Transaction benefits

- 1) The Company will increase its shareholding in INPC, which will increase the opportunity to receive proportionately higher returns from INPC.

As part of the restructuring, INPC is set to issue an additional 1,070,991 shares directly to the Company at a price of 570.50 baht per share, culminating in a total investment of 611.00 million baht. Concurrently, Quartz 2, a member of the PSH group, will be allotted 701,140 additional ordinary shares. It is important to note that these additional shares of INPC are not being offered in proportion to the holdings of the existing shareholders. Post-transaction, the Company's stake in INPC will experience a substantial increase, with ownership of approximately 55.43% of INPC's total issued shares, ascending from the previous 51.00%. This enhanced shareholding ratio is anticipated to yield proportionally higher returns on investment. Reflecting on INPC's financial health, the internal financial records indicate a net profit of 91.69 million baht for the six-month period ending 30 June 2023, prior to the restructuring. This increased equity interest in INPC post-restructuring is poised to significantly augment the Company's share in businesses demonstrating robust operational performance.

- 2) The current business restructuring initiative may yield ancillary benefits derived from synergies, such as economies of scale and augmented bargaining leverage when procuring raw materials. These synergies have the potential to diminish production costs and bolster our competitive edge in the market.

Following the restructuring, the Company's precast business will be under the management of INPC, a company within the PSH group as the major shareholder. PSH, recognized for its expansive expertise in the construction sector, possesses the capability to procure high-quality raw materials coupled with significant bargaining power. This transition of the precast business to INPC's management is expected to confer enhanced negotiating leverage in raw material procurement, potentially lowering costs and elevating profit margins. Moreover, the restructuring is likely to yield economies of scale as INPC assumes centralized management of order processing, production planning, and after-sales service. By consolidating these operations, it is anticipated that a reduction in raw material expenses through bulk procurement, as well as a decrease in fixed and redundant costs such as depreciation, rent, and central administrative expenses. With an increase in production volume, the cost

per unit is projected to diminish. Therefore, this transaction is poised to offer additional benefits from the synergistic effect of business consolidation, aiming to streamline production costs and sharpen our competitive advantage. It is also expected to expand INPC's production capacity, setting a trajectory for INPC to emerge as a preeminent producer and distributor of precast materials nationally.

- 3) **Enhance the opportunity for PSH Group, a major shareholder, to engage more actively in the business pursuant to the strategic direction of the Company, supporting the sustainable growth of both the Company and PSH Group going forward.**

The PSH Group, renowned for its expertise in construction and real estate development, is a major stakeholder in INPC. The decision to proceed with this transaction aligns with the Company's strategic plan to deepen the PSH Group's engagement in operational activities, thereby fostering the Company's economic expansion. This collaboration extends beyond mere partnership; it envisages a mutual exchange of knowledge and cooperative strategies, such as joint negotiations for raw material procurement to amplify bargaining power and potential collaborations in new ventures. As a preeminent real estate developer in the country, the PSH Group's involvement is a significant asset while the Company excels in the production and distribution of construction materials, including but not limited to precast products. We are also manufacturers of diverse construction essentials like prestressed concrete piles, beamless floor systems, construction chemicals, prefabricated prestressed concrete components, steel products, and more. These offerings cater to both the real estate and broader construction industry, positioning the Company and the PSH Group as interrelated entities in the business ecosystem. Therefore, this strategic partnership opens doors for exploring joint business opportunities that may prove mutually beneficial for both the Company and the PSH Group. This collaboration is poised to underpin sustainable business growth for both parties in the foreseeable future.

However, should there be other transactions between the Company and the PSH Group, or any subsequent trade dealings, it is imperative that both entities, being publicly listed on the Stock Exchange, adhere stringently to the established rules and procedures as dictated by the relevant regulations. It is crucial that these transactions are conducted with due consideration for value for money and fair pricing, ensuring that no conflicts of interest arise for any involved parties.

- 4) **The Company is set to receive a measure of financial compensation in the form of cash from the partial business transfer and/or partial business acquisition, facilitating the Company's liquidity and augment its working capital reserves.**

In connection with the partial business transfer transaction and/or the partial business acquisition, the Company is poised to receive a cash payment of 124.00 million baht, along with rental or property fees amounting to 145.00 million baht. This inflow of cash will significantly enhance the Company's liquidity and working capital. As of 30 June 2023, the Company reported interest-bearing debt totaling approximately 3,943.89 million baht,

according to the consolidated financial statements. The cash proceeds from the partial business transfer provide an opportunity for the Company to reduce its interest-bearing liabilities or to reinforce its working capital, thereby boosting its overall liquidity position. In deploying these funds, the Company will prioritize options that maximize benefits for both the Company and its shareholders, ensuring judicious financial management and shareholder value enhancement.

- 5) **The capital injection of 400 million baht into INPC by PSH is poised to fortify INPC's financial foundation and to enrich INPC's liquidity, alleviate its debt obligations, and diminish its financial expenses.**

In this business restructuring, alongside the partial business transfer, INPC is set to issue an additional 701,140 ordinary shares at a rate of 570.50 baht per share, resulting in a capital infusion of 400.00 million baht from Quartz 2, a major shareholder in INPC. Quartz 2, part of the PSH group, presently possesses a 49 percent stake in INPC. The issuance of these additional shares will not align proportionally with the existing shareholders' stakes, thus enabling INPC to bolster its capital by 400.00 million baht. This capital will be allocated to fully settle the existing loan amount of 400,000,000 baht (four hundred million baht only) as stipulated in the loan agreement dated 22 May 2023 between INPC and Quartz 2. The repayment of this loan is a strategic move to reduce financial expenses and enhance INPC's liquidity. As per the internal financial data on 30 June 2023, INPC was carrying an interest-bearing debt of 2,202.79 million baht, a portion of which constitutes loans from PSH and/or its affiliate companies. With the injection of 400.00 million baht in increased capital, INPC is strategically planning to utilize these funds to repay the debts owed to PSH and/or its group entities. Post-debt repayment, INPC is expected to be in a more robust financial position, with a significantly lower debt burden and reduced financial costs.

- 6) **The restructuring will enhance the financial position of INPC and bring greater clarity to the business operations of the group. This will aid in increasing opportunities for additional funding or for executing the plan to list INPC on the Stock Exchange in the future.**

This restructuring will bolster INPC's assets and equity, making them stronger. INPC will see an increase in assets and a reduction in liabilities. Moreover, it will help eliminate conflicts of interest between INPC and other companies engaged in similar or competitive businesses, enhancing the clarity of the group's overall business structure. Post-restructuring, the precast business of the group will be wholly integrated into INPC. Improved financial standing and clearer business operations of INPC will support and increase opportunities for additional funding to expand the precast business in the future. Additionally, it will support the execution of plans to spin off and list the precast business on the Stock Exchange, fostering long-term growth for the group. However, the plan to list INPC on the Stock Exchange is a long-term strategy, and all operations must comply with the regulations of the Securities and Exchange Commission (SEC) and the Stock Exchange of Thailand.

- 7) **The partial business transfer and/or the compensation to be received from the partial business transfer is appropriate.**

The restructuring of the Company's operations by way of the partial transfer and/or partial business transaction was valued at 880.00 million baht based on an appraisal of the precast factory business by applying the discounted cash flow (DCF) approach, an approach which relies on historical performance to project future financial outcomes and the capability within the precast business. The Independent Financial Advisor, utilizing assumptions and information provided by the Company within the context of the prevailing economic conditions and circumstances, carried out this financial projection and reviewed variables anticipated to influence the precast business's fair value, such as changes in revenue and the business's weighted average cost of capital (WACC) to ascertain an accurate fair market value of the precast segment. This approach is acknowledged for its efficacy in mirroring the prospective profitability and cash flows that the precast business is expected to generate. The Independent Financial Advisor is of the opinion that the fair market value of the transferred precast business lies between 828.02 and 926.25 million baht. With the Company's actual sale price of the precast business at 880.00 million baht, it falls comfortably within the estimated fair value range. Hence, the valuation affirms the propriety of the partial business transfer.

Furthermore, the Independent Financial Advisor evaluated INPC's fair value both prior to and subsequent to the restructuring, applying the discounted cash flow approach. This evaluation adhered to a conservative valuation principle, based on the current operational status and projected financial prospects of INPC. Notably, this valuation did not account for potential synergistic benefits that could emerge from future business integrations. Through this approach, the Independent Financial Advisor was able to estimate the fair value range of the total consideration to be received by the company from INPC to be between 818.39 and 924.33 million baht. The agreed consideration of 880.00 million baht falls within this estimated fair value range. Consequently, Independent Financial Advisor is of the opinion that the compensation to be received by the Company from INPC aligns with appropriate valuation benchmarks.

The additional value of INPC's ordinary shares held by GEL before and after the transaction is as follows.

Calculation	Low Value	Base Case	High Value	Assumptions
(a) Fair value of INPC held by GEL after issuing additional shares to Quartz 2 but before entering into the transaction.	552.34	603.34	659.58	The value of the 1.02 million shares held by GEL is compared to INPC's total shares of 2.70 million (after the issuance of additional shares to Quartz 2).
(b) Fair value of INPC held by GEL after entering into the transaction.	1,144.26	1,244.16	1,354.52	The value of 1.02 million shares, combined with 1.07 million additional shares, totals 2.09 million shares, which are held by GEL, compared to INPC's total number of shares of 3.77 million shares (after the transaction).
Increase in fair value of INPC held by GEL from entering into the transaction (b) - (a).	591.92	640.82	694.94	Million baht

Source: Projected by the Independent Financial Advisor.



The Independent Financial Advisor has computed the value of consideration received by GEL as a result of the transaction. This can be summarized as follows:

Calculation	Low Value	Base Case	High Value	Assumptions
(1) The increase in the fair value of INPC held by GEL from entering into the transaction.	591.92	640.82	694.94	
(2) Cash received from INPC	124.00	124.00	124.00	
(3) Present value of rent received from INPC	102.47	103.92	105.39	Details as per section 3.5 of this report.
<b>The total value of consideration received by GEL from entering into the transaction</b>	<b>818.39</b>	<b>868.73</b>	<b>924.33</b>	<b>Million baht</b>

Source: Calculated by IFA

*(The shareholders can study the details of the fair value assessment of the transaction in Part 3: "Opinion of the independent financial advisor regarding the reasonableness of the Business Restructuring by way of the Partial Business Transfer (PBT) and/or the Sale and Purchase of Partial Business with the Company's Subsidiary" of this independent financial advisor report)*

## 2.2.2 Drawbacks of Pursuing the Transaction

- 1) The restructuring will result in the Company holding a smaller equity interest in its precast business, which will be held through INPC, leading to a proportionate decrease in the Company's share of profits derived from the precast operations.

The Company will undertake a partial business transfer and/or partial business acquisition of its business to INPC, a subsidiary in which the Company currently holds a 51.00 percent stake of INPC's total issued shares prior to the restructuring. This stake is set to increase to 55.43 percent of INPC's total issued shares following the restructuring. This transaction will effectively diminish the Company's direct ownership interest in the assets of its precast business. While the Company originally possessed 100.00 percent of the precast business assets, the post-restructuring scenario will see the Company's ownership diluted to approximately 55.43 percent. Any future growth in the precast business may consequently result in a proportionate decline in the Company's profit share from the precast business assets.

In light of the Company divesting a portion of its precast business, while there will be a reduction in direct ownership of the assets, the Company is set to be compensated for the disposal of the precast business in the sum amount of 124.00 million baht to be received in cash, further bolstering the Company's liquidity. Moreover, the Company's shareholding in INPC will increase as a result of additional share issuance, rising from 51.00 percent to approximately 55.43 percent. This share issuance is part of the transaction for transferring the precast business to INPC. INPC has established a reputation for producing and selling precast products with commendable performance. Post-restructuring, INPC will be enhanced with the addition of the Company's precast business

assets, which is anticipated to augment INPC's production capabilities, enabling an upsurge in the production and sale of precast products, thereby improving revenue, financial standing, and operating results. Furthermore, as INPC is a subsidiary of the Company, in the Company's consolidated financial statements, INPC's financials including the newly acquired precast business assets will be fully consolidated, reflecting a comprehensive view of the Company's financial health post-restructuring.

- 2) **The issuance of new shares initiated by INPC will result in an expansion of its share base, resulting in a dilutive effect on the Company as a shareholder such as a reduction in the earnings per share (EPS) attributable to the Company.**

In conjunction with the restructuring process, INPC is set to issue a total of 1,070,991 new shares directly to the Company. Additionally, 701,140 new ordinary shares will be allocated to Quartz 2, a subsidiary within the PSH group. This strategic move will result in an issuance of 1,772,131 new shares in INPC, expanding the total share count from 2,000,000 to 3,772,131—a capital increase that signifies an 88.61 percent rise from the pre-transaction share base. The recapitalization through business transfer compensation and Quartz 2's capital inflow will, however, precipitate a dilutive effect on the Company's holdings in INPC. Notably, there will be an approximate dilution of the Company's earnings per share (EPS) by 88.61 percent. Nevertheless, this dilutive impact should be weighed against the potential for INPC's augmented profitability post-restructuring, which could, in turn, enhance the EPS metric over time.

The Company will not be subject to a dilution of voting rights (Control Dilution) following the capital increase. Post-transaction, the Company's stake in INPC is poised to rise from the current 51.00% to approximately 55.43% of the paid-up registered capital, thereby increasing its shareholding proportionally.

- 3) **The process of business restructuring may extend over a considerable period and could potentially result in the Company incurring additional expenses associated with the transaction.**

The restructuring process is a partial business transfer and/or partial business acquisition for the Company's business, including the issuance of INPC's capital increase shares, as well as the sale or lease of related assets, and constitutes a multifaceted transaction. Given its complexity, it may extend over a protracted timeframe. This is partly due to certain assets currently pledged as collateral with financial institutions, necessitating negotiations for their release. Consequently, this comprehensive restructuring is expected to require a considerable duration to reach completion and may result in the Company incurring ancillary costs associated with the transaction.

- 4) **The Company will have to cease its business of producing precast concrete wall panels used in construction, transitioning instead to holding shares in INPC.**

Following the completion of a partial business transfer (PBT) and/or the partial business acquisition, the Company will discontinue the precast business to ensure clarity and avoid conflicts of interest, as well as potential competitive activities with INPC in the future. The Company will not engage in any business, investment, or activities that compete with INPC's operations in Thailand, except as a representative for INPC's sales and marketing, or for selling precast products, which GEL has agreed to have INPC produce. The Company will also refrain from disclosing any confidential or trade secret information of INPC or information that could affect INPC.

As a result of these actions, the Company will completely cease its own precast business operations but will, in return, receive an increased shareholding in INPC. This shifts the precast business model from direct operation to holding shares and earning dividends from INPC. Consequently, the Company may have less flexibility in managing and implementing various business strategies. Additionally, strategy decisions for the precast business will need to be jointly determined between the Company and the PSH group, the major shareholder in INPC, potentially reducing the Company's decision-making power in these matters.

However, if INPC's operations generate profits, the Company will receive dividends in proportion to its shareholding. Furthermore, since the Company is a controlling party in INPC, the consolidated financial statements of the Company will include all of INPC's businesses, including the precast business transferred to INPC, reflecting the overall performance of the precast business in the Company's consolidated financial statements.

**5) The increased ownership stake in INPC following the restructuring may not be considered a significant change.**

After the partial business transfer (PBT) and/or the partial business acquisition by INPC, a subsidiary in which the Company held a 51.00% stake in all issued shares of INPC before the restructuring, the Company's shareholding in INPC will increase to 55.43% of all issued shares of INPC post-restructuring. This increase of approximately 4.43% may not be deemed significant.

However, the compensation received from this transaction is not limited to merely the additional ordinary shares of INPC. The Company will also receive cash compensation of 124.00 million baht, and compensation in the form of rent or purchase price of assets totaling another 145.00 million baht. Additionally, INPC will receive a capital injection of 400.00 million baht from the PSH group as part of this restructuring, with the Company owning a proportionate share of INPC's assets. Therefore, the slight increase in ownership in INPC may not be significantly material, but the Company will receive other forms of compensation as well.

## **2.3 Comparative Analysis of Benefits and Drawbacks in Transactions with Related Parties**

### **2.3.1 Benefits of Pursuing the Transaction with Related Parties**

- 1) The PSH Group is recognized for its expertise in the precast production sector. By engaging in this transaction, the collaboration between the PSH Group and the Company is set to bolster confidence in

**the shared management, allowing the PSH Group to engage more in the Company's business operations in line with the Company's strategic plan.**

The transaction with related parties involves the PSH Group due to its substantial presence and its proven proficiency in the precast production sector, as well as its esteemed position within Thailand's real estate development industry. The collaboration on this venture will not only fortify confidence in the mutual management between the PSH Group and the Company but also enhance PSH's involvement in business activities, strategically aligned with the Company's objectives. This collaboration is anticipated to catalyze the Company's growth trajectory. It will facilitate a synergetic exchange of expertise and foster cooperative efforts in procuring raw materials, thereby amplifying INPC's negotiation leverage. The initiative is poised to broaden the Company's customer base, tapping into both the PSH Group's and the Company's existing networks. Furthermore, it opens avenues for future joint ventures in related domains such as construction materials or real estate development, among others.

**2) PSH, which is a major shareholder in both the Company and INPC, prioritizes the collective interests of both entities significantly.**

Currently, PSH holds an 18.26 percent stake in the Company and indirectly owns a 44.57 percent share in INPC through Quartz 2, positioning it as a major shareholder in INPC post-transaction. Consequently, any dealings with PSH necessitate a careful consideration of the collective interests of both the Company and INPC to ensure that all decisions align with the strategic objectives and financial well-being of the Company and INPC.

**3) A confidence in the successful execution of the transaction as per the strategic plan.**

The PSH Group, with its sizeable operations, is a reputable entity demonstrating robust financial health. As evidenced by PSH's consolidated financial statement for the six-month period ending 30 June 2023, the Group boasts a substantial liquidity reserve with cash and cash equivalents totaling 4,816.50 million baht, alongside a shareholders' equity of 45,855.95 million baht. This reflects a strong financial standing and considerable financial resilience. Consequently, transactions with the PSH Group carry the assurance of execution with reliability and in accordance with established plans. Concerning the capital augmentation in INPC attributable to Quartz 2 amounting to 400.00 million baht, the funds will be sourced through short-term promissory notes acquired from PSH, securing the requisite capital. The subscription price for the capital increase ordinary shares received by Inno Precast will receive from Quartz Holding 2 will be used by Inno Precast to repay the loan from Quartz Holding 2 under the Loan Agreement between Inno Precast and Quartz Holding 2 dated 22 May 2023, for the loan credit of THB 400,000,000 (Four Hundred Million Baht Only) in the entire amount. The transaction, if supported by PSH in terms of loan financing, is expected to be smoothly conducted as the loan is only short-term in nature.

### 2.3.2 Drawbacks of Pursuing the Transaction with Related Parties

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**1) Potential for Conflicts of Interest Between PSH Group and the Company Arising from the Transaction, with the Possibility of Subsequent Related Transactions.**

The proposed transaction with a related party inherently carries the potential for conflicts of interest between the PSH Group and the Company. Such conflicts are not uncommon in transactions involving related persons, given that PSH is a major shareholder in both the Company and INPC. In managing transactions with related parties, the Company is bound by regulatory guidelines governing connected transactions and is committed to undertaking such dealings on an arm's length basis, ensuring they are conducted with the utmost benefit to the Company in mind. This approach safeguards the interests of minority shareholders against any adverse impact from such related-party transactions. Moreover, the consummation of these related transactions requires approval of the Company's shareholder meeting, where the resolution must pass with at least a three-fourths majority of the votes of attending shareholders entitled to vote, excluding any votes of shareholders with an existing interest in the matter. This ensures that the approval for such transactions is not influenced by shareholders with a conflict of interest, thereby upholding the integrity of the decision-making process.

Following the execution of this transaction, it is anticipated that the Company may engage in additional related-party transactions with PSH or entities within the PSH Group. In the six-month period concluding on 30 June 2023, the Company and INPC engaged in several related-party transactions with PSH or its group entities. These transactions included: (1) INPC's dealings with PSH or its group companies, which comprised product sales generating revenue of 195.31 million baht, intercompany loans amounting to 400.00 million baht, management fees totaling 6.50 million baht, and other expenditures of 15.94 million baht; and (2) the Company's transactions with PSH or its group companies, which resulted in income from product sales of 7.23 million baht, among other activities. These transactions were governed by mutually agreed contracts and executed at market rates as if transacted with an independent third party, adhering to the standard terms and conditions established by the Company.

**2) Price determination and compensation for the transaction may be subject to influence from parties with potential conflicts of interest.**

The consummation of this transaction necessitates a determination of the price and terms by PSH, a major shareholder of both the Company and INPC, which could influence the negotiation process. Despite this, the transaction between the Company and PSH, being a related-party matter, must conform to the established regulations governing such transactions. Accordingly, the ratification of this transaction is subject to the approval of the Company's shareholders at a meeting, requiring a minimum of a three-fourths majority of the votes of attending shareholders entitled to vote, excluding any votes from interested parties. Thus, the authorization of the transaction with related parties does not stem from shareholders with a vested interest. Furthermore, while the transaction is

considered small, it is imperative that any such related-party transactions undertaken by PSH adhere stringently to the established criteria and PSH's own policies regarding such dealings.

Furthermore, the Independent Financial Advisor has conducted an appraisal of the fair value pertaining to the consideration involved in this transaction. The Independent Financial Advisor is of the opinion that the valuation of compensation, as established at this juncture, is appropriate. Detailed insights are provided in Section 3, titled "Evaluation by the Independent Financial Advisor on the Rationality of Business Restructuring Through Partial Business Transfer (PBT) and/or Partial Business Acquisition and the Suitability of the Transaction Terms," found within this report from the Independent Financial Advisor.

## **2.4 Comparative Analysis of Benefits and Drawbacks in Transactions with Third Parties**

### **2.4.1 Benefits of Pursuing the Transaction with Third Parties**

#### **1) The determination of price and compensation for entering into the transaction will be independent.**

Engaging in transactions with external parties ensures a higher degree of independence when establishing prices and compensation terms, compared to transactions with related parties. This heightened independence stems from the fact that external entities do not possess conflicts of interest with the Company. As a result, transactions with these parties reflect a level of impartiality in pricing and compensation. However, transactions with third parties do not invariably align with the company's best interests. The outcomes are contingent on the respective bargaining strengths of the buyers and sellers, the varying objectives and strategies of the entities involved, as well as other pertinent factors unique to each transactional scenario.

#### **2) Absence of Conflict of Interest, mitigating the risk of any potential transfer of benefits.**

Transactions conducted with third parties, who have no affiliations with the Company, are perceived as being carried out with entities that hold no vested interest and are devoid of potential conflicts of interest with the Company. Engaging in dealings with such independent parties mitigates the risk of undue benefit transfer, as these external entities lack the influence to sway the Company's decision-making processes in a manner that could result in the diversion of benefits from the Company to themselves.

### **2.4.2 Drawbacks of Pursuing the Transaction with Third Parties**

#### **1) The Company is not positioned to benefit from the PSH Group's joint management in the precast business assets, despite PSH's recognized expertise in the precast production industry.**

Engaging in a transaction with a third party external to the PSH Group may result in the Company forfeiting the opportunity to co-manage its precast business with PSH under INPC's management, or it might lead to less comprehensive collaboration. Should the Company opt for a third-party transaction at this juncture, it could

potentially disrupt INPC's management framework. Considering PSH's stature—a conglomerate with deep-seated expertise in the construction sector, access to premium raw materials, and considerable negotiating leverage—the loss of such an ally is significant. Moreover, transacting with an outsider could preclude PSH from intensifying its engagement in alignment with the Company's strategic roadmap, which includes bolstering INPC's business and propelling it to become a preeminent precast producer and supplier nationally.

- 2) **There exist certain constraints when it comes to identifying and securing third parties that possess the requisite capabilities and are prepared to engage in transactions that align with the Company's business strategy.**

Given the specificity of the Company's business plan, identifying third parties with both the capability and readiness to engage immediately is notably challenging, largely due to PSH's significant market presence and robust financial standing. PSH not only possesses deep expertise in the precast production sector but also holds a wealth of knowledge in real estate and construction, distinguishing it from its competitors. Comparable entities that operate within the same domain and boast similar competitive capacities as PSH are exceedingly rare. Furthermore, PSH's history of collaboration with the Company most notably the entire business transfer (EBT) undertaken with INPC in May 2023 has fostered a mutually beneficial understanding of each business's operations, a rapport that is not as readily found with entities new to the Company's business landscape.

- 3) **Negotiations will take longer than transactions with related parties. This may cause delays in the implementation of the Company's business plan.**

Engaging with third-party entities necessitates a period for these parties to acquaint themselves with the Company's operational ethos. Such an initiation phase, coupled with potentially protracted negotiations and decision-making regarding purchase pricing, valuation of consideration, and transaction structure, as well as comprehensive due diligence on various facets of the Company's operations, may introduce delays. These delays could, in turn, impact the timely execution of the Company's strategic business plans.

## **2.5 Risks Associated with the Transaction**

- 1) **Risks associated with the future operating performance of INPC and the subsequent returns that the Company is projected to garner following the business restructuring.**

The anticipated benefits to the Company from this transaction are, to some extent, based on the expected performance of INPC following the restructuring. This restructuring has integrated the Company's precast business operations within INPC. Additionally, the Independent Financial Advisor's valuation of certain business transfers and/or acquisitions relies on projections of INPC's future profitability and cash flows. If INPC does not achieve the projected performance levels, there is a potential for a detrimental impact on both the valuation and the returns anticipated by the Company. On the other hand, exceeding the performance expectations could lead to a

correspondingly positive effect on the transaction's benefits to the Company. Therefore, INPC's future financial results represent a significant risk factor in this transaction, as they are directly tied to the fair value and the returns that the Company expects to realize after the transaction is complete.

**2) Risks from additional benefits from business combinations (Synergy) are still uncertain.**

Considering PSH's deep-seated expertise in the construction sector, its capability to secure quality raw materials, and its strong bargaining power, the proposed restructuring is poised to bring the Company's precast business under INPC's management. As PSH Group is a major shareholder in INPC, there are rational expectations of reduced raw material costs and enhanced profitability, as well as the potential for realizing economies of scale from the business consolidation. Nevertheless, it is essential to acknowledge that the fruition of synergistic benefits is a forecasted event and cannot be ascertained with absolute certainty. Therefore, a material risk exists that these projected synergies may not come to fruition, possibly leading to outcomes that significantly deviate from those anticipated.

**3) There is a risk of delay or failure to get approval for the release of certain assets from being collateral with financial institutions, which could lead to a future change in the value of these assets.**

In the context of this transaction, a pivotal component is the acquisition of assets related to the precast business, which encompasses land and factory buildings valued at a total of 145 million baht. This acquisition is contingent upon the release of these assets from existing encumbrances held by financial institution creditors. INPC is set to lease these assets for a term not exceeding three years prior to the release of the collateral. The Company, therefore, faces the risk of potential delays in the release of the mortgage burdens by financial institution creditors, which could in turn postpone the completion of the transaction beyond the anticipated timeframe. Additionally, if the Company is unable to release such assets from being collateral within 3 years, it will affect INPC's consideration in renewing the lease agreement with the Company, posing a risk of change in the value of the assets and the rental rate, which could impact the value and appropriateness of this transaction. Including with the financial institutions not grant approval for the release of the said assets, it could preclude INPC from procuring these assets for operational purposes, potentially necessitating alternative transaction arrangements in the future.

**4) Risks associated with the unforeseen delays or cancellations of the transaction, which may disrupt the execution of the Company's business strategy or potentially result in incurring additional expenses.**

The current transactions involving partial business transfers and/or partial business acquisition may be subject to unpredictable internal and external influences that could potentially delay or even nullify the proceedings. Such uncertainties may prevent the completion of these transactions according to the initial timetable, thereby impacting the execution of the Company's strategic business initiatives. As a result, the Company may be compelled to re-evaluate and modify the transaction framework, which would necessitate additional expenditures



and the forfeiture of initial transaction costs already incurred. Moreover, the anticipated cash inflow from these transactions, if not realized as scheduled, could temporarily affect the Company's operational funding or liquidity. Nevertheless, given the Company's robust liquidity position, it is projected that, even in the face of potential delays or cancellations, business operations will proceed uninterrupted. Consequently, shareholders can reasonably expect to continue receiving returns from the Company's ongoing business activities.

- 5) **There is also a risk associated with the restructuring of the business by partial business transfer (PBT) and/or the partial business acquisition, subject to the terms of the agreement and legal regulations related to the partial business transfer.**

The Company is undergoing a strategic restructuring by executing a partial business transfer (PBT) and/or the partial business acquisition, specifically the precast factory business, to Inno Precast. Inno Precast is a subsidiary wherein the Company holds a controlling interest of 1,019,999 shares, constituting 51 percent of Inno Precast's total issued shares. In this transaction, the Company acts as the transferor, and Inno Precast (INPC) as the transferee, are both bound to fulfill the stipulations outlined in the business transfer agreement. Moreover, this agreement must adhere to the directives set forth by the Revenue Code, Royal Decrees, notifications from the Director-General, and other relevant legislation until the business transfer is duly completed and comes into full effect. Should any events transpire that prevent the Company and INPC from fulfilling the terms of the agreement and/or the associated legal and regulatory requirements of this business transfer, there could be consequential damages. Furthermore, such non-compliance may lead to the forfeiture of expected tax advantages, including exemptions on value added tax (VAT), specific business tax, and stamp duty which would otherwise be applicable under the provisions of the Revenue Code and related laws.

**Part 3: Opinion of the Independent Financial Advisor regarding the Study of the Reasonableness of the Business Restructuring by way of the Partial Business Transfer (PBT) and/or the Sale and Purchase of Partial Business and the Appropriateness of the Conditions of the Transaction**

In evaluating the appropriateness of engaging in a transaction involving the disposal of precast factory business (PW) to Inno Precast Company Limited (“INPC”) which precast factory business are in partial business unit of the Company. The business restructuring by way of the partial business transfer (PBT) and/or the sale and purchase of partial business transaction has a total value of approximately 880 million Baht, whereby Inno Precast will make the payment of the consideration by (a) issuing its newly issued ordinary shares to the Company in the amount of not exceeding 1,070,991 shares at the price of 570.50 Baht per share, equivalent to a total value of 611.00 million Baht (in addition, and paying in cash to the Company in the amount of 124 million Baht; and acquiring the assets related to the precast business, which consists of lands and factory buildings (after such assets have been released from collateral obligations), from the Company at the total value of 145 million Baht provided that the payable amount shall be subject to deduction of the rental fee that Inno Precast has leased such assets from the Company for the period of three years before the assets have been released from collateral obligations. The rental fee is fixed at the rate of 11.6 million Baht per annum (the “**Partial Business Transfer Transaction**”).

The independent financial advisor’s opinion is predicated on the assumption that the information and documents provided are accurate and true, without any significant alterations, and takes into account the economic conditions and information available at the time of the evaluation exclusively. If the aforementioned factors undergo substantial changes from the current state, the valuation may be influenced, potentially impacting the Company’s transactions and the viewpoint of the independent financial advisor.

I V Global Securities Public Company Limited, appointed by the Company’s Board of Directors as an independent financial advisor (“**Independent Financial Advisor**” or “**IFA**”), has conducted a comprehensive assessment based on information obtained from the Company. This includes publicly disclosed data, such as the board of directors’ resolution endorsing the transaction and associated details, auditor’s reports, financial statements, and information from companies related to the transaction. Additionally, interviews with company executives relevant to the transaction were conducted to inform the perspective of the Independent Financial Advisor.

This section of the report encompasses an examination of the appropriateness in pursuing the Business Restructuring by way of the Partial Business Transfer (PBT) and/or the Sale and Purchase of Partial Business as follow details.

**3.1 An Examination of the Appropriateness in Pursuing the Transaction to disposal the precast factory business of General Engineering Public Company Limited (the "Company" or "GEL")**

The Independent Financial Advisor has employed a range of approaches to assess the Precast Production and Distribution Business (PW). These methodologies include:

- 3.1.1 Book Value Approach
- 3.1.2 Adjusted Book Value Approach
- 3.1.3 Discounted Cash Flow Approach: DCF

The valuation approaches include 1) the Volume Weighted Average Price Approach (VWAP) and 2) the Market Comparable Approach. These approaches are in addition to the three aforementioned approaches. However, the independent financial advisor has not used these approaches to value the precast manufacturing and distribution business (PW) in this instance because:

(1) Volume Weighted Average Price Approach (VWAP)

Valuation using the volume weighted average price approach (VWAP) involves assessing the market-based weighted average price of ordinary shares on the Stock Exchange, taking into account the value and volume of the ordinary share trades on the market. However, the Company is divesting its precast manufacturing and distribution business (PW), which is an asset of one of its business units. Therefore, the Independent Financial Advisor is unable to apply this approach for valuation because the asset being divested is not a common stock type asset.

(2) Market Comparable Approach

The valuation using the market comparable approach involves valuing ordinary shares by comparing market trading price ratios on the assumption that listed companies in the same industry, with similar business characteristics and operating in comparable market conditions, should have similar market value ratios. However, the Independent Financial Advisor did not apply this approach for valuation, as it requires considering the value of the Company's shares, which is not applicable for valuing the assets sold in this transaction.

**3.1.1 Book Value Approach**

The valuation of the Precast Production and Distribution Business (PW)'s fair value through the book value approach provides an assessment of precast business's worth based on the figures reported in the financial records at a specific point in time. This evaluation is grounded in the book value as per precast business's financial statements for the period ending 30 June 2023

The valuation of precast business using the book value approach derives from the operation of the Precast Production and Distribution Business (PW) as of June 30, 2023, it consists mainly of 2 factories as follows:

- 1) PW CRN Precast Production Factory
- 2) PW CRS Precast Production Factory

This calculation can be expressed as follows:

Book Value	Unit	Amount
Land	Million baht	195.04
Building	Million baht	106.81
Machine and equipment (PW CRN)	Million baht	344.25
<b>Total Assets of PW CRN Precast Production Factory</b>	<b>Million baht</b>	<b>646.10</b>
Land	Million baht	66.36
Building	Million baht	75.52
Machine and equipment (PW CRS)	Million baht	24.12
<b>Total Assets of PW CRS Precast Production Factory</b>	<b>Million baht</b>	<b>166.00</b>
Other assets	Million baht	4.80
<b>Book value</b>	<b>Million baht</b>	<b>816.90</b>

Source: Assets of the Precast Production and Distribution Business (PW) as of 30 June 2023

The valuation derived from the book value approach the Precast Production and Distribution Business (PW)'s value at 816.90 million baht.

The Independent Financial Advisor holds the view that while the book value approach provides a snapshot of the Precast Production and Distribution Business (PW)'s financial standing as of 30 June 2023, it does not encapsulate the current market value of the assets, nor does it account for the Precast Production and Distribution Business (PW)'s future profitability and competitive edge. Consequently, the Independent Financial Advisor deems this valuation approach inappropriate for this particular valuation.

### 3.1.2 Adjusted Book Value Approach

Assessing the fair value of the Precast Production and Distribution Business (PW) using the adjusted book value approach involves taking the total assets of the Precast Production and Distribution Business (PW) and adjusting them for various items that have occurred after the date of the financial statements or factors that make the book value more reflective of the actual value. This may include factors such as changes in the appraisal of assets that have not yet been reflected in the financial statements, among others. The goal is to represent the market value of the assets that is closer to their current or more authentic value.

Based on available information, the book value of total assets used in the operations of the Precast Production and Distribution Business (PW) as of 30 June 2023, is equal to 816.90 million baht. These assets include

land, factory buildings, machinery, and other assets, which can be further categorized into two factories: 1) PW CRN Precast production factory and 2) PW CRS Precast production factory.

In the assessment of the value using the adjusted book value approach, the Independent Financial Advisor applies the book value of assets as per latest financial statement dated 30 June 2023 and then applies adjustments, taking into consideration the following items:

### 1) Asset Valuation

The Company has engaged Powerland Plus Appraisal Company Limited, an independent property appraiser listed in the capital market's roster of property appraisal companies and approved by the Securities and Exchange Commission of Thailand (SEC) as the principal appraiser, according to Notification of the Office of the Securities and Exchange Commission SorChor. 24/2555. The independent property appraiser assessed the value of assets used in the Precast Production and Distribution Business (PW) on 15 September 2023. This appraisal was conducted for public purposes, and detailed information can be found in Attachment 3, "Summary of the Asset Valuation Report of General Engineering Public Company Limited," in this report.

The Independent Financial Advisor believes that items such as land, buildings, and machinery and equipment are significant, and their book values may not yet reflect their fair values. Consequently, the Independent Financial Advisor considered adjusting the book values of these assets, either increasing or decreasing them based on a comparison with the appraised values provided by the independent appraiser. The following summarizes these adjustments:

**PW CRN Precast Production Factory:** Located in Chiang Rak Noi Sub-district, Sam Khok District, Pathum Thani Province.

No	Lists	Assessed value (million baht)
1	Land title deeds number 11741 and 11742, with a total land area of 38-1-27.8 rai or 15,327.8 square wah, and 5 buildings.	314.61
3	Machinery No. 581235, consisting of 39 items. Assets in the category of equipment and tools, totaling 292 items.	380.68

Source: Property appraisal report by the independent property appraiser.

**PW CRS Precast Production Factory:** Located in Chiang Rak Noi Sub-district, Sam Khok District, Pathum Thani Province.

No	Lists	Assessed value (million baht)
1	Land title deeds numbers 4024 and 11743, 2 copies. Total land area is 13-2-07.7 rai or 5,407.7 square wah and 2 buildings.	145.80
3	Machinery No. 611437, 9 items. Assets in the category of equipment and tools total 237 items.	41.57

Source: Property appraisal report by the independent property appraiser.

The shareholders can study additional details in Attachment 3 of this report "Summary of the Property Valuation Report of General Engineering Public Company Limited".

Therefore, based on the assessment conducted by the independent property appraiser for the mentioned property items, the Independent Financial Advisor utilizes the additional or discounted values obtained from the asset appraisal to make adjustments to the book value of the assets used in the Precast Production and Distribution Business (PW), aligning it more closely with the current market value.

## 2) Summary of Book Value Adjustments Calculation

Having considered the aforementioned factors, the Independent Financial Advisor has computed the adjustments to the book value. The calculation process is illustrated below:

Book value	Unit	Book value as of 30 June 2023	Adjust the difference from the appraised value	Adjusted Book value
Land and Building	Million baht	301.85	12.76	314.61
Machine and Equipment (PW CRN)	Million baht	344.49	36.19	380.44
<b>Total PW CRN Precast Production Factory</b>	<b>Million baht</b>	<b>646.34</b>	<b>48.95</b>	<b>695.05</b>
Land and Building	Million baht	141.88	3.92	145.80
Machine and Equipment (PW CRS)	Million baht	24.12	17.44	41.57
<b>Total PW CRS Precast Production Factory</b>	<b>Million baht</b>	<b>166.00</b>	<b>21.37</b>	<b>187.37</b>
Other Assets	Million baht	4.80	-	4.80
<b>Total</b>	<b>Million baht</b>	<b>816.90</b>	<b>70.32</b>	<b>887.22</b>

Source: Assets of the Precast Production and Distribution Business (PW) as of 30 June 2023

The valuation derived from the adjusted book value approach the Precast Production and Distribution Business (PW)'s value at 887.22 million baht.

The Independent Financial Advisor asserts that while the fair valuation using the adjusted book value approach offers insight into the assets value as at a specific point in time and adjusts the value of the Precast Production and Distribution Business (PW)'s principal assets to mirror fair value, it does not yet account for forthcoming profitability and competitive edge. Hence, this approach might introduce inaccuracies in the valuation. As a result, the Independent Financial Advisor deems this valuation approach unsuitable for appraising this item.

### 3.1.3 Discounted Cash Flow Approach: DCF

The fair value assessment through the discounted cash flow approach is a approach employed to calculate the value of the Precast Production and Distribution Business (PW) while considering its future performance. The Independent Financial Advisor assumes that the operations of the Precast Production and Distribution Business (PW) will continue with the Company as they have in the past.

The fair value assessment using the discounted cash flow approach is computed by determining the present value of estimated net cash flows using an appropriate discount rate. This involves referencing future operating result estimates provided by the management and calculating the Company's weighted average cost of capital (WACC) to use as the discount rate. Subsequently, future net cash flows are derived from financial projections.

## 1) Key Assumptions for Financial Projections

The Independent Financial Advisor has formulated financial projections for the Precast Production and Distribution Business (PW) using information obtained, which includes discussions with Company executives. These projections have been prepared with a conservative basis and encompass the following important assumptions:

### 1.1) Sales Revenue

The revenue generated from the sale of Precast products primarily originates from the Precast Production and Distribution Business unit (PW) within the Company. The primary customer base consists of real estate development companies. The projects for which the Company sells Precast products encompass a wide range, including single-detached house projects, townhome projects, condominium projects, and other residential developments. Additionally, the Company serves non-residential projects such as electric train projects and office buildings.

In estimating sales revenue from Precast products, the Independent Financial Advisor has made the following assumptions:

<b>Sales Volume</b>	<p>The Independent Financial Advisor has estimated the growth in sales volume of Precast products based on historical data and interviews with executives, with the following assumptions:</p> <ul style="list-style-type: none"> <li>- <u>From 2023 to 2026</u>, The Independent Financial Advisor based the sales volume assumption on the first half of the year 2023, as since 2022, the Company has increasingly been selling precast products to horizontal projects, aligning with the current trend where consumers are showing more interest in private spaces and nature, following the easing of the COVID-19 pandemic. From 2023 to 2026, the Independent Financial Advisor set the actual capacity utilization rate between 64.1% - 67.1%, with a growth rate of 1.50% per year, based on executive interviews. This would result in a sales volume of 523,355 - 547,261 square meters per year, close to the sales volume of 2022.</li> <li>- <u>Since 2027</u>, the Independent Financial Advisor has determined that the sales volume will be the same as in 2026 throughout the projection, based on conservative basis</li> </ul>
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<b>Selling Price</b>	- The Independent Financial Advisor assumes that the selling price per unit remains consistent with the first-half 2023 pricing as the base for estimation. This choice is based on the selling price reflecting the current market conditions, given the Company's shift toward selling more Precast products for horizontal projects. As a result, the selling price per unit has decreased to a range of 1,200 - 1,300 baht per unit, in contrast to the selling price per unit in 2020 and 2021 when the Company primarily focused on high-rise projects with higher pricing. Additionally, based on discussions with Company executives, future plans indicate a predominant focus on selling to horizontal projects. The Independent Financial Advisor sets the increase rate of selling price per unit after 2023 at 1.50 percent, in alignment with the general inflation rate observed in Thailand over the past 10 years (excluding the COVID-19-affected years of 2020 and 2021).
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Based on the aforementioned assumptions, the sales volume and selling price of Precast products for the period 2020 to 2028 are summarized as follows:

	2020	2021	2022	2023F	2024F	2025F	2026F	2027F	2028F
Production capacity (square meters)	924,000	816,000	816,000	816,000	816,000	816,000	816,000	816,000	816,000
Actual capacity utilization rate (%)	36.9%	42.7%	64.1%	64.1%	65.1%	66.1%	67.1%	67.1%	67.1%
Sales volume (square meters)	340,549	348,229	523,355	523,355	531,206	539,174	547,261	547,261	547,261
Selling price (baht per unit)	1,451	1,424	1,284	1,256	1,275	1,294	1,314	1,333	1,353
Annual growth rate (%)		-1.86%	-9.81%	-2.16%	1.50%	1.50%	1.50%	1.50%	1.50%

Source: Information from the Company and estimates by the Independent Financial Advisor.

Sales revenue for 2020 - 2028 is summarized as follows.

(Million Baht)	2020	2021	2022	2023	2024	2025	2026	2027	2028
Revenue from product sales for the Precast division	494.02	495.76	672.02	668.98	677.40	697.88	718.97	729.76	740.70
<b>Sales revenue</b>	<b>494.02</b>	<b>495.76</b>	<b>672.02</b>	<b>668.98</b>	<b>677.40</b>	<b>697.88</b>	<b>718.97</b>	<b>729.76</b>	<b>740.70</b>
Annual growth rate (%)		0.4%	35.6%	-0.5%	1.3%	3.0%	3.0%	1.5%	1.5%

Source: Information from the Company and estimates by the Independent Financial Advisor.

Based on the forecast of the revenue from sales of precast products in 2023 - 2028, revenue from sales of precast products will have a growth rate in 2023 of -0.5 percent due to lower selling prices per unit had decreased during the first year of 2023. Because the company increased volumes of precast products to low-rise projects. and the revenue will grow in 2024 - 2028, which is similar to the revenue of 2022, which is the situation after the COVID-19 outbreak starting to unravel and changes in the plan to sell precast products mainly to horizontal projects.



## 1.2) Cost of Sales

The Independent Financial Advisor has made assumptions regarding the cost of sales, which can be summarized as follows:

<b>Variable costs</b>	Variable costs encompass expenses such as raw material costs, direct labor expenses, and utility costs. For the 2023-2028 projections, the Independent Financial Advisor has assessed that these variable costs will fluctuate in accordance with changes in sales revenue. This determination is grounded in an analysis of historical data.
<b>Other costs</b>	Other costs comprise fixed expenses such as salaries and on-site installation service fees. The Independent Financial Advisor has made the following assumptions about these costs: <ul style="list-style-type: none"> <li>- Salaries are expected to increase at a rate of 5 percent per year, based on discussions with Company executives, throughout the projection.</li> <li>- The cost of on-site installation services will exhibit a 3 percent annual growth rate from 2024 to 2026, approximating the average growth of Thailand's gross national product (GDP) over the past 10 years before the impact of the COVID-19 outbreak. From 2027 onward, the Independent Financial Advisor has determined that the cost of on-site installation services will remain constant, closely reflecting the 2022 figures.</li> </ul>
<b>Depreciation and Amortization</b>	Depreciation and amortization are computed following the depreciation policy of the Precast Production and Distribution Business (PW). This policy is based on the book value of the original assets and newly invested assets, and it aligns with the Company's established policy.

Based on the previously mentioned assumptions, the cost of sales for the years 2020 to 2028 can be summarized as follows.

(Million Baht)	2020	2021	2022	2023F	2024F	2025F	2026F	2027F	2028F
Variable costs	332.24	323.23	461.13	476.75	482.62	497.21	512.24	519.92	527.72
Other costs	72.63	53.83	58.35	78.95	82.63	86.48	90.51	94.30	98.27
Depreciation and Amortization	0.04	34.85	27.48	28.86	28.38	28.67	28.76	29.00	28.98
<b>Costs of Sales</b>	<b>404.91</b>	<b>411.92</b>	<b>546.97</b>	<b>584.56</b>	<b>593.63</b>	<b>612.36</b>	<b>631.51</b>	<b>643.22</b>	<b>654.96</b>
Proportion to the sales revenue (%)	82.0%	83.1%	81.4%	87.4%	87.6%	87.7%	87.8%	88.1%	88.4%

Source: Information from the Company and estimates by the Independent Financial Advisor.

### 1.3) Other Income

Other income for the Precast Production and Distribution Business (PW) primarily includes selling unused scrap metal. The Independent Financial Advisor estimates the income from selling unused scrap metal is based on historical proportions of selling unused scrap metal to total revenue from Precast product sales and will vary with changes in Precast product sales revenue throughout the projection period.

A summary of other income for 2020 - 2028 is as follows:

(Million Baht)	2020	2021	2022	2023F	2024F	2025F	2026F	2027F	2028F
Other income	4.74	2.65	3.55	1.81	1.83	1.89	1.94	1.97	2.00
<b>Total of other income</b>	<b>4.74</b>	<b>2.65</b>	<b>3.55</b>	<b>1.81</b>	<b>1.83</b>	<b>1.89</b>	<b>1.94</b>	<b>1.97</b>	<b>2.00</b>
Proportion to the sales revenue (%)	0.96%	0.5%	0.5%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%

Source: Information from the Company and estimates by the Independent Financial Advisor.

Referring to other income estimates for 2023 - 2027, these were made on a conservative basis, where other income would constitute approximately 0.3% of sales revenue, based on the first half of 2023, resulting in total other income of 1.81 - 2.00 million baht.

### 1.4) Selling Expenses

To calculate selling expenses, the Independent Financial Advisor utilizes assumptions and historical data as follows:

<b>Employee Expenses</b>	Employee expenses are projected to increase at an annual growth rate of 5 percent, taking into account the Company's policy of 3 percent to 5 percent per year, as determined from interviews with Company executives and historical data analysis.
<b>Expenses Related to Public Utilities</b>	Expenses related to public utilities include electricity and water. In the second half of 2023, the government will implement a policy to reduce FT values from September to December 2023. Therefore, the Independent Financial Advisor has assumed that expenses related to utilities will be the same as the first half of 2023. Starting from 2023 onwards, the Independent Financial Advisor estimates an increase rate of 1.50 percent. This rate is based on Thailand's general inflation rate over the past 10 years (excluding the years affected by the COVID-19 outbreak in 2020 and 2021).
<b>Security Expenses</b>	The Independent Financial Advisor estimates security expenses with an assumed increase rate of 1.50 percent after 2023. This rate is based on Thailand's general inflation rate over the past 10 years (excluding the years affected by the COVID-19 outbreak in 2020 and 2021).

<b>Other Selling Expenses</b>	Other selling expenses, which encompass items like bank fees, fuel costs, repair expenses for tools and equipment, and miscellaneous costs, are projected to fluctuate in tandem with sales revenue throughout the projection period. This projection is based on the average data from 2020 to 2022.
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Source: Information from the Company and estimates by the Independent Financial Advisor.

According to the above assumption selling expenses from 2020 to 2028

(million baht)	2020	2021	2022	2023F	2024F	2025F	2026F	2027F	2028F
Employee expense	4.91	2.73	3.15	2.41	2.53	2.65	2.78	2.92	3.07
Utilities expenses	0.03	0.03	0.07	0.06	0.06	0.07	0.07	0.07	0.07
Securities expenses	0.07	0.05	0.08	0.06	0.06	0.06	0.06	0.06	0.06
Others expenses	1.86	0.93	1.61	1.00	1.42	1.46	1.51	1.53	1.55
<b>Selling expenses</b>	<b>6.87</b>	<b>3.74</b>	<b>4.91</b>	<b>3.53</b>	<b>4.07</b>	<b>4.24</b>	<b>4.42</b>	<b>4.58</b>	<b>4.75</b>

Source: Information from the Company and estimates by the Independent Financial Advisor.

### 1.5) Capital Expenditures Depreciation and Amortization Expenses

The Independent Financial Advisor estimated the capital expenditure for future investment plans, based on interviews with the Company's executives. The capital expenditure for 2023 is referenced based on actual incurred expenses and estimates by the Company's executives. This includes investment in the maintenance of currently operational machinery. According to the Company's future plans, there is no significant investment planned in machinery as the Company's machinery is in good condition and is continuously maintained. Normally, the Company's machinery can be used for approximately 20-25 years, and the Company has been using its machinery for about 8 years. Assuming the Company continues its precast product manufacturing and distribution business as usual, there are no plans to increase production capacity and specific machinery for this business segment. Therefore, the capital expenditure in machinery will primarily be for maintenance.

Additionally, the capital expenditure for computers and office equipment is estimated based on interviews with the Company's executives, reflecting the actual investment expenses incurred in the past

The Independent Financial Advisor had estimated depreciation and amortization are as follows:

(Million baht)	2023F	2024F	2025F	2026F	2027F	2028F
Capital Expenditures	0.27	3.56	4.51	3.77	3.83	3.89
Depreciations and Amortizations	28.86	28.38	28.67	28.76	29.00	28.98

Source: Information from the Company and estimates by the Independent Financial Advisor.

### 1.6) Working Capital

The Independent Financial Advisor has determined that the Company has a debtor collection period of 78.54 days based on the average rate between 2021 and 2022 and the first half of 2023 which the Company has a

debtor collection period ranging between 76.62 and 84.41 days. The payment time to creditors is 30 days based on the policy on the payment period to creditors obtained from interviews with executives. In the inventory section, because the Company does not have a policy to stock products, the value in the remaining inventory is primarily merchandise awaiting installation. The Independent Financial Advisor sets the inventory period at 50.05 days, based on the period of the first half of 2023, which has an inventory period of 50.05 days. This increase in inventory time corresponds to the increase in sales revenue from 2020 to 2022, where the company had an inventory period of 35.11 to 39.90 days.

(Million Baht)	2023F	2024F	2025F	2026F	2027F	2028F
Outstanding debtors	143.96	145.37	150.17	154.71	157.03	158.95
Outstanding creditors	(45.67)	(46.33)	(47.97)	(49.54)	(50.48)	(51.31)
Inventories	76.20	77.30	80.04	82.65	84.22	85.60
<b>Total working capital</b>	<b>174.48</b>	<b>176.34</b>	<b>182.24</b>	<b>187.82</b>	<b>190.77</b>	<b>193.25</b>

Source: Information from the Company and estimates by the Independent Financial Advisor.

### 1.7) Lease contracts and interest expenses related to the lease contracts.

The Company has lease agreements for vehicles, which are accounted for as depreciation and amortization of leasehold rights, interest expenses, and rent payments in the details below. The Independent Financial Advisor has adjusted items that require contract renewal to continue at the original rate.

(Million Baht)	2023F	2024F	2025F	2026F	2027F	2028F
Depreciation and amortization of leasehold rights	0.17	0.17	0.25	0.12	0.12	0.12
Lease interest expenses	0.02	0.01	0.02	0.04	0.03	0.02
Rent reimbursement	0.19	0.19	0.30	0.19	0.19	0.19

Source: Information from the Company and estimates by the Independent Financial Advisor.

## 2) The Calculation of Discounted Cash Flow Approach

### 2.1) Discount rate

The Independent Financial Advisor used cash flow from operations of the Precast Production and Distribution Business (PW), adjusted by a discount rate calculated from the weighted average cost of capital (WACC) at 11.20

The calculation of WACC is as follows:

$$WACC = K_e \left( \frac{E}{V} \right) + K_d(1 - t) \left( \frac{D}{V} \right)$$

$$K_e = \text{Cost of equity (calculation referred below)} = 17.15\%$$

$$K_d = \text{Cost of interest-bearing debt} = 6.32\%$$

(Estimated to increase 1.00%)

$t$	=	Corporate income tax	=	20%
$V$	=	$D + E$ whereas $D$ is debt and $E$ is equity	=	100%
$\left(\frac{E}{V}\right)$	=	Equity to value ratio	=	50.80%
$\left(\frac{D}{V}\right)$	=	Debt to value ratio	=	49.20%

(Calculated from interest bearing debt exclude Lease liabilities)

The calculation of  $K_e$  is as follows:

$$\text{Cost of Equity: } K_e = R_f + \beta(R_m - R_f)$$

Whereas:

Risk Free Rate: $R_f$	=	Risk-free rate is at 3.25% per year (as of 19 October 2023), calculated from historical 3-year <sup>1/</sup> average of daily risk-free return from investment in 10-year Thai government bond <sup>2/</sup> and forecast increase 1.00%
Levered Beta: $\beta_l$	=	Beta 1.14
Market Return: $R_m$	=	Market return is at 14.49% per year (as of 19 October 2023), calculated from historical 3-year <sup>1/</sup> average of daily return from stock exchange of Thailand.
Market Premium: $R_m - R_f$	=	Market premium is at 12.24% (as of 19 October 2023), calculated from historical 3-year <sup>1/</sup> average of the difference between daily market return and risk-free return.

Source: Bloomberg as of 19 October 2023

Remarks: 1/ The Independent Financial Advisor has assumptions based on the historical period of 3 years because the period is considered to be appropriate to reflect the current investor's expected return and the view of investors on the specific characteristics of the market, as well as also reflect the risks of the current business conditions relatively well. The Independent Financial Advisor is of the opinion that the data from the past 3 years can be used as the SET has already recognized the recovery after the COVID-19 situation.

2/ The Independent Financial Advisor has applied the risk-free rate (Rf) based on 10-year government bond because this government bond has a good liquidity, then the yield on such bond is able to better reflect the demand and supply than other bonds.

### The Calculation of Levered Beta of GEL

The Independent Financial Advisor calculates Levered Beta of GEL by using the average of Unlevered Beta of listed companies in the Stock Exchange of Thailand which derive their revenues from similar business as GEL and adjusted for debt-to-equity ratio to reflect the capital structure risk of GEL.

The calculation of Levered Beta is as follows:

$$\text{Levered Beta: } \beta_l = \beta_u(1 + (1 - t)(D/E))$$

Whereas:

$\beta_u$	=	Average of unlevered beta of the Stock Exchange of Thailand, compared to listed companies in the Stock Exchange of Thailand which derive their revenues from similar business as ABICO and calculated based on 3-year average figure. The average unlevered beta is 0.84.
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$t$	=	Corporate income tax is 20%
$D/E$	=	Debt to equity ratio is 0.97 (Calculated from interest bearing debt exclude Lease liabilities)

Based on the above calculation, the Levered Beta is equal to 1.14.

#### Table of Average Unlevered Beta

In selecting companies to calculate the average unlevered beta for this analysis, the Independent Financial Advisor operated under the assumption that listed companies in the same industry, with similar business characteristics, and operating in comparable market conditions, should be considered. Therefore, the Independent Financial Advisor selected companies listed on the Stock Exchange of Thailand (SET) in the Property and Construction (PROP CON) group, specifically in the Construction Materials (CONMAT) sector, that are involved in the business and generate a significant portion of their revenue from the sale of construction materials like precast concrete, cement, or materials used in building construction. These companies must have securities listed and traded on the stock exchange for at least 3 years. Furthermore, the selection criteria for these companies included those generating revenue from the sale of construction materials, not limited to precast products, but also including building materials like concrete, cement, ceramics, and/or construction products for buildings/houses such as walls, floors, roofs, columns, or tiles. The growth trends of such companies tend to move in the same direction, and the Independent Financial Advisor is of the opinion that these companies could appropriately reflect the expected return for the Company's shareholders.

The Independent Financial Advisor considered a total of 14 companies for this comparison, deemed an appropriate number for statistical calculation. The selection was based on industry, business sector, and business characteristics most closely aligned with the Company, allowing for the calculation of the average unlevered beta as follows:

No.	Listed Company	Code	Unlevered Beta <sup>1/</sup>
1	CHONBURI CONCRETE PRODUCT PUBLIC COMPANY LIMITED	CCP	0.82
2	SCG CERAMICS PUBLIC COMPANY LIMITED	COTTO	0.87
3	DYNASTY CERAMIC PUBLIC COMPANY LIMITED	DCC	0.52
4	DCON PRODUCTS PUBLIC COMPANY LIMITED	DCON	0.80
5	DIAMOND BUILDING PRODUCTS PUBLIC COMPANY LIMITED	DRT	0.55
6	GENERAL ENGINEERING PUBLIC COMPANY LIMITED	GEL	0.64
7	PREMIER PRODUCTS PUBLIC COMPANY LIMITED	PPP	0.65
8	QUALITY CONSTRUCTION PRODUCTS PUBLIC COMPANY LIMITED	QCON	0.82
9	THE SIAM CEMENT PUBLIC COMPANY LIMITED	SCC	0.49
10	SIAM CITY CEMENT PUBLIC COMPANY LIMITED	SCCC	0.45
11	SOUTHERN CONCRETE PILE PUBLIC COMPANY LIMITED	SCP	0.68

No.	Listed Company	Code	Unlevered Beta <sup>1/</sup>
12	STC CONCRETE PRODUCT PUBLIC COMPANY LIMITED	STC	0.47
13	TPI POLENE PUBLIC COMPANY LIMITED	TPIPL	0.42
14	THE UNION MOSAIC INDUSTRY PUBLIC COMPANY LIMITED	UMI	0.79
Average			0.64

Source: Bloomberg as of 19 October 2023

Note: 1/ Unlevered Beta calculated from 3-year daily historical data (Source: Bloomberg) which the Independent Financial Advisor has assumptions based on the historical period of 3 years because the period is considered to be appropriate to reflect the current investor's expected return and the view of investors on the specific characteristics of the market, as well as also reflect the risks of the current business conditions relatively well.

2/ The Independent Financial Advisor chose to apply the mean approach for this statistical calculation because it involved specifically selecting comparable companies with similar characteristics. However, the mean calculation considers excluding outlier data. The median approach would be used if there were a sufficient number of data points. Nevertheless, the median unlevered beta in this case was 0.64, which, being equal, did not affect the calculation outcome in any way.

## 2.2) Terminal Value

The IFA calculates the Terminal Value of cash flow from operation of the Precast Production and Distribution Business (PW) based on the assumption that the Precast Production and Distribution Business (PW) has continuing business operation with terminal growth of 1.50% based on Thailand's average 10 years inflation (excluding year 2020-2021 due to Covid-19 pandemic).

## 2.3) Profit and Loss Statement and Present Value of Cash Flow of the Precast Production and Distribution Business (PW)

### 2.3.1) Profit and Loss Statement

The Independent Financial Advisor has constructed profit and loss statement of the Precast Production and Distribution Business (PW) which can be summarized as follows:

(Unit: Million Baht)	2023F	2024F	2025F	2026F	2027F	2028F
Revenue	668.98	677.40	697.88	718.97	729.76	740.70
Cost of Goods Sold	(584.56)	(593.63)	(612.36)	(631.51)	(643.22)	(654.96)
<b>Gross Margin</b>	<b>84.42</b>	<b>83.77</b>	<b>85.52</b>	<b>87.46</b>	<b>86.54</b>	<b>85.74</b>
Other Income	1.81	1.83	1.89	1.94	1.97	2.00
SG&A Expenses	(3.53)	(4.07)	(4.24)	(4.42)	(4.58)	(4.75)
<b>EBIT</b>	<b>82.70</b>	<b>81.53</b>	<b>83.16</b>	<b>84.98</b>	<b>83.93</b>	<b>82.99</b>
Interest Expense	(0.02)	(0.01)	(0.02)	(0.04)	(0.03)	(0.02)
<b>Profit Before Tax</b>	<b>82.67</b>	<b>81.52</b>	<b>83.14</b>	<b>84.95</b>	<b>83.90</b>	<b>82.97</b>

Source: Company information and estimates by the Independent Financial Advisor. This estimate pertains exclusively to the Precast Production and Distribution Business (PW).

### 2.3.2) Cash Flow Projection

The Independent Financial Advisor has projected cash flows for the Precast Production and Distribution Business (PW) based on assumptions that calculate the expected future net cash flows and the discount rate derived from the weighted average cost of capital (WACC). The cash flow projections are summarized as follows.

(Million baht)	July - Dec 2023	2024F	2025F	2026F	2027F	2028F
Income	328.76	677.40	697.88	718.97	729.76	740.70
Costs <sup>1/</sup>	(273.71)	(565.25)	(583.69)	(602.75)	(614.22)	(625.99)
<b>Gross Profit</b>	<b>55.06</b>	<b>112.15</b>	<b>114.19</b>	<b>116.22</b>	<b>115.54</b>	<b>114.71</b>
Other Income	0.89	1.83	1.89	1.94	1.97	2.00
Selling Expenses <sup>1/</sup>	(1.77)	(4.07)	(4.24)	(4.42)	(4.58)	(4.75)
<b>Profit Before Interest and Taxes</b>	<b>54.18</b>	<b>109.91</b>	<b>111.83</b>	<b>113.74</b>	<b>112.93</b>	<b>111.96</b>
Depreciation and Amortization	(14.09)	(28.38)	(28.67)	(28.76)	(29.00)	(28.98)
<b>Profit Before Taxes</b>	<b>40.09</b>	<b>81.53</b>	<b>83.16</b>	<b>84.98</b>	<b>83.93</b>	<b>82.99</b>
Tax	(8.02)	(16.31)	(16.63)	(17.00)	(16.79)	(16.60)
<b>Operating Profit After Tax</b>	<b>32.07</b>	<b>65.23</b>	<b>66.53</b>	<b>67.99</b>	<b>67.14</b>	<b>66.39</b>
Add: Depreciation and Amortization	14.09	28.38	28.67	28.76	29.00	28.98
Deduct: Investment Expenses	-	(3.56)	(4.51)	(3.77)	(3.83)	(3.89)
Deduct: Change in Working Capital	(19.99)	(1.85)	(5.90)	(5.59)	(2.95)	(2.47)
Deduct: Rental Payment According to the Lease Agreement	(0.10)	(0.19)	(0.30)	(0.19)	(0.19)	(0.19)
<b>Free Cash Flow</b>	<b>26.08</b>	<b>88.00</b>	<b>84.49</b>	<b>87.19</b>	<b>89.17</b>	<b>88.81</b>
Number of Years <sup>2/</sup>	0.40	1.20	2.20	3.20	4.20	5.20
Discount Rate <sup>2/</sup>	11.20%	11.20%	11.20%	11.20%	11.20%	11.20%
Discount Factor	0.96	0.88	0.79	0.71	0.64	0.58

Source: Company information and estimates by the Independent Financial Advisor. This estimate pertains exclusively to the Precast Production and Distribution Business (PW).

Remarks: 1/ Excluding depreciation expense and amortization expense

2/ Discount factor as of 19 October 2023

### 2.4) Summary of Base Case Fair Value

The Independent Financial Advisor has assessed the reasonableness of the Precast Production and Distribution Business (PW)'s fair valuation which can be summarized as follows:

Calculation of Fair Value	Amount	Assumptions
Present Value of Cash Flows	339.67	
Present Value of Terminal Value	534.94	
<b>Fair Value of Precast Production and Distribution Business (PW)</b>	<b>874.61</b>	<b>Million Baht</b>



### 3) Sensitivity Analysis of Fair Value of the Precast Production and Distribution Business (PW)

The Independent Financial Advisor has conducted a sensitivity analysis of the evaluation of reasonableness of the Precast Production and Distribution Business (PW)'s fair value on the base case to cover all ranges of impacts that are expected to arise from changes in 2 factors, including:

- (1) Changes in revenue of the Precast Production and Distribution Business (PW) that reflects significant cash flow and changing of economic situation and current project development of customers. the Independent Financial Advisor assumed the increase and decrease in revenue by 0.50 percent from the base case. Therefore, changes in revenue rate will be -0.50 percent to +0.50 percent. The range of revenue of the Precast Production and Distribution Business (PW) will be +/-0.50%.
- (2) The discount rate from financial costs by using the Weighted Average Cost of Capital (WACC) in order to calculate the fair values of the Precast Production and Distribution Business (PW) that reflect all possibilities in which the Independent Financial Advisor used WACC of the base case at 11.20 percent and assumed the increase and decrease range of 0.50 percent. The range of WACC will be +/-0.50%.

Summary fair value of the Precast Production and Distribution Business (PW) which can be summarized as follows:

Unit: Million Baht		Change in Weighted Average Cost of Capital (WACC)				
		-0.50%	-0.25%	0.00%	0.25%	0.50%
Change in Revenue	-0.50%	916.52	892.64	869.99	848.48	828.02
	-0.25%	918.95	895.01	872.30	850.73	830.22
	0.00%	921.39	897.38	874.61	852.99	832.42
	0.25%	923.82	899.75	876.92	855.24	834.62
	0.50%	926.25	902.12	879.23	857.50	836.82

### 4) Summary of Discounted Cash Flow Approach

Utilizing the discounted cash flow approach for valuation is sensitive to notable fluctuations in the financial performance of the Precast Production and Distribution Business (PW) as well as changes in the discount rate, as defined by the weighted average cost of capital (WACC). This results in the valuation of the Precast Production and Distribution Business (PW) falling within a range of 828.02 million baht to 926.25 million baht.

The discounted cash flow approach involves utilizing past performance to forecast the future performance of the Precast Production and Distribution Business (PW). This is achieved by creating financial projections based on specific assumptions and information obtained from the Company under existing economic conditions. To

account for this, the Independent Financial Advisor conducted a sensitivity analysis to assess the reasonableness of the fair value in the base case, considering the anticipated impacts of changes in 2 key factors: income and variations in the weighted average financial cost of the business (WACC) play a critical role in determining the fair value of the Precast Production and Distribution Business (PW). Consequently, this approach, which takes into account factors affecting the profitability and cash flow of the Precast Production and Distribution Business (PW) in the future, is highly suitable. It also incorporates the outcomes of sensitivity analysis, making it the most appropriate approach for valuing the Precast Production and Distribution Business (PW).

### 3.1.4 Summary of the Results of Evaluating the Fair Value Range of the Precast Production and Distribution Business

The Summary of the valuation results of the Precast Production and Distribution Business (PW)'s fair value range in order to show the range of fair value and clearly comparison for each approach as the following:

Valuation Approaches	Fair Value (Million baht)	Valuation results
1) Book Value Approach	816.90	Inappropriate
2) Adjusted Book Value Approach	887.22	Inappropriate
3) Discounted Cash Flow Approach	828.02 - 926.25	Appropriate

Source: Valuated by IFA

The summary table provides the Precast Production and Distribution Business (PW)'s valuation using various approaches. Each approach to share valuation comes with its own set of advantages and disadvantages, highlighting the importance of considering multiple approaches to determine a fair price as follows:

#### 1) Book Value Approach

This approach primarily considers the current financial position and the recorded asset values, without factoring in future profitability, competitive strength, economic trends, or industry overviews. Consequently, the shareholder's advisor believes this approach is not appropriate for determining the fair price of the Precast Production and Distribution Business (PW) or accurately reflecting the true value of the Precast Production and Distribution Business (PW).

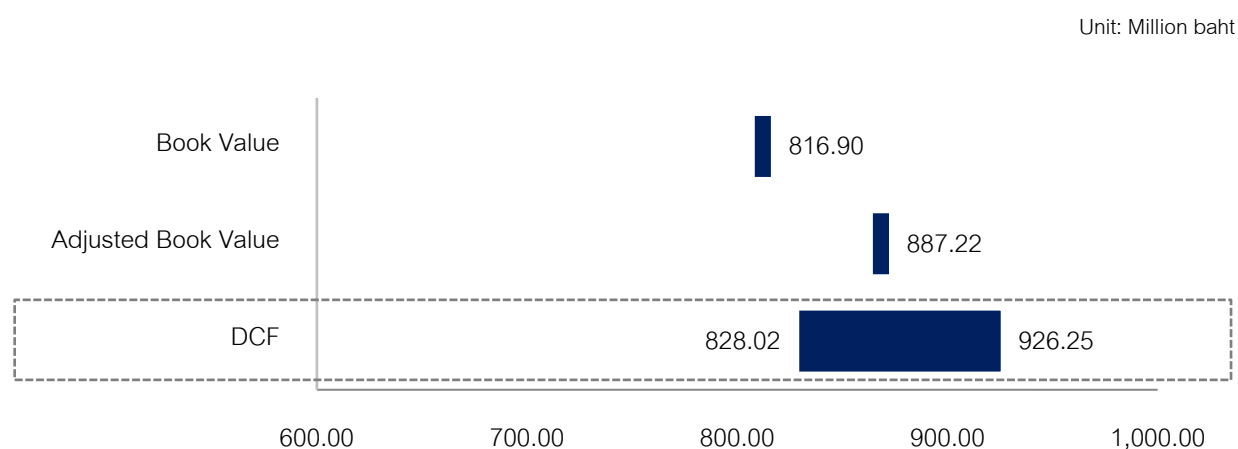
#### 2) Adjusted Book Value Approach

This approach provides a better reflection of the net asset value compared to the book value approach because it adjusts key items in the assessment mentioned in 1). It still does not account for future business profitability and performance. Therefore, the Independent Financial Advisor had the opinion that this valuation approach may not reflect the true price of the Precast Production and Distribution Business (PW).

3) Discounted Cash Flow Approach

The discounted cash flow approach involves utilizing past performance to forecast the future performance of the Precast Production and Distribution Business (PW). This is achieved by creating financial projections based on specific assumptions and information obtained from the Company under existing economic conditions. Any significant future changes that might affect these assumptions could lead to variations in the future performance of the Precast Production and Distribution Business (PW) and changes in the valuation variables. Consequently, the assessed value based on this discounted cash flow approach may vary. To account for this, the Independent Financial Advisor conducted a sensitivity analysis to assess the reasonableness of the fair value in the base case, considering the anticipated impacts of changes in 2 key factors: income and variations in the weighted average financial cost of the business (WACC) play a critical role in determining the fair value of the Precast Production and Distribution Business (PW). Consequently, this approach, which takes into account factors affecting the profitability and cash flow of the Precast Production and Distribution Business (PW) in the future, is highly suitable. It also incorporates the outcomes of sensitivity analysis, making it the most appropriate approach for valuing the Precast Production and Distribution Business (PW).

The summary of the value of the Precast Production and Distribution Business (PW) according to various methods is summarized in the following diagram:



Upon examining the aforementioned analysis for determining the Precast Production and Distribution Business (PW)'s fair value range, each valuation approach exhibits its respective strengths and weaknesses, as delineated earlier. In light of this, the Independent Financial Advisor holds the view that the most suitable approaches for valuing the Precast Production and Distribution Business (PW) is Discounted Cash Flow Approach. These approaches yield a fair value range for the Precast Production and Distribution Business (PW), ranging from 828.02 - 926.25 Million baht.

There, the Precast Production and Distribution Business (PW) had consistent cash flow performance and well-defined future business strategy, the Independent Financial Advisor is of the opinion that the discounted cash flow approach is also an appropriate approach for valuation at this juncture.

<b>3.2 Reasonableness of the Offering Price for the Precast Production and Distribution Business</b>
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This transaction involves the sale of the Precast Production and Distribution Business (PW) to Inno Precast Company Limited, a subsidiary of the Company ("INPC"), where Precast is one of the products of a business unit within the Company. The sale of assets will be executed in the form of a Partial Business Transfer (PBT), with a total transaction value of 880.00 million baht.

The Independent Financial Advisor holds the opinion that conducting this transaction by selling the Precast Production and Distribution Business (PW) at a value of 880.00 million baht is appropriate. This offering price falls within the range of the fair value of the Precast Production and Distribution Business (PW), estimated to be between 828.02 and 926.25 million baht. Consequently, entering into this sale transaction for the Precast Production and Distribution Business (PW) is considered reasonable.

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### 3.3 Evaluating the appropriateness of INPC

The independent financial advisor's opinion is predicated on the assumption that the information and documents provided are accurate and true, without any significant alterations, and takes into account the economic conditions and information available at the time of the evaluation exclusively. If the aforementioned factors undergo substantial changes from the current state, the valuation may be influenced, potentially impacting the Company's transactions and the viewpoint of the independent financial advisor.

The Independent Financial Advisor has employed a range of approaches to assess the value of INPC's shares. These methodologies include:

- 3.3.1 Book Value Approach
- 3.3.2 Adjusted Book Value Approach
- 3.3.3 Market Comparable Approach
  - 3.3.3.1 Price to Earnings Ratio Approach: P/E Ratio
  - 3.3.3.2 Price to Book Value Ratio Approach: P/BV Ratio
  - 3.3.3.3 Enterprise Value to EBITDA Approach: EV/EBITDA Ratio
- 3.3.4 Discounted Cash Flow Approach: DCF

#### 3.3.1 Book Value Approach

The valuation of INPC's fair value through the book value approach provides an assessment of INPC's worth to its shareholders based on the figures reported in the financial records at a specific point in time. This evaluation is grounded in the book value as per INPC's financial statements for the period ending 31 December 2022, which has been audited by a certified public accountant approved by the Office of the Securities and Exchange Commission.

The valuation of ordinary shares using the book value approach derives from the shareholders' equity according to INPC's financial statements. This figure is then divided by the number of INPC shares issued and fully paid as of 31 December 2022, totaling 2,000,000 shares. This calculation can be expressed as follows:

Book Value	Unit	Amount
Registered share capital	THB Million	200.00
Par value	THB/Share	100.00
Issued and paid-up share capital	THB Million	200.00
Unappropriated retained earnings	THB Million	0.25
<b>Equity as of 31 December 2022</b>	<b>THB Million</b>	<b>200.25</b>
Number of issued and paid-up shares as of 31 December 2022	Million shares	2.00
<b>Book value per share</b>	<b>THB/Share</b>	<b>100.12</b>

Source: INPC's audited financial statements as of 31 December 2022, reviewed by a certified public accountant approved by the SEC Office.

The valuation derived from the book value approach places INPC's value at 100.12 baht per share.

The Independent Financial Advisor holds the view that while the book value approach provides a snapshot of INPC's financial standing as of 31 December 2022, it does not encapsulate the current market value of the assets, nor does it account for INPC's future profitability and competitive edge. Consequently, the Independent Financial Advisor deems this valuation approach inappropriate for this particular valuation.

### 3.3.2 Adjusted Book Value Approach

In estimating the fair value of INPC using the adjusted book value approach, the process involves subtracting INPC's total assets from its total liabilities. This calculation includes commitments and potential future liabilities (if any), which are disclosed in the financial statements as of 31 December 2022. These statements have been audited by a certified auditor and have received approval from the Securities and Exchange Commission of Thailand (SEC). Additionally, they have been updated to incorporate any subsequent events or adjustments that impact the book value's accuracy, such as changes in property appraisals that haven't been shown in the financial statements, potential future tax savings from loss carried forwards (if any), dividend payments, and other relevant factors. All of these adjustments aim to bring the book value closer to INPC's current market or actual value. Subsequently, the adjusted book value is divided by the total number of issued and paid shares of INPC. In this context, the consideration of various items can be summarized as follows:

Based on information from INPC's consolidated financial statements for the period ending 31 December 2022, INPC reported total assets of 2,698.80 million baht. Its primary current assets include cash and cash equivalents, trade and other receivables, and inventories, with a combined book value of 358.98 million baht, representing 13.30 percent of total assets. Most of these current assets consist of financial assets or highly liquid assets, making their book value closely approximate their fair value. The majority of non-current assets consist of land, buildings, and equipment, with a total book value of 2,335.09 million baht, accounting for 86.52 percent of total assets. Furthermore, INPC conducted appraisals of its land, buildings, and equipment on 7 and 25 July 2023.

INPC's total liabilities amount to 2,498.55 million baht, with the primary current liabilities comprising trade payables and other payables, totaling 2,405.46 million baht (a substantial portion of this liability stems from an asset purchase and sale agreement with Pruksa Real Estate Public Company Limited, a subsidiary of PSH, in the amount of approximately 2,388 million baht) where other current liabilities amount to 65.21 million baht (primarily related to the rights and duties transfer agreement between INPC and Pruksa Real Estate Public Company Limited, a subsidiary of PSH). These current liabilities have a total book value of 2,470.67 million baht, representing 91.55 percent of total assets. The primary non-current liabilities pertain to estimating employee benefit liabilities, with a total book value of 27.82 million baht, equivalent to 1.03 percent of total assets. Both current and non-current liabilities have book values that closely align with their fair values, and as such, the Independent Financial Advisor has not made adjustments to these items.

In the assessment of the value of ordinary shares using the adjusted book value approach, the Independent Financial Advisor applies the book value as per INPC's latest financial statement dated 30 June 2023 and then applies adjustments, taking into consideration the following items:

### 1) Asset Valuation

INPC has engaged Sasipakdi Company Limited (“Independent Property Appraiser”), an independent appraiser listed in the capital market and approved by the SEC according to Notification of the Office of the Securities and Exchange Commission SorChor. 24/2555. The Independent Property Appraiser assessed the value of INPC's assets for the land, buildings, and equipment, on 7 and 25 July 2023, relative to the book value as of 31 May 2023, which marks the end of the merger period with the Company in the previous month. The assessment's purpose is to serve the public interest, details in Attachment 4, “Summary of the Asset Valuation Report of Inno Precast Company Limited,” in this report.

The Independent Financial Advisor recognizes the significance of land, buildings, and equipment as key assets, and believes that their carrying values might not accurately represent their fair value. Consequently, the Independent Financial Advisor has considered adjusting the book value of land, buildings, and equipment based on comparisons with the appraisal values provided by the independent appraiser. This adjustment process can be summarized as follows:

#### 1.1) Land

No.	Item	Appraisal Value (THB Million)
1	Total land area of 130-0-0 rai or 52,000 square wah. Located at Klongnung Sub-district Klonglung District Pathum Thani Province.	780.00

Source: Appraisal report no. GEN2-SSP1-66-1497, appraised by Sasipakdi Co.,Ltd.

#### 1.2) Building and improvement

No.	Item	Appraisal Value (THB Million)
1	Building and improvement - Navanakorn Factory	611.77

Source: Appraisal report no. GEN2-SSP1-66-1497, appraised by Sasipakdi Co.,Ltd.

#### 1.3) Machine and Equipment for operation

No.	Item	Appraisal Value (THB Million)
1	Machine and equipment - Navanakorn Factory	602.96
2	Machine and equipment - Lumlukka Factory	428.66

Source: Appraisal report no. GEN2-SSP1-66-1497 and no. GEN2-SSP1-66-1497, appraised by Sasipakdi Co.,Ltd.



#### 1.4) Summary of Book Value Adjustments Calculation

Based on the consideration of the above-mentioned items, The Independent Financial Advisor has calculated the book value adjustment and calculated as follows:

Book value adjustment	Unit	Book value as of 31 May 2023 <sup>1/</sup>	Appraised value by Independent Property Appraiser	Increase or Decrease on Appraised value
Land	THB Million	598.00	780.00	182.00
Building and improvement	THB Million	607.66	611.77	4.11
Others building and improvement <sup>2/</sup>	THB Million	0.31	- <sup>2/</sup>	-
Machine and Equipment for operation	THB Million	1,017.24	1,031.62	14.38
Other Machine and equipment <sup>2/</sup>	THB Million	37.19	- <sup>2/</sup>	-
Others <sup>2/</sup>	THB Million	35.02	- <sup>2/</sup>	-
<b>Total</b>	<b>THB Million</b>	<b>2,295.42</b>		<b>200.48</b>

Remarks: 1/ The date of the last book value of the INPC's after merger.

2/ Assets are not valued by independent appraisers.

#### 2) Obligations, Liabilities, and Disputes

As of 31 December 2022, according to INPC's recent audited financial statements certified by a public accountant approved by the SEC, INPC has operating lease obligations totaling 355 million baht. However, the Independent Financial Advisor has not considered adjusting long-term contract obligations, as these contracts involve future payments for goods or services, and their book value is typically assumed to represent the future value of the goods or services to be received. Therefore, there is no need for value adjustment.

Furthermore, INPC has no potential liabilities or pending disputes, based on INPC's latest financial statements, including due diligence and interviews with INPC's executives. Therefore, the Independent Financial Advisor has not considered making adjustments to these items.

#### 3) Summary of Book Value Adjustments Calculation

Having considered the aforementioned factors, the Independent Financial Advisor has computed the adjustments to the book value. The total number of shares employed in determining the business value at this juncture stands at 2,000,000 shares with a par value of 1.00 baht per share. Which is the number of shares before the capital increase for restructuring plan. The calculation process is illustrated below:

Based on the consideration of the above-mentioned items, The Independent Financial Advisor has calculated the book value adjustment. The number of shares used in this calculation of business value is 2,000,000 shares with a par value of Baht 100.00 per share.

Adjusted Book Value	Unit	Amount
Registered share capital	THB Million	200.00
Par value	THB/Share	100.00
Issued and paid-up share capital	THB Million	200.00
Unappropriated retained earnings	THB Million	0.25
<b>Equity as of 31 December 2022</b>	<b>THB Million</b>	<b>200.25</b>
Adjustment:		
<u>Add</u> Gain on fair value adjustment of Property Plant and equipment	THB Million	200.48
<u>Deduct</u> Deferred tax liabilities	THB Million	(40.10)
<b>Adjusted Equity as of 31 December 2022</b>	<b>THB Million</b>	<b>360.63</b>
Number of issued and paid-up shares as of 30 December 2022	Million shares	2.00
<b>Adjusted Book Value</b>	<b>THB/Share</b>	<b>180.32</b>

Source: INPC's audited financial statements as of 31 December 2022, reviewed by a certified public accountant approved by the SEC Office.

Following the valuation of the adjusted book value approach, INPC's value is calculated to be 180.32 baht per share.

The Independent Financial Advisor asserts that while the fair valuation using the adjusted book value approach offers insight into the shareholders' equity at a specific point in time and adjusts the value of INPC's principal assets to mirror fair value, it does not yet account for INPC's forthcoming profitability and competitive edge. Hence, this approach might introduce inaccuracies in the valuation. As a result, the Independent Financial Advisor deems this valuation approach unsuitable for appraising this item.

### 3.3.3 Market Comparable Approach

The market comparable approach involves valuing a company by comparing its price ratios traded on the Stock Exchange with those of listed companies in the same industry. This is based on the assumption that companies in the same industry and similar market conditions should have comparable market value ratios. The Independent Financial Advisor, therefore, seeks to identify comparable companies from those listed on the Stock Exchange that share similar business operations with INPC. Specifically, companies listed on the Stock Exchange of Thailand (SET) within the Property & Construction group (PROPCON) under the Construction Materials category (CONMAT). These companies should predominantly generate income from Construction Materials, which operate the precast category, concrete, cement or material for construction etc., and they must have a trading history on the Stock Exchange of at least 3 years.

In selecting companies for comparison in this analysis, the Independent Financial Advisor established criteria based on companies that generate revenue from the sale of construction materials, not limited to precast products, but also including building materials like concrete, cement, or ceramics, and/or construction products for buildings/houses such as walls, floors, roofs, columns, or tiles. The growth trends of these companies are typically

in the same direction, so the Independent Financial Advisor is of the opinion that these companies can appropriately reflect the expected return of INPC's shareholders.

The Independent Financial Advisor has scrutinized and identified a total of 14 companies for comparison, which is deemed a suitable comparable for statistical calculation. These selections have been made from the industry group (Industry) and business category (Sector) that closely align with INPC.

In assessing fair value through the market comparable approach, the principle is based on the expectation that companies with similar business characteristics should exhibit comparable market value ratios concerning operational results, book value of assets, or shareholders' equity. This evaluation employs three key market ratios:

- 1) Price to Earnings Ratio Approach: P/E Ratio
- 2) Price to Book Value Ratio Approach: P/BV Ratio
- 3) Enterprise Value to EBITDA Approach: EV/EBITDA Ratio

Details of the nature of business of each company, as follows:

No.	Listed Company	Code	Nature of business
1	CHONBURI CONCRETE PRODUCT PUBLIC COMPANY LIMITED	CCP	The Company is engaged in manufacturing and distribution of concrete products. There are 4 subsidiary companies. Namely, Chonburi Kanyong Co., Ltd. operates modern-trade retail business for distribution of construction materials. Smart Concrete Co., Ltd. is in the business of manufacturing and distribution of autoclaved aerated concrete under the name of Smart Block. Eastern Transport Co., Ltd. is in the business of leasing of vehicles to the company and subsidiaries. Chonpratheap Asset Co., Ltd. is in the business of leasing of assets to the company and subsidiaries.
2	SCG CERAMICS PUBLIC COMPANY LIMITED	COTTO	Manufacturer and distributor of floor and wall ceramic tiles under the brand of COTTO, SOSUCO and CAMPANA as a main business and operator of Nong Khae Industrial Estate.
3	DYNASTY CERAMIC PUBLIC COMPANY LIMITED	DCC	Manufacturer and Distributor of ceramic tiles and purchase all products produced from Tile Top Industry Public Company Limited to distribute including ordering adhesives, grout, cement adhesives and corner trim. In addition, the company also purchase all products from The Royal Ceramic Industry Public Company Limited to distribute through the company outlet nationwide and export to overseas as well
4	DCON PRODUCTS PUBLIC COMPANY LIMITED	DCON	The Company is a leading expert in manufacturing of a flat pre-stressed concrete plank under international quality management system.

No.	Listed Company	Code	Nature of business
5	DIAMOND BUILDING PRODUCTS PUBLIC COMPANY LIMITED	DRT	Produces and distributes roofing products, boards and ceilings, siding boards, and other roof accessories and non-roof products as well as being a service provider for roof stripping and installation under the trademark names of Diamond, Roof, Adamas, and Jearanai.
6	GENERAL ENGINEERING PUBLIC COMPANY LIMITED	GEL	The Company's core business is production of construction materials including Prestressed Concrete Piles, Bored Pile, Soil Cement Column, Precast Concrete, Segment, Glass fiber Reinforced Concrete, Chemical Construction and Post-Tensioned Slab
7	PREMIER PRODUCTS PUBLIC COMPANY LIMITED	PPP	PPP is a manufacturer and distributor of environmental products related to wastewater treatment systems and water storage systems, building materials and industrial support products distributed to retail consumers and industrial customer. Currently, the Company has one subsidiary which are Infinite Green Company Limited (IGC) operating Solar Power Plants.
8	QUALITY CONSTRUCTION PRODUCTS PUBLIC COMPANY LIMITED	Q-CON	The Company engages in the manufacture and distribution of autoclaved aerated concrete products. Its products include blocks, linter, wall panel, floor panel and stair. The Company was spun off from LH.
9	THE SIAM CEMENT PUBLIC COMPANY LIMITED	SCC	The Company operates as a holding company engaging in the industrial supplies and construction industries. The Company operates 3 core businesses consists of investments in the Cement-Building Materials business, Chemicals business and Packaging business.
10	SIAM CITY CEMENT PUBLIC COMPANY LIMITED	SCCC	The Company offers and customizes cement and mortar products under INSEE brands in nature powdered cement and clinker.
11	SOUTHERN CONCRETE PILE PUBLIC COMPANY LIMITED	SCP	Manufacture and distribute all pressed concrete products included transport service and pile driving service.
12	STC CONCRETE PRODUCT PUBLIC COMPANY LIMITED	STC	Manufacturing and distributing pre-cast concrete and ready-mixed concrete under brand "STC" and also providing other related services such as pile driving, concrete pumping etc.
13	TPI POLENE PUBLIC COMPANY LIMITED	TPIPL	The Company and its subsidiary are principally engaged in the manufacture and supply of cement and LDPE/EVA plastic resin. The Company also has investment in a joint venture in the ammonium nitrate and in related to the steel business of life insurance and etc.

No.	Listed Company	Code	Nature of business
14	THE UNION MOSAIC INDUSTRY PUBLIC COMPANY LIMITED	UMI	Manufacturing and Distributing of - Mosaic Tiles "UMI" - Ceramic Floor Tiles "DURAGRES" - Ceramic Wall Tiles "DURAGRES LILA"

Source: SET

The Independent Financial Advisor has utilized the average values derived from the companies being compared, following the market value ratio comparison approach, to assess fair value. This encompasses by using in 3 ratios comprised of the price to earnings ratio approach (P/E Ratio), price to book value ratio approach (P/BV Ratio), and enterprise value to earnings before interest, taxes, depreciation, and amortization (EV/EBITDA Ratio). To mitigate the influence of outlier data points, the Independent Financial Advisor will exclude companies with abnormally high (low) market capitalization ratios from the calculation of the average.

### 3.3.3.1 Price to Earnings Ratio Approach: P/E Ratio

The fair value assessment using this approach incorporates a valuation based on INPC's profitability by comparing the market price with the net profit of companies in similar industries, offering insights into INPC's potential market value. This calculation involves taking INPC's parent company's net profit for the 12-month period ending 31 December 2022 (as per the audited financial statement) and multiplying it by the average price to earnings ratio (P/E Ratio) of the 14 companies chosen for comparison. These 14 companies are assessed using historical averages over varying business days, ranging from 7, 15, 30, 60, 90, 120, 180, to 360. These calculations are based on data from 3 June 2022 to 19 October 2023, which were the days before the Board of Directors' resolution to approve the transaction. The price-to-earnings ratio (P/E Ratio) details of the compared companies are as follows:

Code	Historical PE Ratio (Times)							
	7 Business days	15 Business days	30 Business days	60 Business days	90 Business days	120 Business days	180 Business days	360 Business days
CCP <sup>1/</sup>	13.53	13.58	14.03	14.11	14.83	16.50	22.92	243.46 <sup>1/</sup>
COTTO	20.88	20.88	20.88	20.88	20.88	20.88	20.88	20.38
DCC	11.43	11.71	12.31	13.38	13.55	13.53	13.60	14.24
DCON	13.62	13.52	13.95	13.58	13.45	13.88	14.23	14.25
DRT	11.46	11.56	11.64	11.72	11.64	11.52	11.32	11.20
GEL <sup>2/</sup>	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
PPP <sup>1/</sup>	100.74 <sup>1/</sup>	100.74 <sup>1/</sup>	100.74 <sup>1/</sup>	100.74 <sup>1/</sup>	100.74 <sup>1/</sup>	100.74 <sup>1/</sup>	100.74 <sup>1/</sup>	100.74 <sup>1/</sup>
QCON	10.26	10.08	10.32	11.02	11.20	11.84	13.24	13.46
SCC	13.09	13.19	13.36	13.66	13.77	13.76	14.54	14.22
SCCC	35.46	35.42	35.84	36.39	35.05	31.83	28.90	21.43
SCP	18.01	17.96	17.79	17.28	17.10	17.23	17.54	19.46

Code	Historical PE Ratio (Times)							
	7	15	30	60	90	120	180	360
	Business days	Business days	Business days	Business days	Business days	Business days	Business days	Business days
STC <sup>1/</sup>	28.87	29.33	30.27	28.22	32.69	43.99	105.87 <sup>1/</sup>	151.74 <sup>1/</sup>
TPIPL	5.80	5.84	5.99	6.08	5.91	5.64	5.32	4.93
UMI	8.03	8.03	8.03	8.03	8.06	8.33	8.88	10.67
Mean	22.40	22.45	22.70	22.70	22.99	23.82	29.08	49.25
Mean exclude outliers <sup>1/,3/</sup>	15.87	15.92	16.20	16.20	16.51	17.41	15.58	14.42

Source: Data sourced from Bloomberg and computations conducted by the Independent Financial Advisor.

Remarks: 1/ To mitigate the influence of outliers, the Independent Financial Advisor will exclude companies with market capitalization ratios exceeding the normal range from the calculation. For the average P/E Ratio over the last 360 days of CCP and over the last 180 days of STC and over the last 7 days of PPP due to an unusually high P/E Ratio. In case of CCP, which recorded a loss in the fourth quarter of 2021, the calculation of the 360-day trailing P/E Ratio was abnormal. For STC, which had losses in the first and second quarters of 2022, the calculation of the 180-day to 360-day trailing P/E Ratio was also abnormal. However, the current operational performance of CCP and STC has normalized, making them suitable for statistical calculation. The Independent Financial Advisor thus considered the normal period P/E Ratio for calculation.

2/ The price-to-earnings ratio (P/E Ratio) could not be calculated due to operating losses.

3/ The Independent Financial Advisor chose to apply the mean approach for this statistical calculation because it involved specifically selecting comparable companies with similar characteristics. However, the mean calculation considers excluding outlier data. The median approach would be used if there were a sufficient number of data points. Nevertheless, the median unlevered beta in this case was 0.64, which, being equal, did not affect the calculation outcome in any way.

Based on the aforementioned data, the price-to-earnings ratio (P/E Ratio) within the group of companies has ranged between 14.42 - 17.41 times over the past 7 to 360 business days. This is an average calculated from 3 June 2022 to 19 October 2023, with any outliers excluded from the calculation.

However, INPC is a newly established entity with operating results for the past less than 12 months, it is based on INPC's financial statements as of December 31, 2022, which have been audited by certified public accountants approved by the SEC. Therefore, independent financial advisors cannot assess this valuation.

Moreover, Valuation by this approach is an approach considers INPC's profitability by comparing with the average of such ratios of the comparable companies. However, this is only a valuation based on past profits, not reflecting the Company's profitability and operating performance in the future. As a result, the Independent Financial Advisor deems this valuation approach unsuitable for appraising common share of INPC.

### 3.3.3.2 Price to Book Value Ratio Approach: P/BV Ratio

The fair value assessment through this approach entails considering INPC's book value by comparing its market price with the book value of companies in similar industries, providing a basis for estimating INPC's likely market price. The calculation involves taking the shareholders' equity of INPC's parent company and multiplying it

by the average price to book value ratio (P/BV Ratio) of the companies used in the comparison. 14 companies have been assessed to compare utilizing historical averages over various business days (7, 15, 30, 60, 90, 120, 180, and 360 days) spanning from 3 June 2022 to 19 October 2023 (the days prior to the date the Board of Directors resolved to approve the transaction). The Price to Book Value Ratio (P/BV Ratio) of these comparable companies is sourced from Bloomberg data and calculated by an Independent Financial Advisor.

Code	Historical P/BV Ratio (Times)							
	7	15	30	60	90	120	180	360
	Business days	Business days	Business days	Business days	Business days	Business days	Business days	Business days
CCP	0.66	0.67	0.69	0.69	0.70	0.72	0.76	0.82
COTTO	1.48	1.44	1.42	1.43	1.43	1.43	1.42	1.38
DCC	2.29	2.35	2.47	2.69	2.76	2.85	3.06	3.67
DCON	0.99	0.99	1.02	0.99	0.97	0.96	0.96	0.91
DRT	2.72	2.75	2.77	2.78	2.77	2.74	2.74	2.80
GEL	0.45	0.45	0.46	0.47	0.47	0.47	0.48	0.46
PPP	0.66	0.66	0.66	0.66	0.67	0.68	0.69	0.68
QCON	2.44	2.40	2.46	2.62	2.62	2.67	2.64	1.97
SCC	0.94	0.94	0.95	0.98	0.99	1.00	1.01	1.05
SCCC	1.18	1.17	1.19	1.21	1.22	1.24	1.26	1.29
SCP	0.67	0.67	0.66	0.64	0.63	0.63	0.63	0.67
STC <sup>1/</sup>	1.20	1.22	1.26	1.17	1.13	1.13	1.15	1.17
TPIPL	0.50	0.50	0.51	0.52	0.52	0.52	0.53	0.58
UMI	0.75	0.76	0.79	0.78	0.77	0.79	0.84	0.93
<b>Mean<sup>1/</sup></b>	<b>1.21</b>	<b>1.21</b>	<b>1.24</b>	<b>1.26</b>	<b>1.26</b>	<b>1.27</b>	<b>1.30</b>	<b>1.31</b>

Source: Data sourced from Bloomberg and computations conducted by the Independent Financial Advisor.

Remark: 1/ The Independent Financial Advisor chose to apply the mean approach for this statistical calculation because it involved specifically selecting comparable companies with similar characteristics. However, the mean calculation considers excluding outlier data. The median approach would be used if there were a sufficient number of data points. Nevertheless, the median unlevered beta in this case was 0.64, which, being equal, did not affect the calculation outcome in any way.

Based on the information provided above, the price to book value ratio (P/BV Ratio) for the group of companies under comparison ranges from 1.21 to 1.31 times over the past 7 to 360 business days, averaging between 3 June 2022 to 19 October 2023.

The shareholders' equity of INPC's parent company stands at 360.63 million baht, based on INPC's financial statements as of 31 December 2022. These statements have been audited by a certified public accountant approved by the Office of the Securities and Exchange Commission (SEC) and have been updated with various post-statement events and items that more accurately reflect the true value. This equates to an adjusted book value per share of 180.32 baht for 2.00 million ordinary shares.

Thus, evaluating the shares using the price to book value ratio approach (P/BV Ratio) yields a value for INPC ranging from 436.48 to 473.38 million baht, or 218.24 to 236.69 baht per share.

This approach assesses the current financial position by comparing it to the average ratio of a reference group of companies, allowing for a comparison of market prices. However, it only evaluates based on the book value of the business, neglecting considerations of future business operations. Consequently, the value obtained may not truly reflect the actual value of INPC. Therefore, share valuation using this approach may not accurately reflect the fair value of INPC.

### 3.3.3.3 Enterprise Value to EBITDA Approach: EV/EBITDA Ratio

The fair value assessment using this approach entails considering INPC's cash flow generation from operations while accounting for INPC's distinct capital structures. This approach involves comparing the business value with the profit before financial costs, taxes, depreciation, and amortization (EBITDA) of companies in similar industries to estimate INPC's likely market price. The calculation involves two steps:

- (1) Evaluate the enterprise value (EV) by taking the profit before deducting financial costs, taxes, depreciation, and amortization (EBITDA) over the past 12 months and multiplying it by the average enterprise value to profit ratio (EV/EBITDA Ratio) of the companies used for comparison. This utilizes historical averages for varying business days, ranging from 7, 15, 30, 60, 90, 120, 180, to 360, covering the period between 3 June 2022, and 19 October 2023 (the business day preceding the Board of Directors' approval of the transaction).
- (2) Subtract interest-bearing debt, lease liabilities (since the compared EVs include lease liabilities), non-controlling interests, and add cash and cash equivalents from the estimated business value (EV) to determine the enterprise value (EV) of INPC.

The enterprise value to earnings before interest, taxes, depreciation, and amortization (EV/EBITDA) ratio of comparable companies, excluding outliers with higher than normal market value ratios, is outlined as follows:

Code	Historical EV/EBITDA Ratio (Times)							
	7 Business days	15 Business days	30 Business days	60 Business days	90 Business days	120 Business days	180 Business days	360 Business days
CCP	5.25	5.26	5.36	5.38	5.46	5.67	6.16	7.21
COTTO	34.36	33.32	32.77	32.96	32.70	32.30	32.19	22.26
DCC	7.56	7.73	8.07	8.69	8.80	8.81	8.92	9.35
DCON	13.42	13.34	13.68	13.39	13.12	13.11	13.44	13.30
DRT	7.06	7.12	7.17	7.21	7.15	7.06	6.96	6.83
GEL	38.34	38.22	38.42	38.64	37.11	33.57	29.87	24.23
PPP <sup>1/</sup>	187.81 <sup>1/</sup>	187.81 <sup>1/</sup>	187.81 <sup>1/</sup>	187.81 <sup>1/</sup>	187.97 <sup>1/</sup>	188.83 <sup>1/</sup>	154.19 <sup>1/</sup>	82.48 <sup>1/</sup>
QCON	5.46	5.33	5.49	5.96	6.00	6.25	6.79	5.65



Code	Historical EV/EBITDA Ratio (Times)							
	7	15	30	60	90	120	180	360
	Business days	Business days	Business days	Business days	Business days	Business days	Business days	Business days
SCC	13.16	13.21	13.30	13.45	13.57	13.69	14.41	14.09
SCCC	17.17	17.16	17.29	17.45	16.94	15.75	14.21	11.27
SCP	5.88	5.86	5.78	5.53	5.22	4.83	4.59	4.84
STC	11.37	11.49	11.73	11.21	11.22	11.72	12.63	14.67
TPIPL	9.83	9.85	9.92	9.95	9.82	9.58	9.19	8.47
UMI	11.53	11.58	11.85	11.76	10.78	8.92	7.09	5.59
Mean <sup>2/</sup>	26.30	26.24	26.33	26.39	26.13	25.72	22.90	16.45
Mean exclude outliers <sup>1/</sup>	13.88	13.81	13.91	13.97	13.68	13.17	12.80	11.37

Source: Data sourced from Bloomberg and computations conducted by the Independent Financial Advisor.

Remarks: 1/ To mitigate the influence of outliers, the Independent Financial Advisor will exclude companies with market capitalization ratios exceeding the normal range from the calculation.

2/ The Independent Financial Advisor chose to apply the mean approach for this statistical calculation because it involved specifically selecting comparable companies with similar characteristics. However, the mean calculation considers excluding outlier data. The median approach would be used if there were a sufficient number of data points. Nevertheless, the median unlevered beta in this case was 0.64, which, being equal, did not affect the calculation outcome in any way.

Considering the information provided above, the enterprise value to earnings before interest, taxes, depreciation, and amortization (EV/EBITDA) ratio for the group of compared companies ranges between 13.18 and 13.97 times over the past 7 to 360 business days, with an average for the period spanning from 3 June 2022 to 19 October 2023, excluding any data outliers.

However, INPC is a newly established entity with operating results for the past less than 12 months, it is based on INPC's financial statements as of December 31, 2022, which have been audited by certified public accountants approved by the SEC. Therefore, independent financial advisors cannot assess this valuation.

This evaluation approach reflects the ability to generate operational cash flow while accounting for differences in businesses' capital structures of INPC. Nevertheless, it relies on historical cash flows alone and does not account for future business profitability and performance. As such, share valuation using this approach may not represent the true value of INPC appropriately.

### 3.3.4 Discounted Cash Flow Approach: DCF

The discounted cashflow approach is a valuation approach which brings into consideration, the future operating performance of INPC through expected free cash flow by using assumptions based on given information and interviews with the management, discounted by Weighted Average Cost of Capital (WACC) of INPC to calculate the future net cash flow from a financial projection.

Furthermore, this valuation assesses the value of INPC following the transaction approved at the annual shareholders' meeting on 27 April 2023, which approved the investment in INPC by transferring the entire business, with the Company holding a 51.00% stake in INPC. The transaction was completed on 26 May 2023.

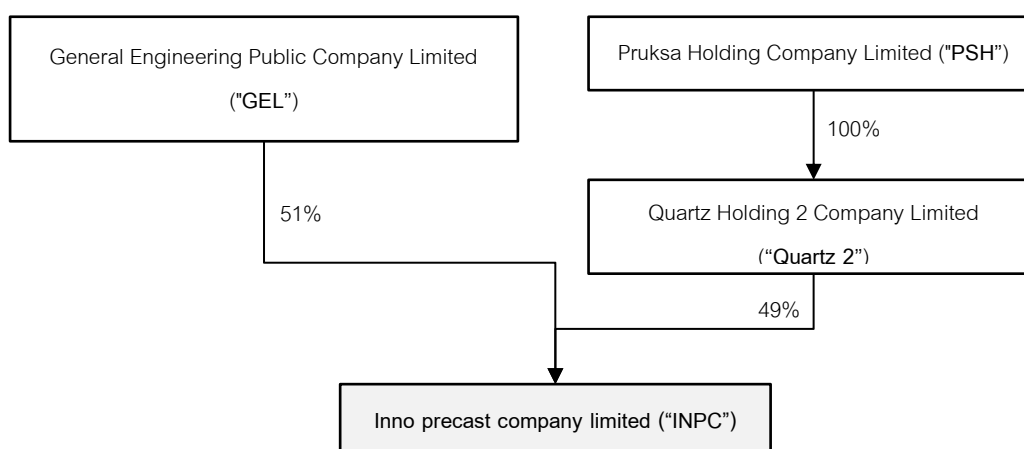
Previously, the Independent Financial Advisor had valued INPC using the discounted cash flow approach for the transaction approved at the annual shareholders' meeting on 27 April 2023. The fair equity value of INPC as of 12 January 2023, was estimated to be between 1,021.58 - 1,347.95 million baht, or 510.79 - 673.98 baht per share. The primary assumptions included 1) revenue, estimated based on the sales volume from purchase orders and customer backlog for 2023, and estimated selling prices based on past market prices, with a growth rate of 1.50% per year, based on the 10-year average inflation rate before the COVID-19 pandemic, on a conservative basis; 2) cost of Goods Sold, estimated using historical variable costs; 3) selling and administrative expenses, primarily comprising rental and management fees, referenced from contracts, and other expenses estimated based on a proportion of total revenue; 4) terminal growth rate at the end of the financial forecasting period set at 1.50%; and 5) the weighted average cost of capital (WACC) was 9.69% as of 12 January 2023.

However, after the Company completed the entire business transfer of INPC on 26 May 2023, INPC has been operational for a period of time. Consequently, the Independent Financial Advisor considered actual financial data and operating results from 2023 and updated assumptions to make the valuation more current. Significant assumptions that changed as of 19 October 2023 include the growth rate of sales revenue to customers, the weighted average cost of capital, and new classifications of lease contracts. However, the overall main assumptions have not changed significantly. The details of valuing INPC using the discounted cash flow approach are as follows:

## 1) Nature of business

### 1.1) Shareholder Structure

INPC's current shareholding structure is as follows:



## 1.2) General information and nature of business

Company name	Inno Precast Company Limited (“INPC”)
Type of business	Producing and distributing precast (concrete product for use in construction works)
Registration Number	69/5 Moo 11 Phahonyothin road Klongnung Sub-district Klonglung District Prathumthani province 12120
Company name	0135565029626
Date of Incorporation	22 November 2022
Paid-up capital	200,000,000 baht

Source: Information from INPC

## 2) Key Assumption of financial projection

The Independent Financial Advisor has prepared financial projections of INPC from received information, as well as interviews with the management of the Company based on a conservative basis in order to obtain key assumptions. Details of assumptions are as follows:

### 2.1) Revenue

INPC is engaged in the business of manufacturing and distributing concrete products for use in construction (“Precast”) and provides installation services in construction projects. Its primary customer group includes Pruksa Real Estate Public Company Limited and its subsidiaries (“PSH Group”), as well as customers involved in real estate development or contracting services within the country.

In the past, INPC’s business was considered one of the business units within the PSH Group, focused on producing Precast products for residential construction, which are products of the PSH Group. However, towards the end of 2023, the PSH Group restructured its business by transferring the Precast products production unit to a newly established company named “Inno Precast Company Limited” (“INPC”). During the second quarter of 2023, GEL acquired and merged INPC, making it a subsidiary of GEL. PSH Group continues to be INPC’s main and consistent customer, with PSH Group purchasing Precast products and receiving installation services for residential construction, which are products of the PSH Group. To estimate INPC’s revenue, the Independent Financial Advisor relies on INPC’s business plan, interviews with INPC’s executives, actual data for the first 7 months of 2023, historical Precast production data from the Pruksa Group prior to the PSH Group’s business restructuring, and financial projections. For other customers, the Independent Financial Advisor estimates based on available information, including the value of remaining trading contracts (Backlog) and other relevant factors.

#### 2.1.1) Revenue from sale

The independent financial advisor has an assumption on sales revenue are as follows:

Sales Volume	<p>The Independent Financial Advisor has conducted an estimation of future sales revenue based on the projected sales volume of Precast products that INPC offers to its customers. These Precast products encompass various types, including Solid Slabs, Hollow Core Slabs, Hybrids, Walls, Ground Beams, Stairs, and more. The estimation of sales volume is categorized into two distinct customer groups:</p> <p>1) <u>Sales to PSH Customers</u></p> <p>The Independent Financial Advisor estimates the sales volume by examining actual sales data for each product sub-category during the first 7 months of 2023 and analyzing sales trends. Additionally, interviews with INPC's executives were conducted to gather insights for estimating INPC's sales volume. The Independent Financial Advisor's assumption is that the sales volume of Precast products to PSH customers in 2023 is 168,577 m<sup>3</sup>, which serves as the baseline year. This assumption is made under the premise that this sales volume will remain constant throughout the projection period. This estimate is derived from INPC's business plan, the plans of the PSH Group and the interviews with INPC's executives. It is also made on the basis of Conservative Basis.</p> <p>2) <u>Sales to Other Customers</u></p> <p>For sales to other customers, the Independent Financial Advisor estimates the sales volume based on actual sales data for each product sub-category of each customer over the first 7 months of 2023. Interviews with INPC's executives were also a source of information. Furthermore, the estimation takes into account the value of remaining sales contracts (Backlog). The Independent Financial Advisor assumes that the sales volume of precast products to other customers in 2023 is 49,235 m<sup>3</sup>, and in 2024, it increases to 55,436 m<sup>3</sup>, representing a growth of approximately 12.60 percent. This higher growth can be attributed to new customers who have entered into sales contracts with INPC, partly due to the merger of INPC by GEL during the second quarter of the previous year 2023. Subsequently, the Independent Financial Advisor assumes that the growth rate will stabilize at 3.00 percent, a rate close to the country's Gross Domestic Product (GDP) growth rate over the past 10 years, excluding the period during the COVID-19 outbreak. The Independent Financial Advisor's view is that this growth rate reflects general overall growth and that the majority of INPC's customers are domestic customers. INPC has a business plan to increase sales to customers other</p>
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	<p>than the PSH group. After the business transfer to GEL, INPC gained independence from the PSH group, making it easier to acquire new customers. INPC can sell products to all real estate developers or construction contractors without any restrictions related to competing with the PSH group. In addition, for the growth assumption of sales volume, the Independent Financial Advisor considered future capacity utilization rates. Based on the aforementioned growth rate of sales volume, the capacity utilization rate of INPC is estimated to be around 66% in 2028, which is still within the normal range and estimated based on a conservative basis.</p>
<b>Average Selling Price</b>	<p>The Independent Financial Advisor has estimated the average selling price for the base year 2023 based on sales revenue, actual sales volume for the first 7 months of 2023, an analysis of sales trends, and interviews with INPC executives. The Independent Financial Advisor has made certain assumptions to establish the average selling price of Precast products for the base year 2023. These assumptions are as follows:</p> <ul style="list-style-type: none"> <li>- For PSH group customers: 8,376.96 baht per m<sup>3</sup>.</li> <li>- For other customers: 8,348.42 baht per m<sup>3</sup>.</li> </ul> <p>The product types sold to PSH group customers and other customers include a variety of Precast products, with the primary product being wall-type precast. PSH group customers have a more diverse range of product types, such as Solid Slab, Hollow Core Slab, Ground Beams, and more. However, the overall average selling prices for PSH customers and other customers are not significantly different.</p> <p>For the years 2024 to 2028, the Independent Financial Advisor has projected an average selling price growth rate of 1.50 percent per year. This growth rate closely aligns with the inflation rate observed over the past 10 years, excluding the period during the COVID-19 pandemic. The Independent Financial Advisor's perspective is that product prices tend to change in a manner that approximates the average inflation rate in the long run.</p>

Based on above assumptions INPC's sales revenue for 2023 - 2028 is summarized as follows.

(Million baht)	2023	2024	2025	2026	2027	2028
Revenue form sale of PSH Group	1,412.16	1,433.35	1,454.85	1,476.67	1,498.82	1,521.30
Revenue form sale of Others	450.40	500.91	523.67	547.47	572.36	598.37
<b>Revenue from sale</b>	<b>1,862.57</b>	<b>1,934.25</b>	<b>1,978.52</b>	<b>2,024.14</b>	<b>2,071.18</b>	<b>2,119.67</b>
Growth rate (%)		3.85%	2.29%	2.31%	2.32%	2.34%

Source: Information from INPC and calculated by IFA

The sales volume and average selling price of INPC for 2023 - 2028 are summarized as follows.

	2023	2024	2025	2026	2027	2028
Sale quantity (cubic meter: m <sup>3</sup> )	222,528	227,691	229,464	231,291	233,172	235,110
Average selling price (Baht/m <sup>3</sup> )	8,370	8,495	8,622	8,752	8,883	9,016

Source: Information from INPC and calculated by IFA

### 2.1.2) Revenue form services

Revenue form services is derived from offering construction installation services to PSH group customers, such as home installation, foundation installation (footing), fence installation, and other related services in conjunction with the sale of INPC products. The Independent Financial Advisor has estimated service income for 2023 at 493.16 million baht based on actual service income generated during the first 7 months of 2023, as well as interviews with INPC executives. It is anticipated that revenue from services provided to PSH customers will change in a manner similar to the revenue from product sales. Therefore, the Independent Financial Advisor has assumed that the average service rate for PSH customers will grow at a rate of 1.50 percent per year, closely aligned with the inflation rate observed over the past 10 years, excluding the period during the COVID-19 pandemic. The volume of services rendered to PSH customers is expected to remain constant throughout the forecast period, in accordance with INPC's business plan that is based on the product sales volume to PSH customers. The services provided by INPC will be provided to the PSH group. Therefore, the growth of service revenue tends to be in the same direction as the sales revenue to PSH group.

Based on the above assumptions INPC's revenue from services for 2023 - 2028 is summarized as follows.

(Million baht)	2023	2024	2025	2026	2027	2028
Revenue from services	493.16	500.56	508.06	515.69	523.42	531.27
Growth rate (%)		1.50%	1.50%	1.50%	1.50%	1.50%

Source: Information from INPC and calculated by IFA

### 2.1.3) Other incomes

INPC's other income represents a relatively minor portion of its total income. It encompasses interest income, income from fines collected from customers in the case of late payments, and miscellaneous items, among others. Since other income is not a recurring item except for interest income, the Independent Financial Advisor has projected future income only for interest income for the years 2024 to 2028. Interest income is expected to remain constant throughout the projection period. As for other income in 2023, it is based on actual income generated during the first half of that year.

### 2.1.4) Total revenue

Based on the above assumptions, INPC's total revenue for 2023 - 2028 can be summarized as follows.

(Million baht)	2023	2024	2025	2026	2027	2028
Revenue form sale of PSH Group	1,412.16	1,433.35	1,454.85	1,476.67	1,498.82	1,521.30
Revenue form sale of Others	450.40	500.91	523.67	547.47	572.36	598.37
<b>Revenue from sale</b>	<b>1,862.57</b>	<b>1,934.25</b>	<b>1,978.52</b>	<b>2,024.14</b>	<b>2,071.18</b>	<b>2,119.67</b>
Revenue form service	493.16	500.56	508.06	515.69	523.42	531.27
<b>Revenue from Sale and Service</b>	<b>2,355.73</b>	<b>2,434.81</b>	<b>2,486.58</b>	<b>2,539.83</b>	<b>2,594.60</b>	<b>2,650.94</b>
Other incomes	1.47	0.57	0.57	0.57	0.57	0.57
<b>Total Revenue</b>	<b>2,357.20</b>	<b>2,435.38</b>	<b>2,487.16</b>	<b>2,540.40</b>	<b>2,595.17</b>	<b>2,651.52</b>
Growth rate (%)		3.32%	2.13%	2.14%	2.16%	2.17%

Source: Information from INPC and calculated by IFA

## 2.2) Cost

The independent financial advisor has cost assumptions, are summarized as follows:

<b>Variable Sales Costs</b>	<p>Variable costs of sales encompass expenses that vary with the level of production or sales. These costs include raw materials like steel and concrete, direct labor costs such as production staff wages, and overhead expenses like allocated employee costs, material and equipment expenses for production, utility bills, and more.</p> <p>The Independent Financial advisor estimates variable sales costs by considering historical average variable costs per unit. This estimation is calculated as the ratio of variable costs to sales revenue. For the base year, which is 2023, the advisor has determined the following ratios:</p> <ul style="list-style-type: none"> <li>- Variable cost ratio for products sold to PSH group customers is 72.01 percent of the revenue from sales to PSH group customers.</li> <li>- Variable cost ratio for products sold to other customers is 71.06 percent of the revenue from sales to other customers.</li> <li>- Other variable costs for the year 2023 are estimated based on actual costs incurred during the first half of the year and are adjusted in accordance with the proportion of sales revenue throughout the projection period.</li> </ul> <p>For the years 2024 to 2028, the Independent Financial Advisor has determined that variable costs per unit will experience an annual growth rate of 1.50 percent. This growth rate aligns with the rate of increase in selling prices and is consistent with the inflation rate observed over the past 10 years, excluding the period during the COVID-19 pandemic. Both the sales price and cost per unit are expected to grow at this rate, resulting in a consistent variable cost ratio of the product (excluding other costs) to sales revenue throughout the projection period, remaining within the range of 71.06 to 72.01 percent of sales revenue. This conclusion is drawn based</p>
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	on interviews with INPC executives and analysis of past data of the Independent Financial Advisor, indicating that INPC's cost structure and product categories have remained relatively stable.
<b>Variable Service Costs</b>	Variable service costs encompass the expenses associated with providing construction installation services to PSH group customers. The Independent Financial Advisor estimates these variable service costs by considering the historical average variable service costs per unit. This estimation is calculated as the ratio of variable service costs to service revenue, which equals 70.80 percent of service revenue. The assumption is that this ratio will remain constant throughout the entire projection period.
<b>Depreciation and Amortization Expenses</b>	Depreciation and amortization expenses are calculated in accordance with INPC's depreciation policy, which is based on the book value of assets. These expenses primarily stem from the depreciation of buildings, machinery, and equipment used in the production process.
<b>Rent Expenses and Depreciation of Right-of-Use Assets</b>	Rent expenses are determined based on the terms of the rental agreements in place. The depreciation of right-of-use assets is calculated by taking the book value of these assets and using the straight-line method to allocate the depreciation over the duration of the lease agreement.

Base on the above assumptions, INPC's costs for 2023 - 2028 are summarized as follows.

(Million baht)	2023	2024	2025	2026	2027	2028
Variable cost of sales	1,343.38	1,394.81	1,426.77	1,459.72	1,493.68	1,528.70
Variable cost of services	349.16	354.40	359.72	365.11	370.59	376.15
<b>Total Variable cost</b>	<b>1,692.54</b>	<b>1,749.21</b>	<b>1,786.49</b>	<b>1,824.83</b>	<b>1,864.27</b>	<b>1,904.85</b>
Depreciation and Amortization	130.30	145.72	152.39	159.13	165.97	172.82
Rent and depreciation of right-of-use assets	103.39	105.18	105.18	105.18	105.18	105.18
<b>Total Cost</b>	<b>1,926.24</b>	<b>2,000.10</b>	<b>2,044.05</b>	<b>2,089.14</b>	<b>2,135.42</b>	<b>2,182.85</b>
Proportion to revenue from sale and services (%)	81.77%	82.15%	82.20%	82.25%	82.30%	82.34%

Source: Information from INPC and calculated by IFA

### 2.3) Selling expense

The Independent Financial Advisor has estimated selling expenses based on the actual selling expenses for the first half of the year and has projected that these expenses will amount to 1.00 percent of sales revenue for other customers (excluding the PSH customers). The trend of sales expenses is expected to increase from the third quarter of 2023 onwards following the merger by GEL in the second quarter of 2023. These expenses include costs



related to commissions, salesperson expenses, and other selling-related expenses. The summary of INPC's sales expenses for the period of 2023 to 2028 is as follows.

(Million baht)	2023	2024	2025	2026	2027	2028
Selling expense	2.19	5.01	5.24	5.47	5.72	5.98
Proportion to total revenues (%)	0.09%	0.21%	0.21%	0.22%	0.22%	0.23%

Source: Information from INPC and calculated by IFA

#### 2.4) Administration expense

The independent financial advisor has assumptions on selling and administrative expenses are summarized as follows:

<b>Management Fee</b>	The Management Fee is an expense incurred as per the management contract between INPC and the PSH Group for management services. The management fee is fixed at 6.50 million baht per month. The Independent Financial Advisor has made an assumption that the management fee will increase by 3.00 percent per year to support the future growth of the business, including the increase in the number of employees.
<b>Operating Expenses</b>	Operating expenses, which encompass items such as audit fees, utility bills, insurance premiums, and various fees, have been estimated by the Independent Financial Advisor through a combination of actual data, interviews with INPC's executives, and in accordance with INPC's business plan. The Independent Financial Advisor's assumption is that operating expenses will amount to 14.77 million baht for 2023 and remain constant thereafter. This figure represents 1.00 percent of the total revenue, aligning with INPC's budget and accounting for the expected growth of INPC along with the associated increase in operating expenses.
<b>Other Expenses</b>	Other expenses, including various miscellaneous expenses, comprise both fixed expenses and those that do not occur on a regular basis. The Independent Financial Advisor's assumption for other expenses in 2023 is based on actual expenses, and for the years 2024 to 2028, these expenses are expected to be fixed (excluding non-recurring expenses). They will experience a growth rate of 1.50 percent per year, which is approximately in line with the inflation rate over the past decade, excluding the period during the COVID-19 outbreak.

Based on the above assumptions INPC's administrative expenses for 2023 - 2028 are summarized as follows.

(Million baht)	2023	2024	2025	2026	2027	2028
Management expenses	78.00	80.34	82.75	85.23	87.79	90.42
Operating expenses	14.77	24.35	24.87	25.40	25.95	26.52
Other expenses	0.02	0.01	0.02	0.01	0.01	0.01
<b>Administration expense</b>	<b>92.79</b>	<b>104.70</b>	<b>107.64</b>	<b>110.65</b>	<b>113.75</b>	<b>116.95</b>
Proportion to total revenue (%)	3.94%	4.30%	4.33%	4.36%	4.38%	4.41%

Source: Information from INPC and calculated by IFA

## 2.5) Depreciation and Amortization Expense

The independent financial advisor uses assumptions from INPC's accounting policy and estimates the useful life of assets according to the report of the independent property appraiser date on 7 and 25 July 2023. Depreciation and Amortization calculated using the straight-line method based on useful life does not include land and assets under construction. The independent financial advisor estimating the useful life of assets can be summarized as follows:

Building and Building Improvement	5 - 20 years
Machine and Equipment	5 - 10 years
Furniture and Office Equipment	5 years
Software	5 years

In this regard, the depreciation of partial machinery and equipment used the output production for calculating. Furthermore, according to INPC's accounting policies, some buildings can be depreciated over a maximum period of 40 years. However, the Independent Financial Advisor considered data from independent property appraisers and discovered that the maximum useful life of buildings and structures is estimated to be 19 years from the date of appraisal (approximately 19.50 years from the date of establishment). Therefore, the Independent Financial Advisor assumed a depreciation period for buildings of no more than 20 years. This assumption does not significantly alter the overall outcome, as it only concerns certain assets. Moreover, the approach of depreciation does not impact cash flow, as it is a non-cash item, but it affects the estimation of future capital expenditures for replacing aging assets. Therefore, the Independent Financial Advisor appropriately assumed the depreciation period to best estimate future capital expenditures.

## 2.6) Capital Expenditure

The Independent Financial Advisor has estimated capital expenditures for future investment plans based on INPC's budget, investment policy, and interviews with INPC executives. The investment expenses for 2023 are determined from actual expenses and estimates provided by INPC executives. These expenses include investments in buildings and building improvements, machinery and equipment used in production, office decorations and supplies, and computer software. Furthermore, when estimating future investment expenses, the Independent Financial Advisor has taken into account the projected capacity utilization rate for 2024, which is 64.27

percent per year. Additionally, considerations have been made for the replacement of existing assets that may deteriorate in the future.

Investment expenses and depreciation of INPC's fixed assets for 2023 - 2028, they are summarized as follows.

(Million baht)	2023	2024	2025	2026	2027	2028
Investment costs of fixed assets	61.45	73.58	87.35	88.37	89.70	91.04
Depreciation	129.74	145.26	151.90	158.63	165.44	172.27

Source: Information from INPC and calculated by IFA

In addition, investment expenses and amortization of INPC's intangible assets for 2023 - 2028 are summarized as follows.

(Million baht)	2023	2024	2025	2026	2027	2028
Investment costs of intangible assets	0.25	0.21	0.22	0.22	0.22	0.23
amortization	0.56	0.46	0.48	0.51	0.53	0.55

Source: Information from INPC and calculated by IFA

## 2.7) Working Capital

The Independent Financial Advisor has assumed certain working capital parameters, including an average debt collection period of 46.63 days (for trade receivables net of advances received), an average product sales period of 66.83 days, and an average debt repayment period of 56.83 days. Additionally, they have assumed that money received in advance will amount to 37.21 percent of trade receivables. These assumptions were derived from actual historical data for the first half of 2023 and insights gathered from interviews with INPC's executives, and the Independent Financial Advisor is considered appropriate to reflect INPC's future business operations.

INPC's working capital at the end of 2023 - 2028 is summarized as follows.

(Million baht)	2023	2024	2025	2026	2027	2028
Trade accounts receivable (excluding other accounts receivable)	479.64	495.55	506.09	516.92	528.06	539.53
Inventories	346.39	359.62	367.37	375.31	383.46	391.80
Less: Trade accounts payable (not including other payable)	(299.91)	(311.41)	(318.26)	(325.28)	(332.48)	(339.87)
Less: advances received	(178.49)	(184.41)	(188.33)	(192.36)	(196.51)	(200.77)
<b>Net working capital</b>	<b>347.63</b>	<b>359.35</b>	<b>366.87</b>	<b>374.60</b>	<b>382.54</b>	<b>390.69</b>

Source: Information from INPC and calculated by IFA

## 2.8) Rental expenses, depreciation of right-of-use assets and interest expense on debt under the lease agreement

The Independent Financial Advisor has estimated rental payments based on the current lease agreement and assumes that the lease agreement will be renewed upon expiration. The Independent Financial Advisor has also calculated the depreciation of the right-of-use assets and interest expenses on the lease debt to be used for estimating the profit and loss that can be compared with past profits and losses, aligning with relevant financial reporting standards. The depreciation is amortized using the straight-line method over the lease agreement's life, and the interest rate on the lease debt is set at 3.70 percent per year according to INPC's estimates. However, for future cash flow projections, both depreciation and interest expenses are adjusted to lease payments, which represent actual cash outflows that will occur in the future.

INPC's rent and other expenses for the years 2023 - 2028 are summarized as follows.

(Million baht)	2023	2024	2025	2026	2027	2028
Rental expense	71.87	120.00	120.00	120.00	120.00	126.00
Depreciation of right-of-use assets	103.39	105.18	105.18	105.18	105.18	105.18
Interest expense on debt under lease agreement	23.19	37.30	34.24	31.06	27.77	24.36

Source: Information from INPC and calculated by IFA

## 2.9) Loans and Interest Expense

The Independent Financial Advisor estimates loan repayments according to INPC's loan repayment plan, taking into account the adequacy of future cash flows. The Independent Financial Advisor also estimates interest expenses based on the current interest rate, which ranges from 4.10 to 7.12 percent per year and is expected to increase by an additional 0.50 percent in 2024 and another 0.50 percent in 2025, following the expected trend of policy interest rate increases in the future.

INPC's loans and Interest expense for the years 2023 - 2028 are summarized as follows.

(Million baht)	2023	2024	2025	2026	2027	2028
Loan as of year end	2,202.79	2,172.79	2,052.79	1,932.79	1,812.79	1,692.79
Interest expense	60.24	112.70	119.82	113.71	107.59	101.48

Source: Information from INPC and calculated by IFA

## 3) The Calculation of Discounted Cash Flow Approach

### 3.1) Discount rate

The Independent Financial Advisor used cash flow from operations of INPC, adjusted by a discount rate calculated from the weighted average cost of capital (WACC) at 10.88

The calculation of WACC is as follows:

$WACC$	=	$K_e \left(\frac{E}{V}\right) + K_d(1-t) \left(\frac{D}{V}\right)$	
$K_e$	=	Cost of equity (calculation referred below)	= 23.61%
$K_d$	=	Cost of interest-bearing debt	= 5.65%
			(Estimated to increase 1.00%)
$t$	=	Corporate income tax	= 20%
$V$	=	$D + E$ whereas $D$ is debt and $E$ is equity	= 100%
$\left(\frac{E}{V}\right)$	=	Equity to value ratio	= 33.33%
			(base on INPC policy)
$\left(\frac{D}{V}\right)$	=	Debt to value ratio	= 66.67%
			(base on INPC policy)

The calculation of  $K_e$  is as follows:

$$\text{Cost of Equity: } K_e = R_f + \beta(R_m - R_f)$$

Whereas:

Risk Free Rate: $R_f$	=	Risk-free rate is at 3.25% per year (as of 19 October 2023), calculated from historical 3-year <sup>1/</sup> average of daily risk-free return from investment in 10-year Thai government bond <sup>2/</sup> and forecast increase 1.00%
Levered Beta: $\beta_l$	=	Beta 1.66
Market Return: $R_m$	=	Market return is at 14.49% per year (as of 19 October 2023), calculated from historical 3-year <sup>1/</sup> average of daily return from stock exchange of Thailand.
Market Premium: $R_m - R_f$	=	Market premium is at 12.24% (as of 19 October 2023), calculated from historical 3-year <sup>1/</sup> average of the difference between daily market return and risk-free return.

Source: Bloomberg as of 19 October 2023

Remarks: 1/ The Independent Financial Advisor has assumptions based on the historical period of 3 years because the period is considered to be appropriate to reflect the current investor's expected return and the view of investors on the specific characteristics of the market, as well as also reflect the risks of the current business conditions relatively well. The Independent Financial Advisor is of the opinion that the data from the past 3 years can be used as the SET has already recognized the recovery after the COVID-19 situation.

2/ The Independent Financial Advisor has applied the risk-free rate (Rf) based on 10-year government bond because this government bond has a good liquidity, then the yield on such bond is able to better reflect the demand and supply than other bonds.

### The Calculation of Levered Beta of INPC

The Independent Financial Advisor calculates Levered Beta of INPC by using the average of Unlevered Beta of listed companies in the Stock Exchange of Thailand which derive their revenues from similar business as INPC and adjusted for debt-to-equity ratio to reflect the capital structure risk of INPC.

The calculation of Levered Beta is as follows:

$$\text{Levered Beta: } \beta_l = \beta_u(1 + (1 - t)(D/E))$$

Whereas:

$\beta_u$	=	Average of unlevered beta of the Stock Exchange of Thailand, compared to listed companies in the Stock Exchange of Thailand which derive their revenues from similar business as ABICO and calculated based on 3-year average figure. The average unlevered beta is 0.64.
$t$	=	Corporate income tax is 20%
$D/E$	=	Debt to equity ratio is 0.97 (Calculated from interest bearing debt exclude Lease liabilities)

Remark: 1/ INPC is a newly established business with a high debt-to-equity ratio of 7.55 times as of June 30, 2023. If, after issuing additional shares to increase capital and repaying the debt of the PSH Group, amounting to 400.00 million baht, INPC will have a debt-to-equity ratio of approximately 2.61 times remaining. Based on an interview with INPC's executives, it was found that INPC has a policy of maintaining the debt-to-equity ratio of the target capital structure to be not more than 2.00 times. The Independent Financial Advisor finds that INPC's debt-to-equity ratio in the future will change at a decreasing rate due to increased retained earnings and repayments. Therefore, the Independent Financial Advisor has made an assumption that the debt-to-equity ratio is 2.00 times according to INPC's policy for this calculation.

Based on the above calculation, the Levered Beta is equal to 1.66.

#### Table of Average Unlevered Beta

In selecting companies to calculate the average unlevered beta for this analysis, the Independent Financial Advisor operated under the assumption that listed companies in the same industry, with similar business characteristics, and operating in comparable market conditions, should be considered. Therefore, the Independent Financial Advisor selected companies listed on the Stock Exchange of Thailand (SET) in the Property and Construction (PROPCON) group, specifically in the Construction Materials (CONMAT) sector, that are involved in the business and generate a significant portion of their revenue from the sale of construction materials like precast concrete, cement, or materials used in building construction. These companies must have securities listed and traded on the stock exchange for at least 3 years. Furthermore, the selection criteria for these companies included those generating revenue from the sale of construction materials, not limited to precast products, but also including building materials like concrete, cement, ceramics, and/or construction products for buildings/houses such as walls, floors, roofs, columns, or tiles. The growth trends of such companies tend to move in the same direction, and the Independent Financial Advisor is of the opinion that these companies could appropriately reflect the expected return for the INPC's shareholders.

The Independent Financial Advisor considered a total of 14 companies for this comparison, deemed an appropriate number for statistical calculation. The selection was based on industry, business sector, and business characteristics most closely aligned with INPC, allowing for the calculation of the average unlevered beta as follows:

No.	Listed Company	Code	Unlevered Beta <sup>1/</sup>
1	CHONBURI CONCRETE PRODUCT PUBLIC COMPANY LIMITED	CCP	0.82
2	SCG CERAMICS PUBLIC COMPANY LIMITED	COTTO	0.87
3	DYNASTY CERAMIC PUBLIC COMPANY LIMITED	DCC	0.52
4	DCON PRODUCTS PUBLIC COMPANY LIMITED	DCON	0.80

No.	Listed Company	Code	Unlevered Beta <sup>1/</sup>
5	DIAMOND BUILDING PRODUCTS PUBLIC COMPANY LIMITED	DRT	0.55
6	GENERAL ENGINEERING PUBLIC COMPANY LIMITED	GEL	0.64
7	PREMIER PRODUCTS PUBLIC COMPANY LIMITED	PPP	0.65
8	QUALITY CONSTRUCTION PRODUCTS PUBLIC COMPANY LIMITED	QCON	0.82
9	THE SIAM CEMENT PUBLIC COMPANY LIMITED	SCC	0.49
10	SIAM CITY CEMENT PUBLIC COMPANY LIMITED	SCCC	0.45
11	SOUTHERN CONCRETE PILE PUBLIC COMPANY LIMITED	SCP	0.68
12	TPI POLENE PUBLIC COMPANY LIMITED	TPIPL	0.42
13	THE UNION MOSAIC INDUSTRY PUBLIC COMPANY LIMITED	UMI	0.79
14	STC CONCRETE PRODUCT PUBLIC COMPANY LIMITED	STC	0.47
<b>Average</b>			<b>0.64</b>

Source: Bloomberg as of 19 October 2023

Note: 1/ Unlevered Beta calculated from 3-year daily historical data (Source: Bloomberg) which the Independent Financial Advisor has assumptions based on the historical period of 3 years because the period is considered to be appropriate to reflect the current investor's expected return and the view of investors on the specific characteristics of the market, as well as also reflect the risks of the current business conditions relatively well.

2/ The Independent Financial Advisor chose to apply the mean approach for this statistical calculation because it involved specifically selecting comparable companies with similar characteristics. However, the mean calculation considers excluding outlier data. The median approach would be used if there were a sufficient number of data points. Nevertheless, the median unlevered beta in this case was 0.64, which, being equal, did not affect the calculation outcome in any way.

### 3.2) Terminal Value

The IFA calculates the Terminal Value of cash flow from operation of INPC based on the assumption that INPC has continuing business operation with terminal growth of 1.50% based on base on Thailand's average 10 years inflation (excluding year 2020-2021 due to Covid-19 pandemic).and use WACC for discount rate in 2028 which had discount rate in 10.88%

### 3.3) Profit and Loss Statement and Present Value of Cash Flow of INPC

#### 3.3.1) Profit and Loss Statement of INPC

The Independent Financial Advisor has constructed profit and loss statement of INPC which can be summarized as follows:

(Million baht)	2023	2024	2025	2026	2027	2028
Revenue	2,357.20	2,435.38	2,487.16	2,540.40	2,595.17	2,651.52
Cost of Goods Sold	(1,926.24)	(2,000.10)	(2,044.05)	(2,089.14)	(2,135.42)	(2,182.85)
<b>Gross Margin</b>	<b>430.96</b>	<b>435.28</b>	<b>443.10</b>	<b>451.27</b>	<b>459.75</b>	<b>468.67</b>
SG&A Expenses	(94.97)	(109.71)	(112.87)	(116.12)	(119.48)	(122.93)
<b>EBIT</b>	<b>335.99</b>	<b>325.57</b>	<b>330.23</b>	<b>335.14</b>	<b>340.28</b>	<b>345.73</b>
Interest Expense	(83.43)	(150.00)	(154.06)	(144.77)	(135.37)	(125.84)

Profit Before Tax	252.56	175.57	176.17	190.37	204.91	219.90
Tax Expense	(50.51)	(35.11)	(35.24)	(38.07)	(40.98)	(43.98)
Net Profit	202.05	140.45	140.94	152.30	163.93	175.92

Source: Information from INPC and calculated by IFA

### 3.3.2) INPC's Cash Flow Projection

The Independent Financial Advisor has projected cash flows for INPC based on assumptions that calculate the expected future net cash flows of INPC and the discount rate derived from the weighted average cost of capital (WACC). The cash flow projections are summarized as follows.

(Million baht)	July - Dec 2023	2024	2025	2026	2027	2028
Income	1,413.42	2,435.38	2,487.16	2,540.40	2,595.17	2,651.52
Costs <sup>1/</sup>	(1,025.52)	(1,749.21)	(1,786.49)	(1,824.83)	(1,864.27)	(1,904.85)
Selling and Administration Expense <sup>1/</sup>	(55.33)	(109.71)	(112.87)	(116.12)	(119.48)	(122.93)
<b>Profit Before Interest Taxes Depreciation Amortization and Rental Expense</b>	<b>332.58</b>	<b>576.46</b>	<b>587.80</b>	<b>599.45</b>	<b>611.43</b>	<b>623.74</b>
Depreciation Amortization and Rental Expense	(122.62)	(250.89)	(257.56)	(264.31)	(271.15)	(278.00)
<b>Operating Profit Before Taxes</b>	<b>209.96</b>	<b>325.57</b>	<b>330.24</b>	<b>335.14</b>	<b>340.28</b>	<b>345.73</b>
Tax (exclude interest expense)	(41.99)	(65.11)	(66.05)	(67.03)	(68.06)	(69.15)
<b>Operating Profit After Taxes</b>	<b>167.97</b>	<b>260.45</b>	<b>264.19</b>	<b>268.11</b>	<b>272.22</b>	<b>276.59</b>
Add: Depreciation and Amortization	122.62	250.89	257.56	264.31	271.15	278.00
Deduct: Investment Expenses	(48.70)	(73.79)	(87.57)	(88.59)	(89.92)	(91.27)
Deduct: Change in Working Capital	(76.42)	(11.73)	(7.52)	(7.73)	(7.94)	(8.16)
Deduct: Rental expense	(60.00)	(120.00)	(120.00)	(120.00)	(120.00)	(126.00)
<b>Free Cash Flow to Firm</b>	<b>105.47</b>	<b>305.83</b>	<b>306.66</b>	<b>316.11</b>	<b>325.51</b>	<b>329.16</b>
Number of Years <sup>2/</sup>	0.40	1.20	2.20	3.20	4.20	5.20
Discount Rate <sup>2/</sup>	10.88%	10.88%	10.88%	10.88%	10.88%	10.88%
Discount Factor	0.96	0.88	0.80	0.72	0.65	0.58

Source: Information from INPC and calculated by IFA

Remarks: 1/ Excluding of depreciation and amortization

2/ Discount factor as of 19 October 2023

### 3.4) Summary of Base Case Fair Value of INPC

The Independent Financial Advisor has assessed the reasonableness of INPC's fair valuation which can be summarized as follows:

Calculation of Fair Value	Value	Assumption
Present Value of Cash Flow	1,246.20	
Terminal Value	2,081.00	
<b>Total Enterprise Value</b>	<b>3,327.21</b>	<b>Million Baht</b>



Calculation of Fair Value	Value	Assumption
Add: Cash and cash equivalents	73.33	As of 30 June 2023 <sup>1/</sup>
Deduct: Interest bearing debt	(2,202.79)	As of 30 June 2023 <sup>1/</sup>
Fair Value of INPC	1,197.75	Million Baht

Calculation of Fair Value per share	Amount	Assumption
Number of INPC shares before entering into the transaction (million shares)	2.00	As of 19 October 2023
Fair Value of INPC per share	598.87	Baht/Share

Remark: 1/ Based on internal financial statement as of June 30, 2023 in order to be comparable with the valuation of the precast factory business's.

#### 4) Sensitivity Analysis of Fair Value of INPC

The Independent Financial Advisor has conducted a sensitivity analysis of the evaluation of reasonableness of INPC's fair value on the base case to cover all ranges of impacts that are expected to arise from changes in 2 factors, including:

- (1) Changes in revenue of INPC that reflects significant cash flow and changing of demand of customers. the Independent Financial Advisor assumed the increase and decrease in revenue by 0.50 percent from the base case. Therefore, changes in revenue rate will be -0.50 percent to +0.50 percent. The range of revenue of INPC will be +/-0.50%.
- (2) The discount rate from financial costs by using the Weighted Average Cost of Capital (WACC) in order to calculate the fair values of INPC that reflect all possibilities in which the Independent Financial Advisor used WACC of the base case at 10.88 percent and assumed the increase and decrease range of 0.50 percent. The range of WACC will be +/-0.50%.

Summary fair value of INPC share which can be summarized as follows:

Unit: Baht/Share		Change in Weighted Average Cost of Capital (WACC)				
		-0.50%	-0.25%	0.00%	0.25%	0.50%
Change in Revenue	-0.50%	641.55	611.74	583.51	556.75	531.35
	-0.25%	649.50	619.55	591.19	564.31	538.79
	0.00%	657.44	627.36	598.87	571.87	546.23
	0.25%	665.39	635.17	606.56	579.43	553.68
	0.50%	673.34	642.98	614.24	586.99	561.12

## 5) Summary of the Valuation Results Using the Discounted Cash Flow Approach (DCF):

The evaluation using the discounted cash flow approach indicates significant fluctuations in valuation due to changes in INPC's income and variations in the weighted average cost of capital discount rate (WACC). **As a result, the valuation of INPC falls within the range of 531.35 - 673.34 baht per share.**

The evaluation using the discounted cash flow approach relies on historical performance to project INPC's future capabilities and performance. This approach involves creating financial projections based on assumptions and information provided by INPC, taking into account the current economic conditions and circumstances. In response to this, the Independent Financial Advisor has conducted a sensitivity analysis to assess the reasonableness of INPC's fair price under the base case. This analysis considers the expected range of impacts resulting from changes in two critical factors: changes in income and the weighted average cost of capital (WACC). The aim is to accurately reflect INPC's fair value. The discounted cash flow approach encompasses the profitability and expected future cash flow of the company, along with the outcomes of the sensitivity analysis. Therefore, the discounted cash flow approach is suitable for assessing INPC's value.

### 3.3.5 Summary of the Results of Evaluating the Fair Value Range of INPC

The Summary of the Results of Evaluating the Fair Value Range of INPC in order to show the range of fair value and clearly comparison for each approach as the following:

Valuation Approaches	Fair Value (THB / Share)	Valuation results
1) Book Value Approach	100.12	Inappropriate
2) Adjusted Book Value Approach	180.32	Inappropriate
3) Market Comparable Approach		
3.1) Price to book value ratio	-	Unable to assess value
3.2) Price to earnings ratio	218.24 - 236.69	Inappropriate
3.3) Enterprise Value to Earnings before interest, tax, and depreciation	-	Unable to assess value
4) Discounted Cash Flow Approach	531.35 - 673.34	Appropriate

Source: Calculated by IFA

The summary table provides the INPC's valuation using various approaches. Each approach to share valuation comes with its own set of advantages and disadvantages, highlighting the importance of considering multiple approaches to determine a fair price as follows:

#### 1) Book Value Approach

This approach primarily considers the current financial position and the recorded asset values, without factoring in future profitability, competitive strength, economic trends, or industry overviews. Consequently,

the independent financial advisor believes this approach is not appropriate for determining the fair price of INPC or accurately reflecting the true value of INPC.

2) Adjusted Book Value Approach

This approach provides a better reflection of the net asset value compared to the book value approach because it adjusts key items in the assessment mentioned in 1). It still does not account for future business profitability and performance of INPC. Therefore, the Independent Financial Advisor had the opinion that this valuation approach may not reflect the true price of INPC.

3) Market Comparable Approach

3.1) Price to Earnings Ratio Approach

This valuation approach depends on the profitability of INPC by comparing the average ratio of comparable firms. However, it is the past profitability that does not reflect the future profitability and performance of INPC. The past profitability may not reflect the future profitability. Therefore, this valuation approach does not reflect the true value of INPC.

3.2) Price to Book Value Ratio Approach

This approach assesses the current financial position by comparing it to the average ratio of a reference group of companies, allowing for a comparison of market prices. However, it only evaluates based on the book value of INPC, neglecting considerations of future business operations. Consequently, the value obtained may not truly reflect the actual value of the business. Therefore, share valuation using this approach may not accurately reflect the fair value of INPC.

3.3) Enterprise Value to EBITDA Ratio Approach

This evaluation approach reflects the ability to generate operational cash flow while accounting for differences in INPC's capital structures. Nevertheless, it relies on historical cash flows alone and does not account for future business profitability and performance. As such, share valuation using this approach may not represent the true value of INPC appropriately.

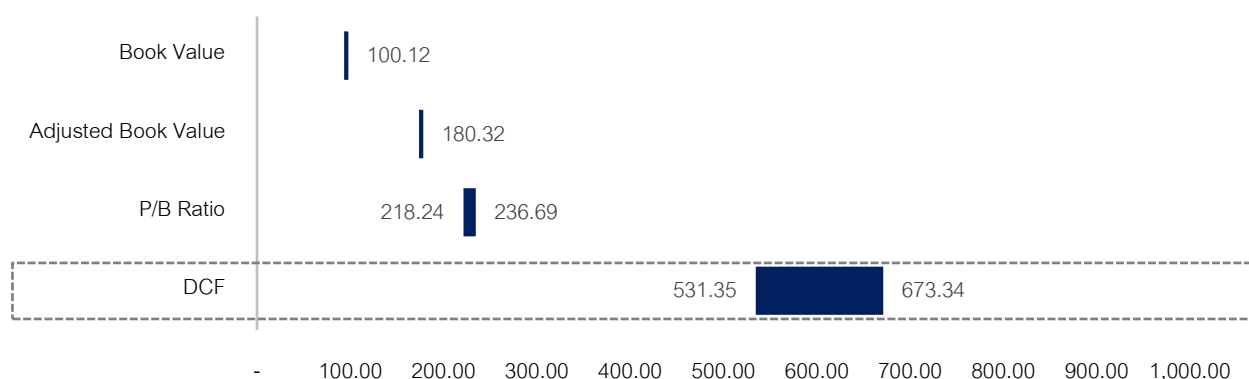
4) Discounted Cash Flow Approach

The evaluation using the discounted cash flow approach relies on historical performance to project INPC's future capabilities and performance. This approach involves creating financial projections based on assumptions and information provided by INPC, taking into account the current economic conditions and circumstances. However, if significant changes occur in the future that impact the aforementioned assumptions or lead to alterations in various valuation variables, it would result in a change in the assessed value of ordinary shares using this approach. In response to this, the Independent Financial Advisor has conducted a sensitivity analysis to assess the reasonableness of INPC's fair price under the base case.

This analysis considers the expected range of impacts resulting from changes in two critical factors: changes in income and the weighted average cost of capital (WACC). The aim is to accurately reflect INPC's fair value. The discounted cash flow approach encompasses the profitability and expected future cash flow of the company, along with the outcomes of the sensitivity analysis. Therefore, the discounted cash flow approach is suitable for assessing INPC's value.

The summary of the value of INPC according to various methods is summarized in the following diagram:

Unit: THB/Share



Based on the analysis of the diagram above to calculate the fair value range of INPC, each valuation approach has its advantages and disadvantages, as mentioned previously. The Independent Financial Advisor is of the opinion that the most suitable approach for valuing INPC's shares is the discounted cash flow approach, which provides a fair value range of 531.35 - 673.34 baht per share.

This choice is driven by the fact that INPC is a business with consistent cash flow results and has a well-defined future business plan. Therefore, the Independent Financial Advisor believes that the discounted cash flow approach is the appropriate valuation approach for the current situation.

### 3.4 The Appropriateness for offering price of INPC

In this transaction, INPC will issue additional capital increase shares to the Company, totaling 1,070,991 shares at a price of 570.50 baht per share to the Company amounting to 611.00 million baht. Additionally, INPC will issue 701,140 additional ordinary shares to Quartz 2, a major shareholder of INPC and a company in the PSH Group, at a price of 570.50 baht per share. The issuance of INPC's capital increase shares was not done in proportion to the shareholding of the original shareholders.

The Independent Financial Advisor believes that conducting this transaction by issuing additional shares of INPC at a price of 570.50 baht per share is appropriate. This is because the offering price of additional shares is within the range of INPC's fair value, which is estimated to be between 531.35 - 673.34 baht per share. **Therefore, the offering price for INPC's additional shares is considered reasonable.**

### 3.5 Valuation of Inno Precast Company Limited ("INPC") after the Transaction

The Independent Financial Advisor has evaluated the fair value of INPC and adjusted it to account for the issuance of additional shares to Quartz 2, a company in the PSH and GEL groups. This evaluation also considers the acquisition of GEL's Precast production and distribution business. The assessment can be summarized as follows:

Fair Value Calculation	Low Value	Base Case	High Value	Assumptions
The fair value calculation of INPC before the transaction	1,062.69	1,197.75	1,346.67	Million baht
Plus: Cash received from the issuance of capital increase shares to Quartz 2	400.00	400.00	400.00	Issuance of 701,140 shares at a value of 570.50 baht per share
The fair value of INPC after the issuance of capital increase shares to Quartz 2 but before the transaction	1,462.69	1,597.75	1,746.67	Million baht
Plus: Fair value of GEL's precast production and distribution business	828.02	874.61	926.25	Annual lease payments of 11.60 million baht for 3 years, with a final payment in the year 3 of 110.20 million baht, discounted at GEL's weighted average cost of capital of 11.20 percent, with an assumed discount rate change range of +/- 0.50 percent from the base case
Minus: Cash paid to GEL	(124.00)	(124.00)	(124.00)	
Minus: Present value of lease payments to GEL	(102.47)	(103.92)	(105.39)	
The fair value of INPC after the transaction	2,064.24	2,244.45	2,443.54	Million baht

Fair Value Calculation per Share	Low Value	Base Case	High Value	Assumptions
Number of INPC shares after entering into the transaction (million shares)	3.77	3.77	3.77	Number of shares: 2.00 million shares, plus 0.70 million additional shares for Quartz 2 and 1.07 million additional shares for GEL, for a total of 3.77 million shares.
Fair value of INPC after entering into the transaction per share	547.23	595.01	647.79	Baht per share

Source: Projected by the Independent Financial Advisor.

### 3.6 Reasonableness of the Value of Consideration Received from the Transaction

The additional value of INPC's ordinary shares held by GEL before and after the transaction is as follows.

Calculation	Low Value	Base Case	High Value	Assumptions
(a) Fair value of INPC held by GEL after issuing additional shares to Quartz 2 but before entering into the transaction.	552.34	603.34	659.58	The value of the 1.02 million shares held by GEL is compared to INPC's total shares of 2.70 million (after the issuance of additional shares to Quartz 2).
(b) Fair value of INPC held by GEL after entering into the transaction.	1,144.26	1,244.16	1,354.52	The value of 1.02 million shares, combined with 1.07 million additional shares, totals 2.09 million shares, which are held by GEL, compared to INPC's total number of shares of 3.77 million shares (after the transaction).
Increase in fair value of INPC held by GEL from entering into the transaction (b) - (a).	591.92	640.82	694.94	Million baht

Source: Projected by the Independent Financial Advisor.

The Independent Financial Advisor has computed the value of consideration received by GEL as a result of the transaction. This can be summarized as follows:

Calculation	Low Value	Base Case	High Value	Assumptions
(1) The increase in the fair value of INPC held by GEL from entering into the transaction.	591.92	640.82	694.94	
(2) Cash received from INPC	124.00	124.00	124.00	
(3) Present value of rent received from INPC	102.47	103.92	105.39	Details as per section 3.5 of this report.
The total value of consideration received by GEL from entering into the transaction	818.39	868.73	924.33	Million baht

Source: Calculated by IFA

In addition, The business restructuring by way of the partial business transfer (PBT) and/or the sale and purchase of partial business transaction has a total value of approximately 880 million Baht, whereby Inno Precast will make the payment of the consideration by

- (1) Inno Precast will issue its newly issued ordinary shares to the Company in the amount of not exceeding 1,070,991 shares at the price of 570.50 Baht per share, equivalent to a total value of 611.00 million Baht;

- (2) Pay in cash in the amount of 124 million Baht;
- (3) Pay for the acquisition of the assets related to the precast business, which consists of lands and factory buildings (after such assets have been released from collateral obligations), from the Company at the total value of 145 million Baht provided that the payable amount shall be subject to deduction of the rental fee that Inno Precast has leased such assets from the Company for the period of three years before the assets have been released from collateral obligations. The rental fee is at the total amount of 11.6 million Baht per year. (total 3 years is amounted of 34.8 million Baht)

The Independent Financial Advisor is of the opinion that executing a transaction with a total consideration of 880.00 million baht is appropriate based on the fact that this value falls within the fair value range of all consideration that GEL is expected to receive from the transaction, as determined by the Independent Financial Advisor. This fair value range is estimated to be between 818.39 and 924.33 million baht. **As such, the consideration value for this particular transaction is deemed appropriate.**

### 3.7 Appropriateness of Transaction Conditions

Plan to restructure the business of the Company by way of a partial business transfer (PBT), and/or the sale and purchase of partial business of the Company. The Company will enter to the transaction after Shareholders' Meeting of the Company have approved the partial business transfer transaction. including to the terms of the partial business transfer and/or the sale and purchase of partial business transaction under the business restructuring plan will occur only after the specified conditions precedent have been satisfied or waived by the relevant counterparties. The key conditions precedent under the agreements related to the partial business transfer is including but not limited to;

In light of these conditions, the initiation of this transaction is subject to the key conditions precedent as detailed below:

The key conditions precedent	The Independent Financial Advisor opinion
1. The accounting and legal due diligence of Inno Precast business has been completed reasonably satisfactory to the Company.	The Company has duly completed the necessary processes. Inno Precast, having commenced its operations on 22 November 2022 remains a subsidiary of the Company. Consequently, the Company is consistently informed of Inno Precast business activities and its various transactions.
2. The Board of Directors' and Shareholders' Meeting of the Company have approved the partial business transfer and/or the sale and purchase of partial business transaction and the sale of related assets to Inno Precast, including the entry into agreements, contracts and/or other documents	Engaging in this transaction qualifies it as a Type 3 connected transaction, as per the connected transaction criteria. Specifically, this transaction pertains to assets or services valued at over 20 million baht or exceeding 3 percent of the Company's net tangible assets. As such, the Company is bound

The key conditions precedent	The Independent Financial Advisor opinion
relevant to the transaction, and any other actions to ensure the completion of the transaction.	to adhere to the stipulations set forth in the connected transaction notification.
3. The Shareholders' Meeting of Inno Precast has approved the capital increase and the allocation of the newly issued shares to the Company as a payment of the transaction, including approving any other matters necessary and/or related to the transaction.	Per the terms of this partial business transfer agreement, Inno Precast is mandated to increase its capital and issue new 1,070,991 ordinary shares to the Company as consideration for entering into this transaction.
4. The parties have been entered into relevant agreements, and such agreements are valid or have been waived by related counterparties or related persons.	To provide clarity and establish a framework for executing the Company's and the relevant contracting parties' plans
5. All approvals from any Governmental Authority necessary to permit for the consummation of the Transaction have been duly received (if any).	The transaction aligns with the criteria set for partial business transfers.
6. There must be no material adverse change that may affect the transaction.	The successful execution of this transaction hinges on several factors. These include adherence to the regulations governing partial business transfers as stipulated by regulatory authorities, liberation from commitments with financial institution creditors, and the thorough execution of all relevant contracts.

Upon considering the terms of the Company's proposed transaction, the Independent Financial Advisor is of the opinion that this endeavor is intricate, encompassing numerous stipulations that require third-party approvals, including from relevant governmental bodies. This is especially true given that it involves a partial business transfer. Moreover, certain assets are encumbered and necessitate release from financial institution creditors. Consequently, the Independent Financial Advisor is of the opinion that the Company exercise diligence and judicious assessment before proceeding, ensuring that the aforementioned conditions can be effectively met as per the outlined plan.

Regarding precedent conditions and conditions of entering into the transaction, IFA has opined that the conditions of entering into the transaction are appropriate and relay to Notifications on Acquisition or Disposition of Assets and Notifications on Connected Transaction and all terms and regulations are common for The partial business transfer transaction and don't damage Company's interest and shareholders' interest.



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**Part 4: Conclusion of Opinion of Independent Financial Advisor**

According to the Shareholders' Meeting which held on Thursday, 27 April 2023 has approved the investment in Inno Precast ("Inno Precast") by way of Entire Business Transfer (EBT) and issuing new ordinary shares of the Company for settlement. And on 26 May 2023 the Company became a shareholder in Inno Precast of 51% stake with Quartz Holding 2 Company Limited ("Quartz Holding 2"), a subsidiary of Prukha Holding Public Company Limited ("PSH") and holds 49% stake in Inno Precast. Inno Precast is a company established with the objective of producing precast concrete wall panel business in construction (precast factory business) in accordance with the agreement relating to transaction support and additional business cooperation which the Company has entered into with PSH Group. During this investment, PSH, as a business partner, agreed to support Inno Precast's business operations. By purchasing precast products from Inno Precast to be used in the business of PSH Group within the framework of agreed terms and conditions. In the previous 2022 year, Inno Precast has manufactured and distributed precast to the PSH Group and third parties in the proportion of 80% and 20% respectively. Investment in Inno Precast is in line with the Group's strategy and core business as the Company operates the business of manufacturing and distributing construction materials, including precast products, to customers in the real estate and construction sectors, and from not being able to adequately meet the needs of customers by Inno Precast. The production capacity of Inno Precast is approximately 4.4 million sq.m./year. In addition, Inno Precast is a Green Factory and imports "Carbon Cure" green technology to be used as the first real estate development group in Thailand to produce Low Carbon Precast. In terms of business, Investment in Inno Precast will increase the Company's production capacity from 0.80 million sq.m./year to 5.20 million sq.m./year, which will help expand the Company's precast business base to have a stronger customer base. It will also increase the revenue share of the Company's precast products and help drive the Company's development as a leader in the international precast market.

After considering Inno Precast performance after the aforementioned investment transaction, the business of Inno Precast is likely to continue growth. For that reason, the Company therefore intends to transfer the precast business to Inno Precast. By restructuring the business this time by way of partial business transfer and/or sale and purchase of partial business with Inno Precast, the Company and the subsidiary group will become more agile and flexible, allowing more efficient business management. Moreover, the Company will be able to analyze and track the performance of the Company and the subsidiary group for each type of business from the financial statements, which will be separated more clearly. This enables the Company to analyze and monitor the performance of the Company and its subsidiaries for each type of business from separate financial statements more clearly. It will also help the Company to better manage the risks of each type of business and reduce conflicts of interest between the Company and Inno Precast. In addition, it will continue to increase opportunities for the expansion of the company's precast business and Listed on the Stock Exchange of Thailand (Spin Off) in the future.

The Board of Directors' Meeting No. 7/2023 of General Engineering Public Company Limited (the "Company"), which was held on 20 October 2023, has resolved to approve the Company's plan to restructure the business of the Company by way of a partial business transfer (PBT), and/or the sale and purchase of partial business of the Company, i.e. the precast factory business to Inno Precast Company Limited ("Inno Precast"), the subsidiary which the Company holds 1,019,999 ordinary shares, representing 51% of the total issued shares of Inno Precast, by entering into the partial business transfer agreement and/or the sale and purchase agreement of partial business and related agreements with Inno Precast and related parties. The business restructuring by way of the partial business transfer (PBT) and/or the sale and purchase of partial business transaction has a total value of approximately 880 million Baht, whereby Inno Precast will make the payment of the consideration by (a) issuing its newly issued ordinary shares to the Company in the amount of not exceeding 1,070,991 shares at the price of 570.50 Baht per share, equivalent to a total value of 611.00 million Baht (in addition, Inno Precast will issue its newly issued ordinary shares in the amount of 701,140 shares to Quartz Holding 2 Company Limited ("Quartz Holding 2"), the major shareholder of Inno precast, which is an entity in the group company of Pruksa Holding Company Limited ("PSH") whereby Quartz Holding 2 currently holds 49% of the total shares of Inno Precast) the issuance of additional capital shares by Inno Precast is not issued in proportion to the shareholding of existing shareholders; (b) paying in cash to the Company in the amount of 124 million Baht; and (c) acquiring the assets related to the precast business, which consists of lands and factory buildings (after such assets have been released from collateral obligations), from the Company at the total value of 145 million Baht provided that the payable amount shall be subject to deduction of the rental fee that Inno Precast has leased such assets from the Company for the period of three years before the assets have been released from collateral obligations. The rental fee is fixed at the rate of 11.6 million Baht per annum (total 3 years is amounted of 34.8 million Baht) Thus, If the lease is renewed between Inno Precast and the Company. The Company will comply with the criteria for entering into transactions with connected persons according to the Notification of the Capital Market Supervisory Board No. TOR 21/2551. Criteria for Connected Transactions dated 31 August 2008 (including as amended) and Notification of the Stock Exchange of Thailand Re: Disclosure of Information and Operations of Listed Companies in the Connected Transaction B.E. 2546 dated 19 November 2003 (including as amended) (the "Partial Business Transfer Transaction").

This partial business transfer and/or the sale and purchase of partial business transaction will transfer only the operation, assets, liabilities, rights and duties under related contracts, and employees in connection with the Company's precast factory business to Inno Precast. The partial business transfer and/or the sale and purchase of partial business transaction value will be assessed according to book value, or adjusted book value/fair value at the date of business transfer and/or the sale and purchase of partial business. However, the purchase price of the transferred business and/or business sale and purchase may be changed based on the value of assets and liabilities at the date of business transfer and/or the sale and purchase of partial business. After the business restructuring is completed, Inno Precast will be the operator of the precast factory business of the group companies, and the Company will cease to operate the precast factory business. The Company will continue to operate a variety

of other businesses, including pre-stressed concrete pile product, precast concrete for infrastructure product, post-tensioned product, glass fiber reinforcement product, bored pile product, soil Cement column product and chemical construction product. The business restructuring will increase the production capacity and extend the customer base of Inno Precast's business.

In case of partial business transfer of precast business to Inno Precast, it will be conducted in accordance with the Revenue Department's regulation on partial business transfer (PBT) in order to be entitled to tax benefits, for which the Company is required to receive approval from its Shareholder's Meeting. Additionally, the aforementioned partial business transfer is regarded as the selling and transfer of a substantial undertaking of a company pursuant to Section 107(2)(A) of the Public Limited Companies Act 1992, which requires approval from the Shareholder's Meeting of the Company with no less than three-fourth of all votes of the shareholders attending the meeting and entitled to vote.

The partial business transfer and/or the sale and purchase of partial business is also considered as a connected transaction of the Company as Quartz Holding 2 is a shareholder of Inno Precast, holding 980,000 shares representing 49% of Inno Precast's total issued shares. Quartz Holding 2 has a common major shareholder with the Company, PSH, which holds 1,572,729,730 shares in the Company, representing 18.26% of the Company's total issued shares, and PSH also holds 100% shares in Quartz Holding 2. Therefore, the aforementioned business restructuring through the entering into partial business transfer agreements and/or sale and purchase agreement of partial business and related agreements with Inno Precast is considered as transactions to be entered into with a connected person of the Company and connected transactions under the Notification of the Capital Market Supervisory Board No. TorChor. 21/2551 on Rules on Connected Transactions dated August 31, 2008 (as amended) and the Notification of the Board of Governors of the Stock Exchange of Thailand on Disclosure of Information and Other Acts of Listed Companies on Connected Transactions 2003 dated 19 November 2003 (as amended) ("**Notifications on Connected Transaction**"). Upon the calculation of transaction size according to the Notifications on Connected Transaction by taking into account of the consolidated financial statement of the Company for the 2/2023 Quarter ended 30 June 2023 which has been reviewed by a certified auditor, the transaction size equals to 48.03% of the net tangible assets (NTA) of the Company, which is considered as a large connected transaction.

Therefore, the Company is required to comply with the regulations prescribed by the Notifications on Connected Transaction as follows:

- (1) Prepare and disclose information memorandum on the business restructuring by way of partial business transfer and/or sale and purchase of partial business through the entering into a partial business transfer agreement and/or sale and purchase agreement of partial business and related agreements with Inno Precast to the SET in accordance with the Notifications on Connected Transaction;

- (2) Appoint an independent financial advisor to provide opinions in relation to the business restructuring by way of partial business transfer and/or sale and purchase of partial business through the entering into a partial business transfer agreement and/or sale and purchase agreement of partial business and related agreements with Inno Precast in accordance with the Notifications on Connected Transaction, and deliver such opinion to the shareholders of the Company. In this regard, the Company has appointed I V Global Securities Public Company Limited as an independent financial advisor for the aforementioned purposes.
- (3) Deliver a shareholders' meeting invitation to the shareholders no later than 14 days in advance, containing the minimum information required under the Notifications on Connected Transaction; and
- (4) Arrange for the shareholders' meeting to consider and approve the aforementioned transaction, whereby the Company requires a vote of approval from the shareholders' meeting of no less than 3/4 majority of the shareholders attending the meeting and have the right to vote, excluding votes of shareholders with interests.

In this regard, the transactions related to the partial business transfer and/or sale and purchase of partial business is also considered as an acquisition of assets under the Notification of the Capital Market Supervisory Board No. TorJor 20/2551 Re: Rules on Entering into Material Transactions Deemed as Acquisition or Disposal of Assets dated 31 August 2008 (as amended) 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 2004 dated 29 October 2004 (as amended) ("**Notifications on Acquisition and Disposition of Assets**"). In part of the transaction where the Company has received 1,070,991 newly issued ordinary shares of Inno Precast as consideration for the partial business transfer and/or sale and purchase of partial business, upon calculation based on the consolidated financial statement of the Company for the 2/2023 Quarter ended 30 June 2023 which has been reviewed by a certified auditor, the largest transaction size according to the total consideration criteria equals to 8.93%. This transaction, in part of the transfer of precast business to Inno Precast, is also considered as a disposition of assets under the Notifications on Acquisition and Disposition of Assets, and upon the calculation of the transaction size using the consolidated financial statement of the Company for the 2/2023 Quarter ended 30 June 2023 which has been reviewed by a certified auditor, the largest transaction size equals to 8.06% according to the total consideration criteria. These transactions are considered as a minor transaction, the Company therefore has no duty to comply with the Notifications on Acquisition and Disposition of Assets. Since the Company has not resolved to propose to the Shareholders' Meeting No. 1/2023 to consider the acquisition of assets of subsidiaries and the disposition of assets according to the Notifications on Acquisition and Disposition of Assets. Therefore, If within 6 months after the Board of Directors' resolution at this time. The Company enters into an asset acquisition or disposal transaction, the Company will include the size of this transaction in consideration of the transaction as well as proceed in accordance with the Notifications on Acquisition and Disposition of Assets.

IFA's opinion on the Transaction can be summarized as follows:

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## Reasonableness of the transaction

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### Objectives and necessity of transaction

Following the Company's investment in Inno Precast Company Limited on 26 May 2023, which the Company has become a shareholder of Inno Precast by acquiring 51% shareholding, and Quartz Hold 2 (a subsidiary in the PSH Group) held 49% shares in Inno Precast. Inno Precast is a company incorporated for the purpose of operating the precast factory business in accordance with the agreement supporting the entering into the transaction and further business cooperation between the Company Group and the PSH group as business partners, whereby PSH agrees to support Inno Precast business operations by purchasing precast products from Inno Precast for use in the PSH Group's business in accordance with the agreed terms and conditions. In the previous 2022 year, Inno Precast has manufactured and distributed precast to the PSH Group and third parties in the proportion of 80% and 20% respectively.

After considering Inno Precast's performance after the aforementioned investment transaction, the business of Inno Precast is likely to continue to grow. For that reason, the Company therefore intends to transfer the precast business to Inno Precast. By restructuring the business this time by way of partial business transfer and/or sale and purchase of partial business with Inno Precast, the Company and the subsidiary group will become more agile and flexible, allowing more efficient business management. Moreover, the Company will be able to analyze and track the performance of the Company and the subsidiary group for each type of business from the financial statements which will be separated more clearly.

The business restructuring this time will be conducted by way of partial business transfer (PBT) and/or the sale and purchase of partial business with a total value of 880 million Baht. Inno Precast will (a) issue 1,070,991 newly issued ordinary shares to the Company as consideration for the partial business transfer; and (b) paying in cash to the Company in the amount of 124 million Baht; and (c) acquiring the assets related to the precast business, which consists of lands and factory buildings (after such assets have been released from collateral obligations), from the Company at the total value of 145 million Baht provided that the payable amount shall be subject to deduction of the rental fee that Inno Precast has leased such assets from the Company for the period of three years before the assets have been released from collateral obligations. The rental fee is fixed at the rate of 11.6 million Baht per annum. In this regard, it is expected that by entering into this transaction, the Company would gain benefits as follows:

- (1) To increase the Company's precast business expansion opportunities and the listing of Inno Precast on the Stock Exchange of Thailand (Spin Off) in the future.

Given the Company's wide range of business and operation, such as prestressed concrete pile, pre-stressed precast concrete (segment & girder), post-tension slab, glass fiber reinforced concrete, soil

cement column with deep cement mixing method, and construction chemical products, therefore, the business restructuring by transferring and/or sale and purchase of the stable precast business to be operated under the operation of Inno Precast, which is a subsidiary, will increase the expansion opportunities of the Company's precast business and the listing of Inno Precast on the Stock Exchange of Thailand (Spin Off) in the future.

(2) To increase efficiency in the business management of the Company Group

The business restructuring of the Company by way of partial business transfer and/or sale and purchase of partial business with Inno Precast will allow the Company and the subsidiary group to become more agile and flexible, allowing more efficient business management. Moreover, the Company will be able to analyze and track the performance of the Company and the subsidiary group for each type of business from the financial statements which will be separated more clearly.

(3) To separate business risk management

Given the Company and the subsidiary group's wide range of business and operation, such as prestressed concrete pile, pre-stressed precast concrete (segment & girder), post-tension slab, glass fiber reinforced concrete, soil cement column with deep cement mixing method, construction chemical products, and high tensile steel wire products, for each type and nature of business, there are different operation, management, risk factors. Therefore, by clearly separating each type of business under the operations of the subsidiary, the Company will be to conduct business and manage risks of each type of business.

However, the Independent Financial Advisor had the opinion that the transaction will affect the Company and its shareholders as follows:

**Advantages and Disadvantages of entry into the transaction**

Advantages of entry into the transaction

- The Company will increase its shareholding in INPC, which will increase the opportunity to receive proportionately higher returns from INPC.
- The current business restructuring initiative may yield ancillary benefits derived from synergies, such as economies of scale and augmented bargaining leverage when procuring raw materials. These synergies have the potential to diminish production costs and bolster our competitive edge in the market.
- Enhance the opportunity for PSH Group, a major shareholder, to engage more actively in the business pursuant to the strategic direction of the Company, supporting the sustainable growth of both the Company and PSH Group going forward.

- The Company is set to receive a measure of financial compensation in the form of cash from the partial business transfer and/or partial business acquisition, facilitating the Company's liquidity and augment its working capital reserves.
- The capital injection of 400 million baht into INPC by PSH is poised to fortify INPC's financial foundation and to enrich INPC's liquidity, alleviate its debt obligations, and diminish its financial expenses.
- The restructuring will enhance the financial position of INPC and bring greater clarity to the business operations of the group. This will aid in increasing opportunities for additional funding or for executing the plan to list INPC on the Stock Exchange in the future.
- The partial business transfer and/or the compensation to be received from the partial business transfer is appropriate.

#### Drawbacks of Pursuing the Transaction

- The restructuring will result in the Company holding a smaller equity interest in its precast business, which will be held through INPC, leading to a proportionate decrease in the Company's share of profits derived from the precast operations.
- The issuance of new shares initiated by INPC will result in an expansion of its share base, resulting in a dilutive effect on the Company as a shareholder such as a reduction in the earnings per share (EPS) attributable to the Company.
- The process of business restructuring may extend over a considerable period and could potentially result in the Company incurring additional expenses associated with the transaction.
- The Company will have to cease its business of producing precast concrete wall panels used in construction, transitioning instead to holding shares in INPC.
- The increased ownership stake in INPC following the restructuring may not be considered a significant change.

#### Comparative Analysis of Benefits and Drawbacks in Transactions with Related Parties

##### Benefits of Pursuing the Transaction with Related Parties

- The PSH Group is recognized for its expertise in the precast production sector. By engaging in this transaction, the collaboration between the PSH Group and the Company is set to bolster confidence in the shared management, allowing the PSH Group to engage more in the Company's business operations in line with the Company's strategic plan.
- PSH, which is a major shareholder in both the Company and INPC, prioritizes the collective interests of both entities significantly.
- A confidence in the successful execution of the transaction as per the strategic plan.



#### Drawbacks of Pursuing the Transaction with Related Parties

- Potential for Conflicts of Interest Between PSH Group and the Company Arising from the Transaction, with the Possibility of Subsequent Related Transactions.
- Price determination and compensation for the transaction may be subject to influence from parties with potential conflicts of interest.

#### Comparative Analysis of Benefits and Drawbacks in Transactions with Third Parties

##### Benefits of Pursuing the Transaction with Third Parties

- The determination of price and compensation for entering into the transaction will be independent.
- Absence of Conflict of Interest, mitigating the risk of any potential transfer of benefits.

##### Drawbacks of Pursuing the Transaction with Third Parties

- The Company is not positioned to benefit from the PSH Group's joint management in the precast business assets, despite PSH's recognized expertise in the precast production industry.
- There exist certain constraints when it comes to identifying and securing third parties that possess the requisite capabilities and are prepared to engage in transactions that align with the Company's business strategy.
- Negotiations will take longer than transactions with related parties. This may cause delays in the implementation of the Company's business plan.

#### **Risks Associated with the Transaction**

- Risks associated with the future operating performance of INPC and the subsequent returns that the Company is projected to garner following the business restructuring.
- Risks from additional benefits from business combinations (Synergy) are still uncertain.
- There is a risk of delay or failure to get approval for the release of certain assets from being collateral with financial institutions, which could lead to a future change in the value of these assets.
- Risks associated with the unforeseen delays or cancellations of the transaction, which may disrupt the execution of the Company's business strategy or potentially result in incurring additional expenses.
- There is also a risk associated with the restructuring of the business by partial business transfer (PBT) and/or the partial business acquisition, subject to the terms of the agreement and legal regulations related to the partial business transfer.

#### **The Reasonableness of Fair Value of Entering Transaction**

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According to the Company have plan to restructure the business of the Company by way of a partial business transfer (PBT), and/or the sale and purchase of partial business of the Company, i.e. the precast factory business ("Precast Business" or "Precast Factory Business" or "PW business") to Inno Precast Company Limited

("Inno Precast"), the subsidiary. The business restructuring by way of the partial business transfer (PBT) and/or the sale and purchase of partial business transaction has a total value of approximately 880 million Baht, whereby Inno Precast will make the payment of the consideration by

- (1) The issuing its newly issued ordinary shares to the Company in the amount of not exceeding 1,070,991 shares at the price of 570.50 Baht per share, equivalent to a total value of 611.00 million Baht (in addition, Inno Precast will issue its newly issued ordinary shares in the amount of 701,140 shares to Quartz Holding 2 Company Limited ("**Quartz Holding 2**" or "**Quartz 2**"), the major shareholder of Inno precast, which is an entity in the group company of Pruksa Holding Company Limited ("**PSH**") whereby Quartz Holding 2 currently holds 49% of the total shares of Inno Precast) The issuance of additional capital shares by Inno Precast is not issued in proportion to the shareholding of existing shareholders; and
- (2) Paying in cash to the Company in the amount of 124 million Baht; and
- (3) Acquiring the assets related to the precast business, which consists of lands and factory buildings (after such assets have been released from collateral obligations), from the Company at the total value of 145 million Baht provided that the payable amount shall be subject to deduction of the rental fee that Inno Precast has leased such assets from the Company for the period of three years before the assets have been released from collateral obligations. The rental fee is fixed at the rate of 11.6 million Baht per annum (total 3 years is amounted of 34.8 million Baht)

The Independent Financial Advisor is of the opinion that the most suitable valuation approach for the business engaged in producing and distributing precast (PW) and for determining the value of INPC's shares is the discounted cash flow approach. The fair value of the precast production and distribution business (PW) is estimated to range between 828.02 and 926.25 million baht, which translates to 531.35 to 673.34 baht per share. This is predicated on the fact that both INPC and the Company's precast production and distribution business (PW) are ventures that consistently yield stable cash flows and have a well-defined future business strategy. As such, the Independent Financial Advisor is of the opinion that the valuation using the discounted cash flow approach is the most appropriate for this particular valuation.

The Independent Financial Advisor is of the opinion that executing the transaction to dispose of the precast production and distribution business (PW) for a value of 880.00 million baht is appropriate due to the fact that the proposed price squarely falls within the fair value range of 828.02 to 926.25 million baht for the precast production and distribution business (PW). **Consequently, the sale transaction of the precast production and distribution business (PW) at this juncture is deemed to be reasonably priced.**

Furthermore, the Independent Financial Advisor is of the opinion that the issuance of additional INPC shares at a price of 570.50 baht per share to both the Company and Quartz 2 is appropriate due to the fact that the

price of the additional shares aligns with the fair value range of INPC, which is estimated between 531.35 and 673.34 baht per share. **Consequently, the proposed price for INPC's newly issued shares is deemed appropriate.**

In addition, The business restructuring by way of the partial business transfer (PBT) and/or the sale and purchase of partial business transaction has a total value of approximately 880 million Baht, whereby Inno Precast will make the payment of the consideration by

- (1) Inno Precast will issue its newly issued ordinary shares to the Company in the amount of not exceeding 1,070,991 shares at the price of 570.50 Baht per share, equivalent to a total value of 611.00 million Baht;
- (2) Pay in cash in the amount of 124 million Baht;
- (3) Pay for the acquisition of the assets related to the precast business, which consists of lands and factory buildings (after such assets have been released from collateral obligations), from the Company at the total value of 145 million Baht provided that the payable amount shall be subject to deduction of the rental fee that Inno Precast has leased such assets from the Company for the period of three years before the assets have been released from collateral obligations. The rental fee is at the total amount of 11.6 million Baht per year. (total 3 years is amounted of 34.8 million Baht)

The Independent Financial Advisor is of the opinion that executing a transaction with a total consideration of 880.00 million baht is appropriate based on the fact that this value falls within the fair value range of all consideration that GEL is expected to receive from the transaction, as determined by the Independent Financial Advisor. This fair value range is estimated to be between 818.39 and 924.33 million baht. **As such, the consideration value for this particular transaction is deemed appropriate.**

#### **Appropriateness of Transaction Conditions**

The Company will enter to the transaction after Shareholders' Meeting of the Company have approved the partial business transfer transaction. including to the terms of the partial business transfer and/or the sale and purchase of partial business transaction under the business restructuring plan will occur only after the specified conditions precedent have been satisfied or waived by the relevant counterparties. The key conditions precedent under the agreements related to the partial business transfer is including but not limited to;

In light of these conditions, the initiation of this transaction is subject to the key conditions precedent as detailed below:

The key conditions precedent	The Independent Financial Advisor opinion
1. The accounting and legal due diligence of Inno Precast business has been completed reasonably satisfactory to the Company.	The Company has duly completed the necessary processes. Inno Precast, having commenced its operations on 22 November 2022 remains a subsidiary of the Company. Consequently, the Company is consistently informed of Inno Precast business activities and its various transactions.

The key conditions precedent	The Independent Financial Advisor opinion
2. The Board of Directors' and Shareholders' Meeting of the Company have approved the partial business transfer and/or the sale and purchase of partial business transaction and the sale of related assets to Inno Precast, including the entry into agreements, contracts and/or other documents relevant to the transaction, and any other actions to ensure the completion of the transaction.	Engaging in this transaction qualifies it as a Type 3 connected transaction, as per the connected transaction criteria. Specifically, this transaction pertains to assets or services valued at over 20 million baht or exceeding 3 percent of the Company's net tangible assets. As such, the Company is bound to adhere to the stipulations set forth in the connected transaction notification.
3. The Shareholders' Meeting of Inno Precast has approved the capital increase and the allocation of the newly issued shares to the Company as a payment of the transaction, including approving any other matters necessary and/or related to the transaction.	Per the terms of this partial business transfer agreement, Inno Precast is mandated to increase its capital and issue new 1,070,991 ordinary shares to the Company as consideration for entering into this transaction.
4. The parties have been entered into relevant agreements, and such agreements are valid or have been waived by related counterparties or related persons.	To provide clarity and establish a framework for executing the Company's and the relevant contracting parties' plans
5. All approvals from any Governmental Authority necessary to permit for the consummation of the Transaction have been duly received (if any).	The transaction aligns with the criteria set for partial business transfers.
6. There must be no material adverse change that may affect the transaction.	The successful execution of this transaction hinges on several factors. These include adherence to the regulations governing partial business transfers as stipulated by regulatory authorities, liberation from commitments with financial institution creditors, and the thorough execution of all relevant contracts.

Upon considering the terms of the Company's proposed transaction, the Independent Financial Advisor is of the opinion that this endeavor is intricate, encompassing numerous stipulations that require third-party approvals, including from relevant governmental bodies. This is especially true given that it involves a partial business transfer. Moreover, certain assets are encumbered and necessitate release from financial institution creditors. Consequently, the Independent Financial Advisor is of the opinion that the Company exercise diligence and judicious assessment before proceeding, ensuring that the aforementioned conditions can be effectively met as per the outlined plan.

Regarding precedent conditions and conditions of entering into the transaction, IFA has opined that the conditions of entering into the transaction are appropriate and relay to Notifications on Acquisition or Disposition of Assets and Notifications on Connected Transaction and all terms and regulations are common for The partial business transfer transaction and don't damage Company's interest and shareholders' interest.

After considering information and rationale of this report, IFA has opined that the shareholders should approve the disposition transaction.

For more information, please refer to IFA opinion summary in "Executive Summary" page 3 of this IFA report

Nonetheless, in deciding whether to approve or disapprove the said Transaction, the shareholders can make consideration thereon based on the above reasons and opinion rendered by the Independent Financial Advisor. The final decision depends on the shareholders' individual judgment.

I V Global Securities Public Company Limited as the Independent Financial Advisor hereby certifies that we have provided the opinion fairly using independent professional judgments, by placing the interest of the shareholders at the utmost importance.

The Independent Financial Advisor's opinion is based on the assumptions that all information in consideration was complete and accurate, and reflects the operating environment and most up-to-date information at the time of issuance of this report. Any changes in the information used to formulate an opinion could have a significant impact on the valuation, the Independent Financial Advisor's opinion and the decision of the shareholders. The purpose of this report is to provide a recommendation to shareholders of the Company and the opinion of the IFA should not be misconstrued as an endorsement to enter into the Transaction, or a guarantee of the outcome of the Transaction.

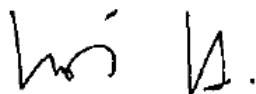
I V Global Securities Public Company Limited as the Independent Financial Advisor of the Company hereby certifies that we have study and analyze the data that provided by the professional standard and on the opinion fairly using independent professional judgments, by placing the interest of the shareholders at the utmost importance.

I V Global Securities Public Company Limited, as the Independent Financial Advisor, hereby certifies that we have provided the above opinion diligently in accordance with professional standards for the benefits of the shareholders.

Yours Faithfully,

Independent Financial Advisor

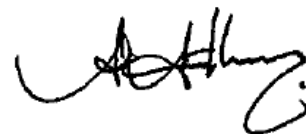
I V Global Securities Public Company Limited



*(Miss Krisaporn Kunchan)*

Vice President

Supervisor Financial Advisory



*(Mrs. Sriporn Sudthipongse)*

President and CEO

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## Attachment 1

Company Information and Operating Results

of

General Engineering Public Company Limited

<b>1. Basic Information</b>
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Company name	:	General Engineering Public Company Limited
Type of business	:	The Company's core business is production of construction materials including Prestressed Concrete Piles, Bored Pile, Soil Cement Column, Precast Concrete, Segment, Glassfiber Reinforced Concrete, Chemical Construction and Post-Tensioned Slab
Registration Number	:	0107536001338
Website	:	www.gel.co.th
Head Office Address	:	44/2, Moo 2, Tivanon Road, Bangkadee, Muang, Pathumthani 12000
Branch No. 1	:	99, 99/1-5 Moo 4, Chiangraknoi, Sam Khok, Pathumthani 12160
Branch No. 2	:	99/19 Moo 1, Banlang, Muang Rayong, Rayong 21000
Telephone number	:	02-501-2020, 02-501-1055
Fax	:	02-501-2468, 02-501-2134
Registered Capital	:	8,084,938,508.55 baht
(As of 30 June 2023)		Divided into 9,511,692,363 ordinary shares, with a par value of 0.85 baht per share
Paid-up capital	:	7,320,239,240.25 baht
(As of 30 June 2023)		Divided into 8,612,046,165 ordinary shares, with a par value of 0.85 baht per share



## 2. Business Overview

General Engineering Company Limited to manufacture and sells of construction materials; pre-stressed concrete pile, bored pile, precast concrete, precast concrete for infrastructure project, glass fiber reinforced concrete, chemical construction products and post-tension slab. The Company has initiated the production and distribution of prestressed concrete pile products which is a leader in new technologies and innovations that meet the standards of the construction industry. The Company has expanded its business line to meet the needs of customers and provide more options for customers, as well as continuously develop quality products. The Company has been certified with quality management system according to TIS/ISO 9001:2015 and Industrial Product Standard (TIS).

### 2.1 Principal changes and developments in 2020 - 2023

- 2020
- The Board of Directors' Meeting No. 7/2019 of General Engineering Public Company Limited held on Thursday 14 November 2019 has the resolution and approve to invest in the Construction of precast concrete factory for infrastructure project and request the Company to complete the precedence conditions assigned by the Board of Directors before the investment. The Company has now completed in accordance with the precedence conditions assigned by the Board of Directors therefore started to invest in the construction of precast concrete factory for infrastructure project which located on Moo 4, Tambon Chiangraknoi, Ampoe Samkok, Pathumthani with total budget not exceeding Baht 240 Million due to support and meet the needs of customers for infrastructure project of the government such as beams and bridge, and to develop the Company's business potential for precast concrete.
  - The Board of Directors' Meeting No. 4/2020 of General Engineering Public Company Limited held on Friday 3 July 2020 has the resolution ad approve the acquisition of additional land for the construction of the central warehouse, maintenance building and worker accommodation located on Tambon Chiangraknoi, Ampoe Samkok, Pathumthani and request the Company has now completed to acquisition of additional land which located on Tambon Chiangraknoi, Ampoe Samkok, Pathumthani which total area of 13-2-72-2 rai. The total budget including the transfer expenses the bond by the company of approximately Baht 61.92 million.
  - 1) The Board of Directors' Meeting No. 6/2020 of General Engineering Public Company Limited held on Monday 16 November 2020 has the resolution and approve;
- 2021
- - No key of event in this year -
- 2022
- The Board of Directors' Meeting No.1/2022 of General Engineering Public Company

Limited held on 6 January 2022 has the resolution and approve the Company to lease land located on the title deed no. 3962, land no. 119 Tambon Chiangraknoi, Ampoe Samkok, Pathumthani which total area 16-2-72 Rais, period of leasing the land 3 years, the total payment for the land lease for three (3) years must not exceed Baht 3,369,053.10 from the connected person. The objective of leasing of the land from connected person is for the benefit and necessity of expanding the storage space for the storage of precast concrete products for the infrastructure to support the expansion of the Company's production capacity.

- The Board of Directors' Meeting No.2/2022 of General Engineering Public Company Limited held on 28 February 2022 has the resolution and approve;

- 1) Approved to propose that the 2022 Annual General Meeting of Shareholders to consider and approve the increase in the registered capital from the existing registered capital of THB 4,588,195,610.65 to THB 6,882,293,415.55 by issuing of newly-issued ordinary shares in the amount of 2,698,938,594 shares, with a par value of THB 0.85 per share, totaling THB 2,294,097,804.90, in order to accommodate: (1) the allocation of newly-issued ordinary shares to the existing shareholders proportionate to their respective shareholdings (Right Offering); and (2) the exercise of the warrants to purchase the newly-issued ordinary shares of the Company No. 5 (the "GEL-W5 Warrants") for the allocation to the Company's existing shareholders who have subscribed and have been allocated for the issued and offered of newly-issued ordinary shares proportionate to their respective shareholdings (Rights Offering), as well as to approve the amendment of the Company's Memorandum of Association Clause 4 (Registered Capital) to be in line with the Company's registered capital increase.

The 2022 Annual General Meeting of Shareholders on 29 April 2022 resolved to consider and approve the increase of the Company's registered capital and the amendment of the Company's Memorandum of Association Clause 4 (Registered Capital) to be in line with the Company's registered capital increase.

- 2) Approved to propose to the 2022 Annual General Meeting of Shareholders to consider and approve the issuance of GEL-W5 Warrants in the amount not exceeding 899,646,198 units for the allocation to the Company's existing shareholders who have subscribed and have been allocated for the issued and offered of newly-issued ordinary shares proportionate to their respective shareholding (Rights Offering), at the allocation ratio of 2 newly-ordinary shares to 1 unit of the GEL-W5 Warrants without value (the offering price of Warrants per

unit is THB 0) and the exercise price to subscribe the shares is THB 0.50 per share, and the exercise period is within 3 years.

The 2022 Annual General Meeting of Shareholders on 29 April 2022 resolved to consider and approve issuance of GEL-W5 Warrants for the allocation to the Company's existing shareholders who have subscribed and have been allocated for the issued and offered of newly-issued ordinary shares proportionate to their respective shareholding (Rights Offering).

- 3) Approved to propose to the 2022 Annual General Meeting of Shareholders to consider and approve the allocation of the newly-issued ordinary share in the amount of not more than 1,799,292,396 shares, with a par value of THB 0.85 per share, for sale to the Company's existing shareholders proportionate to their respective shareholding (Rights Offering). The allocation ratio shall be 3 existing ordinary shares to 1 newly-issued ordinary share. The offering price per share is THB 0.23.

The 2022 Annual General Meeting of Shareholders on 29 April 2022 resolved to consider and approve the allocation of the newly-issued ordinary share to the Company's existing shareholders proportionate to their respective shareholding (Rights Offering)

- 4) The Company approved the allocation of not exceeding 899,646,198 newly-issued ordinary shares, at the par value of THB 0.85 per share, in order to be reserved for the exercise of GEL-W5 Warrants to be allocated to the existing shareholders of the Company, who have subscribed and have been allocated for the issued and offered of newly-issued ordinary shares proportionate to their respective shareholdings (Rights Offering), at the allocation ratio of 2 new ordinary share to 1 of the GEL-W5 Warrants, without value (i.e., offering price of Warrants per unit is THB 0)

The 2022 Annual General Meeting of Shareholders on 29 April 2022 resolved to consider and approve newly-issued ordinary shares to be reserved for the exercise of GEL-W5 Warrants to be allocated to the existing shareholders of the Company, who have subscribed and have been allocated for the issued and offered of newly-issued ordinary shares proportionate to their respective shareholdings (Rights Offering)

- 5) Approval the renewal of the put option of Nippon Concrete Industries Co., Ltd. ("NC") that NC has the put option right to sell its shares, which shareholding 17.5%, in General Nippon Concrete Industries Co., Ltd (The Company's

subsidiary) for another 2 years.

- On 9 June 2022 the Company reported on the results of sale of common shares offered to all common shares' shareholder

Total allotted shares	1,799,292,396	Shares
Total subscribed shares	1,641,439,246	Shares
Total amount	377,531,026.58	Baht
Total expenses	1,213,000.00	Baht
Net amount received	376,318,026.58	Baht

- On 10 June 2022 the Company already registered to change in the paid-up capital of the Company to add more 1,395,223,359.10 Baht with the Department of Business Development, Ministry of Commerce. As a result, the current paid-up capital of the Company has changed from 4,588,195,610.65 Baht to 5,983,418,969.75 Baht, divided into ordinary shares 7,039,316,435 shares with a par value of 0.85 Baht per share, and total registered capital 6,882,293,415.55 Baht.
- The Board of Directors' Meeting No.5/2022 of General Engineering Public Company Limited held on 20 June 2022 has the resolution and approve the increase of registered capital in General Nippon Concrete Industry Co., Ltd amount 110 million Baht for reinforce the potential in order for the subsidiary to expand its business. The company will hold 88.71% of shares when the company has capital increase in subsidiary.
- The Board of Directors' Meeting No.6/2022 of General Engineering Public Company Limited held on 12 July 2022 has the resolution and approve the additional investment for construction and improve the pre-stressed precast concrete (Segment) for infrastructure factory. The location is Moo 4, Tambon Chiangraknoi, Ampoe Samkok, Pathumthani Province. The total budget is about 88 million Baht. The Company has plan to expand production and expanding the storage space to respond the customer need and more alternative for customer.
- The Board of Directors' Meeting No.6/2022 of General Engineering Public Company Limited held on 12 July 2022 has the resolution and approve the appoint Mrs. Linjong Srisongkram to be the Company Executive Committee
- The Board of Directors' Meeting No. 1/2023, which was held on 13 January 2023 has the resolutions as follows:

- 1) It was resolved to invest in Inno Precast Company Limited ("Inno Precast"), in the proportion of 51.00% of the total shares of Inno Precast (which consists of 1,020,000 common shares of Inno Precast from the total 2,000,000 common shares), which the investment will be made by way of the Company acquiring

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and accepting the transfer of the entire business of Quartz Holding 1 Company Limited (“Quartz Holding 1”), who holds 1,020,000 ordinary shares, representing 51.00% of the total shares of Inno Precast. Inno Precast and Quartz Holding 1 are subsidiary companies of Pruksa Holding Public Company Limited (“PSH”) group, whereby Inno Precast operates its business by producing and distributing precast (concrete product for use in construction works) and Quartz Holding 1 is a company operating its business by holding shares in Inno Precast in the proportion of 51.00%, which was established by PSH under its precast business restructuring plan

- 2) It was resolved to grant approval for the Company to enter into agreements relating to the Investment Transaction by way of Accepting the Entire Business Transfer and Issuance of the Newly Issued Ordinary Shares Transaction, which consist of Share Subscription Agreement, Entire Business Transfer Agreement, Undertaking Agreement, and Call Option Agreement. also include various agreements relating to the support for entering into the transaction and further business cooperation between the Company group and the PSH group as business partners.
- 3) It was resolved to grant approval to propose to the Shareholders’ Meeting to consider approving the Company registered capital decrease by THB 134,175,177.50 from the current registered capital of THB 6,882,293,415.55 to be the new registered capital of THB 6,748,118,238.05, by cancelling 157,853,150 ordinary shares of the Company that have not been sold, at the par value of THB 0.85, which were issued to serve the offering of the newly issued ordinary shares to the existing shareholders of the Company in accordance with their shareholdings (Right Offering), pursuant to the Resolution of the Annual General Meeting of Shareholders for the year 2022, held on 29 April 2022.
- 4) It was resolved to grant approval to propose to the Shareholders’ Meeting to consider approving the Company registered capital increase by THB 1,336,820,270.50 from the current registered capital of THB 6,748,118,238. 05 to be the new registered capital of THB 8,084,938,508. 55 by issuing 1,572,729,730 newly issued ordinary shares at the par value of THB 0.85 per shares as a payment for the Investment Transaction by way of Accepting the Entire Business Transfer
- 5) It was resolved to grant approval to propose to the Shareholders’ Meeting to consider approving the allocation of the newly issued ordinary shares of not

exceeding 1,572,729,730 shares, at the par value of THB 0.85 by way of private placement, to Quartz Holding 1 and/or shareholders of Quartz Holding 1 (PSH), who are not connected persons of the Company, as a payment for the Investment Transaction by way of Accepting the Entire Business Transfer. In case of a payment by way for share swap, Quartz Holding 1 and/or shareholders of Quartz Holding 1 (PSH) will offer the entire business of Quartz Holding, which is 1,020,000 ordinary shares in Inno Precast (representing 51.00% of the total shares of Inno Precast) at the par value of THB 100, represented as the total value of THB 581,910,000, as a payment for the newly issued ordinary shares of the Company by other assets instead of paying in cash.

- 6) It was resolved to approve the additional investment for construction and area improvement for the Construction Project of the Precast Concrete Factory for Basic Infrastructure located at Moo 4, Chaingraknoi, Samkok, Pathumthani, in the amount of THB 65,000,000. In this regard, the Chief Executive Officer is authorized to amend or make changes to the use of such approved investment budget for the highest interest of the Company.
- The Company would like to inform you that on 26 May 2023, the Company and the related counterparties have satisfied all of the conditions precedent and other obligations under the agreements related to the aforementioned investment transaction. As a result, the investment in Inno Precast has been completed for which the Company has acquired 51.00 percent shareholding in Inno Precast, and the Company has allocated 1,572,729,730 newly issued ordinary shares of the Company, representing 18.26 percent of the total issued and paid-up shares of the Company after the capital increase, to Quartz Holding 1 as a payment. Therefore, as of 26 May 2023 and going forward, Inno Precast has become a subsidiary of the Company, and Prukha Holding Public Company Limited ("PSH"), as the wholly owned shareholder of Quartz Holding 1, shall be deemed as a major shareholder of the Company. In this regard, the Company has registered change in paid-up capital in the amount of THB 1,336,820,270.50 with the Department of Business Development, Ministry of Commerce which results in that the paid-up registered capital of the Company has been changed from THB 5,983,418,969.75 to THB 7,320,239,240.25 divided into 8,612,046,165 shares with par value at THB 0.85 each. After the aforementioned allocation of newly issued shares, the Company still has 899,646,198 unissued ordinary shares allocated to accommodate the conversion rights of the GEL-W5 warrant holders.

## 2.2 NATURE OF BUSINESS

### 2.2.1 Revenue Structure

The revenue structure from business operation of the company can be classified as follows:

Type of revenue	2022		2021		2020	
	Million Baht	%	Million Baht	%	Million Baht	%
<b>Revenue from sales and services</b>						
Pre-stressed concrete piles	589.55	36.13	410.16	23.51	332.95	11.78
Precast Concrete	494.02	30.28	495.76	28.42	672.02	23.78
Post-tensioned slab	139.60	8.56	62.43	3.58	164.47	5.82
Glassfiber Reinforced Concrete	26.34	1.61	33.32	1.91	35.67	1.26
Construction chemical products	47.81	2.93	86.04	4.93	152.42	5.39
The pre-stressed precast concrete (Segment & Girder)	41.19	2.52	275.45	15.79	712.32	25.21
Steel product	177.72	10.89	25.11	1.44	96.32	3.41
Other products	79.33	4.86	273.72	15.69	604.63	21.40
<b>Total revenue from sales and services</b>	<b>1,595.56</b>	<b>97.78</b>	<b>1,661.99</b>	<b>95.26</b>	<b>2,770.80</b>	<b>98.06</b>
Others revenue	36.17	2.22	82.69	4.74	54.79	1.94
<b>Total revenues</b>	<b>1,631.73</b>	<b>100.00</b>	<b>1,744.68</b>	<b>100.00</b>	<b>2,825.59</b>	<b>100.00</b>

### 2.2.2 Our Products and Services

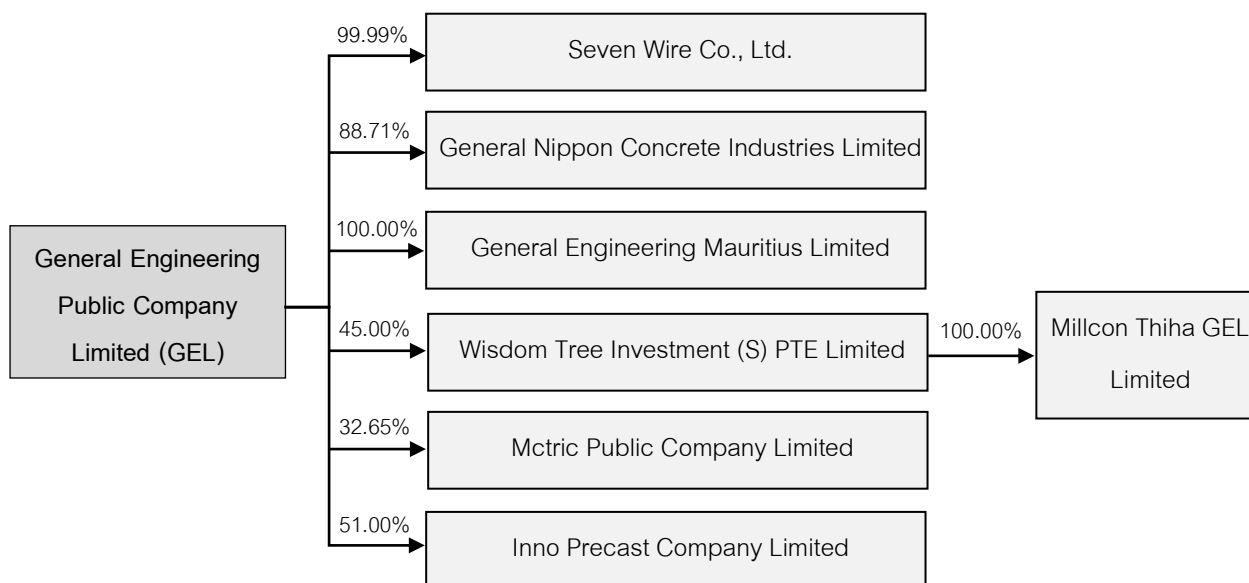
Product Group	Product Name	Properties	Usage
Pre-stressed concrete pile products	<ul style="list-style-type: none"> <li>* Square pile</li> <li>* I-shape pile</li> <li>* Hollow square pile</li> <li>* Pre-stressed concrete spun Piles</li> <li>* Corrugated concrete sheet pile</li> </ul>	Being efficient piles saving time and costs of construction and has been certified by the Office of Industrial Standards (TIS 396-2549) and certified quality management system according to ISO 9001:9015.	Government units, state enterprises, department stores, factory, universities, airports, housing Developments and bridge works etc.
Concrete products	* Precast concrete for structural parts product including stair, beam, slab	The quality and standard can be controlled consistently throughout the sheet, making the construction fast and in line with the design. The company's products use modern machinery and technology from Germany.	Residence both housing and condominium, factory and warehouse, department store, high-rise building, stadium etc.
Post-tensioned slab	* Post-Tension slab	It is used for areas that require a wider span of pillars than usual, and there are no beams between the pillars, allowing for more layers to be added, as well as	Car park building, high rise building

Product Group	Product Name	Properties	Usage
		faster and more efficient construction.	
	* Biaxial slab	The area structure construction system uses recycled plastic to cast into various shapes to replace concrete in the structure of the building, which can help reduce the amount of concrete used and heavy duty of the structure. There are three types of hollow balls of the two-way hollow beamless system: flat sphere, oval and spherical form, and are certified by the German Institute of Structural Engineering (Deutsches Institut für Bautechnik: DIBt).	Factory work, bridge work, big building
Glass fiber reinforced concrete product (GRC)	* Glass fiber reinforced concrete product (GRC)	Fiberglass reinforced concrete without steel reinforcement can make products in various shapes with resolution inform. They are attractive light-weighted and easy for installation.	For a customer who wants to use a product of a unique product. Suitable for various decorations for beauty, whether inside or outside the building.
	* Noise Barrier	Being a product used for the prevention of noise pollution resulting from traffic or machinery	Special expressways, highways, underground tunnels, power plants and factories
Construction chemical products	* Non-Shrink Grout Cement	Being non-shrink cement and supporting a high pressure	Housing, high rise building, factory, power plant and petro chemical plant
	* Skim coat	There is a thin plaster adhesion. Used for wall decorations, concrete work surface to smooth out beautifully. There are no cracks. Savings color of the painting	Concrete wall
	* Tile Adhesive	For general floor and wall tiles	For general floor and wall tiles
	* Construction Chemicals	There are varieties of products which are suitable for different projects such as waterproofing, surface treatment and repairing etc.	Used for all types of construction
Other products	* Bored pile	Prevent unstable soil wall erosion	Projects that need to



Product Group	Product Name	Properties	Usage
		around borehole Reduce the noise caused by installation	support large-scale structures
	* Segment & Girder	High construction technology and the work piece is large. The design meets the design requirements of the regulatory agencies.	Infrastructure such as the bridge structure, U-turn, expressway, elevation
	* Soil Cement Column	It is a technique to improve the quality of the foundation soil to have an increased load capacity. Reduces subsidence in soft soil layers. Prevention of soil woes.	Roads on soft or loose soil Small building foundation work Anti-erosion work of the bank, work to prevent breakdown of deep digging work. Water barriers and reservoirs

### 3. Shareholder Structure



Remark:

1. There were no shareholders with conflicts in subsidiary and associated companies exceeding 10%
2. The Company held 13.17% in Millcon Steel Public Company Limited which is invested company and the Company has no any control.

#### 3.1.1 Subsidiaries

(1) **Seven Wire Co., Ltd** is a manufacturing and sells the special qualified of PC wire/ PC strand and cold drawn wire. It's headquarter is located in Rayong province. The plant is located in the IPRC Eco Industrial Zone, Rayong province which produces following products;

- Prestressed Concrete Wire (Prestressed Concrete Wire - PC Wire)

- Prestressed Concrete Strands (Prestressed Concrete Wire - PC Strands)
- Cold Drawn Wire (CW)

- (2) **General Nippon Concrete Industries Co., Ltd.** is a manufacturing and sells concrete spun pile.
- (3) **General Engineering Mauritius Limited** is an investment company which invests in Wisdom Tree Investment (S) PTE. Limited, the joint venture company.
- (4) **Inno Precast Company Limited** is producing and distributing precast (concrete product for use in construction works)

### 3.1.2 Associate company

**Metric Public Company Limited** operates construction engineering business including electrical and mechanical systems in various fully integrated, divided into two main areas which are general engineering construction, electrical and mechanical systems in various fully integrated with construction in various types such as commercial buildings, residential buildings, educational institution, industry construction and civil engineering construction etc. Metric Public Company Limited provides the services from architecture, telecommunications, plumbing sanitation systems and fire protection systems, conditioning and ventilation systems.

### 3.1.3 Joint venture Company

**Wisdom Tree Investment (S) PTE. Limited** an entity incorporated in Singapore. The objective is to invest in a joint venture to manufacture and distribute of steel formed products in Myanmar.

## 4. The member of Board of Directors

As of August 15, 2023, the Board of Directors comprises 9 members, whose names are as follows:

No.	List of Director	Position
1	Professor Dr. Borwornsak	Chairman of the Board of Directors/ Independent Director
2	Mr. Sophon Pholprasit	Vice Chairman of the Board of Directors/ Independent Director
3	Mr. Wirach Morakotkarn	Director
4	Mr. Thitipong Tangpoonphonvivat	Independent Director
5	Dr. Vichya Kreangam	Independent Director
6	Mrs.Panee Jarusombat	Independent Director
7	Mrs. Wisadja Kochsena	Director and Company Secretary
8	Miss Surawee Chaithumrongkool	Director
9	Mr. Wuttichai Sresthautra	Director

Source: SET

## 5. Shareholder

List of top 10 shareholders as of 2 August 2023 are as follows:

No.	Shareholder name	As of 2 August 2023	
		No. of Shares	Proportion
		Shares	%
1	Mr. Thitipong Tangpoonphonvivat	1,594,832,313	18.52
2	Prukha Holding Company Limited	1,572,729,730	18.26
3	Mrs. Pornvipa Vongphaitoonpiya	366,000,000	4.25
4	Mr. Veerasak Sutundhviboon	209,000,000	2.43
5	Ms. Karnjana Vongphaitoonpiya	186,066,667	2.16
6	Mr. Prasith Vitanakorn	155,429,000	1.80
7	Mr. Pailuck Wongwaisayawan	100,000,000	1.16
8	Mr. Somchai Kulsanphanthip	64,200,000	0.75
9	Mr. Chavit Luanpitpong	59,635,426	0.69
10	Ms. Thanika Tangpoonphonvivat	54,693,426	0.64
	<b>Sum Top 10 Shareholders</b>	<b>4,362,586,562</b>	<b>50.66</b>
11	Other shareholders	4,249,459,603	49.34
	<b>Total</b>	<b>8,612,046,165</b>	<b>100.00</b>

Source: SET

## 6. Dividend Payment Policy

In the Annual General Meeting of Shareholders No. 1/2008 on April 24, 2008, the meeting unanimously resolved to approve the Company change the dividend payment policy to “Not more than 60% of net profit after income tax and legal reserve and the Company must not have accumulated losses. This is in line with the cash flow and the Company’s future business expansion plans” and dividends will be paid equal to the number of shares for each share. The Company has a policy to grant shareholders the right to vote one share per one vote. (Currently, the company only issues 1 type of shares, namely ordinary shares, no preferred shares)

Right to receive a share of profit / dividend which received equal rights of operation. In addition, the Company also grants shareholders the right to appoint the Board of Directors, consider certifying the Company’s operating results every year, the right to approve amendments to the Articles of Association and the Memorandum of Association. And the right to consider and approve a capital reduction or capital increase.

## 7. Financial Positions and Operating Performance

### 7.1 Statement of Financial Positions

For the year ended 31 December 2020, 2021, 2022 and as of 30 June 2023, the consolidated financial results of the Company and its subsidiaries as follows.

(unit: THB thousand)

Statement of Financial Position	As of 30 June	As of 31 December		
	2023	2022	2021	2020
Cash and cash equivalents	90,989	83,668	15,128	17,207
Restricted cash at bank	-	-	-	10,000
Trade accounts receivable-net	1,016,832	846,374	381,929	405,260
Contract assets - current	461,248	382,142	230,488	15,416
Retention receivables - current portion due within one year	16,293	28,561	23,699	19,439
Loan and interest receivable - subsidiary	-	-	-	-
Inventories - net	698,713	425,023	333,651	307,647
Other current financial assets	5,844	-	5,599	-
Other current assets	16,297	17,392	12,491	11,036
<b>Total Current Assets</b>	<b>2,306,216</b>	<b>1,783,160</b>	<b>1,002,985</b>	<b>786,005</b>
Restricted deposits with banks	43,814	51,820	17,360	-
Retention receivables	147,465	116,289	76,603	59,900
Investments in available - for - sales securities	307,261	570,627	808,130	708,490
Investments in subsidiaries	-	-	-	-
Investments in associated company and joint venture	205,552	217,635	310,567	292,639
Property, plant and equipment - net	5,482,351	3,182,414	3,133,448	3,129,370
Right-of-use assets	1,109,710	80,852	80,837	63,227
Intangible assets	24,330	15,739	17,581	19,477
Investment property	996,627	996,627	996,627	996,627
Deferred income tax assets	-	-	63,157	136,611
Current income tax assets	15,974	17,693	11,292	4,222
Income tax assets of prior period	42,848	25,216	14,318	10,364
Other non - current assets	6,626	7,418	10,496	6,506
<b>Total Non - Current Assets</b>	<b>8,617,727</b>	<b>5,282,329</b>	<b>5,540,416</b>	<b>5,427,433</b>
<b>TOTAL ASSETS</b>	<b>10,923,943</b>	<b>7,065,489</b>	<b>6,543,401</b>	<b>6,213,438</b>
Short - term loan from financial institution	858,466	908,461	631,420	603,108
Trade accounts payable - general suppliers	1,189,706	844,256	698,702	614,970
Contract liabilities - current	506,741	425,815	215,965	176,872
Liabilities under lease agreements	132,264	45,428	33,039	17,076

Statement of Financial Position	As of 30 June	As of 31 December		
	2023	2022	2021	2020
Short-term loans from other person	417,907	-	-	-
Current portion of long - term loans from financial institution	64,978	19,620	10,122	--
Employee benefits obligation	161,347	97,189	115,695	142,572
Loan payable and accrued interest expense - subsidiary company	3,723	3,723	4,859	615
Income tax payables	21,043	-	-	-
Other current liabilities	14,326	21,045	3,945	3,618
<b>Total Current Liabilities</b>	<b>3,370,501</b>	<b>2,365,537</b>	<b>1,713,747</b>	<b>1,558,831</b>
Liabilities under finance lease agreement - net	974,167	35,492	54,517	47,933
Long - term loans from financial institution - net	2,441,192	729,374	786,651	792,394
Employee benefits obligation	55,670	24,548	31,050	31,046
Estimate decommissioning costs	3,570	3,480	3,314	3,149
<b>Total Non - Current Liabilities</b>	<b>3,480,997</b>	<b>792,894</b>	<b>875,532</b>	<b>874,522</b>
<b>TOTAL LIABILITIES</b>	<b>6,851,498</b>	<b>3,158,431</b>	<b>2,589,279</b>	<b>2,433,353</b>
Share capital - Common shares	8,084,939	6,882,293	4,588,196	4,588,196
Issued and fully paid-up share capital	7,320,239	5,983,419	4,588,196	4,588,196
Premium (discount) on ordinary shares	(1,907,244)	(947,879)	71,131	71,131
Premium on treasury shares	49,180	49,179	49,179	49,179
Retained earnings (deficits)				
- Appropriated for legal reserve	13,600	13,600	13,600	13,600
- Appropriated for treasury shares	-	-	-	-
- Unappropriated	(769,314)	(695,889)	(561,611)	(471,201)
Other components of shareholders' equity	(776,080)	(496,943)	(201,757)	(479,360)
<b>Equity attributable to the Company's shareholders - net</b>	<b>3,930,381</b>	<b>3,905,487</b>	<b>3,958,738</b>	<b>3,771,545</b>
Non - controlling interests	142,064	1,571	(4,616)	8,540
<b>Total Shareholders' Equity</b>	<b>4,072,445</b>	<b>3,907,058</b>	<b>3,954,122</b>	<b>3,780,085</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<b>10,923,943</b>	<b>7,065,489</b>	<b>6,543,401</b>	<b>6,213,438</b>

Source: Audited or reviewed consolidated financial statements by Certified Public Accountant

Remarks: 1/ As of 30 June 2023: 9,511,692,363 ordinary shares, with a par value of 0.85 baht per share

As of 31 December 2022 : 8,096,815,783 ordinary shares, with a par value of 0.85 baht per share

As of 31 December 2020 and 2021 : 5,397,877,189 ordinary shares, with a par value of 0.85 baht per share

2/ As of 30 June 2023: 8,612,046,165 ordinary shares, with a par value of 0.85 baht per share

As of 31 December 2022 : 7,039,316,435 ordinary shares, with a par value of 0.85 baht per share

As of 31 December 2020 and 2021 : 5,397,877,189 ordinary shares, with a par value of 0.85 baht per share

## 7.2 Summary of Profit and Loss Statements

For the year ended 31 December 2020, 2021,2022 and as of 30 June 2023, the consolidated Statement of comprehensive income of the Company and its subsidiaries as follows.

(unit: THB thousand)

Profit and Loss Statements	For the 6-month period ending 30 June		For the fiscal year ending 31 December		
	2023	2022	2022	2021	2020
Revenues from sales	1,638,096	1,233,282	2,770,796	1,661,989	1,595,561
Other income	17,451	20,862	41,868	13,726	20,363
Gain on disposal assets	-	-	-	-	-
Dividend income	-	6,651	6,651	2,435	15,571
Gain from sold warrants	596	6,273	6,273	60,929	235
<b>Total Revenues</b>	<b>1,656,143</b>	<b>1,267,068</b>	<b>2,825,588</b>	<b>1,739,079</b>	<b>1,631,730</b>
Costs of Sales	1,514,058	1,143,886	2,549,499	1,603,533	1,563,315
Selling expenses	17,475	16,353	34,998	31,342	27,836
Administrative expenses	134,234	94,768	200,408	167,581	174,246
Reversal of impairment losses (impairment losses) on investments in associates and joint venture	-	-	35,511	-	-
Other (gains) losses	(2,922)	5,599	5,599	(5,599)	-
<b>Total Expenses</b>	<b>1,662,845</b>	<b>1,260,606</b>	<b>2,826,015</b>	<b>1,796,857</b>	<b>1,765,397</b>
<b>Profit before Finance costs and income tax</b>	<b>(6,702)</b>	<b>6,462</b>	<b>(427)</b>	<b>(57,778)</b>	<b>(133,667)</b>
Finance costs	64,803	35,428	75,670	66,421	68,297
Share of profit (loss) of associate and joint venture	3,675	(26,903)	(55,586)	20,936	29,034
Income tax benefit (expense)	1,808	(41)	19,044	3,444	(16,600)
<b>Profit for the year</b>	<b>(69,638)</b>	<b>(55,828)</b>	<b>(150,727)</b>	<b>(106,707)</b>	<b>(156,330)</b>
<b>Attribution of comprehensive income for the year :</b>					
Portion of the Company's shareholders	(73,425)	(50,218)	(140,795)	(93,442)	(144,751)
Portion of non-controlling interests in subsidiary	3,787	(5,610)	(9,932)	(13,265)	(11,579)
	<b>(69,638)</b>	<b>(55,828)</b>	<b>(150,727)</b>	<b>(106,707)</b>	<b>(156,330)</b>

Source: Audited or reviewed consolidated financial statements by Certified Public Accountant

### 7.2.1.1 Analysis of Financial Position and Operating Results.

### 7.2.1.2 Analysis for the year ending 31 December 2022

### 7.2.1.3 Operating Results

In 2022, the Company is still facing much higher costs in terms of transportation costs and construction material prices. The Russia-Ukraine war pushed up the prices of oil and construction materials, especially steel and

cement increased. The economic downturn and the situation of the COVID-19 epidemic raw material price volatility, labor shortages in some periods and price competition.

The Company's management has adjusted the management plan by increasing the new customer base and increasing the potential for business expansion and adding new products. Significant operating cost reductions have been achieved in both personnel and production efficiency. The Company continues to receive credit lines from financial institutions that are sufficient for business expansion in the near future, which is confident that the Company will be able to operate and grow continuously in the construction industry.

The operating results of the Company and its subsidiaries for the year ended December 31, 2022 is described in the financial statement showing net loss at the amount of Baht 150.73 million, comparing with the same period in 2021, the net loss amount of Bath 106.71 million which is increased by Baht 44.02 million that details are as follows;

Unit: Million Baht	2022	2021	Increase (decrease)
Revenues from sales	2,770.80	1,661.99	1,108.81
Costs of sales	(2,549.50)	(1,603.53)	945.97
<b>Gross profit</b>	<b>221.30</b>	<b>58.46</b>	<b>162.84</b>
Other income	54.79	82.67	(27.88)
Share of profit (loss) of associate and joint venture	(55.59)	20.94	(76.53)
Loss from impairment of investment (reversal)	(35.51)	-	(35.51)
Selling and Administrative expenses	(241.01)	(198.92)	42.09
Finance costs	(75.67)	(66.42)	9.25
Income tax benefit (expense)	(19.04)	(3.44)	15.60
<b>Net Profit (loss)</b>	<b>(150.73)</b>	<b>(106.71)</b>	<b>44.02</b>

(1) Revenue from sales

The Company and its subsidiaries had total revenue from sales at the amount of Baht 2,771 million, which increased from the same period of previous year by Baht 1,109 million or 67%. The increase was due to the increase of revenue from percentage of completion (POC) and the increase of revenue from production.

The revenue structure from business operation of the company for the year 2022 can be classified as follows:

Type of revenue	2022		2021		2020	
	Million Baht	%	Million	%	Million	%
Revenue from sales and services						
Pre-stressed concrete piles	332.95	11.78	410.16	23.51	589.55	36.13

Type of revenue	2022		2021		2020	
	Million Baht	%	Million	%	Million	%
Precast concrete	672.02	23.78	495.76	28.42	494.02	30.28
Post tension slab	164.47	5.82	62.43	3.58	139.60	8.56
Glass fiber reinforcement	35.67	1.26	33.32	1.91	26.34	1.61
Chemical construction	152.42	5.39	86.04	4.93	47.81	2.93
Precast concrete for infrastructure project	712.32	25.21	275.45	15.79	41.19	2.52
Steel product	96.32	3.41	25.11	1.44	177.72	10.89
Other products	604.63	21.40	273.72	15.69	79.33	4.86
<b>Total</b>	<b>2,770.80</b>	<b>98.06</b>	<b>1,661.99</b>	<b>95.26</b>	<b>1,595.56</b>	<b>97.78</b>

Source: GEL's Annual report

**(2) Cost of sales**

The Company and its subsidiaries had total cost of sales at the amount of Baht 2,550 million, which increased from the same period of previous year by Baht 946 million or 59% due to the increase of revenue.

**(3) Gross profit**

The Company and its subsidiaries' total gross profit were Baht 221 million, which increased from the same period of previous year by Baht 163 million or 281% due to the increase of revenue.

**(4) Share of profit (loss) from investment in associated company and joint ventures**

In the year 2022, the Company has recognized the total net loss sharing from Mctric Public Company Limited at amount of Baht 30 million and the total net loss sharing from Wisdom Tree Investment (S) PTE Limited at amount of Baht 55 million, comparing with the same period of previous year which the Company recognized the profit sharing from Mctric Public Company at the amount of Baht 17 million and the profit sharing from Wisdom Tree Investment (S) PTE. Limited at the amount of Baht 4 million.

**(5) Tax expense (income)**

In the year 2022, the Company recognized tax expense for the amount of Baht 19 million, which increased from the same period of previous year Baht 3 million due to the Company has accumulated tax loss of a high amount and the Company does not expect to exercise the right on this taxable asset therefore the Company transfers to income tax expense.

**(6) Financial cost**

The Company and its subsidiaries' had financial cost from loan and permission note were Baht 75 million, which increased from the same period of previous year by Baht 9 million or 14%



#### (7) Profit from the valuation of warrants (MILL-W6)

In the year 2022, the Company recognized the loss from the valuation of warrants (MILL-W6) for the amount of Baht 6 million and in the year 2021, the Company recognized the profit from the valuation of warrants (MILL-W6) for the amount of Baht 6 million

#### 7.2.1.4 Financial Analysis

##### Statement of Financial Position

(Unit: Million Baht)

Items	31 December 2022	31 December 2021	Increase (Decrease)	%
Net Assets	7,065	6,544	521	7.96
Net Liabilities	3,157	2,590	567	21.89
Shareholders' equity	3,908	3,954	(46)	(1.16)

#### (1) Assets

As at December 31, 2022, the Company and its subsidiaries had total assets of Baht 7,065 million, increased by Baht 521 million or 7.96% comparing with December 31, 2021 due to

1. An increase in cash and cash equivalent at amount of Baht 69 million
2. An increase in inventories at amount of Baht 91 million which was due to delay of project on hand and trade terms which some projects that have to be produced according to the number of conditions in order to deliver the work
3. An increase in current contract assets at amount of Baht 382 million due to the completed of work but not collected from client
4. An increase in account receivable at amount of Baht 464 million
5. A decrease in investment in available-for-sales securities (MILL) at amount of Baht 237 million due to
  - 5.1. Market price was decrease from 1.21 Baht/share at 31 December 2021 to 0.78 Baht/share at 31 December 2022 which affect to an increase in investment in available-for-sales by Baht 233 million
  - 5.2. Sales in investment in available-for-sales at amount of Baht 4 million in this quarter.
6. A decrease in investments in associated company and joint venture at amount of Baht 93 million due to sharing from loss on investment in associated company and joint venture at amount of Baht 55 million and impairment on investment in associated company at amount of Baht 36 million

7. Transfer the account of deferred tax assets in the amount of Baht 6.3 million from the account because the Company has accumulated tax losses and the Company will not exercise the right in this tax

8. An increase in withholding tax at amount of Baht 16 million

9. An increase in restricted deposits with financial institutions at amount of Baht 34 million

10. An increase in current retention receivable at amount of Baht 39 million

**(2) Liabilities**

As at December 31, 2022, the Company and its subsidiaries' liabilities was Baht 3,157 million, increased by Baht 567 million or 22% comparing with 31 December 2021 due to

1. An increase in short term loans from financial institution and short term loans from other person at the amount of Baht 280 million

2. An increase in trade and other payable at amount of Baht 145 million due to an increase in supplier and contractor

3. An increase in advance payment of customer at amount of Baht 210 million

4. A decrease in recorded current portion of liabilities under leases agreement at amount of Baht 8 million due to purchase in machine and equipment

5. A decrease in long term from financial institution at amount of Baht 77 million

6. An increase in deferred tax at amount of Bath 17 million

7. A decrease in liability of employee benefit for at amount of Baht 6 million

**(3) Shareholders' equity**

As at December 31 2022, the shareholders' equity of the Company and its subsidiaries were Bath 3,908 million, decreased by Baht 46 million from 31 December 2021 due to

1. According to the resolution of 2022 Annual General Meeting of Shareholders which held on 29 April 2022 was a resolution to approve the increase of ordinary shares resulting to an increase in the issued and paid up capital at amount of Baht 1,395 million which less than the value of the ordinary share effect to discount on ordinary shares Baht 1,019 million

2. An decrease in investment in available-for-sales securities (MILL) at amount of Baht 233 million due to market price was increased from 1.21 Baht/share at 31 December 2021 to 0.78 Baht/share in December 31, 2022

3. A decrease in investment in available-for-sales securities (MILL) and has transferred tax income of Baht 44 million from the account because the Company has accumulated tax losses and will not be exercise this tax

4. Record gain in available-for-sales securities and increased in general investment at the amount of Baht 4 million

5. A recorded loss in exchange rate on investment joint venture, Wisdom Tree Investment (S) PTE. Limited, increased by Baht 2 million.

6. An increase in shareholder's equity at the amount of Baht 6 million due to a decrease in employee benefit liabilities at the amount of Baht 6 million

7. Record loss from the parent company at the amount of Baht 140 million

#### 7.2.1.5 Summary of factors that may affect future operations

##### Liabilities and Off-Statement of Financial Position Liabilities Management

- The Company and its subsidiaries have contingent liabilities from banks issuing letters of guarantee for the Company and its subsidiaries for the performance bond and the use of electricity in the total amount of Baht 543 million together with some land and buildings of the Company pledge with the bank for the letter of guarantee collateral. It is the normal operation of the Company's business.
- Liabilities related to service contracts and operating leases, the gross amount to be paid in the future under service contracts and operating leases in the amounted of Baht 1.70 million.
- Liabilities related to sales and service contracts with customers who have not yet delivered the goods or services in the amounted of Baht 3,609 million.
- Liabilities related to the purchase of equipment and contractors in the total amounted of Baht 685.29 million.
- Liabilities from using cheque to guarantee work and advances received in the amounted of Baht 4.75 million.
- The Company has liability from issuing a letter of guarantee (stand by letter of credit) with a bank together with a related company in the amounted of USD 5.00 million to guarantee the credit line of the joint venture such limit guaranteed by ordinary shares of the company held in Wisdom Tree Investment (S) PTE Limited.

##### Credit term Policy

Trade accounts receivable arising from selling products and services to customers according to the Company's main operations. The credit term between 7 to 120 days from the date of invoice, which considered there are not yet due. However, the debt payment is scheduled 30 to 60 days from the billing date. According to

financial ratios, the average payment ratio is 81 days because most customers have a billing policy and the payment cycle to partners according to the calendar specified by the customer, which is inconsistent with the trading agreement with the Company billing. Some customers have postponed cheque payments according to their cash flow and due to the outbreak of the COVID-19, the impact on customer debt collection due to the Company's main customers, which are main contractors. Affected by work delivery, work delay and temporary suspension from construction projects. Most of the customers requested to adjust the installment payment plan according to the market conditions that slowed down. As a result, the repayment of goods was delayed from due date.

## **7.2.2 Result Analyst for the second quarter of 2023, ended June 30, 2023**

### **7.2.2.1 The Operating Results Analysis**

The financial statement showing net loss at the amount of Baht 70 million, comparing with the same period of previous year, the net loss at the amount of Baht 55 million which was increased by Baht 15 million which details are as following;

#### **(1) Revenue from sales**

For the 6-month of 2023, the Company and its subsidiaries had total revenue from sales at the amount of Baht 1,638 million, which increased from the same period of previous year by Baht 405 million or 33%. The increase was due to the increase was due to the increase of revenue from percentage of completion (POC), the increase in revenue from production of goods that must be performed according to the contract and the recognition in revenue from sales and services of Inno Precast Co., Ltd., the Company's subsidiary, in this quarter.

#### **(2) Cost of sales**

The Company and its subsidiaries had total cost of sales at the amount of Baht 1,514 million, which increased from the same period of previous year by Baht 370 million or 32% due to there are some products that are not able to produce according to their production capacity and there are some construction service projects that have been extended, causing the cost of sales was increased, the record in allowance for the value of the goods in this quarter increased and the recognition in cost of sales and services of Inno Precast Co., Ltd., the Company's subsidiary, in this quarter.

#### **(3) Gross profit**

The Company and its subsidiaries' total gross profit were Baht 124 million, which increased from the same period of previous year which was total gross profit were Baht 35 million or 39%. The increase was due to the recognition in gross profit of Inno Precast Co., Ltd., the Company's subsidiary, in this quarter.

**(4) Administrative and Selling expenses**

The Company and its subsidiaries' had administrative and selling expenses for the amount of Baht 152 million, which increased from the same period of previous year by Baht 41 million or 37% due to the allowance for bad debts, bank fees increasing from increase in credit facilities from financial institutions, professional and other expenses increase from the acquisition in Inno Precast Co., Ltd., the Company's subsidiary and the recognition in administrative and selling expenses of Inno Precast Co., Ltd., the Company's subsidiary, in this quarter.

**(5) Share of profit (loss) from investment in associated company and joint ventures**

For the 6-month of 2023, the Company recognized the profit sharing from Mctric Public Company Limited for the amount of Baht 10 million and the loss sharing amount of Baht 7 million from Wisdom Tree Investment (S) PTE. Limited. Total share of profit from investment in associated company and joint ventures for the amount of Baht 3 million, comparing with the same period of previous year, which the Company recognized the loss sharing from Mctric Public Company at the amount of Baht 21 million and the loss sharing from Wisdom Tree Investment (S) PTE. Limited. at the amount of Baht 6 million.

**7.2.2.2 Financial Analysis**

(Unit : Million Baht)

Items	30 June 2023	31 December 2022	Increase (Decrease)	%
Net Assets	10,924	7,065	3,859	54.62
Net Liabilities	6,852	3,157	3,695	117.04
Shareholders' equity	4,072	3,908	164	4.19

**(1) Assets**

As at June 30, 2023, the Company and its subsidiaries had total assets of Baht 10,924 million, increased by Baht 3,859 million or 54.62% comparing with December 31, 2022 due to

1. An increase in trade and other current receivables at amount of Baht 171 million
2. An increase in inventories at amount of Baht 274 million
3. An increase in current contract assets at amount of Baht 79 million due to the completed of work but not collected from client
4. A decrease in investment in available-for-sales securities (MILL) at amount of Baht 264 million due to market price was decrease from 0.78 Baht/share at 31 December 2022 to 0.42 Baht/share at 30 June 2023
5. Property, plant and equipment at amount of Baht 5,482 million increased by Baht 2,300 million due to consolidated of financial statement of Inno Precast Co., Ltd., the Company's subsidiary, in this quarter.

6. The recognition in goodwill at amount of Baht 235 million from the investment in Inno Precast Co., Ltd.
7. An increase in right-of-use assets at amount of Baht 1,029 million due to lease agreement of Inno Precast Co., Ltd.
8. An increase in retention receivables at amount of Baht 31 million.

**(2) Liabilities**

As at 30 June 2023, the Company and its subsidiaries' liabilities was Baht 6,852 million, increased by Baht 3,695 million or 117.04% comparing with 31 December 2022 due to

1. An increase in long-term loans from financial institutions at amount of Baht 1,776 million due to consolidated of financial statement of Inno Precast Co., Ltd., the Company's subsidiary, in this quarter. The long-term loans from financial institutions of Inno Precast Co., Ltd. was Baht 1,800 million, and the Company and 2 subsidiaries had long-term loans from financial institutions decreased at the amount of Baht 24 million.
2. An increase in lease liabilities at amount of Baht 1,026 million due to consolidated of financial statement of Inno Precast Co., Ltd., the Company's subsidiary, in this quarter. The lease liabilities of Inno Precast Co., Ltd was Baht 1,049 million from lease of land and factory for operation.
3. An increase in short-term loans from other company at amount of Baht 418 million due to consolidated of financial statement of Inno Precast Co., Ltd., the Company's subsidiary, in this quarter. The short-term loans from other company of Inno Precast Co., Ltd. was Baht 400 million.
4. An increase in trade and other current payables at amount of Baht 346 million.
5. An increase in advance payment of customer at amount of Baht 81 million.

**(3) Shareholders' equity**

As at 30 June 2023, the shareholders' equity of the Company and its subsidiaries were Bath 4,072 million, increased by Baht 164 million or 4.19% comparing with 31 December 2022 due to

1. According to the resolution of the 2022 Annual General Meeting of Shareholders held on April 27, 2023 was resolved to approve an increase of the Company's registered capital affect to increase in issued and paid-up capital at the amount of Baht 1,337 million and discount on ordinary shares was Baht 959 million.
2. A decrease in investment in available-for-sales securities (MILL) at amount of Baht 264 million due to market price was increased from 0.78 Baht/share at 31 December 2022 to 0.42 Baht/share at 30 June 2023.
3. An increase in the Company and its subsidiaries record loss at amount of Baht 74 million.
4. An increase in non-controlling interests at amount of Baht 140 million.

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## Attachment 2

Company Information and Operating Results  
of  
Inno Precast Company Limited

<b>1. Basic Information</b>
-----------------------------

Name of the Company : Inno Precast Company Limited (“INPC”)  
Nature of Business : The production and sales of concrete products for construction business  
Company’s Registration : 0135565029626  
No.  
Address of Head Office : 22 November 2022  
Head Office’s Telephon : 69/5 Moo 11, Phahon Yothin Road, Khlong Nueng Sub-district, Khlong Luang  
Number : District, Pathumthani 12120  
Registered Capital : 200,000,000 Baht  
(As of 25 October 2023) : Divided into 2,000,000 ordinary shares, with a par value of 100 baht per share  
Paid-up capital : 200,000,000 Baht  
(As of 25 October 2023) : Divided into 2,000,000 ordinary shares, with a par value of 100 baht per share



## 2. Overview of Business Operations

### 2.1 Nature of Business

INPC operates production and sales of concrete products for construction (precast) business and is the Green Factory and initially adopt Carbon Cure technology for the property development industry in Thailand to produce low carbon precast. INPC has factories in Lamlookka district, Pathumthani and Navanakorn, Pathumthani.

### 2.2 Revenue Structure

The revenue structure of INPC, for the period from 22 November 2022 (Registered Date) to 31 December 2022 is as follows:

Revenue (Unit: Million Baht)	2022	
	Amount	Percent
Revenue		
Revenue from sales and services	20,472,382	100.00
<b>Total Revenue</b>	<b>20,472,382</b>	<b>100.00</b>

Source: The financial statement of 2022 audited by the certified public accountants in the approved list of the SEC.

## 3. Board of Directors

As of 19 October 2023, the Board of Directors comprises 7 directors as follows:

No.	Name of Directors	Position
1	Mr. Porntep Suppataratam	Director
2	Miss Surawee Chaithumrongkool	Director
3	Miss Panjan Woratanarat	Director
4	Mr. Suvait Theeravachirakul	Director
5	Mr. Thitipong Tangpoonphonvivat	Director
6	Mr. Wuttichai Sresthabutra	Director
7	Mr. Kanit Niphanphaisan	Director

Source: The information from INPC

The directors authorized to sign and bind the Company are vested in the following directors (1) Mr. Suvait Theeravachirakul (2) Mr. Thitipong Tangpoonphonvivat (3) Mr. Wuttichai Sresthabutra (4) Mr. Kanit Niphanphaisan, one of these four directors sign jointly with another director and affix the company seal.

#### 4. Shareholders

The shareholder structure of INPC as of 19 October 2023, is outlined as follows:

Shareholders	Number of Share (Share)	Percent
1. General Engineering Public Company Limited	1,019,999	51.00
2. Quartz 2 Holding Company Limited	980,000	49.00
3. Mr. Thitipong Tangpoonphonvivat	1	0.0001
<b>Total</b>	<b>2,000,000</b>	<b>100.00</b>

Source: The information from INPC

#### 5. Financial Position and Operating Results

##### 5.1 Statement of Financial Position

Statement of financial position for the year ending 31 December 2022 is as follows:

Statement of Financial Position	As of 31 December	
	2022	
Unit	Million Baht	Percent
Cash and Cash Equivalents	192.17	7.12
Accounts Receivable and Other Receivables	113.50	4.21
Inventories	53.31	1.98
Other Current Assets	0.24	0.01
<b>Total Current Assets</b>	<b>359.22</b>	<b>13.31</b>
Property, Plant and Equipment	2,335.09	86.52
Intangible Assets	4.49	0.17
<b>Total Non-Current Assets</b>	<b>2,339.58</b>	<b>86.69</b>
<b>Total Assets</b>	<b>2,698.80</b>	<b>100.00</b>
Accounts Payable and Other Payables	2,405.46	89.13
Accrued Income Tax	0.06	0.00
Other Current Liabilities	65.21	2.42
<b>Total Current Liabilities</b>	<b>2,470.74</b>	<b>91.55</b>
Provision for Liabilities for Employees' Benefits	27.82	1.03
<b>Total Non-Current Liabilities</b>	<b>27.82</b>	<b>1.03</b>
<b>Total Liabilities</b>	<b>2,498.55</b>	<b>92.58</b>
Authorized Share Capital	200.00	7.41
Issued and Paid-Up Share Capital	200.00	7.41
Retained Earnings	0.25	0.01
<b>Total Shareholders' Equity</b>	<b>200.25</b>	<b>7.42</b>
<b>Total Liabilities and Shareholders' Equity</b>	<b>2,698.80</b>	<b>100.00</b>

Source: The financial statement of 2022 audited by the certified public accountants.

Note: The financial statement for the period from 22 November 2022 (Registered Date) to 31 December 2022.

## 5.2 Statement of Profit and Loss

Statement of profit and loss for the year ending 31 December 2022 is as follows:

Statement of Profit and Loss	For the year ending 31 December	
	2022	
Unit	Million Baht	Percent
Revenue from Sales and Services	20.47	100.00
Other Income	-	0.00
<b>Total Revenue</b>	<b>20.47</b>	<b>100.00</b>
Cost of Sales or Services	16.84	82.26
Administrative Expenses	3.26	15.92
<b>Total Expenses</b>	<b>20.10</b>	<b>98.18</b>
<b>Operating Profit</b>	<b>0.37</b>	<b>1.82</b>
Financial Cost	0.06	0.30
<b>Income before Income Tax</b>	<b>0.31</b>	<b>1.52</b>
Income Tax Expense	0.06	0.30
<b>Net Profit</b>	<b>0.25</b>	<b>1.21</b>

Source: The financial statement of 2022 audited by the certified public accountants.

Note: The financial statement for the period from 22 November 2022 (Registered Date) to 31 December 2022.

## 5.3 Management Discussion & Analysis of Financial Position and Operating Results

Analysis for the year ending 31 December 2022 (From 22 November 2022 (Registered Date) to 31 December 2022)

### Operating Results

INPC has the operating results for 2022 of the net profit in amount of 0.25 million Baht and the net profit margin for 2022 of 1.21 percent.

### Revenue

INPC has revenue for 2022 in amount of 20.47 million Baht which is the revenue from sales to PSH group and other customers.

### Cost and Expenses

INPC has cost of sales and services for 2022 in amount of 16.84 million Baht calculating to cost to sales in proportion of 82.26 percent and INPC has administrative expense in amount of 3.26 million Baht calculating to the proportion of sales of 15.92 percent.

## Financial Position

In 2022, INPC has total assets of 2,698.80 million Baht mainly including property, plant and equipment in the proportion of total assets of 86.52 percent. Moreover, accounts receivable and other receivables is in amount of 113.50 million Baht calculating to the proportion of total assets of 4.21 percent.

For the total liabilities, INPC has total liabilities for the ending in 2022 of 2,498.55 million Baht calculating to the proportion of total assets of 92.58 percent, mainly including accounts payable and other payables in the proportion of total assets of 89.13 percent.

In 2022, INPC has total shareholders' equity of 200.25 million Baht including Issued and paid-up share capital of 200 million Baht and unappropriated retained earnings of 0.25 million Baht.

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### Attachment 3

#### Summary of Appraisal Report of General Engineering Public Company Limited

The Company has appointed Powerland Plus Appraisal Company Limited (“Independent Property Appraiser”), an SEC accredited appraiser. The independent Appraiser has assessed the value of GEL's assets with the purpose of appraisal for public purposes. The Independent Financial Advisor has adjusted the book value of assets with the increase or decrease obtained from comparing the current book value of assets and the value appraised by the Independent Property Appraiser.

The Independent Property Appraiser will determine the appraisal method to appraise the value of assets. The assets that are appraised are as follows.

#### A. Appraisal report no. PPA/GL-129/66

##### 1. Land and building of precast factory business-PW CRN

Property Location	99/1 Moo 4 Pathum Thani - Bang Pahan Road (Highway 347). Chiang Rak Noi Subdistrict, Sam Khok District, Pathum Thani Province
Property Type	Land and building
Certificate of land ownership and area	Title deeds No. 11741 and 11741 Total 2 Title deeds Total area is 38-1-27.8 Rais or 15,327.8 Sq. Wah.
Land Proprietor	General Engineering Public Company Limited
Contractual Obligations	The mortgage is a collateral with Krung Thai Bank Public Company Limited.
Appraisal Value	314,614,000 Baht
Appraiser	Powerland Plus Appraisal Company Limited
Valuation Purpose	To appraise the market value of the property for public purpose
Inspection and Valuation Date	15 September 2023
Report Date	29 September 3023
Valuation Basis	Market Value
Valuation Method	Cost Approach, it is a criterion for determining property value.

#### Opinion of Independent Property Appraiser

The independent property appraiser is of the opinion that based on market data, land announced for sale or buy-sell is 9,000-30,000 baht per square wa. Depending on the location, environment, physical characteristics of the land, transportation, public utility systems, potential use of the land and trends in development. The independent property appraiser analyzed and compared market price data using the WQS method and had scores based on

various factors. After considering the assessed property, it was considered that the value of the land should be assessed at 13,000 baht per square wa or 5,200,000 baht per rai.

The assessed property is land and buildings located at number 99/1 Moo 4, unnamed Soi, separated from Pathum Thani - Bang Pahan Road (Highway 347), Total land area 38-1-27.8 rai or 15,327.8 square wah. The general condition of the land is flat area, the shape of the land plot is polygon and connected area. The land has been developed approximately 1.00 meters from the road. The land has one side adjacent to a public road. Entrance and exit by car use the entrance-exit through an unnamed alley (public road) separated from Pathum Thani-Bang Pahan Road (Highway 347) on the south side. Currently, the land is located “Industrial factory” of General Engineering Public Company Limited.

The Environment nearby the appraised property is a residential community area. And there are important places such as industrial factories, restaurants, shops, gas stations, temples, hospitals, government offices, etc. There is a public utility system of electricity, water, telephone, reinforced concrete road passing in front of the location of the appraised property. Transportation as well and has liquidity for buying and selling. The growth trend is a moderate level.

The details of the assessment of land and buildings are as follows:

#### 1.1 Land

##### 1.1.1 Details of land

Details of land according to the rights document received from the employer and an independent property appraiser has checked with the land office title documents. The details are as follows:

Type of Certificate of right		2 land title deeds						
Location		Chiang Rak Noi Subdistrict, Sam Khok District, Pathum Thani Province						
No.	Land title deed no.	Land number	Sub-District No.	Area of certificate of right			Map number	Owner
				Rai	Ngan	Square wah		
1	11741	43	1199	25	3	22.3	5137 III 7058-00	GEL
2	11742	42	1200	12	2	5.5	5137 III 7058-00	GEL
Total area				38	1	27.8		
						or	15,327.8	Square wah

##### 1.1.2 Land valuation

This valuation uses valuation criteria to determine market value by calculating the market value of the land by comparing market prices (Market Approach), it evaluates the land value of the property. Comparing with market data, buying or selling prices (Market Data Comparison) of market data that are similar to the assets being appraised and comparative analysis of market price data using the WEIGHTED QUALITY SCORE (WQS) method and scoring with various factors to value the market value of land and property.

Comparative market information on asset appraisal

Asset Type	Information 1	Information 2	Information 3	Information 4	Appraisal asset
Land blank	Land blank	Land blank	Land blank	Land and buildings	Land blank
Certificate of right	Land title deed	Land title deed	Land title deed	Land title deed	Land title deed
Location	Pathum Thani - Bang Pahan Road (Highway 347)	Pathum Thani - Bang Pahan Road (Highway 347)	Rural Road CH.2004, Theparat Subdistrict	Unname soi	99/1 Moo 4, unnamed alley Separated from Pathum Thani - Bang Pahan Road (Highway 347) Chiang Rak Noi Subdistrict, Sam Khok District, Pathum Thani Province
Area	83-2-14.7 Rai or 33,414.7 Square wah	5-1-38.0 Rai or 2,138.0 Square wah	5-2-59.0 Rai or 5,259.0 Square wah	18-0-74.4 Rai or 7,274.4 Square wah	38-1-27.8 Rai or 15,327.8 Square wah
Shape of land	Resembling a polygon	Resembling a polygon	Resembling a polygon	Resembling a polygon	Resembling a polygon
Public Utility	Electricity, water supply and telephone systems	Electricity, water supply and telephone systems	Electricity, water supply and telephone systems	Electricity, water supply and telephone systems	Electrical system, water supply system, telephone system, sewer system and road lighting system
Utilization	Industry and agriculture	Housing and agriculture	Housing and agriculture	Industry and agriculture	Industrial uses in "Industrial Factory" will get the highest and greatest benefit to the property.
Offer Price	5,000,000 Baht/ Rai, or (12,500 Baht/ Square wah)	9,000,000 Baht/ Rai, or (22,500 Baht/ Square wah)	12,000,000 Baht/ Rai, or (30,000 Baht/ Square wah)	65,469,600 Baht, or (average 9,000 Baht/ Square wah)	-



Market Data Comparison Method from comparing buying or selling prices of market data by using the WEIGHTED QUALITY SCORE (WQS) can calculate as follows.

No.	Factor	weight (%)	Assets	Analyst data		
				Information 1	Information 2	Information 4
	Area (sqw.)		13,527.8	33,414.7	2,138.0	7,274.4
1	Location conditions	15%	6	7	7	6
2	Location	15%	6	7	7	6
3	Transportation	15%	7	8	8	6
4	Utilization of the land	10%	8	6	8	6
5	Utilities	10%	7	8	8	7
6	Environment	5%	5	7	7	5
7	Land plot characteristics/land area	5%	6	5	8	6
8	Physical characteristics of the land	5%	9	4	6	4
9	Utilization opportunities in the land	5%	8	7	7	7
10	Legal regulations	5%	7	7	7	7
11	Liquidity	10%	7	6	6	9
	<b>Weighted score value</b>	<b>100%</b>	<b>680</b>	<b>680</b>	<b>725</b>	<b>635</b>

Score (No. 1-9 and 11) 1-2 = low, 3-4 = Fair, 5-6 = Median, 7-8 = Good, 9-10 = Excellent

Score (No. 10) 1-2 = Excellent, 3-4 = High, 5-6 = Median, 7-8 = Less, 9-10 = Low/None

No.	Factor	Asstes	Analyst data		
			Information 1	Information 1	Information 1
	Area (sqw.)	13,527.8	33,414.7	2,138.0	7,274.4
1	Offer price / Square wah		12,500	22,500	9,000
2	Bargaining rate / discount (%)		-10%	-15%	0%
3	Net Price		11,250	19,125	9,000
4	Weighted score value	680	680	725	635
5	comparative proportions	Average	1.00000	0.93793	1.07087
6	Base price	12,942	11,250	17,938	9,638
7	Comparative weight	105%	40%	25%	40%
8	comparative value	12,840	4,500	4,485	3,855
	Market value criteria	13,000	Baht/Square wah		
	or	5,200,000	Baht/Rai		

The Independent Financial Advisor has opined that the valuation of land and buildings by using the market price comparison method (Market Approach) to evaluate the value of land and using the replacement cost method to evaluate the value of buildings is an appropriate method because the independent property appraisers use comparable data that is similar to the land being appraised located in the same location and the same valuation period. The independent property appraiser had market data used for comparison of 4 items, and selected 3 items for comparison to evaluate the value, which were located in the vicinity of the appraised land. The independent property appraiser has compared market data with the land being appraised by separating the factors affecting value into important variables such as location, land area size, land shape, environment, physical characteristics of the land, transportation, public utility systems, potential uses and trends in development, etc., then calculated and adjusted to compare with the property to calculate market value. Therefore, the independent financial advisor had the opinion that the assumptions used by the appraiser are appropriate and sufficient to evaluate the assets.

## 1.2 Building and others

### 1.2.1 Details of building and others

Buildings and others consist of industrial buildings and other buildings, totaling 5 items, with equipment are details as follows:

No.	Items	Quantity / Building	Service area (Sq.m.)	Located on land deed no.
1	Factory building with 3-story office area	1	10,020.00	11741, 11742
2	2-story project office building no. 1	1	225.00	11742
3	2-story project office building no. 2	1	117.00	11742
4	Guard building	1	12.50	11742
5	Restroom	1	40.00	11742
***	Development on land, reinforced concrete road with drainage system, fence length 900 meters			11741, 11742
	<b>Total service area no. 1-5</b>		<b>10,414.50</b>	

### 1.2.2 Valuation of buildings

The Valuation used by Cost Approach is a method of conclusion value because the property being appraised has a specific construction unable to comparable in the same manner or similar. Therefore, the cost calculation method is used to determine the value of the property. The details are as follows:

No.	List	Area (sqm.)	Appraisal Value (Baht)
1	One-story factory building with a 3-story office area	10,020	103,068,000
2	2-story project office building no. 1	225	2,484,000

No.	List	Area (sqm.)	Appraisal Value (Baht)
3	2-story project office building no. 2	117	1,334,000
4	Guard tower building	12.50	105,000
5	Employee restroom building	40.00	336,000
***	Development part on land		8,026,000
<b>Total</b>			<b>115,353,000</b>

The valuation of buildings using the Cost Approach by calculating the replacement cost (Replacement Cost), it is to find the cost of construction to replace the new building and the depreciation cost. The valuation using the method of comparing current construction costs, characteristics, building styles, building materials of the appraised property with the characteristics or types of buildings that the independent property appraiser has compared. The independent property appraiser takes comparisons by separating the factors affecting the value into important variables such as size, shape, details of the model, construction materials, location, construction technology, Index of construction costs and labor, etc. The independent property appraiser used a method to compare with the current standard construction costs setup by the Property Valuers Association of Thailand. Deducted by depreciation along with the useful life for current value of the building. The independent financial advisor had the opinion that this is an appropriate method because buildings and structures are assets that have specific constructions unable to find comparable information in the same or similar manner. Valuing buildings using the cost method is appropriate to reflect the value of assets. and according to generally accepted principles of property valuation. Therefore, the independent financial advisor had the opinion that the assumptions used by the appraiser are appropriate and sufficient to evaluate assets.

**B. Appraisal report no. PPA/GL-130/66**

2. Land and building of precast factory business-PW CRS

Property Location	99/1 Moo 4 Pathum Thani - Bang Pahan Road (Highway 347). Chiang Rak Noi Subdistrict, Sam Khok District, Pathum Thani Province
Property Type	Land and building
Certificate of land ownership and area	Title deeds No. 4024 and 11743 Total 2 Title deeds Total area is 13-2-07.7 Rais or 5,407.7 Sq. Wah.
Land Proprietor	General Engineering Public Company Limited
Contractual Obligations	The mortgage is a collateral with Bangkok Bank Public Company Limited.
Appraisal Value	145,803,000 Baht
Appraiser	Powerland Plus Appraisal Company Limited
Valuation Purpose	To appraise the market value of the property for public purpose

Inspection and Valuation Date	15 September 2023
Report Date	29 September 3023
Valuation Basis	Market Value
Valuation Method	Cost Approach, it is a criterion for determining property value.

#### Opinion of Independent Property Appraiser

The independent property appraiser is of the opinion that based on market data, land announced for sale or buy-sell is 9,000-30,000 baht per square wa. Depending on the location, environment, physical characteristics of the land, transportation, public utility systems, potential use of the land and trends in development. The independent property appraiser analyzed and compared market price data using the WQS method and had scores based on various factors. After considering the assessed property, it was considered that the value of the land should be assessed at 13,000 baht per square wa or 5,200,000 baht per rai.

The assessed property is land and buildings located at number 99/1 Moo 4, unnamed Soi, separated from Pathum Thani - Bang Pahan Road (Highway 347), Total land area 13-2-07.7 rai or 5,407.7 square wah. The general condition of the land is flat area, the shape of the land plot is polygon and connected area. The land has been developed approximately 1.00 meters from the road. The land has one side adjacent to a public road. Entrance and exit by car use the entrance-exit through an unnamed alley (public road) separated from Pathum Thani-Bang Pahan Road (Highway 347) on the south side. Currently, the land is the located "Industrial factory" of General Engineering Public Company Limited.

The Environment nearby the appraised property is a residential community area. And there are important places such as industrial factories, restaurants, shops, gas stations, temples, hospitals, government offices, etc. There is a public utility system of electricity, water, telephone, reinforced concrete road passing in front of the location of the appraised property. Transportation as well and has liquidity for buying and selling. The growth trend is a moderate level.

The details of the assessment of land and buildings are as follows:

#### 2.1 Land

##### 2.1.1 Details of land

Details of land according to the rights document received from the employer and an independent property appraiser has checked with the certificate of right in department of land. The details are as follows:

Type of Certificate of right		2 land title deeds						
Location		Chiang Rak Noi Subdistrict, Sam Khok District, Pathum Thani Province						
No.	Land title deed no.	Land number	Sub-District No.	Area of certificate of right			Map number	Owner
				Rai	Ngan	Square wah		
1	4024	52	418	1	0	99.1	5137 III 7058-00	GEL
2	11743	53	1201	12	1	8.6	5137 III 7058-00	GEL
Total area				13	2	07.7		
					or	5,407.7	Square wah	

### 2.1.2 Land valuation

This valuation uses valuation criteria to determine market value by calculating the market value of the land by comparing market prices (Market Approach), it evaluates the land value of the property. Comparing with market data, buying or selling prices (Market Data Comparison) of market data that are similar to the assets being appraised and comparative analysis of market price data using the WEIGHTED QUALITY SCORE (WQS) method and scoring with various factors to value the market value of land and property.

Comparative market information on asset appraisal

Asset Type	Information 1	Information 2	Information 3	Information 4	Appraisal asset
Land blank	Land blank	Land blank	Land blank	Land blank	Land and buildings
Certificate of right	Land title deed	Land title deed	Land title deed	Land title deed	Land title deed
Location	Pathum Thani - Bang Pahan Road (Highway 347)	Pathum Thani - Bang Pahan Road (Highway 347)	Rural Road CH.2004, Theparat Subdistrict	Unname soi	99/1 Moo 4, unnamed alley Separated from Pathum Thani - Bang Pahan Road (Highway 347) Chiang Rak Noi Subdistrict, Sam Khok District, Pathum Thani Province
Area	83-2-14.7 Rai or 33,414.7 Square wah	5-1-38.0 Rai or 2,138.0 Square wah	5-2-59.0 Rai or 5,259.0 Square wah	18-0-74.4 Rai or 7,274.4 Square wah	13-2-7.7 Rai or 5,407.7 Square wah
Size	155 metres road frontage	58 metres road frontage and 130 metres depth.	50 metres road frontage and 154 metres depth.	100 metres road frontage and 270 metres depth.	-
Public Utility	Electricity, water supply and telephone systems	Electricity, water supply and telephone systems	Electricity, water supply and telephone systems	Electricity, water supply and telephone systems	Electrical system, water supply system, telephone system, sewer system and road lighting system
Utilization	Industry and agriculture	Housing and agriculture	Housing and agriculture	Industry and agriculture	Industrial uses in "Industrial Factory" will get the highest and greatest benefit to the property.
Offer Price	5,000,000 Baht/ Rai, or (12,500 Baht/ Square wah)	9,000,000 Baht/ Rai, or (22,500 Baht/ Square wah)	12,000,000 Baht/ Rai, or (30,000 Baht/ Square wah)	65,469,600 Baht, or (average 9,000 Baht/ Square wah)	-

Market Data Comparison Method from comparing buying or selling prices of market data by using the WEIGHTED QUALITY SCORE (WQS) can calculate as follows.

No.	Factor	weight (%)	Assets	Analyst data		
				Information 1	Information 2	Information 4
	Area (sqw.)		5,407.7	33,414.7	2,138.0	7,274.4
1	Location conditions	15%	6	7	7	6
2	Location	15%	6	7	7	6
3	Transportation	15%	7	8	8	6
4	Utilization of the land	10%	8	6	8	6
5	Utilities	10%	7	8	8	7
6	Environment	5%	5	7	7	5
7	Land plot characteristics/land area	5%	6	5	8	6
8	Physical characteristics of the land	5%	9	4	6	4
9	Utilization opportunities in the land	5%	8	7	7	7
10	Legal regulations	5%	7	7	7	7
11	Liquidity	10%	7	6	6	9
	<b>Weighted score value</b>	<b>100%</b>	<b>680</b>	<b>680</b>	<b>725</b>	<b>635</b>

Score (No. 1-9 and 11) 1-2 = low, 3-4 = Fair, 5-6 = Median, 7-8 = Good, 9-10 = Excellent

Score (No. 10) 1-2 = Excellent, 3-4 = High, 5-6 = Median, 7-8 = Less, 9-10 = Low/None

No.	Factor	Asstes	Analyst data		
			Information 1	Information 1	Information 1
	Area (sqw.)	5,407.7	33,414.7	2,138.0	7,274.4
1	Offer price / Square wah		12,500	22,500	9,000
2	Bargaining rate / discount (%)		-10%	-15%	0%
3	Net Price		11,250	19,125	9,000
4	Weighted score value	680	680	725	635
5	comparative proportions	Average	1.00000	0.93793	1.07087
6	Base price	12,942	11,250	17,938	9,638
7	Comparative weight	105%	40%	25%	40%
8	comparative value	12,840	4,500	4,485	3,855
	Market value criteria	13,000	Baht/Square wah		
	or	5,200,000	Baht/Rai		

The Independent Financial Advisor has opined that the valuation of land and buildings by using the market price comparison method (Market Approach) to evaluate the value of land and using the replacement cost method

to evaluate the value of buildings is an appropriate method because the independent property appraisers use comparable data that is similar to the land being appraised located in the same location and the same valuation period. The independent property appraiser had market data used for comparison of 4 items and selected 3 items for comparison to evaluate the value, which were located in the vicinity of the appraised land. The independent property appraiser has compared market data with the land being appraised by separating the factors affecting value into important variables such as location, land area size, land shape, environment, physical characteristics of the land, transportation, public utility systems, potential uses and trends in development, etc., then calculated and adjusted to compare with the property to calculate market value. Therefore, the independent financial advisor had the opinion that the assumptions used by the appraiser are appropriate and sufficient to evaluate the assets.

## 2.2 Building and others

### 2.2.1 Details of building and others

Buildings and others consist of industrial buildings and other buildings, totaling 5 items, with equipment are details as follows:

No.	Items	Quantity / Building	Service area (Sq.m.)	Located on land deed no.
1	Factory building with 3-story office area	1	8,525.00	11743
2	2-story project office building no. 1	1	40.00	11743
***	Development on land, reinforced concrete road with drainage system, fence length 900 meters			4024, 11743
Total service area no. 1-2			8,565.00	

### 2.2.2 Valuation of buildings

In this Valuation using by Cost Approach is a method of conclusion value because the property being appraised has a specific construction unable to comparable in the same manner or similar. Therefore, the cost calculation method is used to determine the value of the property. The details are as follows:

No.	List	Area (sqm)	Appraisal Value (Baht)
1	One-story factory building with a 3-story office area	10,020	71,610,000
2	2-story project office building no. 1	225	336,000
***	Development part on land		3,557,000
Total			75,503,000



The Independent Financial Advisor has opined that the valuation of land and buildings by using cost approach using the market price comparison method (Market Approach) to evaluate the value of land. The independent appraiser conducts an analysis by comparing the market price data announced for sale and purchase depending on the location, environment, shape of land, transportation, utility systems, potential use of the land and trends in development and the method for replacement cost (Depreciated Replacement Cost) is a criterion for appraise the present value of buildings. By analyzing the market value of the assets obtained from the above method. It will give the current value of the property, which is an appropriate method in evaluating the value of land. Independent appraisers use comparable data that is similar to the appraised land and located in the same location. Moreover, buildings are specific construction, unable comparable in the same or similar manner. Asset valuation using the cost method is therefore the most appropriate to reflect the value of assets and take into account with generally accepted principles of property valuation. Therefore, the Independent Financial Advisor had the opinion that the assumptions used by the appraiser are appropriate and sufficient to evaluate assets.

**C. Appraisal report no. PPA/GL-140/66**

**3. Industrial machinery and equipment for PW CRN precast production factory**

Property Location	99/1 Moo 4 Pathum Thani - Bang Pahan Road (Highway 347). Chiang Rak Noi Subdistrict, Sam Khok District, Pathum Thani Province
Property Type	Industrial machinery and equipment
Register number	Machine no. 581235 total 39 items Equipment and tools asset total 292 items
Business license	Rong. 20130016125578
Details of machine	Produce precast concrete wall, panel products, precast concrete floor panels for outside building.
Owner	General Engineering Public Company Limited
Contractual Obligations	None
Net assets Value in 39 items	212,730,000 Baht
Net assets Value in 289 items	167,954,000 Baht
Appraiser	Powerland Plus Appraisal Company Limited
Valuation Purpose	To appraise the market value of the property for public purpose
Inspection and Valuation Date	15 September 2023
Report Date	29 September 3023
Valuation Basis	Market Value
Valuation Method	Cost Approach, it is a criterion for determining property value.

### The Valuation of Machine and Equipment

The method to evaluate the value of property, Powerland Plus Appraisal Company Limited, uses a appropriate valuation method to the nature of the property, namely. Therefore, the evaluation using the Cost Approach can be summarized as a formula for calculating market value (Market Value, MV) as follows:

$$MV = RCN \times P \times F \times E \text{ or } CRN \times P \times F \times E$$

$$P = (1 - n / N) \times C$$

$$MV = RCN \times (1 - n / N) \times C \times F \times E \text{ or } CRN \times (1 - n / N) \times C \times F \times E$$

Whereas:

$$MV = \text{Market Value}$$

$$RCN = \text{Replacement Cost New}$$

$$CRN = \text{Reproduction Cost New}$$

$$C = \text{Condition Factor}$$

$$P^* = \text{Physical Deterioration}$$

$$F^* = \text{Functional Obsolescence}$$

$$E^* = \text{Economic / Externa Obsolescence)$$

Apply residual depreciation to substitute values in the calculation formula.

The Independent Financial Advisor has opined that the valuation of machinery and equipment of General Engineering Public Company Limited by using the cost approach is appropriate. Powerland Plus Appraisal Co., Ltd. has evaluated the machinery and assets used in the precast production factory. There are a lot of assets, in addition, it can be used circulating throughout the location. and distributed outside the location. The machine is used for prefabricated concrete wall panel products, Prefabricated concrete floor slabs outside the building, with the machinery having registered ownership and not registered. In considering the value of the machinery mentioned above, the independent property appraiser will assess the value by analyzing the value of the machinery according to its production capacity and comparing prices from other machines with similar production capacity and calculating using the new replacement cost method (Replacement Cost New), which the independent property appraiser has considered the replacement cost price according to the documents received from the company asking distributors, manufacturers, and installers both domestically and abroad. and adjustment according to the useful life, conditions of use and maintenance According to the formula for finding the value of machinery by deducting depreciation using the straight-line method and then adjusting it to find the appropriate value of the property.

D. Appraisal report no. PPA/GL-141/66

4. Industrial machinery and equipment for PW CRS precast production factory

Property Location	99/1 Moo 4 Pathum Thani - Bang Pahan Road (Highway 347). Chiang Rak Noi Subdistrict, Sam Khok District, Pathum Thani Province
Property Type	Industrial machinery and equipment
Register number	Machine no. 611437 Total 9 items Equipment and tools asset total asset total 237 items
Business license	Rong. 20130016125578
Details of machine	Produce precast concrete wall, panel products, precast concrete floor panels for outside building.
Owner	General Engineering Public Company Limited
Contractual Obligations	None
Net assets Value in 9 items	15,955,000 Baht
Net assets Value in 237 items	25,610,000 Baht
Appraiser	Powerland Plus Appraisal Company Limited
Valuation Purpose	To appraise the market value of the property for public purpose
Inspection and Valuation Date	15 September 2023
Report Date	29 September 3023
Valuation Basis	Market Value
Valuation Method	Cost Approach, it is a criterion for determining property value.

The Valuation of Machine and Equipment

The method to evaluate the value of property, Powerland Plus Appraisal Company Limited, uses a appropriate valuation method to the nature of the property, namely. Therefore, the evaluation using the Cost Approach can be summarized as a formula for calculating market value (Market Value, MV) as follows:

$$MV = RCN \times P \times F \times E \text{ or } CRN \times P \times F \times E$$

$$P = (1 - n / N) \times C$$

$$MV = RCN \times (1 - n / N) \times C \times F \times E \text{ or } CRN \times (1 - n / N) \times C \times F \times E$$

Whereas:

$$MV = \text{Market Value}$$

$$RCN = \text{Replacement Cost New}$$

$$CRN = \text{Reproduction Cost New}$$

- C = Condition Factor
- P\* = Physical Deterioration
- F\* = Functional Obsolescence
- E\* = Economic / External Obsolescence)

Apply residual depreciation to substitute values in the calculation formula.

The Independent Financial Advisor has opined that the valuation of machinery and equipment of General Engineering Public Company Limited by using the cost approach is appropriate. Powerland Plus Appraisal Co., Ltd. has evaluated the machinery and assets used in the precast production factory. There are a lot of assets, in addition, it can be used circulating throughout the location. and distributed outside the location. The machine is used for prefabricated concrete wall panel products, Prefabricated concrete floor slabs outside the building, with the machinery having registered ownership and not registered. In considering the value of the machinery mentioned above, the independent property appraiser will assess the value by analyzing the value of the machinery according to its production capacity and comparing prices from other machines with similar production capacity and calculating using the new replacement cost method (Replacement Cost New), which the independent property appraiser has considered the replacement cost price according to the documents received from the company asking distributors, manufacturers, and installers both domestically and abroad. and adjustment according to the useful life, conditions of use and maintenance According to the formula for finding the value of machinery by deducting depreciation using the straight-line method and then adjusting it to find the appropriate value of the property.

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#### Attachment 4

### Summary of Appraisal Report of Inno Precast Company Limited (“INPC”)

INPC has appointed Saksipak Company Limited (“Independent Property Appraiser”), an SEC accredited appraiser. The independent Appraiser has assessed the value of INPC's assets with the purpose of appraisal for public purposes. The Independent Financial Advisor has adjusted the book value of assets with the increase or decrease obtained from comparing the current book value of assets and the value appraised by the Independent Property Appraiser.

The Independent Property Appraiser will determine the appraisal method to appraise the value of assets. The assets that are appraised are as follows.

#### A. Appraisal report No. GEN2-SSP1-66-1497

##### 1. Land and building

Property Location	No. 69/5 Moo 11, unnamed alley, Phahonyothin Road (Highway 1), Khlong Nueng Subdistrict Khlong Luang District Pathum Thani Province
Property Type	Land and
Certificate of land ownership and area	Title deeds No. 73818, 166606, 166607 (Total 4 Title deeds) Total area is 130-0-00.0 Rais or 52,000 Sq. Wah.
Land Proprietor	Inno precast Company Limited
Building Proprietor	Inno precast Company Limited
Contractual Obligations	The mortgage is a collateral with TMBThanachart Bank Public Company Limited.
Appraisal Value of Land	780,000,000 Baht
Appraisal Value of Building	611,767,070 Baht
Appraiser	Saksipak Company Limited
Valuation Purpose	for public purpose
Inspection and Valuation Date	7 July 2023
Report Date	18 July 2023
Valuation Basis	GEN2-SSP1-66-1497
Valuation Method	<u>Valuation criteria to determine the market value of land and buildings</u> using the cost approach (Cost Approach) as a method of summarizing the value.

#### Opinion of Independent Property Appraiser

The independent property appraiser had the opinion that the maximum use of property is for industrial. And according to current conditions It is the highest use and the best of the property.

The assessed property is land and buildings, located at 69/5 Moo 11, unnamed alley, Phahonyothin Road (Highway 1), Khlong Nueng Subdistrict, Khlong Luang District, Bangkok. Land type: 4 plots, with a land area of 130-0-0.0 rai or 52,000.0 square wah. The shape of the land is rectangular, in front of the land there is an unnamed alley, 326.0 meters road frontage, length 636.0 meters. The land had the same level as the road level.

The location of the property is a residential and commercial area. The surrounding area nearby of important places such as Karunwet Hospital Pathum Thani, Talad Thai, Thammasat University Hospital and Asian Institute of Technology (AIT), etc. The growth trend and liquidity for buying and selling is a moderate level.

The details of the assessment of land and buildings are as follows:

## 1.1 Land

### 1.1.1 Details of land

Details of land according to the rights document received from the employer and an independent property appraiser has checked with the certificate of right in department of land as of 7 July 2023. The details are as follows:

Map sheet 5137 III 7258,7458							
Sub-district	Klongnueng		District	Klonglung		Province	Prathumthani (Thanyaburi)
No.	Certificate of document			Area			Owner
	Land title indeed no.	Parcel No.	Sub-District No.	Rai	Ngan	Square wah	
1	73818	3	15076	37	2	47.4	Inno Precast Co., Ltd.
2	166605	243	15074	27	1	52.6	
3	166606	621	15075	27	1	52.6	
4	166607	244	15077	37	2	47.4	
Total Area				130	0	00.0	52,000.0 Square wah

### 1.1.2 Land valuation

This valuation uses valuation criteria to determine market value by calculating the market value of the land by comparing market prices (Market Approach), it evaluates the land value of the property. Comparing with market data, buying or selling prices (Market Data Comparison) of market data or survey data and comparative analysis of market price data using the WEIGHTED QUALITY SCORE (WQS) are as follows:

Comparable Data	Information 1	Information 2	Information 3	Information 4	Information 5	Appraisal asset
Assets Type	Land blank	Land blank	Land blank	Land blank	Land blank	Land, buildings, Machine and Equipment
Project Name/Location	-	Navanakorn Industrial estate	-	-	-	-
Alley name/Alley Location	Unnamed public alley	Alley within the project	Thepkunchorn Road	Liap Khlong Raphiphat Road	Soi Samart,	Unnamed alley
Location/Road	Phahonyothin Road (Highway 1)	Phahonyothin Road (Highway 1)	Phahonyothin Road (Highway 1)	Phahonyothin Road (Highway 1)	Phahonyothin Road (Highway 1)	Phahonyothin Road (Highway 1)
Access/Distance (m.)	1450 meters	3300 meters	300 meters	3000 meters	600 meters	75 meters
Distance from property	Next to assets	At a distance of 4,600 m	At a distance of 7,900 m	At a distance of 4,000 m	At a distance of 3,400 m	-
Area	98-2-07.4 Rai 4,127.4 Square wah	16-0-00.0 Rai 6,400.0 Square wah	18-0-00.0 Rai 7,200.0 Square wah	76-1-68.0 Rai 30,568.0 Square wah	27-1-47.0 Rai 10,947.0 Square wah	130-0-00.0 Rai 52,000.0 Square wah
Shape of land	Rectangle	Rectangle	Rectangle	Rectangle	Rectangle	Rectangle
Public Utility	Electricity, water supply and telephone systems	Electricity, water supply and telephone systems	Electricity, water supply and telephone systems	Electricity, water supply and telephone systems	Electricity, water supply and telephone systems	Electricity, water supply and telephone systems
Environment	Industry and warehouse	Industry and warehouse	Industry and warehouse	Industry and warehouse	Industry and warehouse	Industry and warehouse
Offer price (Baht/Rai)	7,000,000	7,000,000	6,000,000	3,500,000	6,500,000	-
Condition	Negotiable	Negotiable	Negotiable	Negotiable	Negotiable	-
Price negotiated/adjusted (baht/square wah)	6,000,000	6,800,000	5,700,000	3,400,000	5,200,000	-



Market Data Comparison Method from comparing buying or selling prices of market data or survey data by using the WEIGHTED QUALITY SCORE (WQS) can calculate as follows.

Factor	Weight %					Appraisal asset
		Information 1	Information 2	Information 3	Information 4	
Location	20	7	8	7	3	7
Transportation	10	6	7	7	2	6
Utilities	10	7	7	6	3	7
Size and Shape of Land	20	7	9	6	7	7
Level of land	10	7	7	6	5	7
Environment, Development	20	7	8	7	2	7
Benefits and regulations	10	7	7	6	5	7
<b>Total</b>	<b>100</b>	<b>690</b>	<b>780</b>	<b>650</b>	<b>390</b>	<b>690</b>

Score 1 = worst, 2 = quite worst, 3-4 = fair, 5 = average, 6-7 = quite good, 8-9 = good, 10 = best.

Comparable Data		Information 1	Information 2	Information 3	Information 4	Assets
Offer Price	Baht per rai	7,000,000	7,000,000	6,000,000	3,500,000	
Price negotiated/adjusted		6,000,000	6,800,000	5,700,000	3,400,000	
Weighted score		690	780	650	390	690
Adjustment Ratio		1.0000	0.8846	1.0615	1.7692	1.0000
Amount after adjustment		6,000,000	6,015,385	6,050,769	6,015,385	
Importance information		0.25	0.25	0.25	0.25	1.00
Appropriate value		1,500,000	1,503,846	1,512,692	1,503,846	6,020,385
<b>Appropriate Market Price</b>		Baht/Sqw.				<b>6,000,000</b>

<b>Total area</b>	<b>Area</b>	<b>130.0</b>	<b>Rai @</b>	<b>6,000,000 Baht</b>	<b>Total Price</b>	<b>780,000,000 Baht</b>
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The Independent Financial Advisor has opined that the valuation of land and buildings by using the market price comparison method (Market Approach) to evaluate the value of land and using the replacement cost method to evaluate the value of buildings is an appropriate method because the Independent property appraisers use comparable data that is similar to the land being appraised located in the same location and the same valuation period. The independent property appraiser had market data used for comparison of 5 items and selected 4 items for comparison to evaluate the value, which were located in the vicinity of the appraised land. The independent property appraiser has compared market data with the land being appraised by separating the factors affecting value into important variables such as location, land area size, land shape and environment etc., then calculated and adjusted to compare with the property to calculate market value. Therefore, the independent financial advisor had the opinion that the assumptions used by the appraiser are appropriate and sufficient to evaluate the assets.

## 1.2 Buildings and others

### 1.2.1 Details of Building and others

List	Type	Hight (floor)	Utilization	No. of building	Usable area (sqm)	Located on land deed no.
1	Building	2	Office	69/5	1,614.00	166606
2	Structure	2	Factory	-	27,484.20	73818 , 166606
3	Structure	2	Factory	-	15,130.00	73818 , 166606
4	Building	1	Canteen	-	1,131.00	166606
5	Structure	1	Warehouse	-	1,200.00	73818
6	Building	1	Office	-	332.00	73818
7	Building	1	Garbage	-	24.00	73818
8	Structure	1	Factory	-	381.00	166606
9	Structure	1	Factory	-	381.00	166606
10	Building	1	Guardhouse	-	10.00	166606
11	Building	1	Guardhouse	-	14.00	166606
12	Structure	1	Loading area	-	250.00	166606
13	Structure	1	Loading area	-	250.00	73818
14	Structure	1	Loading area	-	250.00	73818
15	Structure	1	Pump	-	268.00	166606
16	Structure	1	Pump	-	16.00	166606
17	Structure	1	Control room	-	83.00	166606
<b>Other buildings (building components)</b>						
1	6 Carparks (No. 1.1-1.6)					
	Structure	1	Carpark	-	860.00	73818
2	Structure	1	Carpark	-	410.00	73818
3	Structure	1	Carpark	-	88.00	73818
4	5 Pavement with roofs (No. 4.1-4.5)					
	Structure	1	Pavement	-	678.00	166606
5	Structure	1	Store	-	756.00	166605 , 166607
6	reinforced concrete	1	Road and courtyard reinforced concrete	-	30,367.00	73818 , 166605 , 166606 , 166607
7	reinforced concrete	1	fence	-	1,620.00	73818 , 166605 , 166606 , 166607

### 1.1.2 Valuation of buildings and others

The Valuation used by Cost Approach is a method of conclusion value because the property being appraised has a specific construction unable to comparable in the same manner or similar. Therefore, the cost calculation method is used to determine the value of the property. The details are as follows:

No.	Lists	Area (sqm)	Price per sqm (baht)	Appraisal Value (Baht)
1	2-story office building	1,614.00	13,632.42	22,002,720.00
2	Factory building with 2-story office, building no. 1 (PCF6)	27,484.20	11,766.03	323,379,816.00
3	Factory building with 2-story office, Building 1 (PCF7)	15,130.00	11,581.54	175,228,720.00
4	cafeteria building	1,131.00	12,631.09	14,285,760.00
5	warehouse building	1,200.00	11,040.00	13,248,000.00
6	One-story office building	332.00	7,670.36	2,546,560.00
7	Garbage building	24.00	7,360.00	176,640.00
8	BATCHING PLANT No. 1	381.00	9,296.59	3,542,000.00
9	BATCHING PLANT No. 2	381.00	9,296.59	3,542,000.00
10	Guardhouse No. 1	10.00	11,040.00	110,400.00
11	Guardhouse No. 2	14.00	13,800.00	193,200.00
12	Loading shed building no. 1	250.00	7,360.00	1,840,000.00
13	Product loading shed building no. 2	250.00	7,360.00	1,840,000.00
14	Product loading shed building no. 2	250.00	7,360.00	1,840,000.00
15	Water pump building no. 1	268.00	7,360.00	1,972,480.00
16	Water pump building number 2	16.00	9,200.00	147,200.00
17	control building	83.00	7,360.00	610,880.00
<b>Other buildings (building components)</b>				
1	6 car parking garages (no. 1.1-1.6)	860.00	3,240.00	2,786,400.00
2	motorcycle parking garage	410.00	3,240.00	1,328,400.00
3	bicycle parking garage	88.00	3,240.00	285,120.00
4	Pavement with roof, 5 buildings (no. 4.1-4.5)	678.00	2,835.00	1,922,130.00
5	ADDITIONAL STOCK building	756.00	5,520.00	4,173,120.00
6	Internal roads and concrete courtyard areas	30,367.00	972.00	29,516,724.00
7	fence	1,620.00	3,240.00	5,248,800.00
<b>Total</b>				<b>611,767,070.00</b>

The Independent Financial Advisor has opined that the valuation of buildings using the Cost Approach by calculating the replacement cost (Replacement Cost) obtained from standard construction cost data of the Property Valuers Association of Thailand deducted with depreciation along with the useful life. In order to evaluate the current value of the building, it is an appropriate method because Buildings and others are assets that have a specific construction unable to comparable in the same or similar manner. Asset valuation using the cost method is therefore the most appropriate to reflect the value of assets and take into account with generally accepted principles of property valuation. Therefore, the Independent Financial Advisor had the opinion that the assumptions used by the appraiser are appropriate and sufficient to evaluate assets.

B. Appraisal report No. GEN2-SSP1-66-1497

2. Machine and Equipment

Property Location	No. 69/5 Moo 11, unnamed alley, Phahonyothin Road (Highway 1), Khlong Nueng Subdistrict Khlong Luang District Pathum Thani Province
Property Type	Total Machine and Equipment 12,109 items
Owner	Unable to verify
Proprietor	Unable to verify
Contractual Obligations	Unable to verify contractual obligations
Appraisal Value	602,960,000 Baht
Appraiser	Saksipak Company Limited
Valuation Purpose	for public purpose
Inspection and Valuation Date	7 July 2023
Report Date	18 July 2023
Appraisal Report no.	GEN2-SSP1-66-1497
Valuation Method	<u>Valuation criteria to determine the market value of land and buildings</u> using the cost approach (Cost Approach) as a method of summarizing the value.

The Valuation of Machine and Equipment

Machines are in demand in the market and can be used at least 12 years with continuous maintenance. and can change the utilization in the same industry. Machines are permanently installed along continuous production lines and has specific usage. The valuation considers the maximum utilization according to current usage conditions. The valuation method is as follows.

The evaluation using the Cost Approach to determine market value (MV) which uses the new replacement cost deducted total depreciation expense. By specifying various variables according to the calculation formula present in the machinery valuation criteria as follows:

**Replacement Cost NEW (RCN)** Refer to the book value from the employer, Inno Precast Company Limited.

Physical useful life (N) = 12 years

The period of use of the machine (n) = 1 - 2 years

**Formula:**

Fair Market Value = Replacement Cost – Total depreciation expense

Total depreciation expense = The period of use of the machine / Physical useful life

$$P = (1 - n / N) \times C$$

$$MV = RCN \times (1 - n / N) \times C \times F \times E$$

Whereas:

MV = Market Value

n = Number of years of use of machinery and equipment

N = Lifetime periods of machinery and equipment

P = Physical Deterioration

C = Condition Factor

F = Functional Obsolescence

E = Economic / External Obsolescence)

Note: In evaluating the value of used machinery. The appraiser considers the physical age of the machine (N) to be 12 years and the appraiser assumes that all machinery and equipment can be used at full capacity If the machine cannot be used at full efficiency. The value of the machinery may change from the original. The appraiser therefore reserves the right to change the value.

The independent financial advisor had the opinion that the valuation of machinery and equipment of Inno Precast Co., Ltd. using the Cost Approach is an appropriate method. Sasipak Co., Ltd. has appraised a total of 12,109 items of machinery and equipment. In considering the value of machinery and equipment as mentioned above the independent property appraiser will calculate using the Replacement Cost New method, which the independent property appraiser has considered from the book value from INPC and deducted with accumulated depreciation to reflect physical, utility and economic deterioration of property and reduce it to evaluate the appropriate value of the property.

The Independent Financial Advisor is of the opinion that Using the Cost approach to valuate of machinery and equipment is appropriate. Because the independent appraiser advisor calculating from replacement cost, Then deduct with depreciation reflect deterioration with age of service physical deterioration utility deterioration and economic deterioration of property Therefore, the Independent Financial Advisor had the opinion that the method of property evaluation according to the cost method It will be able to reflect the appropriate value of the appraised assets.

C. Appraisal report No. GEN2-SSP1-66-1496

3. Machine and Equipment

Property Location	No. 54/1 Village No. 4 (no number) Lam Luk Ka Road (Highway 3312), Lat Sawai Subdistrict, Lam Luk Ka District, Pathum Thani Province
Property Type	Total Machine and Equipment 7,490 items

Owner	Unable to verify
Proprietor	Unable to verify
Contractual Obligations	Unable to verify contractual obligations
Appraisal Value	428,660,000 Baht
Appraiser	Saksipak Company Limited
Valuation Purpose	For public purpose
Inspection and Valuation Date	25 July 2023
Report Date	2 August 2023
Appraisal Report no.	GEN2-SSP1-66-1496
Valuation Method	<u>Valuation criteria to determine the market value of land and buildings using the cost approach (Cost Approach) as a method of summarizing the value.</u>

#### The Valuation of Machine and Equipment

Machines are in demand in the market and can be used at least 12 years with continuous maintenance. and can change the utilization in the same industry. Machines are permanently installed along continuous production lines and have specific usage. The valuation considers the maximum utilization according to current usage conditions. The valuation method is as follows.

The evaluation using the Cost Approach to determine market value (MV) which uses the new replacement cost deducted total depreciation expense. By specifying various variables according to the calculation formula present in the machinery valuation criteria as follows:

**Replacement Cost NEW (RCN)** Refer to the book value from the employer, Inno Precast Company Limited.

Physical useful life (N) = 12 years

The period of use of the machine (n) = 1 - 2 years

**Formula:**

Fair Market Value = Replacement Cost – Total depreciation expense

Total depreciation expense = The period of use of the machine / Physical useful life

$$P = (1 - n / N) \times C$$

$$MV = RCN \times (1 - n / N) \times C \times F \times E$$

Whereas:

MV = Market Value

n = Number of years of use of machinery and equipment

- N = Lifetime periods of machinery and equipment
- P = Physical Deterioration
- C = Condition Factor
- F = Functional Obsolescence
- E = Economic / External Obsolescence)

Note: In evaluating the value of used machinery. The appraiser considers the physical age of the machine (N) to be 12 years and the appraiser assumes that all machinery and equipment can be used at full capacity If the machine cannot be used at full efficiency. The value of the machinery may change from the original. The appraiser therefore reserves the right to change the value.

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