

Opinion of Independent Financial Advisor
Regarding Connected Transaction in
Relation to Offering of Newly Issued Ordinary Shares

To

Shareholders of T Engineering Corporation Public Company Limited



**T ENGINEERING
CORPORATION PCL**

Prepared by



COUNTRY GROUP

Country Group Advisory Company Limited

27 August 2021

No. CGA 04/2021

27 August 2021

Subject Opinion of the Independent Financial Advisor report regarding offering of newly issued ordinary shares and connected transaction of T Engineering Corporation Public Company Limited

To Audit committee and shareholders
T Engineering Corporation Public Company Limited

Refer to:

- 1) Resolution of the board of directors of T Engineering Corporation Public Company Limited No.5/2021 on 20 August 2021
- 2) Information memorandum regarding offering of newly issued ordinary shares and connected transaction in relation to allocation of securities of T Engineering Corporation Public Company Limited on 20 August 2021 including any amendment
- 3) Capital increase report form (F 53-4)
- 4) Financial statement audited by certified public accountant of T Engineering Corporation Public Company Limited for the fiscal year ended 31 December 2018 to 2020, and reviewed financial statement reviewed by certified public accountant for the six-month period ended 30 June 2021
- 5) Assets appraisal report of T Engineering Corporation Public Company Limited prepared by independent appraiser, Bell Survey Company Limited. Assets appraisal report No. A 64/0230 dated 18 August 2021 and assets appraisal report No. A64/0231 dated 19 August 2021.
- 6) 2018 – 2020 annual registration statement (Form 56-1) and annual report of T Engineering Corporation Public Company Limited
- 7) Affidavit, memorandum of association, information, and other documents of T Engineering Corporation Public Company Limited as well as interview with the Company's executives
- 8) Letter informing opinion of legal department in dispute of T Engineering Corporation Company Limited prepared by the Company's legal department
- 9) Share subscription agreement in amount of 51,944,000,000 shares between T Engineering Corporation Public Company Limited (as the Company) and Ms. Panicha Dau (as an investor)
- 10) Letter of intention to subscribe newly issued ordinary shares of the Company between T Engineering Corporation Public Company Limited and each investor (4 investors), i.e., Ms. Titima Thanakornyothin, Mr. Chaiyod Chirabowornkul, Mr. Adisorn J.Jitcharoenchai, and Mr. Kittishote Haritaworn.

The board of directors' meeting of T Engineering Corporation Public Company Limited ("T" or the "Company") no. 5/2021 held on 20 August 2021 resolved to approve issuance of newly issued ordinary shares offered to specific person (private placement) in amount not exceeding 54,044 million shares, at par value of THB 1 per share, or equivalent to 83.15 percent of total issued and paid-up shares of the Company after capital increase. The offering price of newly issued ordinary shares is THB 0.02 per share (two satang), totaling value of THB 1,080.88 million. The fund raising has the purpose for the Company to have sufficient fund for bidding project and to reserve as working capital for

construction project as well as internal working capital. In this regard, the Company has sought for 5 appropriate investors and interested in investing in the Company's newly issued ordinary shares as follows:

| Name of specific person | Number of newly issued ordinary shares (million shares) | Shareholding percentage after capital increase | Offering price per share (THB per share) | Investment value (THB million) |
|---------------------------------|---|--|--|--------------------------------|
| 1. Ms. Panicha Dau | 51,994 | 80.00008 | 0.02 | 1,039.88 |
| 2. Ms. Titima Thanakornyothin | 300 | 0.46159 | 0.02 | 6.00 |
| 3. Mr. Chaiyod Chirabowornkul | 250 | 0.38466 | 0.02 | 5.00 |
| 4. Mr. Adisorn J.Jitcharoenchai | 1,200 | 1.84637 | 0.02 | 24.00 |
| 5. Mr. Kittishote Haritaworn | 300 | 0.46159 | 0.02 | 6.00 |
| Total | 54,044 | 83.15429 | | 1,080.88 |

- Issue and offer newly issued ordinary shares of 51,994,000,000 shares, at par value of THB 1.00 per share, to Ms. Panicha Dau ("Ms. Panicha") whom is the Company's connected person because after the investment in newly issued ordinary shares, Ms. Panicha will become the Company's controlling person and Ms. Panicha's spouse will become the Company's directors. In this regard, the issuance and offering of newly issued ordinary shares to Ms. Panicha is account for 80.00 percent of total issued and paid-up shares (after register to increases paid-up capital) at the offering price of THB 0.02 per share, totaling value of THB 1,039,880,000. Ms. Panicha will have rights to propose candidate to be appointed as directors more than half of total directors as well as proposed candidate to be appointed as the Company's executives which is expected to proceed within quarter 4 of 2021.

In this regard, after acquiring of newly issued ordinary shares, Ms. Panicha will have shareholding in the Company of 80.00 percent of total issued and paid-up shares of the Company (after register to increases paid-up capital) which is more than 75 percent of the Company's total voting rights. Therefore, Ms. Panicha is obliged to make a tender offer for all securities of the Company pursuant to Notification of Capital Market Supervisory Board TorJor. 12/2554 :Rules, Conditions and Procedures for the Acquisition of Securities for Business Takeover (including amendment) (the "Notification TorJor. 12/2554") in which the tender offer for securities will occur after the Company has issued and offered newly issued ordinary shares to Ms. Panicha. The Company expects that Ms. Panicha will conduct tender offer within quarter 4 of 2021. According to the Notification TorJor. 12/2554, the tender offer price must not less than the highest price of the Company's share in which the tender offeror and person pursuant to section 258 of tender offeror including acting in concert of such person acquire in past 90 days before submitting of tender offer, i.e., the tender offer price will not less than offering price of newly issued ordinary shares offered to specific person (private placement).

- Issue and offer newly issued ordinary shares of 300,000,000 shares, at par value of THB 1.00 per share, to Ms. Titima Thanakornyothin ("Ms. Titima") whom is the Company's connected person because after the investment in newly issued ordinary shares, Ms. Titima will be proposed to be the Company's director and independent director.

In this regard, the issuance and offering of newly issued ordinary shares to Ms. Titima is account for 0.46 percent of total issued and paid-up shares (after register to increases paid-up capital) at the offering price of THB 0.02 per share, totaling value of THB 6,000,000.

3. Issue and offer newly issued ordinary shares of 250,000,000 shares, at par value of THB 1.00 per share, to Mr. Chaiyod Chirabowornkul (“Mr. Chaiyod”) whom is the Company’s connected person because after the investment in newly issued ordinary shares, Mr. Chaiyod will be proposed to be the Company’s director and executive. In this regard, the issuance and offering of newly issued ordinary shares to Mr. Chaiyod is account for 0.38 percent of total issued and paid-up shares (after register to increases paid-up capital) at the offering price of THB 0.02 per share, totaling value of THB 5,000,000.
4. Issue and offer newly issued ordinary shares of 1,200,000,000 shares, at par value of THB 1.00 per share, to Mr. Adisorn J.Jitcharoenchai (“Mr. Adisorn”). In this regard, the issuance and offering of newly issued ordinary shares to Mr. Adisorn is account for 1.85 percent of total issued and paid-up shares (after register to increases paid-up capital) at the offering price of THB 0.02 per share, totaling value of THB 24,000,000.
5. Issue and offer newly issued ordinary shares of 300,000,000 shares, at par value of THB 1.00 per share, to Mr. Kittishote Haritaworn (“Mr. Kittishote”). In this regard, the issuance and offering of newly issued ordinary shares to Mr. Kittishote is account for 0.46 percent of total issued and paid-up shares (after register to increases paid-up capital) at the offering price of THB 0.02 per share, totaling value of THB 6,000,000.

The offering of newly issued ordinary shares to investors according to no.1, no.2, no.3, no.4, and no.5 above are considered as the offering of newly issued ordinary shares to specific person (private placement) in which the offering price of newly issued ordinary shares is lower than the Company’s par value. However, as the Company has retain losses as appeared in separated financial statement ended 30 June 2021, amounting of THB 1,515.95 million. The Company so able to issue and offer newly issued ordinary shares with offering price lower the Company’s par value after getting approval from shareholders’ meeting pursuant to section 52 of Public Limited Company Act and the shareholders’ meeting clearly specify offering price at THB 0.02 per share. The offering price of newly issued ordinary shares is discounted 78.02 percent which is more than 10.00 percent of market price pursuant to the Notification of the Capital Market Supervisory Board No. TorJor. 72/2558 Re: Approval for Listed Companies to Offer Newly Issued Shares through Private Placement (including amendment) (the “Notification TorJor. 72/2558”). The market price is calculated from weighted average price of the Company’s shares in the Stock Exchange of Thailand in 15 business days consecutively prior to the date in which the board of directors propose agenda to the extraordinary general meeting of the shareholders no.1/2021 to consider approving issuance of newly issued ordinary shares to specific person (private placement), or from 29 July 2021 to 19 August 2021, which is equal to THB 0.091 per share. Therefore, the offering of newly issued ordinary shares to specific person is considered as offering of newly issued ordinary shares at low price pursuant to the Notification TorJor. 72/2558 in which the transaction must get approval from shareholders’ meeting with voting rights not less than three-fourth of total voting rights of shareholders attending meeting and has rights to vote and not including voting rights of stakeholder in counting voting rights and doesn’t have shareholders aggregating hold shares

more than or equal to 10 percent of total voting rights of shareholders attending meeting and has rights to vote object the offering of shares to specific person (private placement). In addition, the Company must get approval from the Office of Securities and Exchange Commission (the “SEC”) before the offering. In this regards, in case the offering price of newly issued ordinary shares offered to 5 investors under offering of newly issued ordinary shares to specific person (private placement) transaction is lower than 90 percent of the Company’s shares market price before the Stock Exchange of Thailand accepting such newly issued ordinary shares as listed securities, the Company has duty to prohibit all investors whom being offered newly issued ordinary shares to dispose shares received from offering of newly issued ordinary shares to specific person (private placement) transaction for the period of 1 year since the commencement of trading of shares in the Stock Exchange of Thailand. In this regard, such person can dispose prohibited shares amounting of 25 percent of prohibited shares after 6 months from the date in which the shares commencement its trading on the Stock Exchange of Thailand pursuant to the Notification of The Stock Exchange of Thailand, Re: Rules, Conditions and Procedures Governing the Listing of Ordinary or Preferred Shares Issued for Capital Increase B.E. 2558 (including amendment) (the “Notification on Listing of Securities”).

In this regard, as some investors, after the capital increase, will become controlling person of the Company or being proposed to be the Company’s directors and/or executives (as the case may be), i.e. (1) Ms. Panicha will become the Company’s controlling person and Ms. Panicha’s legally spouse, i.e., Mr. David Van Dau, will become the Company’s director, (2) Ms. Titima will become the Company’s director and independent director, and (3) Mr. Chaiyod will become the Company’s director and chief executive officer. Therefore, the issuance and offering of newly issued ordinary shares of such three investors is also considered as connected transaction pursuant to the Notification of Capital Market Supervisory Board No. TorJor. 21/2551 Re: Rules on Connected Transactions and Notification of the Board of Governors of the Stock Exchange of Thailand Re: Disclosure of Information and Other Acts of Listed Companies Concerning the Connected Transactions B.E. 2546 (2003) (including amendment) (the “Notification of Connected Transaction”). This connected transaction has transaction size of each connected person, i.e., (1) Ms. Panicha and Ms. Panicha’s legally spouse, i.e., Mr. David Van Dau, (2) Ms. Titima, and (3) Mr. Chaiyod, is equal to 735.93 percent, 4.25 percent, and 3.54 percent of net tangible assets (NTA) of the Company as appeared in the Company’s financial statement for the accounting period ended 30 June 2021, reviewed by certified public accountant, respectively.

If calculating transaction size as per the Company’s financial statement for the accounting period ended 30 June 2021, the transaction of Ms. Panicha and Ms. Panicha’s legally spouse is considered as large size transaction with value more than THB 20 million and more than 3 percent of net tangible assets as of 30 June 2021, transaction of Ms. Titima is medium size transaction with value more than THB 1 million but not exceeding THB 20 million, and more than 0.03 percent of net tangible assets but not exceeding 3 percent of net tangible assets as of 30 June 2021, and transaction of Mr. Chaiyod is medium size transaction with value more than THB 1 million but not exceeding THB 20 million, and more than 0.03 percent of net tangible assets but not exceeding 3 percent of net tangible assets as of 30 June 2021.

In this regard, the Company doesn’t enter into other connected transaction with same connected person or related person or close relative of such person in period of 6 months prior entering into this transaction.

Therefore, the Company is obliged to proceed as follows:

(1) Disclose information memorandum regarding issuance and offering of newly issued ordinary shares to specific person (private placement) to comply with the Notification TorJor. 72/2558 and disclose information memorandum regarding connected transaction of such 3 investors to comply with the Notification of Connected Transaction.

(2) Convene the Company's shareholders meeting to ask for approval of issuance and offering of newly issued ordinary shares to specific person (private placement) in which the Company must get approval from shareholders' meeting with voting rights not less than three-fourth of total voting rights of shareholders attending meeting and has rights to vote and not including voting rights of stakeholder in counting voting rights and doesn't have shareholders aggregating hold shares more than or equal to 10 percent of total voting rights of shareholders attending meeting and has rights to vote object the offering of shares to specific person (private placement).

(3) Convene the Company's shareholders meeting to ask for approval to entering into the connected transaction of Ms. Panicha as the connected transaction size is more than THB 20 million and more than 3 percent of the Company's net tangible assets as per the Company's financial statement as of 30 June 2021. In this regard, the shareholders' meeting must approve to entering such transaction with voting rights not less than three-fourth of total voting rights of shareholders attending meeting and has rights to vote and not including voting rights of stakeholder in counting voting rights.

(4) Appoint independent financial advisor (IFA) whose name appeared in approved financial advisor list of the SEC to provide opinion to the Company's shareholders regarding reasonableness of the connected transaction of Ms. Panicha, neutrality of appraisal, and condition of transaction for asking for approval to entering into the transaction, as the financial advisor of the Company's shareholders, as well as sending opinion in relating to such transaction to the SEC and the SET for consideration.

(5) Submit application to issue newly issued ordinary shares to specific person (private placement) to the SEC.

The board of directors' meeting no. 5/2021 held on 20 August 2021, resolved to approve appointment of Country Group Advisory Company Limited (the "Independent Financial Advisor" or "CGA") as the independent financial advisor whom being approved from the SEC and is independently from the Company, to provide opinion regarding reasonableness of the transaction, fairness of price, and condition of transaction to the Company's shareholders to use as supporting information for approving connected transaction between the Company and Ms. Panicha.

Scope and limit of responsibility:

1) The study and opinion of the Independent Financial Advisor in this report is prepared based on documents, information, and assumptions received from the Company's executives and information disclosed to the SEC (www.sec.or.th), and information disclosed via the Stock Exchange of Thailand (www.set.or.th), and website of Business Online Public Company Limited (www.bol.co.th).

2) Opinion of the Independent Financial Advisor in this report is based on assumption that information and documents is correct information and complete. The opinion is based on consideration of environment and information that can be perceived at present as of the date of this report. In this regard, if there is any change, or any event, it may significantly affect the Company's operation and financial projection, as well as decision of shareholders with respect to such acquisition of assets and connected transaction.

3) The Company and its representatives certified to the Independent Financial Advisor that information in which the Company provide to the Independent Financial Advisor is complete, true, accurate. In addition, the information in the financial statement reflects operating result and financial condition of target company and is prepared under acceptable accounting standard or as shown in note to financial statement.

4) The Independent Financial Advisor will not be responsible for profit or loss and any effects occurred from entering into this transaction.

5) The Independent Financial Advisor study by using knowledge, capability, carefulness, under professional standard.

6) The Independent Financial Advisor consider and provide opinion based on situation and information that can be perceived at present. If the situation and information is significantly changes, it may affect study of the Independent Financial Advisor.

7) The opinion of the Independent Financial Advisor report proposed to audit committee and shareholders of T Engineering Corporation Public Company Limited doesn't include the proceed successfulness of the transaction as well as successfulness of T Engineering Corporation Public Company Limited, including the Company's operation in future.

In providing opinion to the shareholders, the Independent Financial Advisor considers the reasonableness of the connected transaction together with various related factors. In this regard, the Independent Financial Advisor considers such information with prudent and reasonable pursuant to professional standard.

The attachment of this opinion of the Independent Financial Advisor report is considered as part of this opinion report and is the information in which the audit committee and shareholders should consider together with this opinion report.

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Glossary

Following table depicts glossary of abbreviation used in this report unless state otherwise.

| Abbreviation | Full word |
|--|--|
| SEC | The Office of Securities and Exchange Commission |
| SET | The Stock Exchange of Thailand |
| T or the Company | T Engineering Corporation Public Company Limited |
| The Notification of Connected Transaction | The Notification of Capital Market Supervisory Board No. TorJor. 21/2551 Re: Rules on Connected Transactions and Notification of the Board of Governors of the Stock Exchange of Thailand Re: Disclosure of Information and Other Acts of Listed Companies Concerning the Connected Transactions, 2003 (including amendment) |
| The Notification TorJor. 72/2558 | The Notification of the Capital Market Supervisory Board No. TorJor. 72/2558 Re: Approval for Listed Companies to Offer Newly Issued Shares through Private Placement (including amendment) |
| The Notification TorJor. 12/2554 | The Notification of Capital Market Supervisory Board TorJor. 12/2554 :Rules, Conditions and Procedures for the Acquisition of Securities for Business Takeover (including amendment) |
| The Notification on Listing of Securities | The Notification of The Stock Exchange of Thailand, Re: Rules, Conditions and Procedures Governing the Listing of Ordinary or Preferred Shares Issued for Capital Increase B.E. 2558 (2015) |
| The Independent Financial Advisor | Country Group Advisory Company Limited |
| Appraisal Report Prepared by Independent Appraiser | Appraisal report of land with 3-stroey townhouse including extension No. A 64/0230, dated 18 August 2021, and appraisal report of vacant land No. A 64/0231, dated 19 August 2021 |
| N/A | Not applicable / Not Available |
| NTA | Net tangible assets |
| DCF | Discounted Cash Flow Approach |
| CAPM | Capital Asset Pricing Model or approach determining expected minimum return from investment |
| EBIT | Earnings before interest and tax |
| EBITDA | Earnings before interest, tax, depreciation, and amortization |

Executive summary

Overview of the transaction

The board of directors' meeting of T Engineering Corporation Public Company Limited ("T" or the "Company") no. 5/2021 held on 20 August 2021 resolved to approve issuance of newly issued ordinary shares offered to specific person (private placement) in amount not exceeding 54,044 million shares, at par value of THB 1 per share, or equivalent to 83.15 percent of total issued and paid-up shares of the Company after capital increase. The offering price of newly issued ordinary shares is THB 0.02 per share (two satang), totaling value of THB 1,080.88 million. The fund raising has the purpose for the Company to have sufficient fund for bidding project and to reserve as working capital for construction project as well as internal working capital. In this regard, the Company has sought for 5 appropriate investors who interested in investing in the Company's newly issued ordinary shares as follows:

| Name of specific person | Number of newly issued ordinary shares (million shares) | Shareholding percentage after capital increase | Offering price per share (THB per share) | Investment value (THB million) |
|---------------------------------|---|--|--|--------------------------------|
| 1. Ms. Panicha Dau | 51,994 | 80.00008 | 0.02 | 1,039.88 |
| 2. Ms. Titima Thanakornyothin | 300 | 0.46159 | 0.02 | 6.00 |
| 3. Mr. Chaiyod Chirabowornkul | 250 | 0.38466 | 0.02 | 5.00 |
| 4. Mr. Adisorn J.Jitcharoenchai | 1,200 | 1.84637 | 0.02 | 24.00 |
| 5. Mr. Kittishote Haritaworn | 300 | 0.46159 | 0.02 | 6.00 |
| Total | 54,044 | 83.15429 | | 1,080.88 |

1. Issue and offer newly issued ordinary shares of 51,994,000,000 shares, at par value of THB 1.00 per share, to Ms. Panicha Dau ("Ms. Panicha") whom is the Company's connected person because after the investment in newly issued ordinary shares, Ms. Panicha will become the Company's controlling person and Ms. Panicha's spouse will become the Company's directors. In this regard, the issuance and offering of newly issued ordinary shares to Ms. Panicha is account for 80.00 percent of total issued and paid-up shares (after register to increases paid-up capital) at the offering price of THB 0.02 per share, totaling value of THB 1,039,880,000. Ms. Panicha will have rights to propose candidate to be appointed as directors more than half of total directors as well as proposed candidate to be appointed as the Company's executives which is expected to proceed within quarter 4 of 2021.

In this regard, after acquiring of newly issued ordinary shares, Ms. Panicha will have shareholding in the Company of 80.00 percent of total issued and paid-up shares of the Company (after register to increases paid-up capital) which is more than 75 percent of the Company's total voting rights. Therefore, Ms. Panicha is obliged to make a tender offer for all securities of the Company pursuant to Notification of Capital Market Supervisory Board TorJor. 12/2554 :Rules, Conditions and Procedures for the Acquisition of Securities for Business Takeover (including

amendment) (the “Notification TorJor. 12/2554”) in which the tender offer for securities will occur after the Company has issued and offered newly issued ordinary shares to Ms. Panicha. The Company expects that Ms. Panicha will conduct tender offer within quarter 4 of 2021. According to the Notification TorJor. 12/2554, the tender offer price must not less than the highest price of the Company’s share in which the tender offeror and person pursuant to section 258 of tender offeror including acting in concert of such person acquire in past 90 days before submitting of tender offer, i.e., the tender offer price will not less than offering price of newly issued ordinary shares offered to specific person (private placement).

2. Issue and offer newly issued ordinary shares of 300,000,000 shares, at par value of THB 1.00 per share, to Ms. Titima Thanakornyothin (“Ms. Titima”) whom is the Company’s connected person because after the investment in newly issued ordinary shares, Ms. Titima will be proposed to be the Company’s director and independent director. In this regard, the issuance and offering of newly issued ordinary shares to Ms. Titima is account for 0.46 percent of total issued and paid-up shares (after register to increases paid-up capital) at the offering price of THB 0.02 per share, totaling value of THB 6,000,000.

3. Issue and offer newly issued ordinary shares of 250,000,000 shares, at par value of THB 1.00 per share, to Mr. Chaiyod Chirabowornkul (“Mr. Chaiyod”) whom is the Company’s connected person because after the investment in newly issued ordinary shares, Mr. Chaiyod will be proposed to be the Company’s director and chief executive officer. In this regard, the issuance and offering of newly issued ordinary shares to Mr. Chaiyod is account for 0.38 percent of total issued and paid-up shares (after register to increases paid-up capital) at the offering price of THB 0.02 per share, totaling value of THB 5,000,000.

4. Issue and offer newly issued ordinary shares of 1,200,000,000 shares, at par value of THB 1.00 per share, to Mr. Adisorn J.Jitcharoenchai (“Mr. Adisorn”). In this regard, the issuance and offering of newly issued ordinary shares to Mr. Adisorn is account for 1.85 percent of total issued and paid-up shares (after register to increases paid-up capital) at the offering price of THB 0.02 per share, totaling value of THB 24,000,000.

5. Issue and offer newly issued ordinary shares of THB 300,000,000 shares, at par value of THB 1.00 per share, to Mr. Kittishote Haritaworn (“Mr. Kittishote”). In this regard, the issuance and offering of newly issued ordinary shares to Mr. Kittishote is account for 0.46 percent of total issued and paid-up shares (after register to increases paid-up capital) at the offering price of THB 0.02 per share, totaling value of THB 6,000,000.

The objective of offering of newly issued ordinary shares to the specific person (private placement) are as follows:

1. The Company need to offer newly issued ordinary shares to the specific person and/or strategic partner that have funding, experience, and/or capability to strengthen the Company to have ability to operate business, and increase the Company’s competitiveness in short-term and long-term, as well as create business opportunity for the Company so the Company’s operation result will be grown, and also help the Company

to solve problem with respect to comply with qualification of the listed company to maintain its status in the Stock Exchange of Thailand.

2. To increase the Company's liquidity to engage in construction business as the Company has limitation in term of funding due to loss from operation for many years consecutively, and the Company has ongoing litigation. Furthermore, the financial institution also postpones its credit facility line and letter of guarantee line, thus the Company significantly face problem on working capital in business operation. Therefore, the Company's auditor so provide opinion in the auditor report with respect to significant uncertainty relating to going concern since 2020 financial statement. According to the financial statement of the Company for the period ended 30 June 2021, the Company's shareholders equity was THB 143.19 million, while the revenues from construction for the first half of 2021 was only THB 6.93 million, and the net loss for the first half of 2021 was THB 31.37 million.
3. Since quarter 2 of 2018 onward, the Company was signed with "C" as the shareholders' equity is lower than 50 percent of paid-up capital. In addition, as the Company's operating result was loss for many years consecutively, so the Company has limitation on source of fund which result in illiquidity problem and effect on capability to operate business. Furthermore, due to COVID-19 pandemic since 2020 also affect the Company in various aspects, the operation is not as expected, the projects in which the Company submit bid was ceased, cancelled, or postponed, and resulting in the Company having undelivered project of 1 project. If considering together with the Company's liquidity position, even the Company's auditor provides unqualified opinion on the Company's financial statement; however, the auditor has mention on significant uncertainty relating to going concern since 2020 financial statement. According to the financial statement of the Company for the period ended 30 June 2021, the Company's shareholders equity was THB 143.19 million, while the revenues from construction for the first half of 2021 was only THB 6.93 million, and the net loss for the first half of 2021 was THB 31.37 million. Therefore, the Company so need to offer newly issued ordinary shares to specific person and/or strategic partner that have readiness of fund, experience, and/or capability to strengthen the Company to have ability to operate business, and increase the Company's competitiveness in short-term and long-term, as well as create business opportunity for the Company so that the Company's operation result will be grown, and also help the Company to solve problem with respect to comply with qualification of the listed company to maintain its status in the Stock Exchange of Thailand.

The offering of newly issued ordinary shares to investors according to no.1, no.2, no.3, no.4, and no.5 above is the offering of newly issued ordinary shares to specific person (private placement in which the shareholders' meeting has clearly specified offering price at THB 0.02 per share. The offering price of newly issued ordinary shares are discounted at 78.02 percent which is discounted more than 10 percent of market price pursuant to the Notification TorJor. 72/2558. In this regards, the market price is derived from weighted average price of the Company's share in the Stock Exchange of Thailand for the past 15 business days consecutively prior to the date in which the Company's

board of directors resolve to propose to the extraordinary general meeting of the shareholders no.1/2021 to consider approving issuance of newly issued ordinary shares to the specific person (private placement), or between 29 July 2021 to 19 August 2021, which is equal to THB 0.091 per share. Therefore, the offering of newly issued ordinary shares to specific person (private placement) is considered as the offering of newly issued ordinary shares at low price pursuant to the Notification TorJor. 72/2558.

Furthermore, the offering of newly issued ordinary shares to person in no.1, no.2, and no.3 above is considered as the offering of newly issued ordinary shares to connected person pursuant to the Notification on the Connected Transaction as the newly issued ordinary shares will be offered to person being proposed to be director, executive, or controlling person. The transaction above is connected transaction, in which the connected transaction has transaction size for each connected person, i.e., (1) Ms. Panicha and Ms. Panicha's legally spouse, i.e., Mr. David Van Dau, (2) Ms. Titima, and (3) Mr. Chaiyod, equal to 735.93 percent, 4.25 percent, and 3.54 percent of the Company's net tangible assets as appeared in the Company's financial statement reviewed by certified public accountant for the accounting period ended 30 June 2021, respectively. If considering transaction size as per the Company's financial statement for the period ended 30 June 2021, the transaction of Ms. Panicha and Ms. Panicha's legally spouse is considered as large size transaction with transaction value more than THB 20 million, and more than 3 percent of net tangible assets as of 30 June 2021, transaction of Ms. Titima is medium size transaction with value more than THB 1 million but not exceeding THB 20 million, and more than 0.03 percent of net tangible assets but not exceeding 3 percent of net tangible assets as of 30 June 2021, and transaction of Mr. Chaiyod is medium size transaction with value more than THB 1 million but not exceeding THB 20 million, and more than 0.03 percent of net tangible assets but not exceeding 3 percent of net tangible assets as of 30 June 2021.

In this regard, the Company doesn't enter other connected transaction with same connected person or related person or close relative of such person in period of 6 months prior entering into this transaction.

Therefore, the Company is obliged to proceed as follows:

(1) Disclose information memorandum regarding issuance and offering of newly issued ordinary shares to specific person (private placement) which is connected transaction of 3 investors, i.e. Ms. Panicha, Ms. Titima, and Mr. Chaiyod, to the Stock Exchange of Thailand to comply with the Notification of Connected Transaction.

(2) Convene the Company's shareholders meeting to ask for approval of issuance and offering of newly issued ordinary shares to specific person (private placement) in which the Company must get approval from shareholders' meeting with voting rights not less than three-fourth of total voting rights of shareholders attending meeting and has rights to vote and not including voting rights of stakeholder in counting voting rights and doesn't have shareholders aggregating hold shares more than or equal to 10 percent of total voting rights of shareholders attending meeting and has rights to vote object the offering of shares to specific person (private placement).

(3) Convene the Company's shareholders meeting to ask for approval to entering into the connected transaction of Ms. Panicha as the connected transaction size is more than THB 20 million and more than 3 percent of the Company's net tangible assets as per the Company's financial statement as of 30 June 2021. In this regard, the shareholders' meeting must approve to entering such transaction with voting rights not less than three-fourth of total voting rights of shareholders attending meeting and has rights to vote and not including voting rights of stakeholder in counting voting rights.

(4) Appoint independent financial advisor (IFA) whose name appeared in approved financial advisor list of the SEC to provide opinion to the Company's shareholders regarding reasonableness of the connected transaction of Ms. Panicha, neutrality of appraisal, and condition of transaction for asking for approval to entering into the transaction, as well as sending opinion in relating to such transaction to the SEC and the SET for consideration in term of reasonableness of the transaction.

(5) Submit application to issue newly issued ordinary shares to specific person (private placement) to the SEC.

Country Group Advisory Company Limited, as the Independent Financial Advisor analyze the objective of the transaction, the Company's business policy, and overall business and economic circumstance, as well as analyze the competitiveness by considering information of the Company in past 3 years. The Independent Financial Advisor opines that the offering of newly issued ordinary shares to specific person (private placement) is reasonableness in term of entering into the transaction as the Company will create opportunity to expand business and growth of the Company in future. In this regard, the Independent Financial Advisor analyze advantage and disadvantage of entering into the transaction and not entering into the transaction as well as risk from entering into the transaction as follows:

1. Entering into the transaction

Advantage

The offering of newly issued ordinary shares to specific person, the Company will receive proceed from the offering approximately THB 1,080.88 million, in which the Company will have sufficient funding for bidding of new project and use as capital in construction project, as well as the Company's internal working capital. The Company will utilize proceed in construction project in 2021-2023 approximately THB 970 million which will be used as guarantee for credit line from financial institution in bidding of project and working capital of construction project. Furthermore, the residual proceeds approximately THB 110.88 million, the Company will use as general internal working capital, including develop of internal operation, upgrade software and information technology system to have more efficiency, and new executives and staffs will strengthen the Company. Those will result in the Company has more revenues from construction business and have opportunity to increase revenues from construction business which is operate as present. This will increase the Company's share value as well as may resolve problem regarding qualification of listed company to maintain its status in the Stock Exchange of Thailand in future.

Therefore, the offering of newly issued ordinary shares will benefit the Company and shareholders, as well as create confidence to shareholders and general investors.

Disadvantage

Dilution effect to the offering of newly issued ordinary shares of the Company consist of controlling dilution of 83.15 percent, price dilution of 67.03 percent, while the earning per share dilution is not able to calculate as the Company's operating result is loss. Furthermore, the condition and objective of capital increase, the specific investor will propose to appoint new director and executive. In addition, the Company must expand its construction business to overseas. Therefore, the Company need to restructure organization to support future operation. Furthermore, the offering of newly issued ordinary shares, the offering price is lower than par value. Therefore, the Company will incur share deficit which will be shown in shareholders' equity.

2. Not entering into the transaction

Advantage

The Company will not incur expenses in case there is tender offer, e.g., legal advisor fee and independent financial advisor fee, and the Company will not have risk from operate business in overseas in which the Company doesn't have any experience in such area and the operating result may not be as expected. In addition, the shareholders will not be affected by dilution effect and the financial statement of the Company will not incur share deficit from the offering of newly issued ordinary shares of the Company.

Disadvantage

The Company need to seek funding from other to source to use as cash flow in business, management, and to have liquidity to solve problem regarding significant uncertainty of going concern as appeared in the Company's financial statement.

The Company will lack liquidity, loss opportunity to strengthen the business, and the Company will loss opportunity to utilize knowledge, expertise, technology, new executives, and staffs, to strengthen the Company, which result in the Company not able to operate business on ongoing basis and loss opportunity to solve problem with respect to maintain status of listed company in the Stock Exchange of Thailand.

The Company will loss business opportunity in overseas in which the Company expect that the operating result will be good, and loss opportunity to increase operating results, profit, and stability of the Company in long-term. At present, construction business for industrial project is in stagnation period, the competition in construction business is high, the increase in construction material price and labor cost resulting in the Company has low gross profit margin, as well as not able to compete in domestic construction business as the Company doesn't receive credit-line from financial institution.

In addition, the Company need to seek for partner or consult with the Company's existing shareholders to increase capital to use as capital for business operating and solve liquidity problem so that the Company could operate business on going concern basis.

3. Risk from operation and entering into the transaction

By entering into the transaction, the shareholders should consider risk factors of the operation which may affect the Company's business and risk from entering into the transaction as supporting information for making decision. The risk factors consist of:

- **Risk from operation**

3.1 Risk from operating result is not as expected

In case, the Company successfully increase capital and bid project in new area which may have uncertainty in operation and may affect operation, as well as having risk factor from economic downturn, and investment policy of public sector and private sector in new area. However, to operate construction business, in which the Company currently has undelivered project only 1 project. Therefore, the capital increase and use of proceed to invest in new area in which the Company doesn't have expertise may incur risk on operating result of the Company. However, the investment of specific person (private placement), there will be an appointment of director and chief executive officer who have knowledge and expertise in new area. Therefore, from experience of new personnel, the Company so believe that the Company will be able to operate efficiently and effectiveness which may result in better operating result of the Company.

3.2 Risk from discontinuity of revenues

As the Company's revenues from construction is the discontinuous revenues (one time project) in which the Company's revenues will be depended on winning of project bidding, the construction of project management within specified time. If the Company is not able to win the project bidding, it may affect the Company's revenues. However, as the Company has policy to maintain continuity of income by maintaining work quality standard and is satisfied by clients, so that the clients are confided and award new construction project to the Company in future. Some of construction projects were from ex-client who have used the Company's construction service.

3.3 Risk from volatility of construction material price

Cost structure of construction business consists of construction material cost, e.g., iron, concrete, and cement, labor cost, and other expenses, while the construction material price will vary with exchange rate, commodity price (especially metal group), and fuel price etc. In this regard, the change of construction material price is considered as important external factor which is uncontrollable as the construction material price is considered as main cost which affect construction cost. In 2020, the construction material price index was decreased, especially, metal category and

metal product category, which was significantly decreased, as well as concrete product category and cement category, aligning with iron selling volume, and the private investment index also continuously recessed, as a result of economic condition both domestic and overseas which was slowdown. The real estate and construction sector was significantly affected, especially project of private sector in which the new projects were delayed as the consumers were more cautious in their spending and lack of purchasing from foreign sector, aligning with tax collection on real estate transaction which is continuously decreased in 2020. While the construction project of public sector is the main driver, however, it was slower than schedule. Since quarter 4 of 2020 till present, the construction material price index was increased as a result of construction project of public sector and investment to recover economy by foreign, especially, China, resulting in increasing of metal and metal product. However, the Company has policy to reduce risk on material price by creating relationship with construction material suppliers throughout the country, allowing the Company to maintain material cost at appropriate level and able to deliver project within schedule. In addition, the Company continuously improve procurement process to keep up with current situation and reduce risk from change of material and equipment price.

3.4 Risk from not receiving payment from project owner

The Company has main revenues from construction in which the Company is main contractor of the project. Normally, the Company will collect advance payment once the agreement is signed in proportion to the project value as specified in agreement and the Company will collect additional payment periodically in accordance with work progress. Therefore, the Company will have risk if the project owner face financial problem and is not able to pay construction fee in accordance with work progress which may affect the Company's operation. In this regard, the Company aware of such risk, so the Company consider accepting work from project owner that have stable financial position. This can be seen from the Company's project in which most of project owner is large well-known and reliable private company. In 2020, the project under construction and delivered project, the Company still able to collect payment per work period. For the six-month period of 2021, the Company only operated one project and Government has instructed to close construction camp to control spread of COVID-19; however, the Company's client still proceed with the construction. Therefore, the Company believes that the Company will be able to collect payment from client.

3.5 Risk from project delay

Normally, the construction agreement's term of payment is lump sum payment in which the construction price is fixed. The Company will gain profit if the Company can control construction cost to not exceed the budget. In this regard, if the construction project is delayed, the labor cost and construction price may be increased so that such project is operate at loss. Furthermore, the construction agreement of the Company will clearly specify completion date. If the Company is not able to deliver project within schedule, the Company may need to pay penalty fee which may subsequently affect the Company's operating result. From the policy to accept work and maintain work volume at appropriate level and qualified engineer team, and management competency of executive, the Company so can construction project and deliver project to project owner in according with condition specified in the agreement.

In 2020, the delivered projects were not subject to penalty fee due to delay of delivery; however, there was project which was completed in 2018 in which the Company and project owner had dispute and resulting in arbitration process. The arbitrator has made its final judgment in 2020 by instructing project owner to pay construction fee and return retention fee to the Company of THB 9.14 million. In this regard, such amount is after deducting of THB 2.87 million because of late delivery even such late is not solely result from the Company. In six-month period of 2021, the Company had only 1 construction project and Government has instructed to close construction camp to control spread of COVID-19. Therefore, the Company has informed the project owner regarding such matter and effect to construction plan and the Company doesn't incur any penalty fee from such matter.

3.6 Risk from most of projects are industrial factory

Most of the Company's clients in construction business are industrial factory clients. If the industrial sector is slowdown, it may affect the Company's revenues. However, to manage risk from slowdown of construction in industrial sector, the Company so focus on accept work from industrial sector that have potential to grow. With the growth of each industrial sector in each economic condition is differed. In addition, the Company has expanded its scope of accepting work to cover more industrial sector, as well as construction of hospital, office building, and shopping mall, including expanding clients' base to EPC service (Engineering Procurement & Construction) as this service has higher profit when comparing with other type of work. At present, the Company still focus on accepting project of private company as the Company opine that such business has potential to grow and still expand its investment continuously.

3.7 Risk from being sued from client due to project error

If the project that the Company construct, e.g., design, construction, or installation of utility system in building or factory, i.e., air condition system, electricity system, and water treatment system, has any error which may affect outside person to be damaged or injured, the Company may be sued to pay compensation. However, the Company has policy to operate construction with care, by implementing quality assurance system on work continuously before delivering to clients. The Company has quality assurance department to assure quality from the start of drawing until deliver of work to clients. Furthermore, the Company also has insurance to cover such incidents, which reduce effect to the Company's financial position from being sued. However, the Company cannot assure that the insured amount is sufficient or cover liability from being sued. In this regard, in 2020 and six-month period of 2021, the Company didn't have any dispute or litigation from error of construction project.

3.8 Risk from concentration of debtor

Normally, account receivable of construction project is substantial debtor who has value in accordance with project size that the Company win the bid. To reduce risk from concentration of debtor, executives have imposed credit policy (giving credit term to clients and term of payment), and reviewing loss which may arise from such risk continuously. The agreement with project owner will be executed with term of payment that is concise and the Company will estimate clients' financial capability before accepting the project.

In 2020, the Company had account receivable from 3 projects and for the six-month period of 2021, the Company had undelivered project of 1 project in which the Company received payment per due.

3.9 Risk from construction safety impact

The Company emphasize on corporate social responsibility by setting up safety department to supervise safety in construction area as well as nearby community are and environment to have minimal effect from the Company's construction. In case, there is any error which affect outside person to be damaged in term of life or property or affect environment, e.g., noise pollution, smoke dust, or effect on building and nearby area, the Company may be complained/sued and claimed for damage from such incident. In addition, it will also affect the Company's reputation and credibility. In this regard, the Company emphasize and impose policy with respect to safety matter and cultivating conscience of all employees to aware on importance of safety, especially, site staff to aware on importance of safety, as well as consistently conduct training on safety. Furthermore, the Company has done insurance to cover risk with insurance company to reduce risk and compensation in which the Company need to compensate if there is any unexpected incident. In case the Company is complained, the Company will audit such matter and solve problem as soon as possible.

3.10 Risk from COVID-19

The Covid-19 pandemic has widely affected social and environment. From the research of Asia Development Bank (ADB), the estimated effect to Thai economy is USD 5.6 billion or equivalent to approximately 1.11 percent of Thai Gross Domestic Product. The COVID-19 pandemic directly affects tourism and hospitality industry and production sector, and also indirectly affects confidence of private sector consumption and subsequently affect private entrepreneur to delay their business expansion or postpone their construction plan. Such effect may result in some entrepreneurs being lack of liquidity which may lead to delay of payment or default of payment and may affect competition in bidding of construction project to be more intense as the new construction projects were decreased. Furthermore, in case there is COVID-19 pandemic in construction area or office area of the Company, the Company may need to cease or delay construction and may subsequently result in cost overrun. Recently, the Government instructed to close construction camp in Bangkok and Red Zone Provinces.

The Company aware of such risk and implement measure to response to spread of COVID-19 pandemic by implementing important policy, e.g., increase frequency of cleaning in office area consistently, procure soap and alcohol gel for employee and related person as well as arranging temperature measuring and screening employee before entering site area and office, prepare back-up staff camp, and prepare business continuity plan etc.

- **Risk on management perspective**

3.11 Risk from dependency on personnel

Construction business is the business that require knowledge and expertise of personnel, especially, project manager and project engineer who responsible for project construction to complete. Therefore, if the Company loss

such personnel, it may affect the Company's operation. In this regard, the director-level personnel, e.g., construction department, engineering department, and system department, as well as project manager, more than 50 percent of such personnel work with the Company more than 10 years and binding to the Company. In addition, the Company has implemented measure to reduce risk from loss of such personnel by providing fair compensation and allowing them to participate in decision making. In addition, the Company also arrange welfare for employee, e.g., provident fund, medical welfare etc., to compensate executives and staffs for working with the Company.

3.12 Risk from lack of labor and labor cost

The construction business is business that require labor force; however, due to large number of operators in construction business, it may result in lack of skilled labor. In addition, as the labor cost is continuously increased in accordance with minimum wage policy imposed by Ministry of Labour, which may increase the Company's cost as the labor cost is considered as one of main cost of construction business. However, in 2020, as the economic was slowdown and the construction business is stagnant, thus risk from lack of labor and labor cost is low. However, the Company has arranged more employee relationship activities to retain good relationship with employees, building quality of life and good working environment. In addition, to manage risk, the Company also procures skilled sub-contractors who have expertise to construct the Company's projects in order to handle more workload and can deliver work within schedule. In addition, it also reduces problem regarding lack of labor and also control labor cost which is the Company's main cost.

3.13 Risk from change of the Company's director and executive and change of the Company's authorized director

Referring to the condition of the transaction, the specific person, i.e., Ms. Panicha, will have rights to propose name of directors more than half of total directors, and propose person who will be appointed as the Company's executives, as well as change of authorized director. In addition, the specific person, i.e., Ms. Titima, will be appointed as the Company's director and independent director, and Mr. Chaiyod will be appointed as the Company's director and chief executive officer. Therefore, if such person doesn't understand the core business and are not able to proceed as planned, it may incur risk to the Company and shareholders. However, according to list of specific persons who will participate in management, they are person who have experience and expertise in the Company's business and have reputation and are accepted by public. In this regard, Ms. Panicha will propose Mr. David Van Dau, her spouse, as the Company's director. Mr. David Van Dau is the businessman who has capability to increase business opportunity and referring business in the Lao People's Democratic Republic and Thailand to the Company in future. In this regard, Mr. David Van Dau holds all shares in PT Sole Company Limited which operate as investment company by investing in businesses in Thailand and the Lao People's Democratic Republic, e.g., hydro power plant and renewable energy, food and beverage business, and telecommunication business. Ms. Titima, who will be appointed as the Company's director and independent director, is the expert and

investment consultant in Thailand more than 30 years and Mekong Region, e.g., Cambodia, Lao, Myanmar, and Vietnam (CLMV), more than 10 years regarding mega infrastructure and capital market in Lao. Mr. Chaiyod, who will be appointed as the Company's director and chief executive officer, is the person who has experience and knowledge in engineering management, expertise in management, and corporate strategy, in large company more than 20 years. Therefore, change of directors and executives will benefit the Company and solve the Company problems at present.

- **Financial risk**

3.14 Liquidity risk

Liquidity risk is considered as one of the important risks of construction business as the Company's business need sufficient working capital to use in operation, which account for approximately 30-35 percent of project value, to use as working capital in early stage of project. Normally, the Company will use existing working capital or receive support from financial institution in form of short-term loan and letter of guarantees. In this regard, the delay of payment or default payment of project owner will affect the Company's working capital management. Therefore, the Company so review financial position of project owner before bidding project and accepting project. In addition, in drafting of main construction agreement of each project, the Company will negotiate with project owner to obtain concise term of payment. Furthermore, the procurement process, the Company also manage working capital with care by procure suppliers who provide appropriate credit term to reduce such working capital risk.

In this regard, the Company's financial position at present, the effect from liquidity risk is considered the Company most importance risk. From the financial statement as of 31 December 2020 and six-month period of 2021, the Company has liquidity risk as total current assets less than total current liabilities. However, the Company control risk from lack of liquidity by maintaining working capital level to sufficient for operation. To reduce risk from volatility of cash flow, the Company prepares workplan to ensure that the Company will have sufficient cash inflow to manage liquidity and prevent the Company from lack of working capital and ability to pay debt for at least 12 months. Furthermore, in early of 2021, the Company's board of directors resolved to approve borrowing loan from major shareholders in which the Company has entered to loan agreement with such shareholders with objective to use as emergency working capital. At present, the Company receives credit-line from financial institution of THB 30 million to use in business operation.

3.15 Risk from litigation resulting in financial institution not providing facility

As the Company's business need sufficient working capital to use in operation, in which the Company will use existing working capital or receive support from financial institution in form of short-term loan and letter of guarantees. However, as the construction projects in 2012-2014 caused the Company to face lawsuit with respect to

the construction and is considered as significant lawsuit which resulting in the Company not receive financial support from financial institution. Therefore, the Company need to use existing working capital. However, as of 8 January 2020, the Company's board of directors no.1/2020 resolved to settle dispute between the Company and project owner and the Company has entered to settlement agreement on 5 February 2020. Both parties have agreed to withdraw relevant lawsuits and will not mention about such matter in future. In addition, in 2020, the supreme court made its final judgment that the Company will the importance lawsuit. The settle of dispute and win on importance lawsuit will benefit the Company and create confidence of financial institution and investors on the Company. At present, the important litigation has been settled, the Company so contact with one financial institution to request for working capital facility in which the Company has been granted credit-line of THB 30 million and the Company has drawdown such loan in quarter 2 of 2021.

Risk from condition on entering into the transaction

Referring to investment of specific person, the Company has signed share subscription agreement between the Company (as the Company) and Ms. Panicha (as the investor) and each 4 investors, i.e., Ms. Titima, Mr. Chaiyod, Mr. Adisorn, and Mr. Kittishote, in which such investors has submitted letter of intention to subscribe for the Company's newly issued ordinary shares with the importance conditions. In this regard, the Company may face risk if the Company is not able to proceed to satisfy such condition precedents regarding subscription of newly issued ordinary shares which can be summarized as follows:

(1) Condition of issuance and offering of newly issued ordinary shares to Ms. Panicha

1. There is no event which may negatively and significantly affect the Company's business, assets, revenues, profit or loss, liabilities, management, legal status, condition (financial or operation or other cases), shareholders' equity, operation, or business opportunity, from the signing date of share subscription agreement.
2. The issuance and offering of newly issued ordinary shares to specific person (private placement) must get approval from the Company's shareholders' meeting.
3. The Company was granted approval to offer newly issued ordinary shares to specific person (private placement) from the SEC pursuant to the Notification TorJor. 72/2558.
4. The extraordinary general meeting of shareholders approves the capital increase and change of the Company's name.
5. The Company must get waiver from financial institution (as the lender) regarding change of major shareholders, directors, executives, and authorized directors.
6. The Company's board of directors must approve appointment of new directors as per rights to propose name of directors of Ms. Panicha as specified in share subscription agreement.
7. The Company must cancel shareholder loan agreement before capital increase.

(2) Condition of issuance and offering of newly issued ordinary shares to Ms. Titima, Mr. Chaiyod, Mr. Adisorn, and Mr. Kittishote.

Ms. Titima, Mr. Chaiyod, Mr. Adisorn, and Mr. Kittishote, each specific person, has submitted letter of intention to subscribe for the Company's newly issued ordinary shares with important condition, i.e., the offering of newly issued ordinary shares to specific person (private placement) must get approval from the Company's shareholders meeting and the Company must get approval to offer newly issued ordinary shares to specific person (private placement) from the SEC, and there is no event which may negatively and significantly affect the Company's business, assets, revenues, profit or loss, liabilities, management, legal status, condition (financial or operation or other cases), shareholders' equity, operation, or business opportunity.

Furthermore, the Independent Financial Advisor, determine fair value of the Company's ordinary shares in which the newly issued ordinary shares has fair value approximately THB 0.01017 per share to THB 0.01932 per share. If comparing with offering price of newly issued ordinary shares THB 0.02 per share, the fair value is lower than the offering price of newly issued ordinary shares to specific person (private placement). Therefore, the transaction is reasonableness in term of price.

The fair value of the Company's shares can be summarized as follows:

| Valuation approach | Fair value of the Company (THB per share) | Appropriateness of approach |
|--|--|------------------------------------|
| Book value approach | 0.01308 | Inappropriate |
| Adjusted book value approach | 0.01421 - 0.01932 | Appropriate |
| Historical market value approach | 0.04161 - 0.07251 | Inappropriate |
| Market comparable approach | | |
| 4.1 Price to book value ratio approach | 0.01017 - 0.01213 | Appropriate |
| 4.2 Price to earnings per share ratio approach | N/A | Not able to calculate |
| Transaction comparable approach | (0.03824) | Inappropriate |
| Discounted cash flow approach | (0.01967) | Inappropriate |

The Independent Financial Advisor considers characteristic of the transaction, importance transaction, and fair value of the Company's ordinary share, including connected transaction, the Independent Financial Advisor opines that the connected transaction, i.e., offering of newly issued ordinary shares to specific person (private placement), will increase the cash flow to support business operating in future and will allow the Company to maintain its status as listed company in the Stock Exchange of Thailand. Therefore, by considering benefit, advantage, disadvantage, and risk from fair value, which is deemed appropriated, the Independent Financial Advisor opines that the offering of newly issued ordinary shares to specific person (private placement), i.e., Ms. Panicha,

which is connected transaction, is deemed reasonable, and benefit the Company and the Company's shareholders. **Therefore, the Company's shareholders should approve such transaction.** However, the decision making is solely based on shareholders' discretion. In this regard, the shareholders should study information and analyze reason, advantage, disadvantage, impact, and opinion on of each issue, in addition to this opinion of the Independent Financial Advisor report, as well as documents in which the Company has attached with this invitation letter to the shareholders meeting to use as supporting information for making appropriate decision.

The opinion of the Independent Financial Advisor is based on assumption that information and document received from the Company including interview with the Company's management, is true, correct, and complete, and there is no change after the Independent Financial Advisor receives such information from the Company. Furthermore, the Independent Financial Advisor considers such information with prudent and reasonable according to professional standard. The opinion is based on economic environment and information that occur during the study. If such factors are significantly changed from present, it may significantly affect the Company and transaction, as well as decision of the shareholders. Therefore, the opinion of the Independent Financial Advisor is not able to assure significant effect to the Company in future.

1. Characteristic and detail of the transaction

1.1 Objective, background, and general characteristic of the transaction

The board of directors' meeting of T Engineering Corporation Public Company Limited ("T" or the "Company") no. 5/2021 held on 20 August 2021 resolved to approve issuance of newly issued ordinary shares offered to specific person (private placement) in amount not exceeding 54,044 million shares, at par value of THB 1 per share, or equivalent to 83.15 percent of total issued and paid-up shares of the Company after capital increase. The offering price of newly issued ordinary shares is THB 0.02 per share (two satang), totaling value of THB 1,080.88 million. The fund raising has the purpose for the Company to have sufficient fund for bidding project and to reserve as working capital for construction project as well as internal working capital. In this regard, the Company has sought for 5 appropriate investors who interested in investing in the Company's newly issued ordinary shares as follows:

| Name of specific person | Number of newly issued ordinary shares (million shares) | Shareholding percentage after capital increase | Offering price per share (THB per share) | Investment value (THB million) |
|---------------------------------|---|--|--|--------------------------------|
| 1. Ms. Panicha Dau | 51,994 | 80.00008 | 0.02 | 1,039.88 |
| 2. Ms. Titima Thanakornyothin | 300 | 0.46159 | 0.02 | 6.00 |
| 3. Mr. Chaiyod Chirabowornkul | 250 | 0.38466 | 0.02 | 5.00 |
| 4. Mr. Adisorn J.Jitcharoenchai | 1,200 | 1.84637 | 0.02 | 24.00 |
| 5. Mr. Kittishote Haritaworn | 300 | 0.46159 | 0.02 | 6.00 |
| Total | 54,044 | 83.15429 | | 1,080.88 |

- Issue and offer newly issued ordinary shares of 51,994,000,000 shares, at par value of THB 1.00 per share, to Ms. Panicha Dau ("Ms. Panicha") whom is the Company's connected person because after the investment in newly issued ordinary shares, Ms. Panicha will become the Company's controlling person and Ms. Panicha's spouse will become the Company's directors. In this regard, the issuance and offering of newly issued ordinary shares to Ms. Panicha is account for 80.00 percent of total issued and paid-up shares (after register to increases paid-up capital) at the offering price of THB 0.02 per share, totaling value of THB 1,039,880,000. Ms. Panicha will have rights to propose candidate to be appointed as directors more than half of total directors as well as proposed candidate to be appointed as the Company's executives which is expected to proceed within quarter 4 of 2021.

In this regard, after acquiring of newly issued ordinary shares, Ms. Panicha will have shareholding in the Company of 80.00 percent of total issued and paid-up shares of the Company (after register to increases paid-up capital) which is more than 75 percent of the Company's total voting rights. Therefore, Ms. Panicha is obliged

to make a tender offer for all securities of the Company pursuant to Notification of Capital Market Supervisory Board TorJor. 12/2554 :Rules, Conditions and Procedures for the Acquisition of Securities for Business Takeover (including amendment) (the “Notification TorJor. 12/2554”) in which the tender offer for securities will occur after the Company has issued and offered newly issued ordinary shares to Ms. Panicha. The Company expects that Ms. Panicha will conduct tender offer within quarter 4 of 2021. According to the Notification TorJor. 12/2554, the tender offer price must not less than the highest price of the Company’ share in which the tender offeror and person pursuant to section 258 of tender offeror including acting in concert of such person acquire in past 90 days before submitting of tender offer, i.e., the tender offer price will not less than offering price of newly issued ordinary shares offered to specific person (private placement).

2. Issue and offer newly issued ordinary shares of 300,000,000 shares, at par value of THB 1.00 per share, to Ms. Titima Thanakornyothin (“Ms. Titima”) whom is the Company’s connected person because after the investment in newly issued ordinary shares, Ms. Titima will be proposed to be the Company’s director and independent director. In this regard, the issuance and offering of newly issued ordinary shares to Ms. Titima is account for 0.46 percent of total issued and paid-up shares (after register to increases paid-up capital) at the offering price of THB 0.02 per share, totaling value of THB 6,000,000.
3. Issue and offer newly issued ordinary shares of 250,000,000 shares, at par value of THB 1.00 per share, to Mr. Chaiyod Chirabowornkul (“Mr. Chaiyod”) whom is the Company’s connected person because after the investment in newly issued ordinary shares, Mr. Chaiyod will be proposed to be the Company’s director and chief executive officer. In this regard, the issuance and offering of newly issued ordinary shares to Mr. Chaiyod is account for 0.38 percent of total issued and paid-up shares (after register to increases paid-up capital) at the offering price of THB 0.02 per share, totaling value of THB 5,000,000.
4. Issue and offer newly issued ordinary shares of 1,200,000,000 shares, at par value of THB 1.00 per share, to Mr. Adisorn J.Jitcharoenchai (“Mr. Adisorn”). In this regard, the issuance and offering of newly issued ordinary shares to Mr. Adisorn is account for 1.85 percent of total issued and paid-up shares (after register to increases paid-up capital) at the offering price of THB 0.02 per share, totaling value of THB 24,000,000.
5. Issue and offer newly issued ordinary shares of 300,000,000 shares, at par value of THB 1.00 per share, to Mr. Kittishote Haritaworn (“Mr. Kittishote”). In this regard, the issuance and offering of newly issued ordinary shares to Mr. Kittishote is account for 0.46 percent of total issued and paid-up shares (after register to increases paid-up capital) at the offering price of THB 0.02 per share, totaling value of THB 6,000,000.

In this regard, Ms. Panicha Dau, Ms. Titima Thanakornyothin, Mr. Chaiyod Chirabowornkul, Mr. Adisorn J.Jitcharoenchai, and Mr. Kittishote Haritaworn, **don’t have** any relationship or behavior which will be construed as acting in concert or have intention to use their voting rights of itself or other person in same direction to jointly control the Company (concert party). In addition, such 5 specific persons who will be allotted securities don’t have any relationship with the Company.

Therefore, the Company's board of director meeting resolved to approve proposing to the shareholders' meeting to consider approving the capital increase from the existing registered capital of THB 10,948,438,156 to THB 64,992,438,156 by issuing newly issued ordinary shares of 54,044,000,000 shares, with par value of THB 1.00 per share, for offering to specific person (private placement) at the offering price of THB 0.02 per share. The offering price is lower than market price pursuant to the Notification TorJor. 72/2558 (and also lower than the Company's par value), totaling value of THB 1,080.88 million. In this regard, the offering price of newly issued ordinary shares offered to specific person (private placement) at THB 0.02 per share is determined from the negotiation between the Company and investors, and the offering price is higher than fair value appraised by Finnex Advisory Company Limited, the Company's financial advisor. Finnex Advisory Company Limited opines that the appropriate approaches to determine fair value of the Company are book value of the Company and book value per share of the Company after adjusting for fair value of assets and liability (adjusted book value) as such approach reflect intrinsic value of assets and liabilities of the Company, and is the appropriate approach to determine value of the Company that operate at loss continuously and doesn't have project which will be operated to generate revenues in future. As of 30 June 2021, the Company's book value and the Company's book value per share after adjusting for fair value of assets and liability (adjusted book value) is equal to THB 0.0131 per share and THB 0.0127 per share, respectively.

Regarding the offering of newly issued ordinary shares of 54,044,000 shares, at par value of THB 1 per share, to offer and allot to specific person (private placement) in one time as per details above is the offering in which the Company's board of directors propose to the shareholders' meeting to approve the offering at specified price at THB 0.02 per share. The offering price is lower than par value of the Company's share as the Company has retain losses in the Company's financial statement as of 30 June 2021 of THB 1,515.95 million. Therefore, the Company so will be able to issue and offer newly issued ordinary shares at offering price lower than par value after getting approval from the shareholders' meeting pursuant to section 52 of Public Limited Company Act, B.E. 2535. The offering price at THB 0.02 per share is the offering of newly issued ordinary shares at discount of 78.02 percent which is discounted more than 10.00 percent of weighted average price in last 15 business days consecutively prior to the date in which the Company's board of directors meeting resolve to propose the extraordinary general meeting of shareholders no.1/2021 to approve the issuance of newly issued ordinary shares to specific person (private placement), which is THB 0.091 per share. Therefore, the offering is considered as offering of newly issued ordinary shares at offering price lower than market price pursuant to the Notification TorJor.72/2558. Thus, the offering and allotting of newly issued ordinary shares to specific person (private placement) must get approval from shareholders' meeting with voting rights not less than three-fourth of total voting rights of shareholders attending meeting and has rights to vote and not including voting rights of stakeholder in counting voting rights and doesn't have shareholders aggregating hold shares more than or equal to 10 percent of total voting rights of shareholders attending meeting and has rights to vote object offering price at such offering price. Furthermore, even the Company get approval from shareholders' meeting to offer and allot newly issued ordinary shares of the Company to specific person, the

Company also need to get approval from the SEC pursuant to the Notification TorJor.72/2558 before offering and allotting newly issued ordinary shares to specific person.

If the offering price of newly issued ordinary shares offered to such 5 investors is lower than 90 percent of the market price of shares prior the Stock Exchange of Thailand accepting such newly issued ordinary shares as listed securities, the Company must **prohibit** all investors whom being offered newly issued ordinary shares to dispose shares received from offering of newly issued ordinary shares to specific person (private placement) transaction for the period of 1 year since the commencement of trading of shares in the Stock Exchange of Thailand. In this regard, such person can dispose prohibited shares amounting of 25 percent of prohibited shares after 6 months from the date in which the shares commencement its trading on the Stock Exchange of Thailand pursuant to the Notification of The Stock Exchange of Thailand, Re: Rules, Conditions and Procedures Governing the Notification on Listing of Securities

In this regard, details of the opinion of the Company's board of directors and details of the offering and allotting of newly issued ordinary shares to specific person (private placement) in which the offering price is clearly determined with discount more than 10.00 percent of market price pursuant to the Notification TorJor.72/2558 appeared in information memorandum regarding offering of newly issued ordinary shares to specific person (private placement) and connected transaction of T Engineering Corporation Public Company Limited.

In this regard, as some investors, after the capital increase, will become controlling person of the Company or being proposed to be the Company's directors and/or executives (as the case may be), i.e. (1) Ms. Panicha will become the Company's controlling person and Ms. Panicha's legally spouse, i.e., Mr. David Van Dau, will become the Company's director, (2) Ms. Titima will become the Company's director and independent director, and (3) Mr. Chaiyod will become the Company's director and chief executive officer. Therefore, the issuance and offering of newly issued ordinary shares of such three investors is also considered as connected transaction pursuant to the Notification of Connected Transaction. This connected transaction has transaction size of each connected person, i.e., (1) Ms. Panicha and Ms. Panicha's legally spouse, i.e., Mr. David Van Dau, (2) Ms. Titima, and (3) Mr. Chaiyod, is equal to 735.93 percent, 4.25 percent, and 3.54 percent of net tangible assets (NTA) of the Company as appeared in the Company's financial statement for the accounting period ended 30 June 2021, reviewed by certified public accountant, respectively. If calculating transaction size as per the Company's financial statement for the accounting period ended 30 June 2021, the transaction of Ms. Panicha and Ms. Panicha's legally spouse is considered as large size transaction with value more than THB 20 million and more than 3 percent of net tangible assets as of 30 June 2021, transaction of Ms. Titima and Mr. Chaiyod is medium size transaction with value more than THB 1 million but not exceeding THB 20 million, and more than 0.03 percent of net tangible assets but not exceeding 3 percent of net tangible assets as of 30 June 2021. In this regard, the Company doesn't enter into other connected transaction with same connected person or related person or close relative of such person in period of 6 months prior entering into this transaction.

Therefore, the Company is obliged to proceed as follows:

(1) Disclose information memorandum regarding issuance and offering of newly issued ordinary shares to specific person (private placement) and connected transaction of Ms. Panicha, Ms. Titima, and Mr. Chaiyod to the Stock Exchange of Thailand to comply with the Notification TorJor. 72/2558 and disclose information memorandum regarding connected transaction of such 3 investors to comply with the Notification of Connected Transaction.

(2) Convene the Company's shareholders meeting to ask for approval of issuance and offering of newly issued ordinary shares to specific person (private placement) in which the Company must get approval from shareholders' meeting with voting rights not less than three-fourth of total voting rights of shareholders attending meeting and has rights to vote and not including voting rights of stakeholder in counting voting rights and doesn't have shareholders aggregating hold shares more than or equal to 10 percent of total voting rights of shareholders attending meeting and has rights to vote object the offering of shares to specific person (private placement).

(3) Convene the Company's shareholders meeting to ask for approval to entering into the connected transaction of Ms. Panicha as the connected transaction size is more than THB 20 million and more than 3 percent of the Company's net tangible assets as per the Company's financial statement as of 30 June 2021. In this regard, the shareholders' meeting must approve to entering such transaction with voting rights not less than three-fourth of total voting rights of shareholders attending meeting and has rights to vote and not including voting rights of stakeholder in counting voting rights.

(4) Appoint independent financial advisor (IFA) whose name appeared in approved financial advisor list of the SEC to provide opinion to the Company's shareholders regarding reasonableness of the connected transaction of Ms. Panicha, neutrality of appraisal, and condition of transaction for asking for approval to entering into the transaction, as well as sending opinion in relating to such transaction to the SEC and the SET for consideration.

(5) Submit application to issue newly issued ordinary shares to specific person (private placement) to the SEC.

Regarding the objective of offering of newly issued ordinary shares to specific person (private placement), the Company has objective to:

At present the Company is signed with "C" as the shareholders' equity is lower than 50 percent of paid-up capital. In addition, as the Company's operating result was loss for many years consecutively, so the Company has limitation on source of fund which result in illiquidity problem and effect on capability to operate business. Furthermore, due to COVID-19 pandemic since 2020 also affect the Company in various aspects, the operation is not as expected, the projects in which the Company submit bid was ceased, cancelled, or postponed, and resulting in the Company having undelivered project of 1 project. If considering together with the Company's liquidity position, even the Company's auditor provides unqualified opinion on the Company's financial statement; however, the auditor has mention on significant uncertainty relating to going concern since 2020 financial statement. According to the financial

statement of the Company for the period ended 30 June 2021, the Company's shareholders equity was THB 143.19 million, while the total revenues was only THB 10.63 million, and the net loss was THB 31.37 million. At present, the Company has only undelivered project of 1 project. The Company so need to increase its capital. If considering the current situation, the offering of newly issued ordinary shares to specific person (private placement) is the approach that is more appropriate than rights offering as the offering of newly issued ordinary shares to specific person will allow the Company to receive sufficient proceed and more certain under time constraint. Regarding the offering of newly issued ordinary shares, the Company will offer newly issued ordinary shares to specific person and/or strategic partner that have readiness of fund, experience, and/or capability to strengthen the Company to have ability to operate business, and increase the Company's competitiveness in short-term and long-term, as well as create business opportunity for the Company so that the Company's operation result will be grown, and also help the Company to solve problem with respect to comply with qualification of the listed company to maintain its status in the Stock Exchange of Thailand.

1.2 Date of transaction

After the Company's board of directors meeting resolved to approve entering into the offering of newly issued ordinary shares to specific person (private placement) transaction, the Company will sign share subscription agreement between the Company (as the Company) and Ms. Panicha (as the investor), and each 4 investors, i.e., Ms. Titima, Mr. Chaiyod, Mr. Adisorn, and Mr. Kittishote, in which such investors has submitted letter of intention to subscribe for the Company's newly issued ordinary shares. In this regard, the Company will convene extraordinary general meeting of shareholders no.1/2021 which will be held on 12 October 2021. The Company expects that the offering of newly issued ordinary shares transaction will be completed by quarter 4 of 2021.

However, the offering of newly issued ordinary shares will occur once all condition precedents specified in the share subscription agreement and letter of intention to subscribe newly issued ordinary shares are satisfied. The important condition precedents can be summarized as follows:

(1) Condition of issuance and offering of newly issued ordinary shares to Ms. Panicha

1. There is no event which may negatively and significantly affect the Company's business, assets, revenues, profit or loss, liabilities, management, legal status, condition (financial or operation or other cases), shareholders' equity, operation, or business opportunity, from the signing date of share subscription agreement.
2. The issuance and offering of newly issued ordinary shares to specific person (private placement) must get approval from the Company's shareholders' meeting.
3. The Company was granted approval to offer newly issued ordinary shares to specific person (private placement) from the SEC pursuant to the Notification Tor.Jor. 72/2558.
4. The extraordinary general meeting of shareholders approves the capital increase and change of the Company's name.

5. The Company must get waiver from financial institution (as the lender) regarding change of major shareholders, directors, executives, and authorized directors.
6. The Company's board of directors must approve appointment of new directors as per rights to propose name of directors of Ms. Panicha as specified in share subscription agreement.
7. The Company must cancel shareholder loan agreement before capital increase.

(2) Condition of issuance and offering of newly issued ordinary shares to Ms. Titima, Mr. Chaiyod, Mr. Adisorn, and Mr. Kittishote.

Ms. Titima, Mr. Chaiyod, Mr. Adisorn, and Mr. Kittishote, each specific person, has submitted letter of intention to subscribe for the Company's newly issued ordinary shares with important condition, i.e., the offering of newly issued ordinary shares to specific person (private placement) must get approval from the Company's shareholders meeting and the Company must get approval to offer newly issued ordinary shares to specific person (private placement) from the SEC, and there is no event which may negatively and significantly affect the Company's business, assets, revenues, profit or loss, liabilities, management, legal status, condition (financial or operation or other cases), shareholders' equity, operation, or business opportunity.

1.3 Counterparty and relationship

| | | |
|---------------------|---|---|
| Share issuer | : | T Engineering Corporation Public Company Limited |
| Subscriber | : | <ol style="list-style-type: none">1. Ms. Panicha will be allotted newly issued ordinary shares of 51,994,000,000 shares, or equivalent to 80.00 percent of total issued and paid-up shares.2. Ms. Titima will be allotted newly issued ordinary shares of 300,000,000 shares, or equivalent to 0.46 percent of total issued and paid-up shares.3. Mr. Chaiyod will be allotted newly issued ordinary shares of 250,000,000 shares, or equivalent to 0.38 percent of total issued and paid-up shares.4. Mr. Adisorn will be allotted newly issued ordinary shares of 1,200,000,000 shares, or equivalent to 1.85 percent of total issued and paid-up shares.5. Mr. Kittishote will be allotted newly issued ordinary shares of 300,000,000 shares, or equivalent to 0.46 percent of total issued and paid-up shares. |

1.4 Relationship and scope of interests before entering into the transaction

All 5 specific persons don't have any relationship with the Company prior to the offering of newly issued ordinary shares to specific person (private placement) transaction. However, after the offering and allotting of newly issued ordinary shares to such 5 specific persons, Ms. Panicha will hold shares of 51,994 million shares, which is equivalent to 80.00 percent of the Company's total shares. In this regard, Ms. Panicha will become the Company's controlling person holding shares in the Company more than 50 percent, and Ms. Titima will hold shares of 300 million shares, which is equivalent to 0.46 percent of the Company's total shares, and Mr. Chaiyod will hold shares of 250 million shares, which is equivalent to 0.38 percent of the Company's total shares, and Mr. Adisorn will hold shares of 1,200 million shares, which is equivalent to 1.85 percent of the Company's total shares, and Mr. Kittishote will hold shares of 300 million shares, which is equivalent to 0.46 percent of the Company's total shares

Ms. Panicha will propose her spouse, Mr. David Van Dau, as the Company's director. Mr. David Van Dau is the businessman who has capability to increase business opportunity and referring business in the Lao People's Democratic Republic and Thailand to the Company in future. In this regard, Mr. David Van Dau is chief executive officer and sole shareholder of PT Sole Company Limited which operate as investment company by investing in businesses in Thailand and the Lao People's Democratic Republic, e.g., hydro power plant and renewable energy, food and beverage business, and telecommunication business. In addition, Mr. David Van Dau is also the person who has experience, expertise, and experience in management and strategy planning in various businesses, e.g., real estate, construction, energy, and investment. In addition, Mr. David Van Dau also holds position as director of CK Power Public Company Limited, a listed company in the Stock Exchange of Thailand, and position as director and member of executive committee of Southeast Asia Energy Company Limited, Luang Prabang Power Company Limited, and Nam Ngum 2 Power Company Limited. Ms. Titima is expert and investment consultant in Thailand more than 30 years and CLMV more than 10 years regarding mega infrastructure and capital market in Lao. In addition, Ms. Titima is also the person who has knowledge in finance and investment and is certified by international association or Chartered Financial Analysts (CFA). In this regard, Ms. Titima will become the Company's director and independent director. Mr. Chaiyod is the person who has experience and knowledge in engineering management, expertise in management, and corporate strategy, in large company more than 20 years. Mr. Chaiyod have ever held position as member of executive committee and deputy chief customer officer of Total Asset Communication Public Company Limited, a listed company in the Stock Exchange of Thailand. In this regard, Mr. Chaiyod will become the Company's director and chief executive officer. Therefore, such 3 investors are considered as connected person and the Company is obliged to perform in accordance with the Notification of Connected Transaction.

At present, all investors don't have any relationship with the Company's directors, executives, and major shareholders.

1.5 Type and size of the transaction

Calculation of transaction size

1.5.1 Connected transaction

The offering of newly issued ordinary shares to 5 specific persons (private placement) in which 3 specific persons will become or will propose person to hold position as the Company's director and executive. Therefore, such transaction is considered as connected transaction pursuant to the Notification of Connected Transaction. The calculation of transaction size by applying consideration value comparing to net tangible assets of the Company according to financial information for the six-month period of 2021, which is THB 141.30 million.

Calculation of connected transaction size

| Criteria | Formula |
|--|---------------------|
| Assets or services related transaction | Total consideration |
| | NTA of the Company |

Net tangible assets mean Assets – Intangible assets – Total liabilities – Non-controlling interest (if any)
(Intangible assets, e.g., goodwill, deferred expenses etc.; however, not deduct for intangible assets that generate core revenues, e.g., concession etc.)

| Specific Person (Private Placement) | Calculate as of 30 June 2021 | Transaction size |
|--|---|--|
| Ms. Panicha Dau | $1,039,880,000 / 141,301,878 = 735.93 \%$ | Large size transaction, i.e., more than THB 20 million and more than 3 percent of net tangible assets (THB 4.24 million). |
| Ms. Titima Thanakornyothin | $6,000,000 / 141,301,878 = 4.25 \%$ | Medium size transaction, i.e., more than THB 1 million but not exceeding THB 20 million or more than 0.03 percent of net tangible assets but not exceeding 3 percent of net tangible assets (THB 4.24 million), whichever higher. Therefore, by calculating as per criteria, the transaction size of THB 6 million is considered as medium size transaction. |
| Mr. Chaiyod Chirabowornkul | $5,000,000 / 141,301,878 = 3.54\%$ | Medium size transaction, i.e., more than THB 1 million but not exceeding THB 20 million or more than 0.03 percent of net tangible assets but not exceeding 3 percent of net tangible assets (THB 4.24 million), |

| Specific Person (Private Placement) | Calculate as of 30 June 2021 | Transaction size |
|--|---|--|
| | | whichever higher. Therefore, by calculating as per criteria, the transaction size of THB 5 million is considered as medium size transaction. |
| Mr. Adisorn J.Jitcharoenchai | Not considered as connected transaction | |
| Mr. Kittishote Haritaworn | Not considered as connected transaction | |

If considering total consideration of investment of each connected person, which is approximately THB 1,039.88 million, THB 6.00 million, and THB 5.00 million, respectively, and use to calculate transaction size pursuant to the Notification of Connected Transaction, the transaction size is 735.93 percent, 4.25 percent, and 3.54 percent of the Company's net tangible assets, respectively, referring from information according to financial statement as of 30 June 2021 (net tangible assets is THB 141.30 million). The connected transaction of Ms. Panicha has transaction size more than THB 20 million and more than 3 percent of the Company's net tangible assets. Therefore, such transaction is considered as large size connected transaction. The connected transaction size of Ms. Titima and Mr. Chaiyod each has transaction size more than THB 1 million but not exceeding THB 20 million or exceeding 0.03 percent of the Company's net tangible assets but not exceeding 3 percent of the Company's net tangible assets. Therefore, such transaction is considered as medium size connected transaction.

Therefore, the Company is obliged to proceed pursuant to the Notification of Connected Transaction as follows:

(1) Disclose information memorandum regarding issuance and offering of newly issued ordinary shares to specific person (private placement) and disclose information memorandum regarding connected transaction of such 3 specific persons to the Stock Exchange of Thailand to comply with the Notification TorJor.72/2558 and the Notification of Connected Transaction.

(2) Convene shareholders' meeting to ask for approval to issue and offer newly issued ordinary shares to specific person (private placement) by dispatching invitation letter to the shareholders' meeting not less than 14 days before the meeting date in order to get approval from shareholders' meeting with voting rights not less than three-fourth of total voting rights of shareholders attending meeting and has rights to vote and not including voting rights of stakeholder in counting voting rights and doesn't have shareholders aggregating hold shares more than or equal to 10 percent of total voting rights of shareholders attending meeting and has rights to vote object the offering of shares to specific person (private placement).

(3) Convene shareholders' meeting and dispatch invitation letter to the shareholders' meeting not less than 14 days before the meeting date to ask for approval to enter to the connected transaction of Ms. Panicha as the connected transaction size of Ms. Panicha exceed THB 20 million and exceed 3 percent of the Company's net tangible assets according to financial statement as of 30 June 2021 with voting rights not less than three-fourth of total voting rights of shareholders attending meeting and has rights to vote and not including voting rights of stakeholder in counting voting rights.

(4) Appoint independent financial advisor to provide opinion regarding issuance and offering of newly issued ordinary shares to specific person (private placement), i.e., connected transaction of Ms. Panicha.

(5) Submit application to issue newly issued ordinary shares to specific person (private placement) whom is connected person to the SEC.

In this regard, the Company has not entered to any connected transaction with same connected person or its relating person or close relative of such person in period of six months prior to the date in which the Company agree to enter to this transaction.

1.6 Total consideration of newly issued ordinary shares

After the extraordinary general meeting of shareholders resolve to approve issuance and offering of newly issued ordinary shares to specific person (private placement), the Company will issue and allot newly issued ordinary shares not exceeding 54,044 million shares, with par value of THB 1 per share, to offer and allot to specific person (private placement). The offering is the offering in which the shareholders' meeting clearly specify the offering price. In this regard, the Company will allot newly issued ordinary shares to 5 specific persons at offering price of THB 0.02 per share, totaling value of THB 1,080.88 million. The offering of newly issued ordinary shares is discount at 78.02 percent which is discounted more than 10.00 percent of market price pursuant to the Notification TorJor.72/2558. Therefore, the offering of newly issued ordinary shares to specific person (private placement) is considered as the offering of newly issued ordinary shares with offering price lower than market price pursuant to the Notification TorJor.72/2558 and must get approval from shareholders' meeting with voting rights not less than three-fourth of total voting rights of shareholders attending meeting and has rights to vote and not including voting rights of stakeholder in counting voting rights and doesn't have shareholders aggregating hold shares more than or equal to 10 percent of total voting rights of shareholders attending meeting and has rights to vote object offering price at such offering price. Furthermore, even the Company get approval from shareholders' meeting to offer and allot newly issued ordinary shares of the Company to specific person, the Company also need to get approval from the SEC pursuant to the Notification TorJor.72/2558 before offering and allotting newly issued ordinary shares to specific person.

The market price is calculated from weighted average price of the Company's shares in the Stock Exchange of Thailand in 15 business days consecutively prior to the date in which the board of directors propose agenda to the extraordinary general meeting of the shareholders no.1/2021 to consider approving issuance of newly issued ordinary

shares to specific person (private placement), or from 29 July 2021 to 19 August 2021, which is equal to THB 0.091 per share (information from www.setsmart.com).

In case the offering price of newly issued ordinary shares offered to 5 investors under offering of newly issued ordinary shares to specific person (private placement) transaction is lower than 90 percent of the Company's shares market price before the Stock Exchange of Thailand accepting such newly issued ordinary shares as listed securities, the Company has duty to prohibit all investors whom being offered newly issued ordinary shares to dispose shares received from offering of newly issued ordinary shares to specific person (private placement) transaction for the period of 1 year since the commencement of trading of shares in the Stock Exchange of Thailand. In this regard, such person can dispose prohibited shares amounting of 25 percent of prohibited shares after 6 months from the date in which the shares commencement its trading on the Stock Exchange of Thailand pursuant to the Notification on Listing of Securities.

In this regard, details of the opinion of the Company's board of directors and details of the offering and allotting of newly issued ordinary shares to specific person (private placement) in which the offering price is clearly determined with discount more than 10.00 percent of market price pursuant to the Notification TorJor.72/2558 appeared in information memorandum regarding offering of newly issued ordinary shares to specific person (private placement) and connected transaction of T Engineering Corporation Public Company Limited.

1.7 Criteria to determine offering price, market price, and appropriateness of the offering price of newly issued ordinary shares

The criteria to determine the offering price of newly issued ordinary shares are referred from the negotiation between the Company and specific person in which the offering price is higher than fair value. In this regard, the Company's financial advisor opines that the appropriate approaches to determine fair value of the Company are book value of the Company and book value per share of the Company after adjusting for fair value of assets and liability (adjusted book value) as such approach reflect intrinsic value of assets and liabilities of the Company, and is the appropriate approach to determine value of the Company that operate at loss continuously and doesn't have project which will be operated to generate revenues in future. As of 30 June 2021, the Company's book value and the Company's book value per share after adjusting for fair value of assets and liability (adjusted book value) is equal to THB 0.0131 per share and THB 0.0127 per share, respectively. In this regard, the market price of the Company's share doesn't reflect fair value as (1) the trading liquidity of the Company's securities is significant low in which the Company's securities have very low trading volume compared to the Company's size. In past 1 year, the average trading volume per day was 0.37 percent of the Company's total shares or equivalent to approximately 40 million shares from the Company's total shares of 10,948 million shares, (2) market price of the Company's shares increased in 2021, opposed to the Company's financial position and operating result in which the Company constantly operates at loss.

In this regard, the offering price of newly issued ordinary shares is determined from the negotiation between the Company and investors which is higher than fair value appraised by the Company's financial advisor. However, as the Company has retain losses as appeared in the Company's statement of financial position as of 30 June 2021 of THB 1,515.95 million. Therefore, the Company can issue and offer newly issued ordinary shares at offering price lower the par value after getting approval from shareholders' meeting pursuant to section 52 of Public Limited Company Act, B.E.2535.

1.8 The worthiness of the Company between benefit from the investors compare to offering of newly issued ordinary shares at low price to such person by considering effect on expenses and financial position of the listed company from offering of such newly issued ordinary shares pursuant to financial reporting standard regarding share-based payment

The offering of newly issued ordinary shares to specific person (private placement), the offering price is determined from the negotiation between the Company and investors as the market price of the Company's shares don't reflect the fair value as (1) the trading liquidity of the Company's securities is significant low in which the Company's securities have very low trading volume compared to the Company's size. In past 1 year, the average trading volume per day was 40 million shares from the Company's total shares of 10,948 million shares, (2) market price of the Company's shares increased in 2021, opposed to the Company's financial position and operating result in which the Company constantly operates at loss. In this regard, the Company's financial advisor opines that the fair value of shares should referred from book value of the Company and book value per share of the Company after adjusting for fair value of assets and liability (adjusted book value) as of 30 June 2021, while the Independent Financial Advisor opines that fair value of shares should referred from price to book value ratio approach. Therefore, the offering price is higher than fair value of shares appraised by the Company's financial advisor and the Independent Financial Advisor.

In this regard, the offering price of newly issued ordinary shares are higher than fair value appraised by the Company's financial advisor and the Independent Financial Advisor. In addition, as the Company doesn't have intention to issue and offer shares to compensate to any investors. Therefore, the offering of newly issued ordinary shares to specific person (private placement) is not subject to share-based payment pursuant to financial reporting standard. The Company will benefit from the capital increase as the Company will solve problem regarding continuity of the business (going concern) and the Company will have qualification to maintain its status as listed company in the Stock Exchange of Thailand, and increase the Company's competency, as well as having sufficient funding to use in business operation. Therefore, the offering of newly issued ordinary shares are worthwhile when comparing to the benefit to the Company.

1.9 Condition for entering into the transaction

Regarding the investment of specific person, the Company has signed share subscription agreement between the Company (as the Company) and Ms. Panicha (as the investor) and each 4 investors, i.e., Ms. Titima, Mr. Chaiyod,

Mr. Adisorn, and Mr. Kittishote, in which such investors has submitted letter of intention to subscribe for the Company's newly issued ordinary shares with the importance conditions. In this regard, the Company may face risk if the Company is not able to proceed to satisfy such condition precedents regarding subscription of newly issued ordinary shares which can be summarized as follows:

(1) Condition of issuance and offering of newly issued ordinary shares to Ms. Panicha

1. There is no event which may negatively and significantly affect the Company's business, assets, revenues, profit or loss, liabilities, management, legal status, condition (financial or operation or other cases), shareholders' equity, operation, or business opportunity, from the signing date of share subscription agreement.
2. The issuance and offering of newly issued ordinary shares to specific person (private placement) must get approval from the Company's shareholders' meeting.
3. The Company was granted approval to offer newly issued ordinary shares to specific person (private placement) from the SEC pursuant to the Notification TorJor. 72/2558.
4. The extraordinary general meeting of shareholders approves the capital increase and change of the Company's name.
5. The Company must get waiver from financial institution (as the lender) regarding change of major shareholders, directors, executives, and authorized directors.
6. The Company's board of directors must approve appointment of new directors as per rights to propose name of directors of Ms. Panicha as specified in share subscription agreement.
7. The Company must cancel shareholder loan agreement before capital increase.

(2) Condition of issuance and offering of newly issued ordinary shares to Ms. Titima, Mr. Chaiyod, Mr. Adisorn, and Mr. Kittishote.

Ms. Titima, Mr. Chaiyod, Mr. Adisorn, and Mr. Kittishote, each specific person, has submitted letter of intention to subscribe for the Company's newly issued ordinary shares with important condition, i.e., the offering of newly issued ordinary shares to specific person (private placement) must get approval from the Company's shareholders meeting and the Company must get approval to offer newly issued ordinary shares to specific person (private placement) from the SEC, and there is no event which may negatively and significantly affect the Company's business, assets, revenues, profit or loss, liabilities, management, legal status, condition (financial or operation or other cases), shareholders' equity, operation, or business opportunity.

1.10 Proceed utilization plan and possibility of plan

The Company will use proceed from issuance of newly issued ordinary shares to specific person (private placement) of approximately THB 1,080.88 million as capital for bidding project and working capital in construction business, as well as improve information technology and software system, and the Company's office as follows:

| Utilization plan | Details of proceed utilization plan |
|---|--|
| 1. Use as capital for construction project in 2021-2023 | Approximately THB 970 million to reserve for bidding of project and use as working capital for construction project both domestic and overseas, dividing in 1.1 Capital for guarantee on credit-line from financial institution in bidding and accepting of project, e.g., bond guarantee etc.; and 1.2 Working capital for construction of project. |
| 2. Working capital in business operation | Approximately THB 110.88 million to use as working capital in general affair of the Company, including improvement of internal operation, upgrading software system and information technology system of the Company to have more efficiency, as well as improve office, and to pay employee expenses and perform duty in accordance with agreements in which the Company is counterparty. |

1.11 Summary of important agreements in relation to the transaction

1) Share subscription agreement

| Topic | Details |
|--------------------------------|---|
| Counterparty | T Engineering Corporation Public Company Limited (as the Company) Ms. Panicha Dau (as the investor) |
| Date of agreement | 20 August 2021 |
| Agreed assets | Newly issued ordinary shares of 51,994,000,000 shares |
| Agreed price | THB 0.02 per share |
| Important condition precedents | 1. There is no event which may negatively and significantly affect the Company's business, assets, revenues, profit or loss, liabilities, management, legal status, condition (financial or operation or other cases), shareholders' equity, operation, or business opportunity, from the signing date of share subscription agreement. 2. The issuance and offering of newly issued ordinary shares to specific person (private placement) must get approval from the Company's shareholders' meeting. 3. The Company was granted approval to offer newly issued ordinary shares to specific person (private placement) from the SEC pursuant to |

| Topic | Details |
|-------|---|
| | <p>the Notification TorJor. 72/2558.</p> <p>4.The extraordinary general meeting of shareholders approves the capital increase and change of the Company's name.</p> <p>5.The Company must get waiver from financial institution (as the lender) regarding change of major shareholders, directors, executives, and authorized directors.</p> <p>6.The Company's board of directors must approve appointment of new directors as per rights to propose name of directors of Ms. Panicha as specified in share subscription agreement.</p> <p>7.The Company must cancel shareholder loan agreement before capital increase.</p> |

2) Letter of intention to subscribe newly issued ordinary shares

| Topic | Details |
|--------------------------------|--|
| Counterparty | Offeror T Engineering Corporation Public Company Limited Investor Ms. Titima Thanakornyothin |
| Date of letter | 20 August 2021 |
| Agreed assets | Newly issued ordinary shares of 300,000,000 shares |
| Agreed price | THB 0.02 per share |
| Important condition precedents | The offering of newly issued ordinary shares to specific person (private placement) must get approval from the Company's shareholders meeting and the Company must get approval to offer newly issued ordinary shares to specific person (private placement) from the SEC, and there is no event which may negatively and significantly affect the Company's business, assets, revenues, profit or loss, liabilities, management, legal status, condition (financial or operation or other cases), shareholders' equity, operation, or business opportunity. |

| Topic | Details |
|----------------|---|
| Counterparty | Offeror T Engineering Corporation Public Company Limited Investor Mr. Chaiyod Chirabowornkul |
| Date of letter | 20 August 2021 |
| Agreed assets | Newly issued ordinary shares of 250,000,000 shares |

| Topic | Details |
|--------------------------------|--|
| Agreed price | THB 0.02 per share |
| Important condition precedents | The offering of newly issued ordinary shares to specific person (private placement) must get approval from the Company's shareholders meeting and the Company must get approval to offer newly issued ordinary shares to specific person (private placement) from the SEC, and there is no event which may negatively and significantly affect the Company's business, assets, revenues, profit or loss, liabilities, management, legal status, condition (financial or operation or other cases), shareholders' equity, operation, or business opportunity. |

| Topic | Details |
|--------------------------------|--|
| Counterparty | Offeror T Engineering Corporation Public Company Limited Investor Mr. Adisorn J.Jitcharoenchai |
| Date of letter | 20 August 2021 |
| Agreed assets | Newly issued ordinary shares of 1,200,000,000 shares |
| Agreed price | THB 0.02 per share |
| Important condition precedents | The offering of newly issued ordinary shares to specific person (private placement) must get approval from the Company's shareholders meeting and the Company must get approval to offer newly issued ordinary shares to specific person (private placement) from the SEC, and there is no event which may negatively and significantly affect the Company's business, assets, revenues, profit or loss, liabilities, management, legal status, condition (financial or operation or other cases), shareholders' equity, operation, or business opportunity. |

| Topic | Details |
|--------------------------------|--|
| Counterparty | Offeror T Engineering Corporation Public Company Limited Investor Mr. Kittishote Haritaworn |
| Date of letter | 20 August 2021 |
| Agreed assets | Newly issued ordinary shares of 300,000,000 shares |
| Agreed price | THB 0.02 per share |
| Important condition precedents | The offering of newly issued ordinary shares to specific person (private placement) must get approval from the Company's |

| Topic | Details |
|--------------|---|
| | shareholders meeting and the Company must get approval to offer newly issued ordinary shares to specific person (private placement) from the SEC, and there is no event which may negatively and significantly affect the Company's business, assets, revenues, profit or loss, liabilities, management, legal status, condition (financial or operation or other cases), shareholders' equity, operation, or business opportunity. |

| |
|--|
| 2. Information of specific person who will be allotted newly issued ordinary shares |
|--|

1. Ms. Panicha Dau

| | | |
|-----------------------|---|---|
| Name-surname | : | Ms. Panicha Dau |
| Name-surname (former) | : | Ms. Panicha Kaokanoksilp |
| Address per ID Card | : | 98/70, Moo 3, Bangkeaw, Bangpli, Samuthprakarn 10540 |
| Education | : | Bachelor's degree, Aviation Business, Suan Dusit University |
| Occupation/experience | : | |
| Year | | 2021 – present |
| Position | | Director and shareholder directly and indirectly hold shares of 50 percent of paid-up capital |
| Company | | Cloud Property Management Company Limited Investment business |
| Year | | 2021 – present |
| Position | | Director |
| Company | | CPM Residences Company Limited Real estate rental business |

2. Ms. Titima Thanakornyothin

| | | |
|-----------------------|---|---|
| Name-surname | : | Ms. Titima Thanakornyothin |
| Name-surname (former) | : | -None- |
| Address | : | 11/45, Narasiri, Bangna-trad Road, Bangpli Yai, Bangpli, Samuthprakarn 10540 |
| Education | : | Master's degree, Business Administration, Sasin School of Management Bachelor's degree, Business Administration, Northeastern University (USA) Chartered Financial Analysts (CFA) |
| Occupation/experience | : | |
| Year | | 2021 – present |
| Position | | Director |
| Company | | M Polis Company Limited Real estate rental business |
| Year | | 2010 - 2018 |
| Position | | Vice Board Chairperson, Chairperson of the Executive Committee and director |
| Company | | BCEL KT Securities Company Limited Securities company |

Year 2009 - 2018
Position Chief of Institutional Business
Company KT Zmico Securities Company Limited
Securities company

3. Mr. Chaiyod Chirabowornkul

Name-surname : Mr. Chaiyod Chirabowornkul
Name-surname (former) : -None-
Address : 39/302, Moo 11, Bangkeaw, Bangpli, Samuthprakarn 10540
Education : Ph.D., Business Administration, Kasetsart University
Master's degree, Engineering Management, University of Missouri-
Rolla (USA)
Master's degree, Electrical Engineering, Louisiana State University
(USA)
Occupation/experience :
Year 2015 – present
Position Director and chief executive officer
Company The White Space Company Limited
Telecommunication system provider
Year 2020
Position Secretary to the Commission
Company Communication, Telecommunications and Digital Economy and
Society, National Assembly of Thailand
Year 2007 - 2015
Position Member of executive committee
Year 2011 – 2015
Position Chief customer officer
Company Total Access Communication Public Company Limited
Telecommunication system provider

4. Mr. Adisorn J.Jitcharoenchai

Name-surname : Mr. Adisorn J.Jitcharoenchai
Name-surname (former) : -None-
Address : 5, Petchakasem 92, Bangkhae Nue, Bangkhae, Bangkok 10160
Education : Bachelor's degree, Business Administration (Marketing), Assumption
University

Occupation/experience :
Year 2002 - present
Position Marketing manager
Company AP Q Glass Company Limited
Import and sales of glass brick and mirror

5. Mr. Kittishote Haritaworn

Name-surname : Mr. Kittishote Haritaworn
Name-surname (former) : -None-
Address : 69/32, Phayathai Road, Phayathai, Ratchathevi, Bangkok 10400
Education : Master's degree, Business Administration (Finance), Bentley University
(USA)
Bachelor's degree, Accounting, Chulalongkorn University
Occupation/experience :
Year 1992 - present
Position Managing director
Company KH Property Company Limited
Real estate rental business, outsource of staff according to demand of
clients in private sector, state enterprise, and public sector

3. Business information and operating result of T Engineering Corporation Public Company Limited

Details appeared in attachment 1 of this opinion of independent financial advisor report.

4. Opinion of independent financial advisor regarding reasonableness and benefit from entering into the transaction

4.1 Objective and necessity of entering into the transaction

At present the Company is signed with “C” as the shareholders’ equity is lower than 50 percent of paid-up capital. In addition, as the Company’s operating result was loss for many years consecutively, so the Company has limitation on source of fund which result in illiquidity problem and effect on capability to operate business. Furthermore, due to COVID-19 pandemic since 2020 also affect the Company in various aspects, the operation is not as expected, the projects in which the Company submit bid was ceased, cancelled, or postponed, and resulting in the Company having undelivered project of 1 project. If considering together with the Company’s liquidity position, even the Company’s auditor provides unqualified opinion on the Company’s financial statement; however, the auditor has mention on significant uncertainty relating to going concern since 2020 financial statement. According to the financial statement of the Company for the period ended 30 June 2021, the Company’s shareholders equity was THB 143.19 million, while the total revenues was only THB 10.63 million, and the net loss was THB 31.37 million. At present, the Company has only undelivered project of 1 project. The Company so need to increase its capital. If considering the current situation, the offering of newly issued ordinary shares to specific person (private placement) is the approach that is more appropriate than rights offering as the offering of newly issued ordinary shares to specific person will allow the Company to receive sufficient proceed and more certain under time constraint. Regarding the offering of newly issued ordinary shares, the Company will offer newly issued ordinary shares to specific person and/or strategic partner that have readiness of fund, experience, and/or capability to strengthen the Company to have ability to operate business, and increase the Company’s competitiveness in short-term and long-term, as well as create business opportunity for the Company so that the Company’s operation result will be grown, and also help the Company to solve problem with respect to comply with qualification of the listed company to maintain its status in the Stock Exchange of Thailand.

4.2 Comparison of advantage and disadvantage of entering and not entering into the transaction

4.2.1 Advantage and disadvantage of entering into the transaction

4.2.1.1 Advantage of entering into the transaction

1. Create opportunity for the Company to expand business and grow in future

The offering of newly issued ordinary shares to specific person, the Company will receive proceed from the offering approximately THB 1,080.88 million, in which the Company will have sufficient funding for bidding of new project and use as capital in construction project, as well as the Company’s internal working capital. The Company

will utilize proceed in construction project, both in Thailand and overseas, in 2021-2023 approximately THB 970 million which will be used as guarantee for credit line from financial institution in bidding of project and working capital of construction project. Furthermore, the residual proceeds approximately THB 110.88 million, the Company will use as general internal working capital, including develop of internal operation, upgrade software and information technology system to have more efficiency, and new executives and staffs will strengthen the Company. Those will result in the Company has more revenues from construction business.

2. Increase potential and capability in bidding of project

This transaction will allow the Company to increase competitiveness in construction business as the Company currently face problem regarding working capital in business operation due to constantly loss from operation for many years consecutively and the Company also has ongoing lawsuit. In addition, the financial institution still delays its credit line and letter of guarantee. Therefore, this capital increase will allow the Company to have cash flow to use in operation and will be able to bid new projects.

3. The Company need to solve “C” sign posted by the Stock Exchange of Thailand as the Company’s shareholders equity is less than 50 percent of paid-up capital. In addition, from the past operation result of the Company in which the Company report loss for many years consecutively, it affects the Company’s qualification to maintain its status as the listed company in the Stock Exchange of Thailand. Therefore, after the capital increase, the Company expect that the specific person, who have readiness in term of financing, experience, and/or potential, will support the Company to operate its business, and increase the Company’s competitiveness in short-term and long-term, as well as create business opportunity for the Company to have growing operating result and able to resolve problem with regard to qualification to maintain status as listed company in the Stock Exchange of Thailand.

4.2.1.2 Disadvantage of entering into the transaction

(1) Dilution effect to shareholders

By offering newly issued ordinary shares to specific person (private placement), there will be effect to the Company’s shareholders as follows:

• Control dilution

The capital increase will result in control dilution in which the shareholding and voting rights of existing shareholders will be decreased by 83.15 percent

Remark : Control dilution = (Newly shares / (Newly shares + Existing shares))

$$\text{Control dilution} = 54,044,000,000 / (10,948,438,156 + 54,044,000,000) = 83.15\%$$

• Earning dilution

As the Company’s operating result in 2020 and six-month period of 2021 was loss, therefore, the earning dilution is not be able to determine.

- Price dilution

The issuance and offering of newly issued ordinary shares will result in price dilution as the offering price of newly issued ordinary shares is THB 0.02 per share (and also lower than par value of the Company's share) and is also considered as offering at offering price lower than 90 percent of market price. By considering market price pursuant to the Notification of the Capital Market Supervisory Board No. TorJor. 72/2558 Re: Approval for Listed Companies to Offer Newly Issued Shares through Private Placement (including amendment). In this regard, the market price is derived from weighted average price of the Company's share in the Stock Exchange of Thailand for period of 15 business days consecutively prior to the date in which the Company's board of directors meeting resolved to propose to the extraordinary general meeting of shareholders to approve issuing of such newly issued ordinary shares, or between 29 July 2021 to 19 August 2021, which is equal to THB 0.091 per share. The price dilution is equal to 67.03 percent.

$$\text{Remark : market price after capital increase} = \frac{((\text{Existing shares} * \text{market price}) + (\text{Newly shares} * \text{Offering price}))}{\text{Total shares after capital increase}}$$

$$\text{Total shares after capital increase}$$

$$\begin{aligned} \text{market price after capital increase} &= ((10,948,438,156 * 0.091) + (54,044,000,000 * 0.02)) / 64,662,438,156 \\ &= \text{THB } 0.030 \text{ per share} \end{aligned}$$

$$\text{Price dilution} = (0.091 - 0.030) / 0.091 = 67.03\%$$

(2) Incur expenses from organization restructuring

The share subscription agreement of specific person specifies the conditions to appoint new directors and executives of the Company. Regarding the objective of entering into the transaction, the Company will need to utilize proceed to expand its construction business to overseas. In this regard, the investment in overseas, in which the Company doesn't have expertise in such area, the Company need to reorganize its organization structure to support operating in various areas. In this regard, the Company may need to employ local expertise which will incur additional operating expenses.

(3) Incur share deficit in the financial statement

Regarding the offering of newly issued ordinary shares to specific person (private placement), the offering price is THB 0.02 per share, while the par value is THB 1.00 per share. Therefore, the offering of ordinary shares will incur share deficit which will be shown in the Company's financial statement. In this regard, the Company can offer shares at such offering price as the Company has retain losses as appeared in the Company's separated financial statement as of 30 June 2021 which was THB 1,515.95 million. Therefore, the Company so will be able to issue and offer newly issued ordinary shares at offering price lower than par value after the Company get approval from shareholders' meeting pursuant to section 52 of Public Limited Company Act, B.E.2535 (including amendment).

4.2.2 Advantage and disadvantage of not entering into the transaction

4.2.2.1 Advantage of not entering into the transaction

- (1) Doesn't incur expenses from the transaction in future

The Company will not need to appoint independent financial advisor regarding reasonableness and offering price which will be incurred after the transaction is completed.

- (2) Don't have risk from operate business in new area

The Company will still operate current business in existing area without operating business in overseas. Therefore, the Company will not have risk from operate business in overseas in which the Company doesn't have experience in such area and the operation may not be as expected.

- (3) Don't have dilution effect and share deficit

By offering newly issued ordinary shares, it will incur effect to the shareholders in term of shareholding percentage and price dilution. Furthermore, the offering price of newly issued ordinary shares will lower than par value. Therefore, it will incur share deficit. Thus, if the Company doesn't enter to the transaction, there will be no effect to the Company's existing shareholders.

4.2.2.2 Disadvantage of not entering into the transaction

- (1) The Company need to seek other source of funding to use in operation

The Company need to seek other source of funding to use as cashflow in business operation and management, as well as to allow the Company to have liquidity and solve problem regarding significant uncertainty relating to going concern as appeared in the Company's financial statement.

- (2) Loss opportunity to strengthen business and diversify operating risk

If the Company doesn't enter to the transaction, the Company will loss business opportunity relating to business in overseas in which the Company expects that operating result will be good. In addition, the Company will loss opportunity to increase operating result, profit, and stability in long-term. At present, construction business of industrial segment is in stagnant period. The competition in construction business is high. The higher construction material price and labor cost result in the low gross profit margin. In addition, the Company will not be able to fully compete in local competition as the Company doesn't receive credit-line from financial institution.

- (3) Loss opportunity to seek potential personal and increase distribution channel

If the Company doesn't enter to the transaction, the Company will loss opportunity to receive knowledge, expertise, and technology from specific person, who will invest in the Company's shares and have financial capability, experience, and channel to acquire projects in overseas, to strengthen the Company. In this regard, the Company will not be able to acquire new clients in overseas and enhance operation effectiveness.

- (4) The Company needs to seek new partner or investor for proposing business plan in which it will take time in negotiation process and invitation process, while the Company faces liquidity problem which will continue to affect

capability to operate business. In addition, the Company will need to consult with the Company's shareholders regarding the offering of newly issued ordinary shares to shareholders to use as funding in business operation. In past, the Company offered newly issued ordinary shares to existing shareholders to raise funding.

Furthermore, in case the Company cannot raise funding to use in business operation, the Company may face problem as occur at present and will be also considered as issue in relating to going concern.

4.3 Risk from entering into the transaction

By entering into the transaction, the shareholders should consider risk factors of the operation which may affect the Company's business and risk from entering into the transaction as supporting information for making decision. The risk factors consist of:

- **Risk from operation**

- (1) **Risk from operating result is not as expected**

In case, the Company successfully increase capital and bid project in new area which may have uncertainty in operation and may affect operation, as well as having risk factor from economic downturn, and investment policy of public sector and private sector in new area. However, to operate construction business, in which the Company currently has undelivered project only 1 project. Therefore, the capital increase and use of proceed to invest in new area in which the Company doesn't have expertise may incur risk on operating result of the Company.

However, the investment of specific person (private placement), there will be an appointment of director and chief executive officer who have knowledge and expertise in new area. Therefore, from experience of new personnel, the Company so believe that the Company will be able to operate efficiently and effectiveness which may result in better operating result of the Company.

- (2) **Risk from discontinuity of revenues**

As the Company's revenues from construction is the discontinuous revenues (one time project) in which the Company's revenues will be depended on winning of project bidding, the construction of project management within specified time. If the Company is not able to win the project bidding, it may affect the Company's revenues.

However, as the Company has policy to maintain continuity of income by maintaining work quality standard and is satisfied by clients, so that the clients are confided and award new construction project to the Company in future. Some of construction projects were from ex-client who have used the Company's construction service.

In this regard, the manage risk from discontinuity of revenue, the Company so implement core policy to manage risk from discontinuity of revenues as follows:

1. The Company focus on increasing of efficiency in construction management to increase quality, by completely constructing within scheduled and is satisfied by project owner, as well as control cost under planned budget. In this regard, the Company has improved internal system to increase

- efficiency of operating regarding price estimation, project bidding, and marketing, by restructuring marketing department in which the Company move engineering personal to marketing department to support the marketing term which will increase efficiency in project accepting and competency.
2. The Company has policy to create relationship with existing clients as well as acquiring new clients to increase opportunity to acquire new projects in future continuously. In this regard, the Company has amended the Company's presentation to allow the clients to understand new systems of the Company and create satisfaction to both existing clients and new clients.
 3. The Company has policy to bid project of public sector and private sector continuously by focusing on project in which the Company has expertise, e.g., office building, hospital, and factory etc., to increase customer base and opportunity to acquire projects.
 4. The Company has policy to acquire project in which the Company has knowledge and expertise, e.g., steel structure and hospital construction. In the meantime, the Company also develop organization by expanding capability to other area relating to construction which is the Company's core business.

In 2020 and six-month period of 2021, the management team still implement measure to bid new projects continuously by focusing on project in industrial sector and hospital. In preliminary, the Company plan to bid project which has project value not exceeding THB 150 million to align with the Company's financial position until the Company receive credit-line from financial institution. In this regard, the project in which the Company has completely constructed and delivered, the Company will expedite its repairment during retention period to refund retention guarantee after the end of retention period.

(3) Risk from volatility of construction material price

Cost structure of construction business consists of construction material cost, e.g., iron, concrete, and cement, labor cost, and other expenses, while the construction material price will vary with exchange rate, commodity price (especially metal group), and fuel price etc.

In this regard, the change of construction material price is considered as important external factor which is uncontrollable as the construction material price is considered as main cost which affect construction cost. In 2020, the construction material price index was decreased, especially, metal category and metal product category, which was significantly decreased, as well as concrete product category and cement category, aligning with iron selling volume, and the private investment index also continuously recessed, as a result of economic condition both domestic and overseas which was slowdown. The real estate and construction sector was significantly affected, especially project of private sector in which the new projects were delayed as the consumers were more cautious in their spending and lack of purchasing from foreign sector, aligning with tax collection on real estate transaction which is continuously decreased in 2020. While the construction project of public sector is the main driver, however, it was slower than schedule. Since quarter 4 of 2020 till present, the construction material price index was increased as a

result of construction project of public sector and investment to recover economy by foreign, especially, China, resulting in increasing of metal and metal product.

However, the Company has policy to reduce risk on material price by creating relationship with construction material suppliers throughout the country, allowing the Company to maintain material cost at appropriate level and able to deliver project within schedule. In addition, the Company continuously improve procurement process to keep up with current situation and reduce risk from change of material and equipment price.

(4) Risk from not receiving payment from project owner

The Company has main revenues from construction in which the Company is main contractor of the project. Normally, the Company will collect advance payment once the agreement is signed in proportion to the project value as specified in agreement and the Company will collect additional payment periodically in accordance with work progress. Therefore, the Company will have risk if the project owner face financial problem and is not able to pay construction fee in accordance with work progress which may affect the Company's operation.

In this regard, the Company aware of such risk, so the Company consider accepting work from project owner that have stable financial position. This can be seen from the Company's project in which most of project owner is large well-known and reliable private company. In 2020, the project under construction and delivered project, the Company still able to collect payment per work period. For the six-month period of 2021, the Company only operated one project and Government has instructed to close construction camp to control spread of COVID-19; however, the Company's client still proceed with the construction. Therefore, the Company believes that the Company will be able to collect payment from client.

(5) Risk from project delay

Normally, the construction agreement's term of payment is lump sum payment in which the construction price is fixed. The Company will gain profit if the Company can control construction cost to not exceed the budget. In this regard, if the construction project is delayed, the labor cost and construction price may be increased so that such project is operate at loss. Furthermore, the construction agreement of the Company will clearly specify completion date. If the Company is not able to deliver project within schedule, the Company may need to pay penalty fee which may subsequently affect the Company's operating result. From the policy to accept work and maintain work volume at appropriate level and qualified engineer team, and management competency of executive, the Company so can construction project and deliver project to project owner in according with condition specified in the agreement.

In 2020, the delivered projects were not subject to penalty fee due to delay of delivery; however, there was project which was completed in 2018 in which the Company and project owner had dispute and resulting in arbitration process. The arbitrator has made its final judgment in 2020 by instructing project owner to pay construction fee and return retention fee to the Company of THB 9.14 million. In this regard, such amount is after deducting of THB 2.87 million because of late delivery even such late is not solely result from the Company. In six-

month period of 2021, the Company had only 1 construction project and Government has instructed to close construction camp to control spread of COVID-19. Therefore, the Company has informed the project owner regarding such matter and effect to construction plan and the Company doesn't incur any penalty fee from such matter.

However, the Company aware of risk from project delay in which the Company has reviewed and controlled the construction to align with construction schedule and prevent the delay of project.

(6) Risk from most of projects are industrial factory

Most of the Company's clients in construction business are industrial factory clients. If the industrial sector is slowdown, it may affect the Company's revenues. However, to manage risk from slowdown of construction in industrial sector, the Company so focus on accept work from industrial sector that have potential to grow. With the growth of each industrial sector in each economic condition is differed. In addition, the Company has expanded its scope of accepting work to cover more industrial sector, as well as construction of hospital, office building, and shopping mall, including expanding clients' base to EPC service (Engineering Procurement & Construction) as this service has higher profit when comparing with other type of work. At present, the Company still focus on accepting project of private company as the Company opine that such business has potential to grow and still expand its investment continuously.

(7) Risk from being sued from client due to project error

If the project that the Company construct, e.g., design, construction, or installation of utility system in building or factory, i.e., air condition system, electricity system, and water treatment system, has any error which may affect outside person to be damaged or injured, the Company may be sued to pay compensation.

However, the Company has policy to operate construction with care, by implementing quality assurance system on work continuously before delivering to clients. The Company has quality assurance department to assure quality from the start of drawing until deliver of work to clients. Furthermore, the Company also has insurance to cover such incidents, which reduce effect to the Company's financial position from being sued. However, the Company cannot assure that the insured amount is sufficient or cover liability from being sued. In this regard, in 2020 and six-month period of 2021, the Company didn't have any dispute or litigation from error of construction project.

(8) Risk from concentration of debtor

Normally, account receivable of construction project is substantial debtor who has value in accordance with project size that the Company win the bid. To reduce risk from concentration of debtor, executives have imposed credit policy (giving credit term to clients and term of payment), and reviewing loss which may arise from such risk continuously. The agreement with project owner will be executed with term of payment that is concise and the Company will estimate clients' financial capability before accepting the project.

In 2020, the Company had account receivable from 3 projects and for the six-month period of 2021, the Company had undelivered project of 1 project in which the Company received payment per due.

(9) Risk from construction safety impact

The Company emphasize on corporate social responsibility by setting up safety department to supervise safety in construction area as well as nearby community area and environment to have minimal effect from the Company's construction. In case, there is any error which affect outside person to be damaged in term of life or property or affect environment, e.g., noise pollution, smoke dust, or effect on building and nearby area, the Company may be complained/sued and claimed for damage from such incident. In addition, it will also affect the Company's reputation and credibility.

In this regard, the Company emphasize and impose policy with respect to safety matter and cultivating conscience of all employees to aware on importance of safety, especially, site staff to aware on importance of safety, as well as consistently conduct training on safety. Furthermore, the Company has done insurance to cover risk with insurance company in order to reduce risk and compensation in which the Company need to compensate if there is any unexpected incident. In case the Company is complained, the Company will audit such matter and solve problem as soon as possible.

(10) Risk from COVID-19

The Covid-19 pandemic has widely affected social and environment. From the research of Asia Development Bank (ADB), the estimated effect to Thai economy is USD 5.6 billion or equivalent to approximately 1.11 percent of Thai Gross Domestic Product. The COVID-19 pandemic directly affects tourism and hospitality industry and production sector, and also indirectly affects confidence of private sector consumption and subsequently affect private entrepreneur to delay their business expansion or postpone their construction plan. Such effect may result in some entrepreneurs being lack of liquidity which may lead to delay of payment or default of payment and may affect competition in bidding of construction project to be more intense as the new construction projects were decreased. Furthermore, in case there is COVID-19 pandemic in construction area or office area of the Company, the Company may need to cease or delay construction and may subsequently result in cost overrun. Recently, the Government instructed to close construction camp in Bangkok and Red Zone Provinces.

The Company aware of such risk and implement measure to response to spread of COVID-19 pandemic by implementing important policy, e.g., increase frequency of cleaning in office area consistently, procure soap and alcohol gel for employee and related person as well as arranging temperature measuring and screening employee before entering site area and office, prepare back-up staff camp, and prepare business continuity plan etc.

- **Risk on management perspective**

(11) Risk from dependency on personnel

Construction business is the business that require knowledge and expertise of personnel, especially, project manager and project engineer who responsible for project construction to complete. Therefore, if the Company loss such personnel, it may affect the Company's operation.

In this regard, the director-level personnel, e.g., construction department, engineering department, and system department, as well as project manager, more than 50 percent of such personnel work with the Company more than 10 years and binding to the Company. In addition, the Company has implemented measure to reduce risk from loss of such personnel by providing fair compensation and allowing them to participate in decision making. In addition, the Company also arrange welfare for employee, e.g., provident fund, medical welfare etc., to compensate executives and staffs for working with the Company.

Furthermore, the Company has enhanced its confidence in operating by adjusting policies and strategies to align with economic circumstance to manage effect and increase confidence of employee in term of stability of employment and the Company's capability to operate business. In addition, the Company also support employee to develop their skill and expertise in various areas by arranging training both internal and external, as well as support the employee to have progress in their career.

(12) Risk from lack of labor and labor cost

The construction business is business that require labor force; however, due to large number of operators in construction business, it may result in lack of skilled labor. In addition, as the labor cost is continuously increased in accordance with minimum wage policy imposed by Ministry of Labour, which may increase the Company's cost as the labor cost is considered as one of main cost of construction business. However, in 2020, as the economic was slowdown and the construction business is stagnant, thus risk from lack of labor and labor cost is low.

However, the Company has arranged more employee relationship activities to retain good relationship with employees, building quality of life and good working environment. In addition, to manage risk, the Company also procures skilled sub-contractors who have expertise to construct the Company's projects in order to handle more workload and can deliver work within schedule. In addition, it also reduces problem with regard to lack of labor and also control labor cost which is the Company's main cost.

(13) Risk from change of the Company's director and executive and change of the Company's authorized director

Referring to the condition of the transaction, the specific person, i.e., Ms. Panicha, will have rights to propose name of directors more than half of total directors, and propose person who will be appointed as the Company's executives, as well as change of authorized director. In addition, the specific person, i.e., Ms. Titima, will be appointed as the Company's director and independent director, and Mr. Chaeyod will be appointed as the Company's director and chief executive officer. Therefore, if such person doesn't understand the core business and are not able to proceed as planned, it may incur risk to the Company and shareholders.

However, according to list of specific persons who will participate in management, they are person who have experience and expertise in the Company's business and have reputation and are accepted by public. In this regard, Ms. Panicha will propose Mr. David Van Dau, her spouse, as the Company's director. Mr. David Van Dau is the businessman who has capability to increase business opportunity and referring business in the Lao People's Democratic Republic and Thailand to the Company in future. In this regard, Mr. David Van Dau holds all shares in PT Sole Company Limited which operate as investment company by investing in businesses in Thailand and the Lao People's Democratic Republic, e.g., hydro power plant and renewable energy, food and beverage business, and telecommunication business. Ms. Titima, who will be appointed as the Company's director and independent director, is the expert and investment consultant in Thailand more than 30 years and Mekong Region, e.g., Cambodia, Lao, Myanmar, and Vietnam (CLMV), more than 10 years with regard to mega infrastructure and capital market in Lao. Mr. Chaiyod, who will be appointed as the Company's director and chief executive officer, is the person who has experience and knowledge in engineering management, expertise in management, and corporate strategy, in large company more than 20 years. Therefore, change of directors and executives will benefit the Company and solve the Company problems at present.

- **Financial risk**

- (14) **Liquidity risk**

Liquidity risk is considered as one of the important risks of construction business as the Company's business need sufficient working capital to use in operation, which account for approximately 30-35 percent of project value, to use as working capital in early stage of project. Normally, the Company will use existing working capital or receive support from financial institution in form of short-term loan and letter of guarantees. In this regard, the delay of payment or default payment of project owner will affect the Company's working capital management. Therefore, the Company so review financial position of project owner before bidding project and accepting project. In addition, in drafting of main construction agreement of each project, the Company will negotiate with project owner to obtain concise term of payment. Furthermore, the procurement process, the Company also manage working capital with care by procure suppliers who provide appropriate credit term to reduce such working capital risk.

In this regard, the Company's financial position at present, the effect from liquidity risk is considered the Company most importance risk. From the financial statement as of 31 December 2020 and six-month period of 2021, the Company has liquidity risk as total current assets less than total current liabilities. However, the Company control risk from lack of liquidity by maintaining working capital level to sufficient for operation. To reduce risk from volatility of cash flow, the Company prepares workplan to ensure that the Company will have sufficient cash inflow in order to manage liquidity and prevent the Company from lack of working capital and ability to pay debt for at least 12 months. Furthermore, in early of 2021, the Company's board of directors resolved to approve borrowing loan from major shareholders in which the Company has entered to loan agreement with such shareholders with objective to use

as emergency working capital. At present, the Company receives credit-line from financial institution of THB 30 million to use in business operation.

(15) Risk from litigation resulting in financial institution not providing facility

As the Company's business need sufficient working capital to use in operation, in which the Company will use existing working capital or receive support from financial institution in form of short-term loan and letter of guarantees. However, as the construction projects in 2012-2014 caused the Company to face lawsuit with respect to the construction and is considered as significant lawsuit which resulting in the Company not receive financial support from financial institution. Therefore, the Company need to use existing working capital.

However, as of 8 January 2020, the Company's board of directors no.1/2020 resolved to settle dispute between the Company and project owner and the Company has entered to settlement agreement on 5 February 2020. Both parties have agreed to withdraw relevant lawsuits and will not mention about such matter in future. In addition, in 2020, the supreme court made its final judgment that the Company will the importance lawsuit. The settle of dispute and win on importance lawsuit will benefit the Company and create confidence of financial institution and investors on the Company. At present, the important litigation has been settled, the Company so contact with one financial institution to request for working capital facility in which the Company has been granted credit-line of THB 30 million and the Company has drawdown such loan in quarter 2 of 2021.

4.4 Risk from condition for entering into the transaction

Referring to investment of specific person, the Company has signed share subscription agreement between the Company (as the Company) and Ms. Panicha (as the investor) and each 4 investors, i.e., Ms. Titima, Mr. Chaiyod, Mr. Adisorn, and Mr. Kittishote, in which such investors has submitted letter of intention to subscribe for the Company's newly issued ordinary shares with the importance conditions. In this regard, the Company may face risk if the Company is not able to proceed to satisfy such condition precedents with regard to subscription of newly issued ordinary shares which can be summarized as follows:

(1) Condition of issuance and offering of newly issued ordinary shares to Ms. Panicha

1. There is no event which may negatively and significantly affect the Company's business, assets, revenues, profit or loss, liabilities, management, legal status, condition (financial or operation or other cases), shareholders' equity, operation, or business opportunity, from the signing date of share subscription agreement.
2. The issuance and offering of newly issued ordinary shares to specific person (private placement) must get approval from the Company's shareholders' meeting.
3. The Company was granted approval to offer newly issued ordinary shares to specific person (private placement) from the SEC pursuant to the Notification TorJor. 72/2558.

4. The extraordinary general meeting of shareholders approves the capital increase and change of the Company's name.
5. The Company must get waiver from financial institution (as the lender) with regard to change of major shareholders, directors, executives, and authorized directors.
6. The Company's board of directors must approve appointment of new directors as per rights to propose name of directors of Ms. Panicha as specified in share subscription agreement.
7. The Company must cancel shareholder loan agreement before capital increase.

(2.) Condition of issuance and offering of newly issued ordinary shares to Ms. Titima, Mr. Chaiyod, Mr. Adisorn, and Mr. Kittishote.

Ms. Titima, Mr. Chaiyod, Mr. Adisorn, and Mr. Kittishote, each specific person, has submitted letter of intention to subscribe for the Company's newly issued ordinary shares with important condition, i.e., the offering of newly issued ordinary shares to specific person (private placement) must get approval from the Company's shareholders meeting and the Company must get approval to offer newly issued ordinary shares to specific person (private placement) from the SEC, and there is no event which may negatively and significantly affect the Company's business, assets, revenues, profit or loss, liabilities, management, legal status, condition (financial or operation or other cases), shareholders' equity, operation, or business opportunity.

| |
|---|
| 5 Opinion of independent financial advisor regarding study of reasonableness of the Company's ordinary shares and condition of the transaction |
|---|

The Independent Financial Advisor considers appropriateness of the Company's value by using information in which the Company disclose to public through website of the SET (www.set.or.th), management interview, reviewing of assumption and projection of the Company, as well as documents referred in this report for supporting the Independent Financial Advisor to provide opinion. However, the opinion of the Independent Financial Advisor is based on the assumption that such information and documents are complete and correct, and are considered based on current situation and information. If there is any change, it may significantly affect business operation as well as decision of the shareholders.

The Independent Financial Advisor considers appropriateness of the Company's value from 6 approaches as follows:

- 1) Book value approach
- 2) Adjusted book value approach
- 3) Historical market price approach
- 4) Market comparable approach, dividing in to 2 approaches, i.e.:

- 4.1 Price to book value ratio approach or P/BV Ratio
- 4.2 Price to earnings per share ratio approach
- 5) Transaction comparable approach
- 6) Discounted cash flow approach

By studying on relating information and documents, the Independent Financial Advisor can summarize opinion regarding appropriateness of the Company's value as follows:

1) Book value approach

To determine fair value by using book value approach, it will show the Company's value as appeared per book value at certain point of time without considering the Company's future operating result as well as external factors, e.g., overall economic, and industrial condition. In this appraisal, the Independent Financial Advisor appraises book value of the Company as per the Company's financial statement as of 30 June 2021 which is financial statement audited by Ms. Kornthong Luengwilai, certified public accountant no.7210, Deloitte Touche Tohmatsu Jaiyos Audit Company Limited, Certified public account in the approved list of the SEC. The details are as follows:

Unit: THB

| Item | As of 30 June 2021 |
|---|--------------------|
| Issued-and paid-up capital | 10,948,438,156 |
| Share deficit | (9,309,242,796) |
| Retain earnings (losses) | |
| Legal reserve | 5,526,839 |
| Unappropriated (losses) | (1,515,950,988) |
| Other component of equity | 6,564,129 |
| Shareholders' equity | 143,194,592 |
| Issued and paid-up shares (shares) | 10,948,438,156 |
| Book value per share (THB per share) | 0.01308 |

Book value of the Company as per internal financial statement as of 30 June 2021 is THB 143.19 million, or equivalent to THB 0.01308 per share.

In this regard, to determine fair value of the Company by book value approach, the Independent Financial Advisor has not yet considered result of litigations that are during process. Therefore, the Company's shareholders should also consider such factor in making decision.

However, the determination of fair value of the Company by book value approach will consider financial position at certain point of time and value of assets as recorded in accounting book, which is not reflect market value of assets and the Company's capability to generate return in future, as well as external factors, i.e., economic, and industrial situation. The Independent Financial Advisor opines that book value approach is not able to reflect true value of the Company as it doesn't reflect the Company's capability to generate return in future. Therefore, book value approach is not appropriate approach to determine value of the Company.

2) Adjusted book value approach

To determine fair value by using adjusted book value approach, the appraiser will deduct the Company's total assets by total liabilities at certain point of time and adjust premium or discount as per major adjustment items which affect the Company's value.

To determine fair value of the Company by this approach, the Independent Financial Advisor will adjust book value of shareholders' equity as appeared in the Company's internal financial statement as of 30 June 2021 which is financial statement audited by Ms. Kornthong Luengwilai, certified public accountant no.7210, Deloitte Touche Tohmatsu Jaiyos Audit Company Limited, Certified public account in the approved list of the SEC, with premium or discount of major assets or liabilities items which affect the Company's book value as of 30 June 2021 as well as information from the interview with the Company's executives and related persons.

The Independent Financial Advisor has opinion on adjustment of book value as of 30 June 2021 by adjusting book value of assets by referring from assets appraisal of independent appraiser with details as follows:

Adjustment of premium (discount) from assets appraisal

Unit: THB

| Item | Book value as of 30 June 2021 | Appraiser | | Difference |
|------------------------------|----------------------------------|-----------------|--------------------|------------|
| | | Appraisal value | Appraisal approach | |
| Land with 3-storey townhouse | 21,455,647 | 24,000,000 | Market Approach | 2,544,353 |
| Vacant land | 60,248,000 | 66,876,000 | Market Approach | 6,628,000 |
| Total | 81,703,647 | 90,876,000 | | 9,172,353 |

Source Asset appraisal report of independent appraiser prepared by Bell Survey Company Limited No. A 64/0230, dated 18 August 2021, and appraisal report of vacant land No. A 64/0231, dated 19 August 2021

In this regard, the appraiser appraises value of land with 3-storey townhouse including extension in which the Company use as head office by applying market approach and appraise value of vacant land in which the Company use as collateral for loan from financial institution by applying market approach. The Independent Financial Advisor opines that market approach is appropriate approach and is normally used to determine value of land with building. Furthermore, under conservative basis, the Independent Financial Advisor also considered past appraisal

report prepared by Bell Survey Company Limited and compare with current appraisal value in which both appraisal approach and appraisal value is in accordance with assets appraisal concept.

Furthermore, according to information in the financial statement as of 30 June 2021, the Company also has assets which may not reflect true value as follows:

1. Retention receivable of THB 37.601 million. The retention receivable is occurred from providing guarantee for 5 clients in which the Company has successfully delivered projects. If considering name of clients, historical record of retention return, and the Company's statistic. The Company will have expenses relating to minor repair when the guarantee period is expired approximately 5-8 percent of value of retention value. Therefore, to comply with conservative basis, the Independent Financial Advisor so adjusts retention receivable to account for value which is expected to not refund at rate of 10 percent of retention value, or equivalent to THB 3.760 million.
2. Account and other non-current receivable of THB 2.374 million, consists of other receivable of THB 0.097 million and advance payment for construction of THB 2.276 million. Those 2 items are receivable of sub-contractor in which the Company hire to develop projects and request for advance payment. At present, as the projects that use service of sub-contractor has been ceased their operation. Therefore, the Independent Financial Advisor so adjust the balance of account and other non-current receivable of THB 2.374 million to nil.
3. The litigation in which the Company win and is concluded but is during collection, i.e., Black Case No.Por.1256-2561 between the Company and one financial institution with sued value of THB 49.49 million. In this regard, the court has made its judgment that the Company win the litigation, while the financial institution has paid some liabilities. At present, the outstanding balance is THB 9.40 million and is during collection process.
4. The litigation in which the Company has recorded full provision, the Independent Financial Advisor will adjust only the litigation in which the Company win and is concluded, i.e., Black Case No. 639/2555 and Red Case No. 509/2559 between the Company and one company who is owner of hotel located at Kratu District, Phuket, with sued amount of THB 100.23 million. The supreme court has made its judgment in which the Company will receive payment in amount of THB 65.01 million as well as interest at rate of 7.5 percent per annum from the sued date (sue on 24 July 2012), and return original letter of guarantee (collateral of contract), and advance payment guarantee issued by financial institution as per details in 3.1, and the Company's legal advisor has requested court to appoint executing officer to collect payment as per court's order.

From the appraisal value prepared by independent appraiser and other information from financial statement, the Independent Financial Advisor opines that the book value of the Company should be adjusted as follows:

Summary of the Company's value appraised by adjusted book value approach is as follows:

Unit: THB

| Item | As of 30 June 2021 | |
|--|--------------------|----------------|
| | Base Case | Best Case |
| Shareholders' equity | 143,194,592 | 143,194,592 |
| <u>Adjustment item</u> | | |
| 1.Premium from assets appraisal value | 9,172,353 | 9,172,353 |
| 2.Discount from retention receivable | (3,760,135) | (3,760,135) |
| 3.Account and other non-current receivable | (2,373,531) | (2,373,531) |
| 4.Collection of litigation with financial institution | 9,396,013 | 9,396,013 |
| 5.Reversal of provision from litigation with hotel owner | - | 55,944,748 |
| <u>Total adjustment</u> | 12,434,699 | 68,379,447 |
| Total shareholders' equity after adjustment | 155,629,291 | 211,574,039 |
| Issued and paid-up shares (shares) | 10,948,438,156 | 10,948,438,156 |
| Book value per share (THB per share) | 0.01421 | 0.01932 |

In 2020, the supreme court has made its judgment that the Company win the litigation, i.e., litigation with hotel owner at Phuket, with amount of THB 65.01 million. At present the litigation is during execution. However, as said company has significant liabilities and negative shareholders' equity. If considering best case in which the Company receive all payment and reverse all allowance for doubtful debt, the Company's value appraised by adjusted book value will be equaled to THB 211.57 million, or equivalent to THB 0.01932 per share.

From the appraisal by adjusted book value, the Company's value for base case and best case is THB 155.63 million – THB 211.57 million, or equivalent to THB 0.01421 per share – THB 0.01932 per share.

The Independent Financial Advisor opines that adjusted book value approach is properly reflect fair value of the Company's assets and liabilities at certain point of time, even may not reflect the Company's capability to generate return in future, or equivalent to in case the Company liquidate all its assets at present at fair value. Therefore, the Independent Financial Advisor opines that adjusted book value approach is appropriate approach to determine fair value of the Company.

3) Historical market value approach

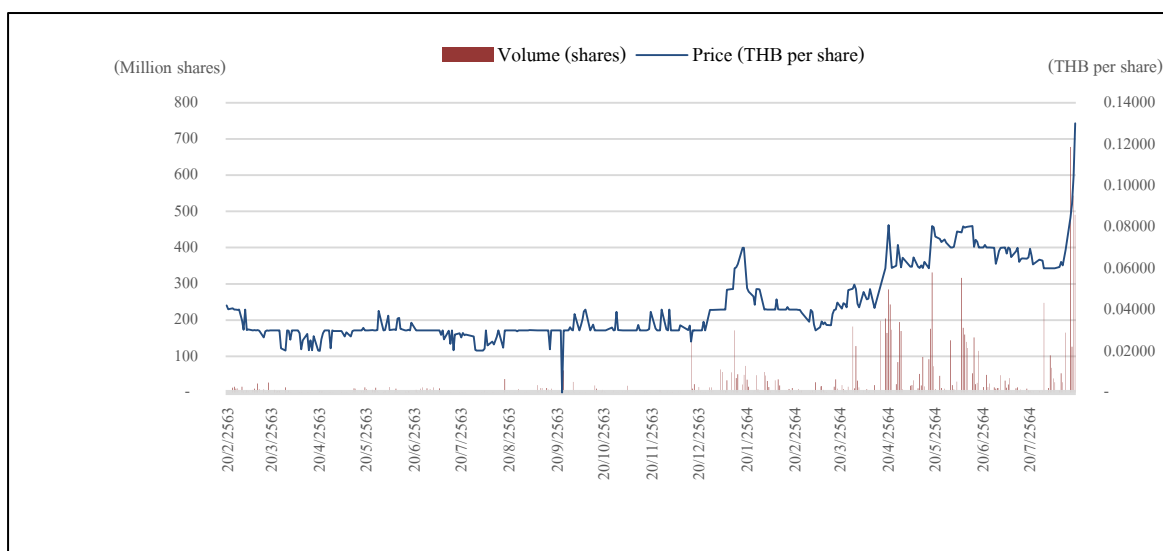
Historical market value approach is the approach that seek price of securities by referring from historical trading price of securities in the Stock Exchange of Thailand. If the securities trading is in normal situation, the investors can buy or sell securities at price and volume as they desire, the value determined by this approach will reflect value of securities. The Independent Financial Advisor appraises value of shares by referring from weighted average price of the Company's ordinary shares traded in the Stock Exchange of Thailand in various periods from 15 – 360 business days, since 20 February 2020 to 19 August 2021. 19 August 2021 is the last business day before the Company's board of directors resolved to approve issuing of newly issued ordinary shares to specific person (private placement). The details are as follows:

| Historical Period (Business Day) | Weighted average price (THB per share) | Average trading volume per day (shares) | Parentage of total shares ^{/1} | Average trading value per day (THB) |
|---|--|---|--|---|
| 15 Days | 0.07251 | 172,901,206.67 | 1.58% | 15,741,726.53 |
| 30 Days | 0.06938 | 91,457,393.33 | 0.84% | 8,210,191.77 |
| 60 Days | 0.07100 | 75,905,181.67 | 0.69% | 6,376,209.78 |
| 90 Days | 0.06749 | 81,496,856.67 | 0.74% | 6,321,793.19 |
| 120 Days | 0.06047 | 65,929,886.67 | 0.60% | 4,957,484.00 |
| 180 Days | 0.05372 | 51,002,213.33 | 0.47% | 3,630,450.37 |
| 270 Days | 0.04543 | 35,373,984.44 | 0.32% | 2,461,141.57 |
| 360 Days | 0.04161 | 27,773,388.61 | 0.25% | 1,884,505.86 |
| Price range of the Company's ordinary shares | 0.04161 - 0.07251 | | | |

Source : SETSMART

Remark : /1 The Company's newly issued ordinary shares of 833,500,000 shares was commenced to trade on 15 June 2020 from, increasing the listed shares from 10,114,938,156 shares to 10,948,438,156 shares

However, the Independent Financial Advisor doesn't consider latest market price after informing resolution of the Company's board of directors regarding capital increased and offering of newly issued ordinary shares to specific person (private placement) for appraising value of ordinary shares by historical market value approach as such trading price of ordinary shares may be affected from announcement of the board of directors' resolution.



From the above graph, it shows that volume and trading price of the Company's ordinary shares were relatively constant in 2020, but significantly increased since December 2020. From the interview with the Company's executives, they thought that it may be a result of capital increased which offered to existing shareholders and bidding of new projects, thus investors so interested in trading the Company's shares.

In this regard, the Independent Financial Advisor analyzes trading information of ordinary shares, e.g., trading volume, average trading value per day, and proportion to total number of listed ordinary shares of various securities of listed company in the Stock Exchange of Thailand by considering from company which engage in business that is similar to company in construction and real estate industry and engage in engineering construction. There are 14 companies as follows:

| Name | Ticker | Stock Exchange | Business characteristic | Market capitalization (THB million) |
|---|--------|----------------|--|-------------------------------------|
| 1. CH Karnchang Public Company Limited | CK | SET | Engage in construction business and able to accept complex mega project and have ability to develop and manage concession of mega fundamental utility in Thailand and overseas. | 32,522.82 |
| 2. Christiani & Nielsen (Thai) Public Company Limited | CNT | SET | Engage in general construction business including design, procure, and engineering turnkey services. CNT has clients in both public and private sector. | 1,819.39 |
| 3. Italian-Thai Development Public Company Limited | ITD | SET | Engage in comprehensive construction services that have expertise in all type of construction work. ITD have capability to construct mega project or utilize advance technique. ITD also expand its construction business to overseas, especially Asia region. | 10,770.93 |

| Name | Ticker | Stock Exchange | Business characteristic | Market capitalization (THB million) |
|---|--------|----------------|---|-------------------------------------|
| 4. Nawarat Patanakarn Public Company Limited | NWR | SET | Engage in construction business for all types of civil engineering and produce prestressed concrete pile and other concrete related products, as well as produce processed steel which use in construction business and sell to external clients. | 2,171.80 |
| 5. Power Line Engineering Public Company Limited | PLE | SET | Engage in general construction business, including design, procure, and turnkey for engineering system, for both private and public sector, by acting as main contractor and sub-contractor. The project may be awarded from bidding or negotiation, as well as collaborating with other companies in form of joint venture and consortium. | 1,075.84 |
| 6. Pre-built Public Company Limited | PREB | SET | Engage in construction business | 2,469.41 |
| 7. Pylon Public Company Limited | PYLON | SET | Engage in construction of foundation work business, dividing into 3 main works, i.e., pile work, soil quality improvement by injecting high-pressure cement, Diaphragm retaining wall. | 3,134.47 |
| 8. Right Tunnelling Public Company Limited | RT | SET | Providing civil engineering construction and geotechnical service that require expertise and advance technology, i.e., tunnel construction, rock blasting, digging without bomb, mine development, exploration drilling, structural concrete, general civil engineering, and geotechnical. | 2,310.00 |
| 9. Seafoo Public Company Limited | SEAFCO | SET | Engage in construction of pile and general civil engineering service by accepting work from both public and private sector. SEAFCO can both accept work in form of main-contractor and sub-contractor. | 3,343.48 |
| 10. Sino-Thai Engineering & Construction Public Company Limited | STEC | SET | Engage in construction business for all types of construction, bot civil engineering and mechanical engineering, e.g., utility, building, energy, industrial, and environment etc. | 18,758.81 |

| Name | Ticker | Stock Exchange | Business characteristic | Market capitalization (THB million) |
|--|--------|----------------|---|-------------------------------------|
| 11. Syntec Construction Public Company Limited | SYNTEC | SET | Engage in construction business by providing service to both public and private sector, from foundation until building is completed (one-stop service). | 2,992.00 |
| 12. Thai Polycons Public Company Limited | TPOLY | SET | Engage in construction business covering civil engineering work and install of engineering systems. TPOLY's clients consist of both public and private sector. For private sector, clients are in form of project owner and main contractor. | 1,013.78 |
| 13. Unique Engineering and Construction Public Company Limited | UNIQ | SET | Engage in construction business by acting as main contractor for turnkey service in which UNIQ provide comprehensive service, i.e., design and construction. UNIQ also accept construction work according to clients' specification by focusing on mid to large utility work. | 6,594.20 |
| 14. Well Graded Engineering Public Company Limited | WGE | SET | Engage in building construction business by providing services to both public and private sector, e.g., vertical and horizontal condominium, hospital, and office building. | 960.00 |

Source: www.set.or.th

Market capitalization as of 20 August 2021

As the Company's core business is engineering construction business, therefore, the Independent Financial Advisor chooses only information of comparable companies in same industry as the Company which engage engineering construction business and have market capitalization lower than THB 5,000 million. The listed comparable companies, in which the Independent Financial Advisor choose to analyze, can be summarized as follows:

| Name | Ticker | Stock Market |
|---|--------|--------------|
| 1. Christiani & Nielsen (Thai) Public Company Limited | CNT | SET |
| 2. Nawarat Patanakarn Public Company Limited | NWR | SET |
| 3. Power Line Engineering Public Company Limited | PLE | SET |
| 4. Pre-built Public Company Limited | PREB | SET |
| 5. Pylon Public Company Limited | PYLON | SET |
| 6. Right Tunnelling Public Company Limited | RT | SET |
| 7. Seafco Public Company Limited | SEAFCO | SET |
| 8. Syntec Construction Public Company Limited | SYNTEC | SET |
| 9. Thai Polycons Public Company Limited | TPOLY | SET |
| 10. Well Graded Engineering Public Company Limited | WGE | SET |

Source: www.set.or.th

Remark: The Independent Financial Advisor doesn't consider trading information of Right Tunnelling Public Company Limited and Well Graded Engineering Public Company Limited as such companies was listed on the Stock Exchange of Thailand on 12 November 2020 and 3 November 2020, respectively. Therefore, there is no complete information for last 360 business days.

Table depict trading volume and value of company in real estate and construction industry and engage in business similar to the Company (past 360 business days) from 20 February 2020 to 19 August 2021

| Securities | Average trading volume per day (shares) | Percent to total shares | Average trading value per day (THB) | Ranking of proportion of total shares compared to SET and mai ^{/*} | Ranking of average trading value per day compared to SET and mai ^{/*} |
|------------|---|-------------------------|-------------------------------------|---|--|
| CNT | 667,124.17 | 0.06% | 1,164,847.48 | 600 | 623 |
| NWR | 30,416,184.44 | 1.18% | 28,271,391.12 | 97 | 233 |
| PLE | 8,421,803.61 | 0.62% | 7,672,270.52 | 236 | 415 |
| PREB | 201,939.44 | 0.05% | 1,525,246.46 | 597 | 600 |
| PYLON | 2,151,290.28 | 0.20% | 9,224,529.18 | 397 | 388 |
| SEAFCO | 5,117,193.89 | 0.69% | 26,703,492.95 | 202 | 236 |
| SYNTEC | 9,038,617.78 | 0.56% | 16,459,670.36 | 264 | 313 |
| TPOLY | 2,114,850.00 | 0.37% | 4,421,933.81 | 343 | 471 |
| T | 27,773,388.61 | 0.25% | 1,884,505.86 | 424 | 575 |

Source : SETSMART

Remark : /* Ranking from highest to lowest from total securities of 803 securities (covering SET and mai but excluding warrant and suspended securities)

Table depict average trading volume per day to total shares and average trading value per day of T compared to average trading volume per day to total shares and average trading value per day of company in real estate and construction industry and listed securities in the SET and mai (total securities of 803 securities) in past 360 business days from 20 February 2020 to 19 August 2021

| Securities | Average trading volume per day to total shares | Average trading value per day (THB) |
|--|--|-------------------------------------|
| T | 0.25 % | 1,884,506 |
| Company in real estate and construction in mai * | 0.70 % | 2,615,125,673 |
| Company in construction sector in SET** | 0.55 % | 11,126,580,335 |
| Listed securities in SET / mai*** | 0.50 % | 31,370,374,498 |

Source : SETSMART

Remark : * Totaling 33 companies; however, calculate only 32 companies, excluding STAR as it is SP and NC at present

** Totaling 26 companies; however, calculate only 25 companies, excluding PAE as it is SP, NP, and NC at present

*** Totaling 803 securities (covering SET and mai but excluding warrant and suspended securities)

The Independent Financial Advisor analyzes trading information of T in past 360 business days (from 20 February 2020 to 19 August 2021), the conclusion is as follows:

1. Average trading value per day approximately THB 1.88 million, ranked at 575 compared to all shares in the Stock Exchange of Thailand and the Market for Alternative Investment, collectively.
2. Average trading volume per day between 27.77 – 172.90 million shares per days, or equivalent to average on past 360 business days of 27.77 million shares per day, ranked 71 compared to all shares in the Stock Exchange of Thailand and the Market for Alternative Investment, collectively.
3. Turnover rate is 0.25 – 1.58 percent of total listed securities of the Company or equivalent to average on past 360 business days of 0.25 percent, ranked 424 compared to all shares in the Stock Exchange of Thailand and the Market for Alternative Investment, collectively.
4. Average trading volume per day to total number of listed securities of the Company in past 360 business days is equal to 0.25 percent which is considered as low turnover ratio compared to companies in real estate and construction sector in the Market for Alternative Investment, companies in construction sector in the Stock Exchange of Thailand, and all 803 listed companies in the Stock Exchange of Thailand and the Market for Alternative Investment which has turnover ratio of 0.70 percent, 0.55 percent, and 0.50 percent, respectively. In this regard, if comparing average trading value in past 360 days of the Company with companies in real estate and construction sector in the Market for Alternative Investment, companies in construction sector in the Stock Exchange of Thailand, and all 803 listed companies in the Stock Exchange of Thailand and the Market for Alternative Investment which has average trading value of THB 1.88 million, THB 2,615.13 million, THB 11,126.58 million, and THB 31,370.37 million, respectively, the average trading value in past 360 business days of the Company is significantly lower than companies

in real estate and construction sector in the Market for Alternative Investment, companies in construction sector in the Stock Exchange of Thailand, and all 803 listed companies in the Stock Exchange of Thailand and the Market for Alternative Investment.

From above information, the Company has quite low average trading value per day, i.e., THB 1.88 million per day, or equivalent to 0.25 percent of total shares. If comparing with similar industry and comparing with trading information of stock market, the Company's trading value rank number 7 from 9 companies engaging in similar business, and rank 575 from 803 securities in the Stock Exchange of Thailand and the Market for Alternative Investment (excluding warrant and suspended securities). If comparing percentage of average trading value per day of companies in real estate and construction industry in the Market for Alternative Investment with the Company, the value is 138,670 percent, percentage of average trading value per day of companies in construction industry in the Stock Exchange of Thailand with the Company, the value is 590,324 percent.

However, if considering proportion of average trading volume per day to total listed shares of the Company, it shows that trading volume of the Company has quite low liquidity, and rank 424 from 803 securities. Therefore, the historical trading price may not reflect fair value of the Company's ordinary shares. In this regard, historical market value approach is the approach that reflect demand and supply of the Company's ordinary shares. However, the Independent Financial Advisor doesn't consider applying this approach as this approach only reflect need of buyer and seller and doesn't have to equal to intrinsic value of that securities and may not reflect future operation of the Company.

4) Market comparable approach

Market comparable approach is the approach that determine value of company based on assumption that company engaging in similar business should have similar market ratio. In selecting comparable company to determine value of the Company, the comparable companies may have difference characteristic, e.g., accounting policy, investment policy, size of company, revenue's structure, cost structure, source of other revenues, and quality of company etc. Therefore, the selected comparable companies may not cover all comparable companies and may have difference characteristic in various aspects as aforementioned.

As the Company's core business is engineering construction business, the Independent Financial Advisor so use comparable companies in the same industry as the Company which engage in engineering construction business and have market capitalization lower than THB 5,000 million. The comparable companies in which the Independent Financial Advisor choose to analyze are the listed companies in the Stock Exchange of Thailand. The name and details of comparable companies are as follows:

| Company | Ticker | Market capitalization (THB million) |
|--|--------|--|
| Christiani & Nielsen (Thai) Public Company Limited | CNT | 1,819.39 |
| Nawarat Patanakarn Public Company Limited | NWR | 2,171.80 |
| Power Line Engineering Public Company Limited | PLE | 1,075.84 |
| Pre-built Public Company Limited | PREB | 2,469.41 |
| Pylon Public Company Limited | PYLON | 3,134.47 |
| Right Tunnelling Public Company Limited | RT | 2,310.00 |
| Seafco Public Company Limited | SEAFCO | 3,343.48 |
| Syntec Construction Public Company Limited | SYNTEC | 2,992.00 |
| Thai Polycons Public Company Limited | TPOLY | 1,013.78 |
| Well Graded Engineering Public Company Limited | WGE | 960.00 |

Source: www.set.or.th

Market capitalization as of 20 August 2021

4.1) Price to book value ratio approach (P/BV Ratio)

Price to book value ratio approach is the approach that multiplying adjusted book value of the Company (as per details in 2) by median P/BV of the comparable companies in the Stock Exchange of Thailand in construction industry. The P/BV ratio of comparable companies is referred from information as of 19 August 2021 (the date before the Company's board of directors resolved to approve entering into the transaction) and in past 360 business days, which is the sufficient period to cover volatility to minimize deviation from movement of trading price which may be affected by abnormal circumstance which may affect trading price to not reflect appropriate price if applying trading price at certain point of time. The details are as follows:

| | Name of comparable companies | Ticker | Historical average P/BV ratio (times) | | | | | | | |
|---|--|--------|---------------------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| | | | 15 Days | 30 Days | 60 Days | 90 Days | 120 Days | 180 Days | 270 Days | 360 Days |
| 1 | Christiani & Nielsen (Thai) Public Company Limited | CNT | 0.86 | 0.90 | 0.97 | 0.94 | 0.89 | 0.80 | 0.74 | 0.68 |
| 2 | Nawarat Patanakarn Public Company Limited | NWR | 0.84 | 0.86 | 0.94 | 0.87 | 0.78 | 0.68 | 0.60 | 0.53 |
| 3 | Power Line Engineering Public Company Limited | PLE | 0.43 | 0.44 | 0.49 | 0.48 | 0.46 | 0.43 | 0.42 | 0.42 |
| 4 | Pre-built Public Company Limited | PREB | 1.11 | 1.11 | 1.15 | 1.18 | 1.20 | 1.16 | 1.09 | 1.07 |
| 5 | Pylon Public Company Limited | PYLON | 2.93 | 2.99 | 3.13 | 3.12 | 3.08 | 3.03 | 2.98 | 2.93 |
| 6 | Seafco Public Company Limited | SEAFCO | 2.02 | 2.03 | 2.13 | 2.15 | 2.15 | 2.12 | 2.23 | 2.24 |
| 7 | Syntec Construction Public Company Limited | SYNTEC | 0.52 | 0.54 | 0.57 | 0.57 | 0.55 | 0.51 | 0.48 | 0.46 |
| 8 | Thai Polycons Public Company Limited | TPOLY | 0.68 | 0.71 | 0.76 | 0.80 | 0.82 | 0.82 | 0.79 | 0.75 |
| | Average of 8 companies | | 1.18 | 1.20 | 1.27 | 1.26 | 1.24 | 1.19 | 1.17 | 1.13 |
| | Median of 8 companies | | 0.85 | 0.88 | 0.96 | 0.90 | 0.85 | 0.81 | 0.76 | 0.72 |

Source: Setsmart as of 20 August 2021

Remark: The Independent Financial Advisor doesn't consider trading information of Right Tunnelling Public Company Limited and Well Graded Engineering Public Company Limited as such companies was listed on the Stock Exchange of Thailand on 12 November 2020 and 3 November 2020, respectively. Therefore, there is no complete information for last 360 business days.

The appraisal by price to book value ratio approach has calculation formula as follows:

$$\text{The Company's share value} = \text{P/BV of comparable companies} \times \text{Adjusted book value of the Company}$$

Summary of appraisal of the Company's ordinary share value by price to book value ratio approach

| | 15 Days | 30 Days | 60 Days | 90 Days | 120 Days | 180 Days | 270 Days | 360 Days |
|---|------------|------------|------------|------------|-------------|-------------|-------------|-------------|
| Median of comparable companies | 0.85 | 0.88 | 0.96 | 0.90 | 0.85 | 0.81 | 0.76 | 0.72 |
| Adjusted book value per share ^{/*} As of 30 June 2021 (THB per share) | 0.01421 | | | | | | | |
| Value of the Company's ordinary share (THB per share) | 0.01213 | 0.01254 | 0.01358 | 0.01285 | 0.01210 | 0.01147 | 0.01081 | 0.01017 |

Remark /* To comply with conservative basis, the Independent Financial Advisor so apply base case of adjusted book value per share

From the appraisal by price to book value ratio approach, value of the Company's ordinary share is equal to THB 0.01017 per share – THB 0.01213 per share. The Independent Financial Advisor opines that price to book value ratio approach is the approach that compare market price with book value of comparable companies in term of how many multiple times of market price over book value which reflect premium or discount in which investors give over book value. Therefore, price to book value ratio approach is appropriate approach to determine value of the Company's ordinary share.

4.2 Price to earnings per share ratio approach (P/E Ratio)

Price to earnings per share ratio approach is the approach that consider operating result for the latest 4 quarters as of 30 June 2021 as appeared in the Company's financial statement audited by Ms. Kornthong Luengwilai, certified public accountant no.7210, Deloitte Touche Tohmatsu Jaiyos Audit Company Limited, Certified public account in the approved list of the SEC. The latest 4 quarter operating result of the Company (from quarter 3 of 2020 to quarter 2 of 2021) was loss of THB 20.38 million, or equivalent to THB (0.01793) per share. The price to earnings per shares ratio will determine value by multiplying said operating result with median P/E ratio of listed company in the Stock Exchange of Thailand in construction industry by considering companies that engage in business similar to the Company. In this regard, the P/E ratio of said listed companies as of 19 August 2021 (the date before the Company's board of directors resolved to approve entering into the transaction) and in past 360 business days, which is the sufficient period to cover volatility to minimize deviation from movement of trading price which may be affected by abnormal circumstance which may affect trading price to not reflect appropriate price if applying trading price at certain point of time. The details are as follows:

| | Name of comparable companies | Ticker | Historical average P/E ratio (times) | | | | | | | |
|---|--|--------|--------------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| | | | 15 Days | 30 Days | 60 Days | 90 Days | 120 Days | 180 Days | 270 Days | 360 Days |
| 1 | Pre-built Public Company Limited | PREB | 13.11 | 13.41 | 14.00 | 14.75 | 15.20 | 14.59 | 13.05 | 11.97 |
| 2 | Pylon Public Company Limited | PYLON | 37.83 | 35.47 | 35.52 | 30.61 | 26.98 | 21.99 | 18.11 | 16.24 |
| 3 | Seafoo Public Company Limited | SEAFKO | 97.37 | 68.58 | 55.87 | 45.68 | 39.20 | 30.34 | 24.04 | 20.33 |
| 4 | Syntec Construction Public Company Limited | SYNTEC | 14.10 | 14.44 | 15.32 | 14.82 | 14.41 | 14.73 | 12.51 | 11.15 |
| | Median of 4 companies | | 25.97 | 24.96 | 25.42 | 22.72 | 21.09 | 18.36 | 15.58 | 14.11 |

Source: SetSMART as of 20 August 2021

Remark: The Independent Financial Advisor doesn't consider trading information of Right Tunnelling Public Company Limited and Well Graded Engineering Public Company Limited as such companies were listed on the Stock Exchange of Thailand on 12 November 2020 and 3 November 2020, respectively. Therefore, there is no complete information for last 360 business days. The Independent Financial Advisor doesn't include Christiani & Nielsen (Thai) Public Company Limited, Nawarat Patanakarn Public Company Limited, Power Line Engineering Public Company Limited, and Thai Polycons Public Company Limited, as said companies incurred loss from operation in some period. Therefore, the Independent Financial Advisor is not able to collect complete information in past 360 business days.

The Independent Financial Advisor is not able to determine value of the Company's ordinary shares with price to earnings per share ratio approach as price to earnings per share ratio approach is the approach that considers the Company's capacity to generate return in short-term but doesn't consider the Company's capability to generate return in future. Therefore, it reflects value in short-term but not true value of the Company. In addition, as the Company's operating result for the latest 4 quarters was losses, the Independent Financial Advisor so is not able to determine value of the Company's share by price to earnings per share ratio approach.

5) Transaction comparable approach

Transaction comparable approach is the approach that determines fair value of the Company by multiplying median EV/EBITDA (enterprise value/earnings before interest, tax, depreciation, and amortization) for the last twelve months of comparable companies in engineering construction industry in Thailand with last twelve-month EBITDA as of 30 June 2021 of the Company. However, the appraisal by said approach may have different transaction from the Company's transaction, e.g., size of transaction and occur timing, which may affect value to deviate. The information of comparable companies can be summarized as follows:

| Company | Market capitalization (THB million) | EBITDA as per financial statement | EV / EBITDA (times) |
|---------|--|--------------------------------------|------------------------|
| CNT | 1,819.39 | 272.94 | 19.65 |
| NWR | 2,171.80 | (219.90) | (64.88) |
| PLE | 1,075.84 | (158.94) | (69.56) |
| PREB | 2,469.41 | 385.49 | 13.97 |

| Company | Market capitalization (THB million) | EBITDA as per financial statement | EV / EBITDA (times) |
|---------|--|--------------------------------------|------------------------|
| PYLON | 3,134.47 | 163.90 | 19.76 |
| RT | 2,310.00 | 391.71 | 11.76 |
| SEAFCO | 3,343.48 | 191.70 | 24.81 |
| SYNTEC | 2,992.00 | 658.09 | 10.16 |
| TPOLY | 1,013.78 | 468.10 | 15.86 |
| WGE | 960.00 | 30.14 | 33.80 |
| Average | | | 1.53 |
| Median | | | 14.92 |

Remark EBITDA is calculated from 1-year historical date from quarter 3 of 2020 to quarter 2 of 2021

The Independent Financial Advisor deducts interest bearing debt and non-controlling interest while add back cash and cash equivalent of the Company to determine shareholders' equity value. The applied EBITDA is calculated from financial statement of the Company as 30 June 2021.

Table depict value of the Company appraised by EV/EBITDA approach

Unit: THB million

| Item | Information as per financial statement |
|---|--|
| EBITDA | (28.78) |
| Median EV/EBITDA (times) | 14.92 |
| Net firm value calculated from average value | (429.33) |
| Deduct interest bearing debt | 32.76 |
| Add cash and cash equivalent | 43.46 |
| Value of shareholders' equity calculated from average value | (418.63) |
| Fair value per share (THB per share) | (0.03824) |

From the above table, the appropriate fair value of the Company calculated from average EV/EBITDA as per financial statement for the last twelve months is loss of THB (0.03824) per share as the Company's EBITDA is negative. In general, the appraisal of company value by EV/EBITDA approach is popular as it can be compared to other companies which have different characteristic in respect to capital structure and doesn't have effect from non-cash expenses, e.g., depreciation and amortization. However, as the Company's EBITDA is negative, the Independent Financial Advisor so is not able to apply transaction comparable approach to determine fair value of the Company's ordinary share.

6) Discounted cash flow approach

Discounted cash flow approach is the approach that determine value by concerning for the Company's future operation by discounting projected free cash flow with appropriate discount rate to get present value. The Independent Financial Advisor uses actual information and prepare financial projection by referring from financial projection prepared by the Company's executive and determines future free cash flow from the Company's financial projection. In this regard, the Independent Financial Advisor prepared financial projection for period of 5 years, from 2021 to 2025, in which the Independent Financial Advisor opines that it is sufficient period for analysis. The Independent Financial Advisor prepares financial projection of the Company by referring from information and assumptions received from the Company as well as interviewing the Company's executives and related persons for the purpose of determining the Company's value. If the economic circumstance and other external factors which may affect the Company's operating result as well as internal factors are significantly change from assumed assumption, the value appraised by this approach may also change.

6.1 Important assumptions can be summarized as follows:

1. Revenues

The Company's core revenues consist of revenues from construction business and other incomes apart from core business. Therefore, the Independent Financial Advisor so forecasts the revenues by business unit as follows:

Revenues from construction business

Unit: THB thousand

| Revenues | Annual financial statement | | | | Projection | | | | |
|----------------------------|----------------------------|--------|-------|--------|------------|--------|--------|--------|--------|
| | 2018 | 2019 | 2020 | 1H2021 | 2021 | 2022 | 2023 | 2024 | 2025 |
| Revenues from construction | 666.58 | 299.18 | 60.81 | 6.93 | 26.90 | 150.00 | 150.00 | 150.00 | 150.00 |

In 2018 to 2020, and six-month period of 2021, the Company's revenues from construction were THB 666.58 million, THB 299.18 million, THB 60.81 million, and THB 6.93 million, respectively. The Company recognized revenues from 11 projects, 10 projects, and 3 projects, respectively. The revenues from construction in 2020 was decreased from 2019 of THB 238.37 million, or equivalent to decreasing rate of 79.68 percent as revenues from industrial clients decreased by 71.25 percent and other group decreased by 4.48 percent. The main reason that revenues in 2020 was decreased is that it is revenues from continuing project from 2019 which was revenues in late stage of project and was almost complete, and in 2020, the Company has revenues from new project which was successfully delivered in same year with project value of THB 3.6 million. For another project in which the Company started its construction on late of year, the Company could only slightly recognize revenues. In addition, the projects, in which the Company submitted bidding, postponed their announcement and some projects were delayed in accordance with economic circumstance which was affected by spread of COVID-19. Those affected the Company to have problem with respect to projects acceptance and revenues recognition. In term of financing in which the

Company hasn't been received financing support from financial institution is also considered as one factor that affect the Company to loss opportunity to accept mid and large project, and subsequently affect the Company's revenues level to decrease. From the interview with the Company's executives, the Independent Financial Advisor acknowledges that the Company will bid for new project in which the Company bid for 19 projects in 2020, passed as one of three contractors for 13 projects, but was awarded only 1 project, i.e., Kerry Zone 2 Phase 1, totaling project value of THB 26.90 million. In 2021, the Company bid for 12 projects (including continued projects from late of 2020), passed as one of three contractors for 4 projects, but the Company was not awarded any project. In this regard, the Company's executives expect that if preparing financial project based on current assumption, the Company's executives expect that the Company will be able to recognize revenues from outstanding undelivered project. If the Company would like to acquire new project, the Company need to seek for financing in form of loan or capital to support. However, the Company's executives have planned their budget to accept work up to THB 150 million per year. Therefore, the Independent Financial Advisor applied assumptions in preparing projection of revenues from construction business in 2021 equal to outstanding work and equal to THB 150 million from 2022 onward and stable throughout the projection.

Other incomes

The Company's other incomes consist of interest income, gain from disposal of assets, dividend income, and others. The Independent Financial Advisor opines that the Company will not have other incomes throughout the projection with details as follows:

Unit: THB thousand

| Revenues | Annual financial statement | | | | Projection | | | | |
|---------------|----------------------------|-------|-------|--------|------------|------|------|------|------|
| | 2018 | 2019 | 2020 | 1H2021 | 2021 | 2022 | 2023 | 2024 | 2025 |
| Other incomes | 68.45 | 20.27 | 19.49 | 3.70 | -0- | | | | |

2. **Costs of construction per contract**

The Company's construction costs mainly consist of variable cost, i.e., construction material cost, direct labor cost and sub-contractor cost, expenses in relation to labor and employee, rental of machinery and equipment. The residual cost was fixed cost, i.e., salary and welfare, depreciation, and other expenses etc. In 2020, the Company's construction costs were THB 52.28 million, decreased from 2019 by THB 236.11 million, or equivalent to decreasing rate of 81.87 percent. In this regard, the construction costs were decreased aligning with decreased work volume. In 2020, proportion of core costs consisted of construction material cost of THB 4.90 million, direct labor cost and sub-contractor cost of THB 35.99 million. The core construction material cost was little as it was in late stage of project while the new project was just started its construction. The proportion of construction material cost accounted for approximately 55-58 percent of construction costs, direct labor cost and sub-contractor cost and expenses in relation to labor and employee accounted for approximately 32-35 percent of construction costs. The

residual costs were fixed cost which were approximately 7-13 percent of construction costs. Therefore, the Independent Financial Advisor forecasts construction costs according to said rate as depict in table below:

Unit: THB thousand

| Construction cost | Annual financial statement | | | | Projection | | | | |
|---|----------------------------|------------|-----------|----------|------------|------------|------------|------------|------------|
| | 2018 | 2019 | 2020 | 1H2021 | 2021 | 2022 | 2023 | 2024 | 2025 |
| Construction material cost | 137,998.64 | 78,724.64 | 4,899.52 | 1,262.19 | 13,946.78 | 78,547.83 | 79,333.31 | 80,126.64 | 80,927.90 |
| Direct labor cost and sub-contractor cost | 326,147.62 | 167,649.42 | 39,977.13 | 7,448.12 | 7,692.73 | 42,896.25 | 42,896.25 | 42,896.25 | 42,896.25 |
| Machinery and equipment | 18,608.21 | 7,749.13 | 3,969.83 | 18.48 | 569.54 | 3,175.88 | 3,175.88 | 3,175.88 | 3,175.88 |
| Other overhead expenses | 33,567.21 | 34,261.53 | 3,430.64 | 1,188.32 | 2,000.96 | 11,157.75 | 11,157.75 | 11,157.75 | 11,157.75 |
| Total | 818,414.35 | 288,384.72 | 52,277.12 | 6,976.01 | 24,210.00 | 135,777.70 | 136,563.18 | 137,356.51 | 138,157.78 |
| Proportion to revenues from construction | (122.78) | 96.39 | 85.97 | 100.67 | 90.00 | 90.52 | 91.04 | 91.57 | 92.11 |

3. Operation and administrative expenses

Main operating and administrative expenses consist of employee expenses, i.e., salary of administrative staff, other expenses in relation to employee, professional expenses, meeting allowance and other compensation of directors, and other expenses, i.e., seminar expenses, depreciation, water expenses, electricity expenses, telephone expenses, insurance expenses, allowance expenses, and other fee expenses etc. In 2020, the Company's operation and administrative expenses were THB 110.33 million, increased from the same period of 2019 of THB 6.26 million, or equivalent to increasing rate of 6.01 percent. In this regard, the administrative expenses included write-off of bad debt of THB 15.09 million in which the Company has set full provision and showed the reversal of said item in separate line from administrative expenses in financial statement. The Company's administrative expenses (exclude write-off of bad debt) were THB 95.24 million, decreased from previous year of THB 8.83 million, or equivalent to 8.49 percent as a result of organization restructuring to suit with revenues level and controlling of expenses in all aspects which was in accordance with the Company's plan.

Unit: THB thousand

| Operation and administrative expenses | Annual financial statement | | | | Projection | | | | |
|--|----------------------------|------------|------------|------------|------------|-----------|-----------|-----------|-----------|
| | 2018 | 2019 | 2020 | 1H2021 | 2021 | 2022 | 2023 | 2024 | 2025 |
| Employee and welfare expenses | 56,646.29 | 52,223.50 | 55,573.35 | 23,075.13 | 46,150.25 | 46,611.75 | 47,077.87 | 47,548.65 | 48,024.14 |
| Meeting allowance | 2,822.00 | 1,935.00 | 2,619.00 | 1,348.00 | 2,696.00 | 2,696.00 | 2,696.00 | 2,696.00 | 2,696.00 |
| Professional expenses | 14,535.34 | 9,075.18 | 5,151.53 | 2,464.60 | 4,929.20 | 4,929.20 | 4,929.20 | 4,929.20 | 4,929.20 |
| Rental expenses | 8,718.04 | 9,151.51 | 9,350.37 | 378.27 | 756.54 | 756.54 | 756.54 | 756.54 | 756.54 |
| Utility expenses | 1,844.32 | 1,281.70 | 1,286.19 | 615,998.96 | 1,232.00 | 1,232.00 | 1,232.00 | 1,232.00 | 1,232.00 |
| Tax and fee expenses | 6,704.00 | 5,632.66 | 5,072.24 | 2,797.58 | 5,595.16 | 5,595.16 | 5,595.16 | 5,595.16 | 5,595.16 |
| Insurance expenses | 455.31 | 314.34 | 269.31 | 86.11 | 172.23 | 172.23 | 172.23 | 172.23 | 172.23 |
| Transportation expenses | 2,599.61 | 1,890.45 | 848.49 | 361.89 | 723.78 | 723.78 | 723.78 | 723.78 | 723.78 |
| Maintenance expenses | 1,133.80 | 495.15 | 329.15 | 29.96 | 59.91 | 59.91 | 59.91 | 59.91 | 59.91 |
| Other expenses | 28,071.59 | 22,074.95 | 29,832.35 | 3,158.45 | 3,311.47 | 3,311.47 | 3,311.47 | 3,311.47 | 3,311.47 |
| Total | 123,530.30 | 104,074.44 | 110,331.98 | 34,315.99 | 65,626.54 | 66,088.04 | 66,554.16 | 67,024.94 | 67,500.43 |
| Proportion to revenues from construction | 18.52 | 34.79 | 118.44 | 495.18 | 243.97 | 44.06 | 44.37 | 44.68 | 45.00 |

The Independent Financial Advisor forecasts administrative expenses under assumption that employee and welfare expenses which are shown in employee expenses will increase at rate of 2 percent per year while the other expenses are constant.

4. Capital expenditure

The Company's executives don't have plan to invest in any assets. If the Company needs to use machinery and equipment for operation in future, the Company will not invest but will lease instead. Therefore, the Independent Financial Advisor doesn't use historical capital expenditure of the Company to forecast capital expenditure as the Company doesn't have capital expenditure plan.

5. Working capital turnover

The Independent Financial Advisor assumes working capital turnover as follows:

- Account receivable approximately 65 days referring from the Company's historical average turnover for past 3 years.
- Account payable approximately 160 days referring from the Company's historical average turnover for past 3 years.

6. Finance expenses

From the interview with the Company's executives, the Independent Financial Advisor acknowledges that the Company currently utilize facility from financial institution totaling of THB 30 million with interest rate of 5.99 percent by using the Company's land as collateral, and facility from major shareholder of THB 20 million with interest rate of 7.50 percent; however, the Company doesn't utilize loan from major shareholder. However, the Independent Financial Advisor analyzes cash flow that the Company will receive from the financial projection and opines that the Company doesn't have sufficient cash flow to repay loan from financial institution in one time. The Independent Financial Advisor so prepares financial projection under assumption that the Company will not repay any principal but pay only interest.

In this regard, the Independent Financial Advisor so forecasts finance expenses occurred from loan obligation and interest expenses incurred from loan from financial institution.

7. Corporate income tax

Corporate income tax is 20 percent of earnings before tax.

6.2 Summary of financial projection

Unit: THB thousand

| Statement of profit and loss | 2021 | 2022 | 2023 | 2024 | 2025 |
|------------------------------------|-------------|-------------|-------------|-------------|-------------|
| Revenues from construction | 26,900.00 | 150,000.00 | 150,000.00 | 150,000.00 | 150,000.00 |
| Costs of construction per contract | 24,210.00 | 135,777.70 | 136,563.18 | 137,356.51 | 138,157.78 |
| Gross profit | 2,690.00 | 14,222.30 | 13,436.82 | 12,643.49 | 11,842.22 |
| Administrative expenses | 66,900.34 | 66,112.69 | 66,578.80 | 67,048.58 | 67,525.07 |
| Finance expenses | 1,801.92 | 1,797.00 | 1,797.00 | 1,767.46 | 1,831.46 |
| Earnings before tax | (66,012.26) | (53,687.39) | (54,938.98) | (56,173.56) | (69,331.89) |
| Corporate income tax | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Net profit (loss) | (66,012.26) | (53,687.39) | (54,938.98) | (56,173.56) | (69,331.89) |

Unit: THB thousand

| Statement of financial position | 2021 | 2022 | 2023 | 2024 | 2025 |
|---------------------------------|------------|------------|------------|-------------|--------------|
| Total assets | 233,920.22 | 229,077.19 | 173,746.02 | 117,327.31 | 60,169.11 |
| Total liabilities | 119,242.25 | 168,086.61 | 167,694.43 | 167,449.27 | 167,805.39 |
| Shareholders' equity | 114,677.97 | 60,990.58 | 6,051.59 | (50,121.96) | (107,636.27) |

6.3 Approach to determine return of net cash flow

(1) Net cash flow of the Company

To determine possibility of the Company by discounted cash flow approach is to reflect return and risk in future.

(2) Discount rate

The discount rate used in determining present value of future free cash flow calculated from weighted average cost of capital (WACC) of the Company which is depended on

- Debt-to-equity ratio
- Cost of debt after tax ($K_d \cdot (1-t)$)
- Cost of equity (K_e)

The formula is as follows:

| | | |
|-------|---|--|
| WACC | = | $K_d \cdot (1-T) \cdot (D/(D+E)) + K_e \cdot (E/(D+E))$ |
| K_e | = | Cost of equity |
| K_d | = | The Company's cost of debt which is approximately 5.99 percent The Independent Financial Advisor forecasts said interest rate from short term and long-term loan obligation and interest expenses which will be incurred in 2021 and subsequently use to calculate interest rate. |
| T | = | Effective tax rate |
| D | = | The Company's interest-bearing debt as per financial statement for the six-month period of 2021, i.e., overdraft, loan from financial institution, and financial lease, totaling value of THB 143.19 million. |
| E | = | The Company's shareholders equity as per financial statement for the six-month period of 2021 amounting of THB 135.26 million. |

In this regard, K_e can be derived from Capital Asset Pricing Model (CAPM) as follows:

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

| | | | |
|----|---|-------|--|
| Rf | Return on government bond | 2.94% | Risk free rate referred from return of 25-year government bond, which is appropriate period as the government bond which have term from 25 onwards will have slightly increment return and relatively constant (the yield curve is relatively flat). In this regard, the Independent Financial Advisor refers information as of 19 August 2021 from www.thaibma.or.th . |
| Rm | Average of return from investment in the Stock Exchange of Thailand | 7.92% | Average return from investment in the Stock Exchange of Thailand in past 11 years, from August 2010 to July 2021, as it is the investment period that best reflect average investment return and have little impact from volatility of the Stock Exchange of |

| | | | Thailand. In this regard, the Independent Financial Advisor considers to use SET Index by adjusting base point at 1,000 points. (information from www.set.or.th) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
|-----------|--|-------|---|-----------|---|-----|-----|-----------|-----|-------|-------|-----|-------|-----|-------|-------|-----|-------|-----|-------|-------|-----|-------|------|-------|-------|-----|-------|-------|-------|-------|-----|-------|----|-------|-------|-----|-------|--------|-------|-------|-----|-------|--------|-------|-------|-----|-------|-------|-------|-------|-----|-------|-----|-------|-------|-----|-------|---------|--|--|--|-------|
| β_1 | Correlation Coefficient of change in SET Index and stock price | 0.51 | <p>The index that gauge market risk of stock price which is calculated from correlation coefficient of listed company in the Stock Exchange of Thailand by considering the company that engage in business similar to the Company, totaling 10 companies. The Independent Financial Advisor applies period of 365 days, from 18 August 2020 to 19 August 2021, for calculation by referring from theory of Professor Aswath Damodaran, New York University Stern School of Business, which is the period that is likely to reflect expected rate of return of investors and is also information that is present. The Independent Financial Advisor adjusts correlation coefficient by effect of debt to get unlevered beta (β_u) as per formular as follows:</p> $\beta_u = \beta / \{1 + [(1 - \text{tax}) \times (D/E)]\}$ <p>whereby,</p> $\beta_u = \text{correlation coefficient after adjusting for effect of debt of each company (unlevered beta)}$ <p>tax = Corporate income tax</p> <p>D/E = Interest-bearing debt to equity ratio equal to interest-bearing debt to equity of comparable companies that engage in business similar to the Company, totalling 10 companies, which is 0.66</p> <p>Average unlevered beta (β_u) can be calculated as follows:</p> <table border="1"> <thead> <tr> <th>Company</th> <th>B</th> <th>D/E</th> <th>tax</th> <th>β_u</th> </tr> </thead> <tbody> <tr> <td>CNT</td> <td>0.868</td> <td>0.091</td> <td>20%</td> <td>0.809</td> </tr> <tr> <td>NWR</td> <td>0.871</td> <td>2.595</td> <td>20%</td> <td>0.283</td> </tr> <tr> <td>PLE</td> <td>0.889</td> <td>1.425</td> <td>20%</td> <td>0.415</td> </tr> <tr> <td>PREB</td> <td>0.360</td> <td>0.722</td> <td>20%</td> <td>0.228</td> </tr> <tr> <td>PYLON</td> <td>1.201</td> <td>0.099</td> <td>20%</td> <td>1.113</td> </tr> <tr> <td>RT</td> <td>0.789</td> <td>0.760</td> <td>20%</td> <td>0.491</td> </tr> <tr> <td>SEAFCO</td> <td>0.861</td> <td>0.347</td> <td>20%</td> <td>0.674</td> </tr> <tr> <td>SYNTEC</td> <td>1.449</td> <td>0.356</td> <td>20%</td> <td>1.127</td> </tr> <tr> <td>TPOLY</td> <td>0.435</td> <td>1.054</td> <td>20%</td> <td>0.236</td> </tr> <tr> <td>WGE</td> <td>0.972</td> <td>0.124</td> <td>20%</td> <td>0.884</td> </tr> <tr> <td>Average</td> <td></td> <td></td> <td></td> <td>0.626</td> </tr> </tbody> </table> <p>Source: Information from Bloomberg and www.set.or.th</p> <p>If apply average unlevered beta (β_u) as unlevered beta of comparable companies, and calculate leveraged beta (β_1) per formular as follows:</p> | Company | B | D/E | tax | β_u | CNT | 0.868 | 0.091 | 20% | 0.809 | NWR | 0.871 | 2.595 | 20% | 0.283 | PLE | 0.889 | 1.425 | 20% | 0.415 | PREB | 0.360 | 0.722 | 20% | 0.228 | PYLON | 1.201 | 0.099 | 20% | 1.113 | RT | 0.789 | 0.760 | 20% | 0.491 | SEAFCO | 0.861 | 0.347 | 20% | 0.674 | SYNTEC | 1.449 | 0.356 | 20% | 1.127 | TPOLY | 0.435 | 1.054 | 20% | 0.236 | WGE | 0.972 | 0.124 | 20% | 0.884 | Average | | | | 0.626 |
| Company | B | D/E | tax | β_u | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| CNT | 0.868 | 0.091 | 20% | 0.809 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| NWR | 0.871 | 2.595 | 20% | 0.283 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| PLE | 0.889 | 1.425 | 20% | 0.415 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| PREB | 0.360 | 0.722 | 20% | 0.228 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| PYLON | 1.201 | 0.099 | 20% | 1.113 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| RT | 0.789 | 0.760 | 20% | 0.491 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| SEAFCO | 0.861 | 0.347 | 20% | 0.674 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| SYNTEC | 1.449 | 0.356 | 20% | 1.127 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| TPOLY | 0.435 | 1.054 | 20% | 0.236 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| WGE | 0.972 | 0.124 | 20% | 0.884 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Average | | | | 0.626 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |

| | | | | | | | | | | | | |
|-----------|-------|-----|-----------|--|-----------|-----|-----|-----------|-------|-------|-----|-------|
| | | | | $\beta_I = \beta_U \times \{1 + [(1 - \text{tax}) \times (D/E)]\}$ <table border="1"> <tr> <td>β_U</td> <td>D/E</td> <td>tax</td> <td>β_I</td> </tr> <tr> <td>0.626</td> <td>0.757</td> <td>20%</td> <td>1.005</td> </tr> </table> | β_U | D/E | tax | β_I | 0.626 | 0.757 | 20% | 1.005 |
| β_U | D/E | tax | β_I | | | | | | | | | |
| 0.626 | 0.757 | 20% | 1.005 | | | | | | | | | |

The discount rate (WACC) is 4.84 percent

(3) Terminal value

The Independent Financial Advisor assumes terminal value by calculating value of the Company under assumption that the Company will continuously operate business (going concern basis). Therefore, the Independent Financial Advisor forecasts the growth to align with inflation based on conservative basis. In this regard, the Independent Financial Advisor assumes that average general consumer price index of Thailand for the last 10 years is reflect change of overall Thailand good and service's price. The average growth of general consumer price index for the last 10 years, from 2011 to 2020, is equal to 1.17817 per year (information from the Bank of Thailand). Therefore, in general, the Independent Financial Advisor assumes terminal growth rate at rate of 1.17817 per year as the terminal growth rate should not grow more than growth of domestic total product. In this regard, the Independent Financial Advisor so chooses historical Thailand inflation as the reference information so that the growth of the Company is best reflect the actual economic circumstance.

| | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2018 | 2020 | Average |
|-------------------|---------|---------|---------|---------|---------|---------|---------|--------|--------|----------|---------|
| General inflation | 3.80879 | 3.01489 | 2.18488 | 1.89514 | -0.9004 | 0.18814 | 0.66563 | 1.0638 | 0.7067 | (0.8459) | 1.17817 |

Source: The Bank of Thailand

However, from the financial projection from 2021 – 2026, the shareholders' equity has negative value since 2024 which imply illiquidity of financial position in term of lack of operating cash flow, therefore, the Independent Financial Advisor doesn't include terminal value in determining net present value of free cash flow.

To determine net present value of free cash flow to firm which is free cash flow to firm after deducting for expenses and taxes of the Company, and adding back non-cash transaction, e.g., depreciation etc. to get true cash flow. After that, it will be adjusted with working capital that utilize in business operation and deducted for investment in fixed capital, and subsequently get net free cash flow to firm in each year. For the calculation of terminal value, the Independent Financial Advisor will discount cash flow of terminal year with terminal rate above.

After that, the Independent Financial Advisor will discount net free cash flow to firm in each year to get net present value of cash flow, and then adding cash of such period and deducting interest bearing debt of such period, and finally get the Company's shareholders' equity value at present.

From the information and assumption above, the Company's free cash flow can be derived as follows:

Unit: THB thousand

| | Year 1 | Year 2 | Year 3 | Year 4 | Year 5 |
|--|--------------|-------------|-------------|-------------|-------------|
| Earnings before interest and tax (EBIT) x (1 – income tax rate) | (64,210.34) | (51,890.39) | (53,141.98) | (54,406.10) | (55,682.85) |
| Add back depreciation | 2,057.31 | 808.16 | 808.16 | 808.16 | 808.16 |
| Investment | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Change in working capital | (789.16) | 27,359.26 | 349.10 | 356.12 | 359.68 |
| Net free cash flow to firm | (62,942.18) | (23,722.98) | (51,984.73) | (53,245.35) | (54,518.57) |
| Terminal Value | | | | | -0- |
| Total free cash flow to firm | (62,942.18) | (23,722.98) | (51,984.73) | (53,245.35) | (54,518.57) |
| Net present value of free cash flow | (60,037.44) | (21,583.90) | (45,114.57) | (44,076.10) | (43,047.34) |
| Total net present value of free cash flow | (213,859.34) | | | | |
| Add cash as of 30 June 2021 | 43,462.02 | | | | |
| Deduct interest bearing debt as of 30 June 2021 | (44,995.53) | | | | |
| Present value of shareholders' equity | (215,392.85) | | | | |
| Fair value per share (THB per share) | (0.01967) | | | | |

By determining value by discounted cash flow approach, the fair value of the Company is THB (215,392.85) million, or equivalent to THB (0.01967) per share. Normally, the Independent Financial Advisor will conduct sensitivity analysis to determine reasonableness of fair value and to cover effect which may arise from change of discount rate by increasing and decreasing discount rate (WACC) by 0.25 percent per year to determine fair value of the Company in case the discount rate is changed as a result of external factors. However, as the net present value of free cash flow to firm is negative, the Independent Financial Advisor so doesn't conduct sensitivity analysis.

In this regard, the Independent Financial Advisor opines that discounted cash flow approach can properly reflect the Company's ability to generate return in future; however, due to the net present of free cash flow is negative, so it is inappropriate approach to determine fair value of the Company's ordinary shares.

Summary of opinion of independent financial advisor regarding the Company's value

Table demonstrating value of the Company appraised by various approaches

| | Valuation approach | Fair value of the Company (THB per share) | Appropriateness of approach |
|----|--|--|-----------------------------|
| 1. | Book value approach | 0.01308 | Inappropriate |
| 2. | Adjusted book value approach | 0.01421 - 0.01932 | Appropriate |
| 3. | Historical market value approach | 0.04161 - 0.07251 | Inappropriate |
| 4. | Market comparable approach | | |
| | 4.1 Price to book value ratio approach | 0.01017 - 0.01213 | Appropriate |
| | 4.2 Price to earnings per share ratio approach | N/A | Not able to calculate |
| 5. | Transaction comparable approach | (0.03824) | Inappropriate |
| 6. | Discounted cash flow approach | (0.01967) | Inappropriate |

Regarding this transaction, the Independent Financial Advisor opines that adjusted book value approach and price to book value ratio approach is appropriate approach to determine fair value of the Company as:

- The determination of fair value of the Company by book value approach will consider financial position at certain point of time and value of assets as recorded in accounting book, which is not reflect market value of assets and the Company's capability to generate return in future, as well as external factors, i.e., economic, and industrial situation. The Independent Financial Advisor opines that book value approach is not able to reflect true value of the Company as it doesn't reflect the Company's capability to generate return in future. Therefore, book value approach is not appropriate approach to determine value of the Company

- The determination of fair value of the Company by adjusted book value approach, even it may not reflect the Company's capability to generate return in future, but it can properly reflect fair value of the Company's assets and liabilities at certain point of time or equivalent to in case the Company liquidate all of its assets at present at fair value. Therefore, the Independent Financial Advisor opines that adjusted book value approach is appropriate approach to determine fair value of the Company.

- The determination of fair value of the Company by historical market value approach is not able to reflect fair value of the Company as the trading volume of the Company shares has average trading volume per day quite low when compared to similar business and trading information of all shares in the Stock Exchange. As such, the historical trading price may not reflect fair value of the Company's share even historical market value approach is the approach that reflect demand and supply of the Company's ordinary shares. However, the Independent Financial Advisor doesn't apply this approach as this approach only reflect demand of buyer and seller which may not equal to intrinsic value of such securities and may not reflect operating result of the Company in future. Therefore, it is inappropriate approach to determine fair value of the Company.

■ The determination of fair value of the Company by price to book value ratio approach is the approach the compare market price with book value of comparable companies in term of how many multiple times of market price over book value which reflect premium or discount in which investors give over book value. Therefore, price to book value ratio approach is appropriate approach to determine value of the Company's ordinary share.

■ The determination of fair value of the Company by price to earnings per share ratio approach is not able to proceed to determine fair value of the Company as the information of 10 comparable companies is not complete (some companies don't have price to earnings per share ratio in some period as their report net loss). Therefore, the Independent Financial Advisor is not able to determine fair value of the Company by price to earnings per share ratio approach.

■ The determination of fair value of the Company by transaction comparable approach is not able to proceed to determine fair value of the Company as the approach will multiply median of EV/EBITDA ratio (enterprise value to earnings before interest, tax, depreciation, and amortization ratio) of comparable companies with the Company's EBITDA. The appraisal by this approach will have different characteristic of each company's transaction, e.g., size of transaction, occur period, in which the Company's EBITDA is negative. Therefore, the Independent Financial Advisor is not able to apply transaction comparable approach to determine fair value of ordinary shares.

■ The determination of fair value of the Company by discounted cash flow approach is the approach that determine value by concerning for operation and operating result of the Company in future. This approach will determine present value of net cash flow by discounting with appropriate discount rate. This approach will use actual information and then prepare financial projections by referring from financial projection prepared by executives and subsequently calculate net free cash flow from the Company's 5-year financial projection. However, as the Company's value is negative, as such, the discounted cash flow approach is in appropriate approach to determine value.

Summary of opinion of the Independent Financial Advisor regarding reasonableness of price

The Independent Financial Advisor determine appropriate price of the transaction by determining fair value of T Engineering Corporation Public company Limited in which the appropriate value of the transaction is THB 0.01017 per share – THB 0.01932 per share. Therefore, the Independent Financial Advisor opines that the offering price of newly issued shares offered to specific person at THB 0.02 per shares is fallen under fair value range appraised by the Independent Financial Advisor. In this regard, the Independent Financial Advisor doesn't include effect from ongoing litigation in appraisal value. As of 30 June 2021, the Company had outstanding provision for ongoing litigation of THB 9.86 million (details appeared in attachment 1 no.7 important ongoing litigation).

6 Reasonableness and condition of the transaction

Opinion of the Independent Financial Advisor regarding reasonableness of price

The Independent Financial advisor opines that the appropriate approaches to determine fair value of the Company's share are adjusted book value approach and price to book value ratio approach with reason as follows:

Adjusted book value approach can reflect fair value of the Company's assets and liabilities at certain point of time or equivalent to in case the Company liquidate all of its assets at present at fair value. However, such approach still not able to reflect the Company's capability to generate return in future.

Price to book value ratio approach is the approach the compare market price with book value of comparable companies in term of how many multiple times of market price over book value which reflect premium or discount in which investors give over book value. Therefore, price to book value ratio approach is appropriate approach to determine value of the Company's ordinary share.

In term of reasonableness of price, the Independent Financial Advisor determines fair value of the Company's share by applying adjusted book value approach and price to book value ratio approach, the share price is between THB 0.01017 per share – THB 0.01932 per share, which is lower than offering price of newly issued ordinary shares offered to the specific person (private placement) at THB 0.02 per share. Therefore, the Independent Financial Advisor opines **that the offering price is deemed reasonableness.**

Furthermore, in determining of the Company's assets, the Independent Financial Advisor referred information from appraisal value prepare by independent appraiser, Bell Survey Company Limited. The appraiser has appraised value of land with building and vacant land. In this regard, the appraisal report has an objective to acknowledge value of assets and can be used for public purpose. The appraiser applied market approach to determine value of assets with details as follows:

Appraisal report of land with 2 units of 3-storey townhouse with extension prepared by Bell Survey Company Limited

T Engineering Corporation Public Company Limited appointed Bell Survey Company Limited to appraise value of land with 2 units of 3-storey townhouse with extension. The details of appraisal report No. A 64/0230 are as follows:

| Appraised assets | Value (THB) |
|--|---------------|
| land with 2 units of 3-Storey townhouse with extension | 24,000,000.00 |

Appraisal report of 3 groups of vacant land prepared by Bell Survey Company Limited

T Engineering Corporation Public Company Limited appointed Bell Survey Company Limited to appraise value of 3 groups of vacant land. The details of appraisal report No. A 64/0231 are as follows:

| Appraised assets | Value (THB) |
|--|---------------|
| 3 groups of vacant land, totaling area of 21 rais and 43 square wahs | 66,876,000.00 |

Bell Survey Company Limited appraises value of assets by applying market approach in which the overall appraisal value is approximately THB 90,876,000.00. In this regard, the appraisal value is higher than book value. (details appeared in attachment 2: summary of appraisal details)

Opinion of the Independent Financial Advisor regarding appropriateness on the condition of the transaction

The Independent Financial Advisor considers term of payment of the subscription of newly issued ordinary shares from the share subscription agreement and letter of intention to subscribe for the Company's newly issued ordinary shares. The specific person only specify condition. Therefore, in case the Company can satisfy all condition precedents, the specific person will pay subscription amount to the Company's bank account (Kasikorn Bank, Asoke Dindeang Branch) in which the Company has opened to facilitate this transaction.

If comparing benefit in which the shareholders will receive from the offering of newly issued ordinary shares to specific person (private placement) and effect from EPS dilution or control dilution as mentioned in this report, the Independent Financial Advisor opines that the offering of newly issued ordinary shares will benefit the shareholders more than effect from price dilution or control dilution as the Company operates at loss and significant lack of liquidity as result of loss for many years consecutively. In addition, there is ongoing litigation while the financial institution still delays its financial support in form of credit-line and letter of guarantee to the Company. Therefore, the sufficient fund raising and potential investors will allow the Company to recover and able to operate business or the fund raising will increase the Company's liquidity and allow the Company to pass the crisis and return to operate in construction business which will increase value on shares held by the Company's shareholders. In addition, it may also solve problem regarding the qualification to maintain status as listed company in the Stock Exchange of Thailand. Therefore, the offering of newly issued ordinary shares will benefit to the Company and shareholder, and will create confidence to shareholders and general investors.

Furthermore, if considering reasonableness on offering of newly issued ordinary shares to connected person and outsiders who are independent, it can be seen that the offering of newly issued ordinary shares to Ms. Panicha, Ms. Titima, Mr. Chaiyod, who are connected persons, is comparable as the transaction in which the Company transacts with outsiders who are independent, as the offering price is same price. In this regard, the offering

of newly issued ordinary shares will allow the Company to strengthen its financial position. In addition, the offering price is determined by the negotiation between the Company and specific person and referred from fair value of shares and is the proceed to yield benefit to the Company and fair to the Company's shareholders.

Furthermore, the specific person who will invest in the Company's shares is experienced investor who can benefit or support the Company's business as follows:

1. Ms. Panicha Dau

Ms. Panicha is investor who has financial readiness and stable financial position which will increase liquidity to the Company. At present, Ms. Panicha holds position as director of Cloud Property Management Company Limited which engaging in investment business and CPM Residences Company Limited which engaging in real estate rental business and is the shareholder holding shares directly and indirectly of 50 percent in Cloud Property Management Company Limited.

Ms. Panicha and Mr. David Van Dau, as the spouse and person pursuant to section 258 will be appointed as the Company's director, is the businessman having capability to create business opportunity and referring business in the Lao People's Democratic Republic and Thailand to the Company in future. In addition, they are sole shareholder of PT Sole Company Limited which engaging as investment company by investing in businesses in Thailand and the Lao People's Democratic Republic, e.g., hydro power plant and renewable energy, food and beverage business, and telecommunication business.

After the capital increase, Mr. David Van Dau, is person pursuant to section 258 of Ms. Panicha will be proposed as the Company's director and participate in management and determination of policy of the Company. Mr. David Van Dau is the person who has knowledge, expertise, and experience in management and strategy planning in various businesses, e.g., real estate, construction, energy, and investment. A present, Mr. David holds position as chief executive officer of PT Sole Company Limited, director of CK Power Public Company Limited, a listed company in the Stock Exchange of Thailand, as well as director and member of executive committee of Southeast Asia Energy Company Limited, Luang Prabang Power Company Limited, and Nam Ngum 2 Power Company Limited.

2. Ms. Titima Thanakornyothin

Ms. Titima is person who has financial readiness and expertise and investment consultant in Thailand more than 30 years and Mekong Region, e.g., Cambodia, Lao, Myanmar, and Vietnam (CLMV), more than 10 years with regard to mega infrastructure and capital market in Lao. The notable credential and experience, e.g., acting as advisor for listing of EdL-Gen Public Company Limited in Lao Securities Exchange, acting as advisor to the Securities and Exchange Commission Office of The Lao, PDR and Lao Securities Exchange regarding development of custody service, and having held position as Vice Board Chairperson, Chairperson of the Executive Committee, and director of BCEL KT Securities Company Limited and chief of institutional business of KT Zmico Securities Company Limited, and providing advice to Thai and foreign investor with regard to investing in the Lao People's Democratic Republic and Thailand. In this regard, Ms. Titima holds Master's Degree in Business Administration

from Sasin School of Management and Bachelor's Degree in Business Administration from Northeastern University, USA, and having certified by internal financial association or Chartered Financial Analysts (CFA).

3. Mr. Chaiyod Chirabowornkul

Mr. Chaiyod is person who has financial readiness and has capability to participate in management of the Company. Mr. Chaiyod is the person who has experience and knowledge in engineering management, expertise in management, and corporate strategy, in large company more than 20 years. At present, Mr. Chaiyod holds position as director of The White Space Company Limited, a company providing telecommunication services and held position as chief executive officer of The White Space Company Limited in 2015 – 2021. In addition, Mr. Chaiyod have ever held position as member of executive committee and deputy chief customer officer of Total Access Communication Public Company Limited, a listed company in the Stock Exchange of Thailand. In this regard, Mr. Chaiyod holds Ph.D. in Business Administration from Kasetsart University, Masters' Degree in Engineering Management from University of Missouri-Rolla, USA, and Master's Degree in Electrical Engineering from Louisiana State University, USA.

4. Mr. Adisorn J.Jitcharoenchai

Mr. Adisorn is the person who has financial readiness and operate business of importing and trading of construction material. Therefore, he can advise the Company regarding trend of construction material price and cost as well as refer potential suppliers to the Company.

5. Mr. Kittishote Haritaworn

Mr. Kittishote is the person who has financial readiness and operates business of staff outsourcing for clients, e.g., private sector, state enterprise, and public sector, and can advise the Company with regard to procurement of labor relating to the Company's business.

Summary of overall opinion of the Independent Financial Advisor

The offering of newly issued ordinary shares to specific person, i.e., Ms. Panicha Dau, who will become the Company's controlling person and have rights to propose name of person to hold position as the Company's director/executive. Therefore, the offering of newly issued ordinary shares to Ms. Panicha is considered as connected transaction. By calculating transaction size as per the Company's financial statement as of 30 June 2021, the transaction size is more than THB 20 million or exceed 3.00 percent of net tangible assets. The Company so have duty to disclose information memorandum regarding connected transaction with Ms. Panicha to the Stock Exchange of Thailand and ask approval from shareholders' meeting with three-fourth of total voting rights of shareholders attending meeting and has rights to vote and not including voting rights of stakeholder in counting voting rights. The Company need to dispatch invitation letter to shareholders' meeting together with opinion of the independent financial advisor to the shareholders at least 14 days in advance of the date of the shareholders' meeting. The offering price is clearly specified at THB 0.02 per share and is the offering of newly issued ordinary shares with 78.02 percent

discount which is discounted more than 10.00 percent of market price pursuant to the Notification TorJor. 72/2558 in which such transaction must get approval from shareholders' meeting with voting rights not less than three-fourth of total voting rights of shareholders attending meeting and has rights to vote and not including voting rights of stakeholder in counting voting rights and doesn't have shareholders aggregating hold shares more than or equal to 10 percent of total voting rights of shareholders attending meeting and has rights to vote object the offering of shares to specific person (private placement). The Company also need to get approval from the SEC prior to the offering. In case the offering price of newly issued ordinary shares offered to 5 investors under offering of newly issued ordinary shares to specific person (private placement) transaction is lower than 90 percent of the Company's shares market price before the Stock Exchange of Thailand accepting such newly issued ordinary shares as listed securities, the Company has duty to prohibit all investors whom being offered newly issued ordinary shares to dispose shares received from offering of newly issued ordinary shares to specific person (private placement) transaction for the period of 1 year since the commencement of trading of shares in the Stock Exchange of Thailand. In this regard, such person can dispose prohibited shares amounting of 25 percent of prohibited shares after 6 months from the date in which the shares commencement its trading on the Stock Exchange of Thailand pursuant to the Notification on Listing of Securities.

In this regard, after acquiring of newly issued ordinary shares, Ms. Panicha will have shareholding in the Company of 80.00 percent of total issued and paid-up shares of the Company (after register to increases paid-up capital) which is more than 75 percent of the Company's total voting rights. Therefore, Ms. Panicha is obliged to make a tender offer for all securities of the Company pursuant to Notification TorJor. 12/2554 in which the tender offer for securities will occur after the Company has issued and offered newly issued ordinary shares to Ms. Panicha, as well as register the change of paid-up capital on the newly issued ordinary shares issued and allotted to Ms. Panicha. The Company expects that Ms. Panicha will conduct tender offer within quarter 4 of 2021. According to the Notification TorJor. 12/2554, the tender offer price must not less than the highest price of the Company' share in which the tender offeror and person pursuant to section 258 of tender offeror including acting in concert of such person acquire in past 90 days before submitting of tender offer, i.e., the tender offer price will not less than offering price of newly issued ordinary shares offered to specific person (private placement).

The Independent Financial Advisor considers important condition and value of the ordinary shares, and opines that the offering of newly issued ordinary shares to specific person (private placement) which is connected transaction, is deemed appropriateness with reason as mentioned above.

However, the offering of newly issued ordinary shares to specific person and connected transaction will increase the Company's cash flow for expansion in future. Therefore, if considering benefit, advantage, disadvantage, risk of the transaction, and fair value of shares which is appropriate, the Independent Financial Advisor opines that the

offering of newly issued ordinary shares to specific person and connected transaction is deemed reasonableness and benefit to the Company and overall shareholders. The shareholders should approve offering of newly issued ordinary shares to specific person and connected transaction.

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

However, the decision making is solely based on shareholders’ discretion. In this regard, the shareholders should study information and analyze reason, advantage, disadvantage, impact, and opinion on of each issue, in addition to this opinion of the Independent Financial Advisor report, as well as documents in which the Company has attached with this invitation letter to the shareholders meeting to use as supporting information for making appropriate decision.

The opinion of the Independent Financial Advisor is based on assumption that information and document received from the Company including interview with the Company’s management, is true, correct, and complete, and there is no change after the Independent Financial Advisor receives such information from the Company. Furthermore, the Independent Financial Advisor considers such information with prudent and reasonable according to professional standard. The opinion is based on economic environment and information that occur during the study. If such factors are significantly changed from present, it may significantly affect the Company and transaction, as well as decision of the shareholders. Therefore, the opinion of the Independent Financial Advisor is not able to assure significant effect to the Company in future.

Country Group Advisory Company Limited, as the Company's independent financial advisor, certify that has studied and analyzed information as mentioned in this report according to professional standard and has provided opinion based on fair analysis by concerning benefit of minority shareholders.

Yours Sincerely,
Independent Financial Advisor
Country Group Advisory Company Limited

.....
Dr. Verapat Petchkupt
Director

.....
Mr. Sumritchai Tangharat
Director

.....
Mr. Sumritchai Tangharat
Operation Controller

Attachment 1**T Engineering Corporation Public Company Limited****1. General information**

| | | |
|----------------------|---|--|
| Name of company | : | T Engineering Corporation Public Company Limited |
| Registration date | : | 10 April 1981 |
| Registration number | : | 0107548000501 |
| Type of business | : | Construction and engineering system installation |
| Head office location | : | 242 and 244, Krung Thonburi Road, Khlong Ton Sai, Khlong San, Bangkok 10600 |
| Telephone | : | 02-018-7190-8 |
| Facsimile | : | 02-018-7199 |
| Website | : | http://www.t-pcl.com |
| E-Mail | : | ir_tec@t-pcl.com |
| Registered capital | : | THB 10,948,438,156 (Ten Thousand Nine Hundred Fourty Eight Million Four Hundred Thirty Eight Thousand One Hundred and Fifty Six Baht) |
| Paid-up capital | : | THB 10,948,438,156 (Ten Thousand Nine Hundred Fourty Eight Million Four Hundred Thirty Eight Thousand One Hundred and Fifty Six Baht) |
| Par value | : | THB 1.00 (One Baht) |

1.1 Background

The Company was established on 10 April 1981 by group of engineers who have experience in engineering and management, led by Mr.Assavin Chinkamtornwong and Mr.Sompol Temsuk, with registered capital of THB 1 million, consisting of ordinary shares of 10,000 shares at par value of THB 100 per share. In the beginning, the Company focused on construction of factory and installation of various systems in industrial factory. After that, the Company expanded its business to larger construction project and comprehensive in which some projects require expertise and advance technology. The Company so continuously grew along with economic expansion. The Company has policy to accept construction project with caution by accepting only projects from clients who have quality while maintaining total project value at appropriate level and concerning various risk which may arise from fast economic expansion.

In 2006, the Company was listed on the Market for Alternative Investment and commencement its first trading day on 28 September 2006 with initial public offering price of THB 2.80 per share (par value of THB 1 per share). After listing in the

Market for Alternative Investment, the Company has expanded its construction business to other types of projects, e.g., shopping mall, high-rise residential building, hospital, hotel, resort and horizontal residential.

In 2007, the Company has collaborated with partner who have Pre-Fabricate technology to apply in its construction business, i.e., Pre-Cast Concrete for concrete work and Pre-Fabricate Steel Structure for steel structure work, allowing the Company to reduce its construction period, able to deliver work to clients faster, increase safety in its work, with lower construction costs and expenses.

In 2009, the Company has improved its operation to comply with Quality Management System (ISO 9001:2008), allowing the Company to control and measure work of internal and external party with efficiently and effectively. The Company also increased its registered capital to THB 352.50 million to use as working capital by issuing newly issued ordinary shares of 217.50 million shares with par value of THB 1 per share. The Company offered newly issued ordinary shares of 100 million shares to specific person (private placement) at THB 0.50 per share, offered warrant to purchase the Company's ordinary shares of 117.50 million unit to the Company's existing shareholders (TIES-W1), and allotted newly issued ordinary shares of 117.50 million shares to reserve for the exercise of such warrant.

In 2010, Thai economy was still affected from global financial crisis, various companies which delayed their investment returned to invest in projects. In 2011, economy of USA and Asian Countries expanded at lower rate compared to previous year, Eurozone Countries were still affected from public debt crisis, while Japan economy was still in recession because of earthquake in Japan. Those factors including flood in Thailand affected Thai economy. In this regard, the Company still focused to accept projects of companies in industrial that have potential to grow and continuously expand their investment, e.g., petrochemical and energy, hospital, and government project.

In 2011, the Company has registered its joint venture with Ruengnarong Company Limited under name Thai Industrial Service and Ruengnarong Joint Venture to construct the expansion area of passport control at Suvarnabhumi Airport. That was the Company's strategy to bid and construct projects while managing risk and utilize expertise of each party.

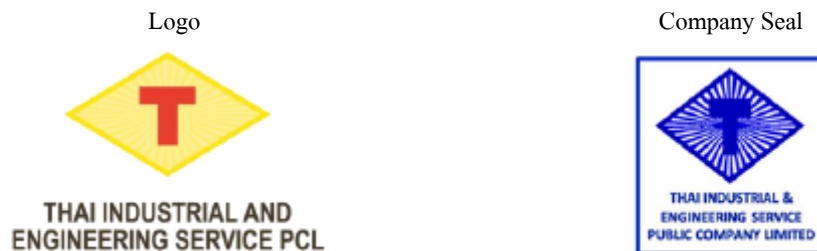
In 2012, the Company increased its paid-up capital to THB 446.4 million to use as working capital by offering newly issued ordinary shares of 235.125 million shares to existing shareholders in proportion to their shareholding at offering ratio of 1 existing share to 1 newly issued ordinary shares at offering price of THB 0.75 per share.

In 2013, the Company increased its registered capital to THB 694.61 million to use as working capital by offering warrant to purchase the Company's ordinary shares of 223.20 million units to the Company's existing shareholders and warrant to purchase the Company's ordinary shares of 22.00 million units and allotting newly issued ordinary shares of 245.20 million shares to reserve for the exercise of such warrant.

In 2014, the Company increased its registered capital from THB 686.38 million to THB 4,249.72 million to use as working capital by offering newly issued ordinary shares of 2,455.70 million shares to the Company's existing shareholders in proportion to their shareholding (Right offering) at offering ratio of 1 existing share to 5.5 newly issued ordinary shares with

offering price of THB 0.20 per share and offering newly issued ordinary shares not exceeding 1,029.93 million shares and 77.71 million shares to reserve for rights adjustment of TIES-W2 and TIES-WA, respectively.

In 2015, the Company amended the Company's objective from 18 items to 39 items to reserve for expansion of the Company's business type in future, especially energy business, power plant business and nano finance business, as well as operate as lottery dealer for government. Furthermore, the Company increased registered capital from THB 4,249,720,289 to THB 40,350,702,039 and paid-up capital from THB 2,902,737,512 to THB 10,114,930,520. The Company also issued warrant to purchase the Company's ordinary shares no.3 or T-W3 (listed securities) of 1,451,094,354 units and reserved shares of 1,451,094,354 shares. In this regard, the rights of warrants where 1 unit of warrant has rights to purchase 1 Company's ordinary share at THB 1.00 per share. The term of warrants were 3 years from the issuance date of the warrant (the issuance date of warrants are 10 August 2015 and expiration date of warrants are 9 August 2018). In 2015, the Company appointed Mr.Tradsin Chongussayakul as managing director and corporate secretary. The Company also changed its ticker from "TIES" to "T" as well as changed its logo and company seal with details as follows:



In 2016, the Company reduced its registered capital from THB 40,350,702,039 to THB 40,350,563,763 by reducing unissued ordinary shares of 138,276 shares with par value of THB 1 which was issued to reserve for the exercise of the warrant to purchase the Company's ordinary shares no.3 (T-W3), and increase registered capital THB 40,350,563,763 to THB 41,294,049,764 by issuing newly issued ordinary shares of 943,486,001 shares at par value of THB 1 per share to reserve for the exercise of T-W3 from existing of 1,451,232,630 shares to 2,313,044,400 shares by offering newly issued ordinary shares of 861,811,770 shares with par value of THB 1 per share, and to reserve for the exercise of T-WA from 94,538,889 shares to 176,213,120 shares by issuing newly issued ordinary shares of 81,674,231 shares with THB 1 per share. In 2016, the Company appointed Mr.Prasit Chongussayakul as chairman, replacing Mr.Assavin Chinkamtornwong whom resigned, and appointed Mr.Tradsin Chongussayakul as chairman of executive committee and acting managing director, and appointed Ms.Pathamakorn Buranasin as corporate secretary.

In 2017, the Company changed its name to “T Engineering Corporation Public Company Limited” as well as logo and company seal with details as follows:



In 2017, the Company reduced its registered capital from THB 41,294,049,764 to THB 13,035,049,764, by reducing residual registered capital from subscription of newly issued ordinary shares offered to specific person (private placement) of 25,690,000,000 shares as well as warrant to purchase the Company’s ordinary shares no.4 (T-W4) which were offered to specific person who subscribe for newly issued ordinary shares of 2,569,000,000 shares with par value of THB 1. The Company established T Asset Management Company Limited as the Company’s subsidiary with shareholding of 99.99 percent to operate business relating to development of real estate and asset management with paid-up capital of THB 1,000,000, consisting of ordinary shares of 100,000 shares with par value of THB 10.

In 2018, the Company amended its article of association section 4 “shareholders’ meeting” item 27 according to Order of National Council for Peace and Order No.21/2017 dated 4 April 2017, Re: amendment of law to facilitate business operation by amending section 100 of Public Limited Company Act, B.E. 2535 regarding convening shareholders’ meeting. Furthermore, the warrant to purchase the Company’s ordinary shares which were offered to executive and employee (T-WA) and warrant to purchase the Company’s ordinary shares no.3 which were offered to the Company’s existing shareholders in proportion to their shareholding were expired. Therefore, there were residual shares of 2,489,111,608 shares. In 2018, the Company registered to dissolve T Asset Management Company Limited, the Company’s subsidiary, and successfully liquidate on 28 January 2019.

In 2019, the Company reduced its registered capital from THB 13,035,049,764 to THB 10,545,938,156 by reducing ordinary shares of 2,489,111,608 shares which was result of residual shares from offering of newly issued ordinary shares to reserve for the exercise of T-WA of 176,213,120 shares and offering of newly issued ordinary shares to reserve for the exercise of T-W3 of 2,312,898,488 shares with par value of THB 1.

In February 2020, the Company’s extraordinary general meeting of shareholders resolved to reduce the Company’s registered capital from THB 10,545,938,156 to THB 10,114,938,156 by reducing unissued shares which were reserved for the exercise of warrant to purchase the Company’s ordinary shares no.4 which were offered to specific person (private placement) of 431,000,000 shares with par value of THB 1 and amended the Company’s memorandum of association no.4 to align with the reduction of the Company’s registered capital, and increased the Company registered capital of THB 2,711,493,815 from existing registered capital of THB 10,114,938,156 to new registered capital of THB 12,826,431,971 by offering newly issued ordinary

shares of 2,711,493,815 shares with par value of THB 1 to offer to existing shareholders in proportion to their shareholding and specific person (private placement). In June 2020, the Company registered change of its paid-up capital from existing paid-up capital of THB 10,114,938,156 to new paid-up capital of THB 10,948,438,156 with Department of Business Development which was result of subscription of newly issued ordinary shares offered to specific person (private placement) of 833,500,000 shares with par value of THB 1.

1.2 Vision, Objective, and Goal of Business

Vision

“Being construction contractor who focus on expertise, efficiency, quality and satisfaction above clients’ expectation”

Objective

- Provide construction service with quality and efficiency to serve clients’ need so that clients will primarily be aware of the Company’s service.
- Seek partner to increase business opportunity.
- Provide appropriate return to shareholder and employee.

Goal

The Company has main objective to be leader in construction business by focusing on industrial clients, superstructure, and hospital, in which the Company has expertise to provide civil construction and installation of engineering system. In the meantime, the Company also expands its service to EPC project in petrochemical as well as other construction, e.g., high-rise residential building, office building, and shopping mall.

Strategy

- Expand value of construction project to project that serve mid to large clients covering private clients in industrial, superstructure, hospital, high-rise residential building, office building and shopping mall to increase clients’ base and diversify business risk.
- Efficiently control construction cost with Enterprise Resource Planning (ERP).
- Use technologies in construction to increase efficiency of operation.
- Provide construction service by focusing on quality of work to maximize client’s satisfaction and return to use the Company’s service. In addition, the Company can also refer credential to new clients in future.

- Prepare sufficient personnel for increased work in future.
- Develop and train personnel to have knowledge and expertise to provide construction service to the Company's clients.

2. Characteristic of product and service

The Company provides civil construction service, design and install of engineering systems. The Company's services are categorized in 3 segments as follows:

2.1 Civil engineering

Covering civil engineering, reinforced concrete structure, steel structure, and architecture from structural until completion of building including area and road work in project which can be categorized 4 main works:

- Industrial plant and superstructure
- High-rise residential building, hotel, office, and shopping mall
- Hospital
- Petrochemical

The Company engages in construction business over 39 years by starting from construction of industrial plant. The construction of industrial plant consists of office building, plant building, support building, warehouse, road and drainage system and other building which is part of industrial plant. After that, with quality of work, experience and expertise of the Company, the Company so expand its services to cover other type of projects, e.g., commercial building, high-rise residential building, office building, hospital, hotel, resort, horizontal residential, shopping mall as well as petrochemical.

In addition to construction of project as per specification of clients, the Company also provide turnkey contracts service in which the Company will be responsible from design structure, construction, and install all systems for project owner. That service allows the Company's clients to receive comprehensive service in which the Company will have opportunity to propose appropriate design and construction method that is met client's need so that the operation is carry with efficiency.

The Company continuously improved its operation. The Company has implemented Pre-Fabricate Technology in construction, i.e., Pre-Cast Concrete for concrete work and Pre-Fabricate Steel Structure for steel structure work, both internally operate and jointly work with partner in civil engineering work. Those increased the Company's operation efficiency and able to accept complex project and trusted by clients who need high standard work. In addition, it also helps the Company to better manage time and construction cost.

2.2 Installation of engineering system

The Company provides installation of engineering system both internal and external building, covering design and installation of engineering system and fundamental utility in industrial plant, high-rise residential, hospital, and other buildings. In this regard, engineering installation service is not considered as the Company's core business but have objective to support construction business which is the Company's core business. Therefore, the system installation normally be part of the Company's construction plan proposed to clients which is considered as one of the Company's selling points as most of small competitors are not able to provide engineering system installation service resulting in lesser competitors. In the meantime, the Company expertise in installation of system is increased. Thus, clients both existing and new still use service of the Company continuously. In this regard, the characteristic of system that the Company provide installation service consisting of electricity system, air conditional system, telecommunication system, sanitary system, and fire protection system etc.

Furthermore, with experience, the Company is ready to provide construction service together with other companies in form of joint venture which is strategy to bid and construct of projects in which there is some part of work that the Company doesn't have experience. Therefore, the Company can focus on work that the Company has expertise. In this regard, the joint venture allow party to manage risk or utilize expertise of each party to increase efficiency of work and reduce construction cost.

2.3 EPC project

With experience, the Company is ready to provide EPC project service (Engineering Procurement Construction), i.e., Lumpsum Turnkey (LSTK) in petrochemical, renewable energy, e.g., Bio Diesel Plant, Ethanol Plant etc. The Company can accept work in civil engineering both reinforced concrete structure and large steel structure, electrical engineering work, mechanical engineering work, pipe work in production process. In this regard, EPC work will receive front end engineering design (FEED) to use for engineering design for real construction, procure necessary equipment, and construction.

EPC project is considered as latest service in which the Company provide to support expansion of renewable energy business by utilizing the Company's engineer team as well as leading petrochemical engineering design company both domestic and overseas. In addition, the Company's construction team has high experience in construction of industrial plant. Therefore, clients can receive quality service at cheaper price when compared to general EPC service provider in Oil & Gas industry.

2.4 Details of construction project in six-month period ended 30 June 2021

| Project | Project Owner | Project Value (THB million) |
|--|---|--------------------------------|
| Construction of office building, canteen building, electricity control building, and utility system. | Thai Vegetable Oil Public Company Limited | 26.90 |

2.5 Backlog

As of 30 June 2021, the Company has unfinished work and hasn't been delivered of 1 project with value of THB 26.90 million, with unrecognized revenues of THB 16.94 million.

1. List of directors

As of 20 August 2021, the Company's board of directors consist of 10 directors as follows:

| Name-Surname | Position | Type of director |
|------------------------------|---|--|
| 1. Mr.Prasit Chongussayakul | Chairman Chairman of risk management committee Nomination and remuneration committee | Non-executive director Authorized director |
| 2. Mr.Pitsanu Vichitcholchai | Director Chief executive officer | Executive director Authorized director |
| 3. Mr.Tradsin Chongussayakul | Director Executive committee | Non-executive director |
| 4. Mr.Thanadech Mahapokai | Director Executive committee | Non-executive director |
| 5. Ms.Pathamakorn Buranasin | Director Executive committee | Executive director Authorized director |
| 6. Mr.Nontawat Dhanasuwiwath | Director | Non-executive director |
| 7. Mr.Udom Chatsirikun | Director Chairman of audit committee Chairman of nomination and remuneration committee Risk management committee | Independent director Non-executive director |
| 8. Mr.Chanchai Suwisuttagul | Director Audit committee Nomination and remuneration committee Risk management committee | Independent director Non-executive director |
| 9. Mr.Chatri Worawanichanun | Director Audit committee | Independent director Non-executive director |
| 10. Dr.Darmp Sukontasap | Director Audit committee Risk management committee | Independent director Non-executive director |

Remark: Ms.Pathamakorn Buranasin also acting as corporate secretary.

Source: www.set.or.th

Authorized director As of 19 May 2021, the authorized director are Mr.Prasit Chongussayakul or Mr.Pitsanu Vichitcholchai or Ms.Pathamakorn Buranasin, two of three jointly sign and affix the Company's seal.

Limitation of directors' power: None

2. List of executives

As of 20 August 2021, the Company's executives consist of:

| No. | Name-Surname | Position |
|-----|-----------------------------|---|
| 1. | Mr.Pitsanu Vichitcholchai | Chief executive officer |
| 2. | Ms.Pathamakorn Buranasin | Managing director |
| 3. | Ms.Vimonrat Siripumvannakul | Deputy managing director – accounting and finance |

Source: www.set.or.th

3. Details of securities and list of shareholders

3.1 Registered capital and paid-up capital

The Company has registered capital and paid-up capital as of 30 June 2021 as follows:

- Registered capital THB 10,948,438,156
Paid-up capital THB 10,948,438,156, consisting of ordinary shares of 10,948,438,156 shares with par value of THB 1.00 per share.
- Other type of shares which has rights or condition differed from ordinary shares
- None -

3.2 Shareholders

Top 10 major shareholders appeared on shareholder registration book as of 22 March 2021 are as follows:

| No. | Name-Surname | Number of share (shares) | Shareholding percentage (percent) |
|-----|-----------------------------|--------------------------|-----------------------------------|
| 1 | Ms.Chanida Saetung | 1,250,000,000 | 11.42 |
| 2 | Mr.Santi Piyat | 833,500,000 | 7.61 |
| 3 | Mr.Prasit Chongussayakul | 602,011,652 | 5.50 |
| 4 | Mr.Supachai Wattanasuwisuth | 519,765,700 | 4.75 |
| 5 | Thai NVDR Company Limited | 485,828,143 | 4.44 |

| No. | Name-Surname | Number of share (shares) | Shareholding percentage (percent) |
|-----|---------------------------|--------------------------|-----------------------------------|
| 6 | Mr.Ratchawith Choomvora | 434,630,900 | 3.97 |
| 7 | Ms.Pichanya Kanjanaporn | 315,000,000 | 2.88 |
| 8 | Mr.Joy Javala | 260,000,000 | 2.37 |
| 9 | Mrs.Anchan Chongussayakul | 215,900,000 | 1.97 |
| 10 | Ms.Boonthida Charoensawad | 202,000,000 | 1.85 |
| 11 | Other shareholders | 5,829,801,761 | 53.25 |
| | Total | 10,948,438,156 | 100.00 |

Source: www.set.or.th

4. Group structure

At present, the Company doesn't have subsidiary.

5. Revenues structure

The Company's revenues structure categorized by type of revenues in 2018 – 2020 and six-month period in 2021 can be categorized as follows:

| Type of revenues | Financial statement | | | | | | | |
|--|---------------------|---------------|---------------|---------------|--------------|---------------|-----------------|---------------|
| | 2018 | | 2019 | | 2020 | | 6 Month of 2021 | |
| | THB million | Percent | THB million | Percent | THB million | Percent | THB million | Percent |
| Revenues from construction | | | | | | | | |
| - Industrial plant and large steel structure | 284.87 | 38.76 | 250.05 | 78.28 | 57.21 | 71.25 | 6.93 | 65.19 |
| - High-rise residential, office, and shopping mall | 221.23 | 30.10 | 10.70 | 3.35 | - | - | - | - |
| - Hospital | 105.74 | 14.39 | 18.87 | 5.90 | - | - | - | - |
| - Petrochemical | 54.74 | 7.44 | 19.56 | 6.12 | 3.60 | 4.48 | - | - |
| Total revenues from construction | 666.58 | 90.69 | 299.18 | 93.65 | 60.81 | 75.73 | 6.93 | 65.19 |
| Other income | 68.45 | 9.31 | 20.27 | 6.35 | 19.49 | 24.27 | 3.70 | 34.81 |
| Total revenues | 735.03 | 100.00 | 319.45 | 100.00 | 80.30 | 100.00 | 10.63 | 100.00 |

6. Summary of operating result and financial position

Unit: THB million

| Financial position | Financial statement | | | |
|-------------------------------------|---------------------|---------------------|---------------------|-----------------|
| | 31 December 2018 | 31 December 2019 | 31 December 2020 | 30 June 2021 |
| Current assets | | | | |
| Cash and cash equivalent | 42.24 | 44.80 | 19.07 | 43.46 |
| Short-term investment | 4.01 | 5.37 | - | - |
| Account and other receivables | 181.65 | 4.31 | 14.58 | 10.53 |
| contract assets | - | 56.62 | 3.03 | 0.96 |
| Inventory | 0.16 | 0.42 | - | 0.70 |
| Deferred tax assets | 23.50 | 9.41 | 2.79 | 0.35 |
| Other financial assets | - | - | 4.47 | - |
| Assets held for distribute to owner | 0.85 | - | - | - |
| Other current assets | 3.97 | 4.34 | 29.57 | 1.04 |
| Total current assets | 256.38 | 125.27 | 73.51 | 57.03 |
| Non-current assets | | | | |
| Restricted deposit | 297.31 | 256.85 | 15.86 | 19.09 |
| Other financial assets | - | - | 28.38 | 25.32 |
| Available for sales | 36.06 | 25.25 | - | - |
| Investment in joint operation | - | - | - | - |
| Account and other receivables | 9.45 | 17.60 | 2.30 | 2.37 |
| contract assets | - | - | - | - |
| Investment property | - | - | 60.25 | 60.25 |
| Property, plant, and equipment | 82.76 | 83.39 | 19.19 | 19.96 |
| Right of use | - | - | 0.08 | 2.73 |
| Retention receivable | 82.16 | 70.40 | 36.92 | 37.60 |
| Intangible assets | 5.18 | 3.64 | 2.33 | 1.89 |
| Other non-current assets | 82.07 | 67.28 | 49.35 | 52.21 |
| Total non-current assets | 594.99 | 524.42 | 214.66 | 221.42 |
| Total assets | 851.37 | 649.69 | 288.16 | 278.46 |
| Current liabilities | | | | |
| Account and other payable | 198.87 | 197.32 | 45.91 | 26.11 |
| Contract liabilities | 8.76 | 19.50 | - | - |

| Financial position | Financial statement | | | |
|--|---------------------|---------------------|---------------------|-----------------|
| | 31 December 2018 | 31 December 2019 | 31 December 2020 | 30 June 2021 |
| Current portion of lease liabilities | 0.28 | 0.31 | 0.08 | 0.71 |
| Short-term loan | 12.24 | 12.24 | 12.24 | 12.24 |
| Retention payable | 21.62 | 26.68 | 22.34 | 21.22 |
| Provision for demolition cost and transport of leasehold improvement | - | 0.53 | - | - |
| Provision of loss from construction project | 192.81 | - | - | - |
| Provision for penalty from delay of construction | 23.61 | - | - | - |
| Provision for employee benefit | - | 3.65 | 0.81 | 0.81 |
| Provision for loss from litigation | - | 139.30 | - | - |
| Other provision | 1.47 | 3.73 | 2.51 | 1.36 |
| Other current liabilities | 14.36 | 11.90 | 11.02 | 10.68 |
| Total current liabilities | 474.03 | 415.16 | 94.91 | 73.14 |
| Non-current liabilities | | | | |
| Long-term loan from financial institution | - | - | - | 30.00 |
| Lease liabilities | - | - | - | 2.05 |
| Retention payable | 24.61 | 19.19 | 13.19 | 12.53 |
| Long-term liabilities under finance lease | 0.31 | - | - | - |
| Deferred tax liabilities | 2.93 | 3.80 | 3.80 | 3.80 |
| Provision for employee benefit | 6.66 | 5.86 | 5.89 | 6.13 |
| Provision for loss from litigation | 78.46 | 38.52 | 7.61 | 7.60 |
| Total non-current liabilities | 112.97 | 67.38 | 30.49 | 62.13 |
| Total liabilities | 587.00 | 482.54 | 125.41 | 135.26 |
| Registered capital | 13,035.05 | 10,545.94 | 12,826.43 | 10,948.44 |
| Paid-up capital | 10,114.94 | 10,114.94 | 10,948.44 | 10,948.44 |
| Share premium | (8,500.75) | (8,500.75) | (9,309.24) | (9,309.24) |
| Retain earnings (loss) | 7.86 | 7.86 | 7.86 | 7.86 |
| Appropriated – legal reserve | 5.53 | 5.53 | 5.53 | 5.53 |
| Unappropriated | (1,356.02) | (1,445.93) | (1,478.46) | (1,515.95) |
| Other component of equity | (7.18) | (14.49) | (11.37) | 6.56 |
| Total shareholders' equity | 264.37 | 167.15 | 162.76 | 143.19 |
| Total liabilities and shareholders' equity | 851.37 | 649.69 | 288.16 | 278.46 |

Remark Financial statement for the fiscal year ended 31 December 2018-2020 are audited financial statement and financial statement for the six-month period ended 30 June 2021 is reviewed financial statement, by certified public accountant in the approved list of the SEC.

Most of non-current assets are withholding tax in which the Company is during refund from Revenues Department

Unit: THB million

| Operating result | 2018 | 2019 | 2020 | 6 Month 2021 |
|---|-----------------|-----------------|----------------|----------------|
| Revenues from construction | 666.58 | 299.18 | 60.81 | 6.93 |
| Costs of construction | (818.44) | (288.38) | (52.28) | (6.98) |
| Gross profit (loss) | (151.86) | 10.79 | 8.53 | (0.05) |
| Other incomes | 68.45 | 20.27 | 19.49 | 3.70 |
| Administrative expenses | (123.45) | (104.07) | (110.33) | (34.32) |
| Reversal from cancel of construction contract | - | 70.73 | - | - |
| Reversal of allowance for doubtful account | - | 12.36 | 1.03 | - |
| Reversal of provision (provision) for loss from litigation | 21.85 | (100.55) | 31.25 | - |
| Other profit | - | 1.84 | 2.07 | - |
| Loss from operation | (185.01) | (88.64) | (47.96) | (30.67) |
| Finance expenses | (4.15) | (2.45) | (0.41) | (0.70) |
| Reversal of impairment according to TFRS9 | - | - | 25.69 | - |
| Loss before corporate income tax | (189.16) | (91.09) | (22.67) | (31.37) |
| Corporate income tax | 2.44 | 0.08 | - | - |
| Loss for the period | (186.72) | (91.01) | (22.67) | (31.37) |
| Comprehensive profit (loss) | | | | |
| Item which may reclassify in profit and loss | | | | |
| Loss from remeasurement of available for sales | (0.22) | (8.25) | - | - |
| Reversal of unrealized gain (loss) from sale of available for sales | 8.17 | (2.55) | - | - |
| Corporate income tax of item which may reclassify | (5.37) | - | - | - |
| Total item which may reclassify in profit and loss | 2.58 | (10.81) | - | - |
| Item which will not reclassify in profit and loss | | | | |
| Gain from investment in equity | - | - | 3.12 | 11.81 |
| Gain from remeasurement of assets | - | 4.77 | - | - |
| Gain from remeasurement of employee benefit | - | 0.78 | 0.36 | - |
| Corporate income tax of item which will not reclassify | - | (0.95) | - | - |
| Total item which will not reclassify in profit and loss | - | 4.59 | 3.48 | 11.81 |
| Other comprehensive profit – net of tax | 2.58 | (6.21) | 3.48 | 11.81 |
| Total comprehensive loss | (184.14) | (97.22) | (19.19) | (19.56) |

Remark Financial statement for the fiscal year ended 31 December 2018-2020 are audited financial statement and financial statement for the six-month period ended 30 June 2021 is reviewed financial statement, by certified public accountant in the approved list of the SEC.

Unit: THB million

| Statement of cash flow | 2018 | 2019 | 2020 | 6 Month 2021 |
|--|----------|----------|---------|--------------|
| Cash flow from operating activity | | | | |
| Loss for the period | (189.16) | (91.01) | (22.67) | (31.37) |
| Adjustment item | | | | |
| Corporate income tax | - | (0.08) | - | - |
| Finance expenses | - | 2.45 | 0.41 | 0.70 |
| Depreciation and amortization | 10.87 | 5.70 | 5.52 | 1.89 |
| Employee benefit | 1.72 | 3.62 | 1.88 | 0.25 |
| Reversal of provision for liability from construction contract | 164.52 | (185.74) | - | - |
| Reversal of provision for liability from delay penalty | 23.61 | (3.23) | - | - |
| Reversal of contract assets | - | 104.04 | - | - |
| Reversal of provision for liability from litigation | (21.85) | 100.55 | (31.25) | - |
| Provision for liability from litigation | 3.25 | - | - | - |
| Reversal of provision for other current liabilities | 1.11 | 1.29 | 1.12 | (0.01) |
| Amortization of financial assets | - | 0.93 | 15.09 | - |
| Amortization of guarantee | - | 0.10 | - | - |
| Share-based expenses | 0.26 | - | - | - |
| Doubtful debt | 0.50 | - | - | - |
| Reversal of impairment according to TFRS9 | (0.96) | (10.00) | (25.69) | - |
| Reversal of allowance for doubtful debt – withholding tax | - | (2.36) | (1.03) | - |
| Amortization of investment in joint operation | - | - | 0.51 | - |
| Reversal of loss from impairment of investment in joint operation | - | - | (0.51) | (0.35) |
| Reversal of account and other payable | (2.33) | (3.56) | (4.84) | - |
| Reversal of retention payable | - | (0.16) | (6.47) | - |
| Gain from sale of assets | (52.18) | (2.42) | - | - |
| Loss from amortization of equipment | (0.49) | 0.02 | 0.51 | 0.01 |
| Gain from remeasurement of short-term investment in trading securities | 3.53 | (1.84) | - | - |
| Gain from financial assets measured at fair value | - | - | (2.07) | - |
| Gain from sale of available for sales | 6.91 | (2.39) | - | - |
| Loss from sale of short-term investment in trading securities | 0.46 | 0.32 | - | - |
| Gain from sale of financial assets | - | - | (2.89) | - |

| Statement of cash flow | 2018 | 2019 | 2020 | 6 Month 2021 |
|---|----------|---------|----------|--------------|
| Reversal of accrued interest | - | - | 0.19 | - |
| Dividend received | - | - | (3.30) | - |
| Interest received | (0.55) | (1.58) | (0.28) | (0.03) |
| Interest paid | 3.19 | - | - | - |
| Total adjustment | (47.58) | (85.34) | (75.78) | (28.91) |
| Operating assets (increase) decrease | | | | |
| Short-term investment | 0.48 | 0.16 | 5.37 | - |
| Account and other receivable - current | (43.96) | 34.57 | (11.00) | 4.02 |
| Contract assets | - | (17.22) | 53.59 | 2.07 |
| Inventory | 16.35 | (0.26) | 0.42 | (0.70) |
| Financial assets | - | - | 0.50 | 4.47 |
| Other current assets | 0.97 | 9.63 | (25.22) | 2.81 |
| Restricted deposit | (212.43) | 40.46 | 240.99 | (3.23) |
| Account and other receivable – non-current | 2.05 | (9.08) | 16.16 | (0.08) |
| Retention receivable | (36.36) | 11.76 | 33.01 | (0.68) |
| Other non-current assets | 0.11 | 0.99 | 28.37 | (0.07) |
| Operating liabilities increase (decrease) | | | | |
| Account and other payable | (17.04) | (5.00) | (147.52) | (19.86) |
| Contract liabilities | (0.36) | 10.74 | (19.50) | - |
| Retention payable - current | 13.60 | 5.10 | (3.06) | (1.12) |
| Provision of demolition cost and transport of leasehold improvement | - | - | (0.53) | - |
| Provision for other current liabilities | (0.00) | (1.50) | (2.34) | (1.14) |
| Provision for liabilities from delay penalty | - | (20.38) | - | - |
| Other current liabilities | (0.27) | (2.47) | (0.88) | (0.33) |
| Retention payable – non-current | (7.17) | (5.30) | (0.82) | (0.66) |
| Provision for employee benefit – paid during period | - | - | (4.33) | - |
| Provision for loss from litigation | - | (1.19) | (138.38) | (0.01) |
| Employee benefit paid | (0.61) | - | - | - |
| Cash paid for operating activity | (332.21) | (34.34) | (50.96) | (43.42) |
| Interest received | 0.56 | 0.91 | 0.82 | 0.07 |
| Tax paid | (23.50) | (9.41) | (2.79) | (0.35) |
| Tax refund | - | 39.56 | - | 25.72 |

| Statement of cash flow | 2018 | 2019 | 2020 | 6 Month 2021 |
|--|-----------------|---------------|----------------|----------------|
| Net cash flow from operating activity | (355.16) | (3.28) | (52.93) | (17.98) |
| Cash flow from investing activity | | | | |
| Cash received from disposal of financial assets measured at fair value | - | - | - | - |
| Cash received from liquidation of subsidiary | - | 0.85 | - | - |
| Cash received from sale of available for sale | 18.30 | 2.39 | - | 14.87 |
| Assets held for distribute to owner | (0.85) | - | - | - |
| Dividend received | - | - | 3.30 | - |
| Cash paid for purchase of improvement of building and equipment | (0.79) | (0.18) | (0.50) | (1.84) |
| Cash received from sale of property, plant, and equipment | 424.80 | 3.10 | - | - |
| Net cash flow from investing activity | 441.46 | 6.16 | 2.80 | 13.03 |
| Cash flow from financing activity | | | | |
| Overdraft decrease | (21.93) | - | - | - |
| Cash paid for long-term loan from financial institution | (40.17) | - | - | - |
| Cash received from long-term loan from financial institution | - | - | - | 30.00 |
| Cash paid for lease liability | (0.42) | (0.28) | (0.58) | (0.36) |
| Cash received from short-term loan | 15.00 | - | - | - |
| Cash paid for short-term loan | (15.00) | - | - | - |
| Interest paid from lease liability | - | - | - | (0.07) |
| Cash received from issue of new shares | 0.01 | - | 25.01 | - |
| Interest paid | (3.19) | (0.05) | (0.03) | (0.22) |
| Net cash flow from financing activity | (65.70) | (0.33) | 24.40 | 29.34 |
| Net cash and cash equivalent increase (decrease) | 20.61 | 2.56 | (25.73) | 24.39 |
| Cash and cash equivalent at beginning of period | 21.63 | 42.24 | 44.80 | 19.07 |
| Cash and cash equivalent at ending of period | 42.24 | 44.80 | 19.07 | 43.46 |

Remark Financial statement for the fiscal year ended 31 December 2018-2020 are audited financial statement and financial statement for the six-month period ended 30 June 2021 is reviewed financial statement, by certified public accountant in the approved list of the SEC.

| Analysis of financial ratio | Fiscal year | | | |
|-------------------------------------|-------------|--------|--------|--------------|
| | 2018 | 2019 | 2020 | 6 Month 2021 |
| <u>Liquidity ratio</u> | | | | |
| Current ratio (times) | 0.54 | 0.30 | 0.77 | 0.78 |
| Quick ratio (times) | 0.47 | 0.25 | 0.35 | 0.74 |
| Cash flow liquidity ratio (times) | (0.89) | (0.08) | (0.20) | (0.21) |
| Account receivable turnover (times) | 4.58 | 2.47 | 1.61 | 1.10 |

| Analysis of financial ratio | | Fiscal year | | | |
|--|---------|-------------|----------|---------|----------|
| Average collection period | (days) | 78.59 | 145.94 | 223.53 | 327 |
| Inventory turnover | (times) | 98.25 | 1,004.35 | 124.92 | 20.06 |
| Average inventory period | (days) | 3.66 | 0.36 | 2.88 | 18 |
| Account payable turnover | (times) | 3.95 | 1.46 | 0.43 | 0.39 |
| Average payment period | (days) | 91.23 | 247.29 | 837.49 | 930 |
| Cash cycle | (days) | (9) | (101) | (611) | (585) |
| <u>Profitability ratio</u> | | | | | |
| Gross profit (loss) margin | (%) | (22.78) | 3.61 | 14.03 | (0.67) |
| Net profit (loss) margin | (%) | (25.41) | (28.49) | (28.23) | (295.20) |
| Return on equity | (%) | (52.42) | (42.18) | (13.74) | (41.01) |
| <u>Efficiency ratio</u> | | | | | |
| Return on assets | (%) | (21.26) | (12.13) | (4.83) | (22.15) |
| Return on fixed assets | (%) | (64.36) | (102.69) | (21.07) | (301.21) |
| Total assets turnover | (times) | 0.84 | 0.43 | 0.17 | 0.04 |
| <u>Financial policy ratio</u> | | | | | |
| Debt to equity ratio | (times) | 2.22 | 2.89 | 0.77 | 0.94 |
| Interest coverage ratio | (times) | 85.97 | 14.98 | 126.39 | (24.52) |
| Debt service coverage ratio (cash basis) | (times) | (79.73) | (73.68) | (47.46) | 0.56 |
| Dividend payout ratio | (%) | N/A | N/A | N/A | N/A |

6.1 Analysis of financial position and operating result

Operating result and financial position of T Engineering Corporation Public Company Limited

1. Operating result

In 2020, there was COVID-19 pandemic which is not resolve at present, and continue to occur, thus severely affecting global and Thai economy in all business sectors. In this regard, construction sector is also inevitably affected from this situation. The main factors that affect business are travel restriction and close of country to control spread of pandemic. As a result, construction projects need to delay or cease its operation. In addition, the lockdown measure also affects continuity of supply chain in term of construction material and labor force and resulting in stagnancy of construction industry.

In 2020, the Company has implemented measure to prevent spreading of COVID-19 including implementation of work from home policy and asking employee to join leave without pay scheme by allowing employee to choose days to work for a period of 3 months during COVID-19 outbreak in Thailand.

In early of 2020, the Company has resolved litigation issue which result in lack of investors and financial institutions' confidence. In addition, the Company also won another important litigation in which supreme court has made its final judgement and is during execution. In this regard, if the Company has been paid from said litigation, it will favorably benefit in term of financial, i.e., operating result, and increase confidence of financial institution which may consider providing credit facility.

In 2020, the Company still engages in business as per policy. The Company submit bidding for construction project by focusing on EPC project and other construction projects and selecting only construction projects in which the Company has expertise with appropriate gross profit margin. However, because of COVID-19, it affects most of industrial plant to delay its investment plan due to unsupported economy, not suitable for business expansion. A lot of construction projects have been postponed indefinitely. The Company's bidding plan is also affected and subsequently affect cash receiving plan and liquidity of the Company inevitably. In this regard, after the revenues are not as expect, the Company so reorganize structure.

With aforesaid factors, the Company so be awarded only 2 projects in 2020. One of project is small construction project which has been deliver in same year with project value of THB 3.60 million. The other project was started in late of 2020, so the Company could slightly recognize revenues. As a result, the Company had revenues from construction only THB 60.81 million, with gross profit of THB 8.53 million, or equivalent to 14.03 percent. The total revenues were THB 80.30 million. The net loss for the fiscal year 2020 was THB 22.67 million while the comprehensive loss for the year was THB 19.19 million.

The Company foresees that the COVID-19 pandemic will not resolve in short-term, thus the Company's bidding plan has been clearly delayed. As a result, the Company's budget does not meet goal. The Company has tried to resolve said problem by reorganizing structure to have appropriate level of personnel and suit with amount of work and economic situation as well as relocating head office location to reduce fixed cost and other administrative expenses.

To relieve effect and deal with aforesaid situation, the management so prepared and proposed continuity plan to executive committee, risk management committee, audit committee, and board of directors to provide opinion of said matter. In this regard, the continuity plan cover (a) construction business plan, (b) new business investment alternative, (c) financial position as well as sourcing of fund from financial institution and other sources, (d) operating expenses, and (e) human resource.

As of 31 December 2020, the Company's total assets were THB 288.16 million, total liabilities were THB 125.41 million, and shareholders' equity was THB 162.76 million.

In first half of 2021, the COVID-19 pandemic which was continue from late of 2020 has been widely and severely spread, resulting in economic slowdown and affect most of business and industrial sector, economy and investment was slowdown, construction sector was significantly affected, construction projects have been postponed indefinitely. From the aforesaid reason, the Company's revenues so significantly decrease. Furthermore, because of the COVID-19 pandemic which was continue from late of 2020 and the severity has increased dramatically since April 2021 onward, the Government so need to implement lockdown measurement to control spread of pandemic, resulting in economic halt and dramatically recess. For the construction sector, the Government has instructed to cease its operation in various area since late of June 2021 onward. At present, the construction business is still not operating normally. That situation significantly affects the Company's operation in preceding period and various operation is not align with the Company's plan. Projects in which the Company submit bidding is halted or cancelled. With aforesaid reason, the Company's revenues in quarter 2 of 2021 was significantly decreased.

- **Revenues**

The Company's revenues from construction contract in 2018, 2019, 2020, and first six-month period of 2021 were THB 666.58 million, THB 299.18 million, THB 60.81 million, and THB 6.93 million, respectively. The revenues from construction contract were continuing to decrease because of competition in construction industry which have many competitors. The bidding of new projects was decreased since 2020 onward because of COVID-19 pandemic.

In 2020, the Company's total revenues were THB 80.30 million, decreased from same period of 2019 of THB 239.15 million, or equivalent to 74.86 percent. Revenues in 2020 consisted of revenues from construction of THB 60.81 million, decreased from 2019 of THB 238.37 million, or equivalent to 79.68 percent (71.25 percent from industrial plant clients and 4.48 percent from other segment). The main reason of revenues reduction in 2020 is that the revenues was recognized from project that is continue from 2019 which is in late stage. In 2020, the Company recognized revenues from new project, which was successfully delivered in same year, with project value of THB 3.6 million. Another project in which the Company started its construction in late of 2020 could recognized revenues slightly. In 2020, the projects in which the Company submit bidding has been postponed their announcement and some projects has been delayed in accordance with economic situation which was affected from spread of COVID-19. That affects the Company in term of continuity of revenue recognition and workflow. In this regard, in term of the Company's capital, the Company has not been supported from financial institution and is considered as one factor that affecting the Company's opportunity to accept mid to large project. Those factors result in reduction of revenues.

In first half of 2021, the Company's revenues were THB 10.63 million, consisting of revenues from construction contract of THB 6.93 million, decreased from same period of previous year which was THB 47.32 million, equivalent to reduction of THB

40.39 million, or equivalent to decreasing rate of 85.36 percent. The reduction is because of delay of construction due to spread of new wave of COVID-19 pandemic which was more severe. The project owners instructed to cease the construction temporary since mid of April 2021 onward. In addition, the Government has instructed contractor to cease its construction to prevent spread of pandemic and to increase safety. Therefore, the Company's revenues were not met the Company's plan. The Company is not able to provide construction service and recognize revenues from construction.

- **Costs of construction and gross profit**

The Company's costs of construction in 2018, 2019, 2020, and first six-month period of 2021 were THB 818.44 million, THB 288.38 million, THB 52.28 million, and THB 6.98 million, respectively, or equivalent to 122.78 percent, 96.39 percent, 85.97 percent, and 100.67 percent, of revenues from sales (exclude other incomes), respectively. The costs of construction were decreased in accordance with the reduction of work volume.

In 2020, the Company's gross profit was THB 8.53 million, or equivalent to 14.03 percent. The gross profit margin in 2020 improved from 2019. The main cost consisted of construction material of THB 4.90 million, direct labor and sub-contractor of THB 35.99 million. The construction material cost was small due to the project was in late stage while the new project was just started.

In first half of 2021, the Company's costs of construction were THB 6.98 million, decreased from same period of previous year which was THB 40.65 million, or equivalent to reduction of THB 33.68 million, or equivalent to decreasing rate of 82.84 percent. The reduction was in accordance with reduction of revenues from construction contract as there was one project during construction in 2021.

- **Administrative expenses**

The Company's administrative expenses in 2018, 2019, 2020, and first six-month period of 2021 were THB 123.53 million, THB 104.07 million, THB 110.33 million, and THB 34.32 million, respectively, or equivalent to 16.80 percent, 32.58 percent, 137.41 percent, and 322.92 percent of total revenues, respectively. The Company's administrative expenses was tended to decrease continuously as the Company strived to reduce expenses to align with the Company's operating result.

In 2020, the Company's administrative expenses were THB 110.33 million, increased from same period of 2019 of THB 6.26 million, or equivalent to 6.01 percent. The administrative expenses in 2020 also included doubtful debt of THB 15.09 million, in which the Company has recorded provision in full and separately showed the reversal item in financial statement. In this regard, the Company recorded administrative expenses (exclude doubtful debt) of THB 95.24 million, decreased from

previous year of THB 8.83 million, or equivalent to 8.49 percent because of restructuring of organization to align with revenues level as well as controlling expenses in every aspect which was in accordance with the Company's plan.

In first half of 2021, the Company's administrative expenses were THB 34.32 million, decreased from same period of previous year of THB 56.89 million, or equivalent to reduction of THB 22.57 million, or equivalent to decreasing rate of 39.68 percent. The main reason of reduction was because of there were doubtful debt of THB 13.25 million in first half of 2020 while there was no doubtful debt in first half of 2021. Furthermore, the Company also controlled employee expenses and welfares in first half of 2021 which result in reduction of THB 3.48 million, compared to same period of previous year.

2. Financial position

● Assets

The Company's assets in 2018, 2019, 2020, and first six-month period of 2021 were THB 851.37 million, THB 649.69 million, THB 288.16 million, and THB 278.46 million, respectively. In conclusion, the Company's assets continue to decrease align with the Company's operation.

At the end of 2020, the Company's assets were THB 288.16 million, consisted of current assets of THB 73.51 million, non-current assets of THB 214.66 million. The total assets decreased from 2019 of THB 361.53 million, or equivalent to decreasing rate of 55.65 percent. The major decreased items are as follows:

- (a) Reduction of deposit account which was reduction of restricted deposit of THB 240.99 million as the Company's board of directors resolve to settle dispute with one client. In this regard, the Company has entered to settlement agreement with client in which the Company and client agree to withdraw all litigation. The Company has paid compensation to client of THB 208.53 million by using cash from restricted deposit.
- (b) Account receivable, contract assets, and retention receivable were decreased by THB 92.10 million due to receive of payment from clients.

In first half of 2021, the Company's total assets were THB 278.46 million, decreased from end of 2020 which was THB 288.16 million, or equivalent to reduction of THB 9.71 million, or equivalent to decreasing rate of 3.37 percent which was considered as non-significant reduction.

● Liabilities

The Company's liabilities in 2018, 2019, 2020, and first six-month period of 2021 were THB 587.00 million, THB 482.54 million, THB 125.41 million, and THB 135.26 million, respectively. In conclusion, the Company's liabilities continue to decrease

in accordance with the Company's operation in which the work volume was continuing to decrease. Except for first half of 2021 in which the liabilities were increased as the long-term loan from financial institution increased by THB 30.00 million.

As of 31 December 2020, the Company's total liabilities were THB 125.41 million, consisted of current liabilities of THB 94.91 million and non-current liabilities of THB 30.50 million. The total liabilities decreased from 2019 of THB 357.13 million, or equivalent to decreasing rate of 74.01 percent. The reduction was from provision for loss from litigation of THB 170.21 million as the Company has settled dispute with one client and was in accordance with reduction of assets. The reduction of account and other payable of THB 151.40 was result of normal payment.

In first half of 2021, the Company's total liabilities were THB 135.26 million, increased from end of 2020 which was THB 125.41 million, or equivalent to increment of THB 9.86 million, or equivalent to increasing rate of 7.86 percent as long-term loan from financial institution increased by THB 30.00 million.

- **Shareholders' equity**

The Company's shareholders equity in 2018, 2019, 2020, and first six-month period of 2021 were THB 264.37 million, THB 167.15 million, THB 162.76 million, and THB 143.19 million, respectively. In conclusion, the Company's shareholders equity continues to decrease due to retain losses.

As of 31 December 2020, the Company's shareholders equity was 162.76 million, decreased from 2019 by THB 4.40 million. In 2020, the Company received proceed from offering of newly issued ordinary shares to specific person (private placement) of THB 25.01 million. There was operating loss in 2020 of THB 22.67 million and other comprehensive profit of THB 3.48 million.

In first half of 2021, the Company's shareholders equity was THB 143.19 million, decreased from 2020 which was THB 162.76 million, or equivalent to reduction of THB 19.56 million, or equivalent to decreasing rate of 12.02 percent due to increase of retain losses from operation.

- **Going concern**

The COVID-19 pandemic affects a lot of entrepreneurs to delay new investment plan. Some of projects were postponed indefinitely. The Company's bidding plan also be affected which subsequently affect cash collection plan and liquidity of the Company inevitably. Therefore, the management so prepared and proposed continuity plan to executive committee, risk management committee, audit committee, and board of directors to provide opinion on such matters. The details of continuity plan cover important issues as follows:

- (a) Construction business plan: The Company will continue to bid for new projects by focusing on industrial and hospital sector and have project value not exceeding THB 150.00 million to align with the Company's financial position.
- (b) New business investment alternative: As the construction business for industrial sector is in stagnant period, the Company so seek opportunity to invest in new business in which the management will study and propose to committees to provide opinion.
- (c) Seeking of funding from financial institution and other sources: To prevent the Company from illiquidity position, the Company so need to seek funding from both financial institution and other sources by considering conditions and terms that will not create unreasonable burden to the Company.
- (d) Operating expenses: the Company controls various expenses as well as reduce unnecessary administrative expenses. In 2020, the Company has planned to reduce rental expense of head office by relocating head office location resulting in reduction of expenses of approximately THB 8.50 million per year which will be effective from January 2021 onward.
- (e) Human resource: From 2020 till first half of 2021, the Company has reorganized its structure to have number of personnel that is appropriate with work volume and economic situation. The Company strived to use equipment and technology to facilitate the operation.

7. Important ongoing litigation

- **Litigation 1**

On 24 July 2012, the Company sued a company (the "Contractor") for breach of the construction contract in the amount of THB 100.23 million and such company sued counterclaim the Company in the same lawsuit in amount of THB 281.02 million. However, as the Company has disclosed information to the Electronic Listed Companies Information Disclosure (ELCID). The Supreme Court has made the final judgment. The Contractor has to pay the Company to net of THB 65.01 million with interest since the next date of prosecution until payment completion and the Contractor has to return the letter of guarantee (contract collateral) and the letter for advance receipt guarantee in total of 4 copies to the Company

The brief information of the case before the final judgment by the Supreme Court can be summarized as follows:

On 28 April 2016, the Civil Court already rendered its judgment ordered the Company to pay the Contractor in amount of THB 105.31 million. On 25 May 2018, the Appeal Court rendered its judgment to reverse the Civil Court's judgment and ordered the Contractor to pay the Company net of THB 43.69 million with interest since the next date of prosecution until payment completion which is the amount after deducted compensation to the Contractor of THB 30.80 million, resulting in provision for loss on litigations as of 31 December 2019 amount of THB 30.80 million.

Later, on 28 October 2020, the Supreme Court rendered its judgment to order the Contractor to pay the Company net of THB 65.01 million with interest since the next date of prosecution until payment completion which is the amount after deducted compensation to the Contractor of THB 3.62 million. Therefore, the Company recorded the reversal of provision for loss on litigations of THB 30.22 million in the statement of profit or loss and other comprehensive income for the year ended 31 December 2020 and transferred provision for loss on litigations to other payables of THB 0.58 million as part of compensation to the Contractor according to Supreme Court's judgment. The remaining compensation of THB 3.04 million was recorded as liabilities in the related accounts in the financial statements. Currently, the Court has appointed the enforcement officer and in process of appointed lawyer to trace properties.

Moreover, during 2017, the bank which issued letters of guarantee to such contractor on behalf of the Company deducted the Company's deposit at bank of THB 12.31 million which consist of payment of letter of guarantee fee by THB 7.52 million and payment of the obligations for letters of guarantee by THB 4.79 million. The Company recognized payment of the obligations for such letters of guarantee by THB 4.79 million and deducted of duplicate letter of guarantee fee by THB 0.54 million totally THB 5.33 million as other receivable – bank and presented as part of trade and other current receivables (see Note 5). However, the Company believes that the bank had no rights to deduct the Company's deposit at bank because the deduction occurred while the case has not resolved.

Subsequently, on 25 May 2018, the bank which issued letters of guarantee to such contractor on behalf of the Company sued the Company to make a payment according to a request for issuance the letters of guarantee of THB 49.49 million. The Civil Court took evidence in June 2019 and on 15 August 2019, the Civil Court already rendered its judgment to dismiss the case and ordered the bank to return the money deducted from the Company's deposit at bank of THB 12.31 million with interest since the date of prosecution until payment completion. In October 2019, the Company requested the Court to issue an execution warrant and meanwhile, bank appealed such case to the court. Subsequently, on 22 September 2020, the Appeal Court rendered its judgement to uphold the Civil Court's judgment. On 4 December 2020, the Court received certain payment from bank as the judgment. Later, on 11 February 2021, the Company has received such payment of THB 7.02 million. For remaining payment, the Court has issued an execution warrant and in process of appointed the enforcement officer.

- **Litigation 2**

On 27 July 2017, the Company was sued by 2 sub-contractors for breach of the construction agreements and the guarantee agreements due to termination made by the Company on 13 July 2017 with the claim amount of THB 14.10 million. Later, on 11 October 2017, the Company had submitted testimony and sued for counterclaim 2 sub-contractors in the amount of THB 11.39

million. The Civil Court had ordered to accept testimony and sued for counterclaim. Later, the Court appointed the mediation of the case. On 29 March 2018, the parties could not agree together and accept to return the case to the court consideration process. The Civil Court had ordered to take evidence on 16 - 18 October 2018 and on 27 November 2018, the Civil Court rendered its judgment to order the Company to make payment to sub-contractors and return letter of guarantee.

Subsequently, during May 2019, the Company received the rights to claim sequestered notice from Legal Execution Department to sequester the rights of some cash at bank of the Company of THB 0.99 million and the bank has already withdrawn such cash to the Legal Execution Department. Subsequently, on 26 May 2020, the Appeal Court rendered its judgement to reverse the Civil Court's judgment which ordered the sub-contractor to pay the Company of THB 11.39 million with interest since the next date of prosecution until payment completion. The Company filed an execution under the Appeal Court's judgment and filed objection of the petition to Supreme Court of sub-contractors. Later, the Court ordered to accept petition of sub-contractors and suspend the execution. The Company submitted the supreme amendment on 6 August 2021. The case is currently being considered by the Supreme Court.

Later, on 25 June 2020, the Company has submitted a petition to withdraw the execution warrant as the Appeal Court judgment. On 1 July 2020, the court ordered the withdrawal of the execution warrant. On 21 July 2020, the Company already received sequestered money from Legal Execution Department. Therefore, provision for loss on litigations as of 30 June 2021 and 31 December 2020 are THB 2.26 million. The management believes that the resultant losses will not significantly differ from the provision that is recognized in the financial statements.

- **Litigation 3**

The Company has been sued by other companies as defendants for breach of contracts relating to construction, hire-of-work, purchase of goods, services, hire employee and borrowing as follows:

- (a) As of 31 December 2020, the cases that the Civil Court has rendered the judge compulsions to for 7 cases to order the Company to make compensation in amount of THB 13.87 million. The Company has outstanding claim amount to be paid of THB 2.46 million that were recorded that were recorded as liabilities in the related accounts in the financial statements (Provisions for losses on litigations: Nil) (As of 30 June 2021: Nil).
- (b) During the year 2019 and 2020, the Company was sued totaling 2 cases relating to hire employee and borrowing with the claims totaling of THB 18.46 million. The cases are currently under consideration by the Court. Meanwhile, the Company has pledged land and buildings of the Company (see Note 12) and land of the Company's Directors for the bail contract to suspend the execution under the judgment of the Civil Court from one of the cases. As of 30 June 2021, and 31 December 2020, the Company has recorded as provisions for losses

on litigations amounting to THB 5.34 million and THB 5.35 million, respectively and liabilities in the related accounts in the same amount of THB 12.24 million. The Company's management believes that the resultant losses will not significantly differ from the liabilities recognized in the financial statements.

The Company recorded provisions for losses on litigations as of 31 December 2020 and 30 June 2021, totaling THB 7.61 million and THB 7.60 million, respectively.

Attachment 2

Summary of appraisal details

Detail of assets: land with 3-storey townhouse as per appraisal report no. A 64/0230

1. Name of appraiser Bell Survey Company Limited in which,
Mr.Chanokeporn Karnnate acting as an appraiser;
Mr.Komsan Pramuansup acting as a reviewer; and
Mr.Nirun Deawpanich acting as a main appraiser.
2. Type of assets Land with 2 units of 3-storey townhouse including extension
3. Location No. 242 and 244, Next to Soi Sathorn Mansion 1, Krung Thonburi Road, Banglumpoo Lang, Klongsan, Bangkok
4. Land ownership Land title deed no. 20776 and 21572, land no. 544 and 545, respectively, with total area of 53 square wahs. The owner is T Engineering Corporation Public Company Limited.
5. Entry-exit Land of the project
6. Expropriation Assets are not in expropriation area
7. Obligation No mortgage obligation
8. Appraisal approach Market approach
9. Appraisal date 18 August 2021
10. Appraisal value THB 24,000,000 (Twenty-four million Baht)
11. Appraisal purpose Public purpose

Details of assets appraisal are as follows:

| Market price information on comparable assets | | | | |
|---|---|---|---------------------------------------|---------------------------------|
| Detail | Information 1 | Information 2 | Information 3 | Information 4 |
| Asset's characteristic | 4-storey townhouse | 4-storey townhouse | 4-storey townhouse | 5-storey townhouse |
| Location | Soi Krungthonburi 6 (Pornchai Villa) | Soi Krungthonburi 6 (Pornchai Villa) | Soi Krungthonburi 6 (Orchid Villa) | Next to Soi Charoennakorn 16 |
| Distance from the Company's assets | Approximately 1 kilometre | Approximately 950 metres | Approximately 740 metres | Approximately 50 metres |
| Land area | 23 square wahs | 24 square wahs | 21.50 square wahs | 29 square wahs |
| Useable area | 216 square meter | 216 square meter | 224 square meter | 325 square meter |
| Selling price | THB 8,700,000 | THB 10,000,000 | THB 7,000,000 | THB 12,900,000 |
| Announcement date | August 2021 | August 2021 | August 2021 | August 2021 |

Detail of assets: vacant land as per appraisal report no. A 64/0231

1. Name of appraiser Bell Survey Company Limited in which,
Mr.Nirun Deawpanich acting as an appraiser; and
Mr.Komsan Pramuansup acting as a reviewer; and
Mr.Chanokeporn Karnnate acting as a main appraiser.
2. Type of assets Vacant land, divided into 3 group (already filled), the land level is consistent with road level of Bangpakong Riverside Country Club
3. Location Chacheongsao-bangpakong (TorRor.314), Sanphoodad, Baanpho, Chacheongsao
4. Land ownership
Group 1 assets Land title deed no. 1222, 1227, and 1228, land no. 734, 733, and 732, respectively, with total area of 11 rais, 2 ngans, and 2 square wahs (there is pool area of 4 rais and 50 square wahs). The owner is T Engineering Corporation Public Company Limited.
Group 2 assets Land title deed no. 10423, land no. 331, with total area of 3 rais, 2 ngans, and 16 square wahs. The owner is T Engineering Corporation Public Company Limited.
Group 3 assets Land title deed no. 10458, 10459, 10460, 10461, and 10462, land no. 661, 662, 663, 664, and 665, respectively, with total area of 6 rais and 25 square wahs. The owner is T Engineering Corporation Public Company Limited.
5. Entry-exit Land of the project
6. Utility Utility in the assets' location consisting of electricity, telephone, tap water, and bus.
7. Assets' limitation According to the Notification of Eastern Economic Corridor Board, B.E.2562;
Group 1 assets Some area locate in light yellow area (rural community land) and some land locate in green color area with blue diagonal (open land to maintain environmental quality).
Group 2 assets Locate in light yellow area (rural community land).
Group 3 assets Locate in green color area with blue diagonal (open land to maintain environmental quality).
8. Expropriation Assets are not in expropriation area
9. Obligation Pledge as collateral with Government Saving Bank
10. Appraisal approach Market approach
11. Appraisal date 19 August 2021
12. Appraisal value Totaling THB 66,876,000 (Sixty-six million eight hundred seventy-six thousand Baht)/
In this regard, the appraisal value excludes value of pool area with area of 4 rais and 50 square wahs. The details are as follows:

Group 1 assets land with area of 7 rais, 1 ngan, 52 square wahs (total area of 11 rais, 2 ngans, and 2 square wahs deducted by pool area of 4 rais and 50 square wahs). The land value is THB 8,000 per square wah, totaling value of THB 23,616,000.

Group 2 assets land with area of 3 rais, 2 ngans, 16 square wahs. The land value is THB 10,000 per square wah, totaling value of THB 14,160,000.

Group 3 assets land with area of 6 rais and 25 square wahs. The land value is THB 12,000 per square wah, totaling value of THB 29,100,000.

13. Appraisal purpose Public purpose

Details of assets appraisal are as follows:

| Market price information on comparable assets | | | |
|---|--|--|---|
| Detail | Information 1 | Information 2 | Information 3 |
| Asset's characteristic | Vacant land (Filled to align with road level) | Vacant land (Filled to align with road level) | Vacant land (50 centimetres above road) |
| Location | Next to Bangpakong Riverside Country Club Road | Next to Bangpakong Riverside Country Club Road | Next to Bangpakong Riverside Country Club Road |
| Distance from the Company's assets | Locate approximately 234 metres and 654 metres from assets group 1 and assets group 2, respectively. | Locate approximately 200 metres and 620 metres from assets group 1 and assets group 2, respectively. Locate approximately 30 metres from assets group 3. | Locate approximately, 1,175 metres, 1,100 metres, and 1,790 metres from all 3 groups of assets, respectively. |
| Land area | 1 rai 45 square wahs | 1 rai 51 square wahs | 2 ngans 38 square wahs |
| Selling price | Approximately THB 10,000 per square wah | Approximately THB 9,500 per square wah | Approximately THB 14,000 per square wah |
| Transaction date | About year 2020 | About year 2020 | July 2020 |

| Detail | Information 4 | Information 5 |
|------------------------------------|---|--|
| Asset's characteristic | Vacant land (Filled to align with road level) | Vacant land (20 centimetres above road) |
| Location | Next to Bangpakong Riverside Country Club Road | Next to Bangpakong Riverside Country Club Road |
| Distance from the Company's assets | Locate approximately, 425 metres, 350 metres, and 950 metres from all 3 groups of assets, respectively. | Locate approximately, 500 metres, 900 metres, and 85 metres from all 3 groups of assets, respectively. |
| Land area | 4 Rais, 1 ngan, 89 square wahs | 1 Rai, 2 ngans, 10 square wahs |
| Selling price | Approximately THB 20,000 per square wah | Approximately THB 25,000 per square wah |
| Announcement date | August 2021 | August 2021 |