

**Opinion of the Independent Financial Advisor  
Concerning the Acquisition of Asset and  
Connected Transaction**

(Supporting Document for Agenda 3 of  
the Extraordinary Shareholders' Meeting No. 1/2022)

of



**Dimet (Siam) Public Company Limited**

The Independent Financial Advisor



**Capital Advantage Company Limited**

June 2, 2022

**-TRANSLATION-**

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

No. 074/2022

2 June 2022

Subject: Opinion of the Independent Financial Advisor concerning the acquisition of assets and connected transaction of Dimet (Siam) Public Company Limited in a partial acquisition of shares of SGMP Company Limited and Private Placement of shares of the Company

To Audit Committee and Shareholders of  
Dimet (Siam) Public Company Limited

- References:
- 1) Resolution of the Board of Directors' Meeting No. 4/2022 of Dimet (Siam) PCL. held on May 17, 2022
  - 2) Information Memorandum concerning the acquisition of assets and connected transaction and Information Memorandum of Private Placement of Dimet (Siam) PCL. dated May 17, 2022.
  - 3) Capital Increase Form of Dimet (Siam) PLC. dated May 17, 2022.
  - 4) Annual Registration Statement (Form 56-1) of Dimet (Siam) PCL. for the year ended December 2019-2021
  - 5) Financial Statements audited by certified public accountant of Dimet (Siam) PCL. for the 12-month period ended June 30, 2019 – 2020, for the 6-month period ended December 31, 2020, for the 12-month period ended December 31, 2021 and Financial Statements reviewed for the 3-month period ended March 31, 2022
  - 6) Financial Statement audited by certified public accountant of Dimet Paint Co.,Ltd, Igen Energy Co., Ltd., Mctric Co.,Ltd, for the 12-month period ended December 31, 2020 and draft financial statements of 2021
  - 7) Financial Statements audited by certified public accountant of SGMP Co.,Ltd. for the 12-month period ended December 31, 2019 – 2021 and Financial Statements reviewed for the 3-month period ended March 31, 2022
  - 8) Report of Property Appraisal of Dimet (Siam) PCL. and related companies by First Star Consultant Co.,Ltd. dated February 25, 2022
  - 9) Report of Property Appraisal of SGMP PCL. by 15 Business Advisory Co.,Ltd. dated March 11, 2022
  - 10) Company Affidavit, Memorandum of Association, Trial Balance, Information and other documents, as well as interviews with the management and relevant staff of Dimet (Siam) PCL and SGMP Co.,Ltd.

- Disclaimers:
- 1) Results of the study conducted by Capital Advantage Company Limited ("CapAd" or the "Independent Financial Advisor") in this report are based on information and assumptions provided by management of Dimet (Siam) PCL. and SGMP Co.,Ltd, as well as information disclosed to the public on the websites of the Securities and Exchange Commission ([www.sec.or.th](http://www.sec.or.th)) and the Stock Exchange of Thailand ([www.set.or.th](http://www.set.or.th))
  - 2) The Independent Financial Advisor shall not be responsible for profits or losses and any impacts resulting from the transactions.
  - 3) The Independent Financial Advisor conducted the study with knowledge, skills and cautiousness in accordance with the professional ethics.
  - 4) The Independent Financial Advisor considers and provides its opinions based on the situation and information at the present time, If such situation and information change significantly, the study results in this report maybe affected.

The Board of Directors Meeting No. 4/2022 of Dimet (Siam) Public Company Limited (the "Company") held on May 17, 2022 has passed the resolution to approve the acquisition of shares in SGMP Company Limited ("SGMP") in the amount of 6,150,000 shares at the par value of Bt. 5 per shares consisting of 6,000,000 ordinary shares and 150,000 preferred shares, representing 30 percent of all shares in SGMP from its existing shareholder, namely Gold Dynamic Holding Company Limited which is a Hong Kong juristic person (the "Seller of SGMP Shares") at the purchase price of Bt. 60.439 per shares totaling of not exceeding Bt. 371,700,000, including the execution of the share purchase agreement, and other arrangements, contracts and documents relating to the acquisition and acceptance of shares in SGMP. The Company will pay for the shares in SGMP with the following details:

(1) The Company will pay for the consideration by issuance of newly issued ordinary shares of the Company by the way of a private placement offering as payment in kind for the acquisition of shares instead of cash. Upon comparison between the fair value of SGMP and that of the Company, the Board of Directors resolved to propose that the Shareholders' Meeting consider and approve the issuance and allocation of not exceeding 423,000,000 shares at a par value of Bt. 0.50 per share, with the offering price of Bt. 0.59 per share, totalling Bt. 249,570,000 to the Seller of SGMP Shares as payment in kind for the acquisition and acceptance of shares in SGMP from the Seller of SGMP Shares, representing 17.35% of all issued and paid-up shares of the Company (based on all issued and paid-up shares of the Company after the execution of share allocation in consideration of the Share Purchase Transaction of SGMP) with the shares swap ratio of 1 SGMP's shares per 102.439 newly issued shares of the Company

(2) The Company will pay for the consideration in cash in the amount of Bt. 122,130,000.

Transaction involving the Share Allocation in Consideration of the Acquisition of Shares in SGMP constitutes an offering of newly issued ordinary shares by way of private placement, whereby the Shareholders' Meeting of the Company shall pass a resolution to specifically determine the offering price at Bt. 0.59 per share, which is not lower than 90% of the market price of the Company's shares pursuant to the requirements of the Notification of the Capital Market Supervisory Board No. TorJor. 72/2558 Re: Permission for Listed Companies to Offer Newly Issued Shares to Specific Investors dated October 28, 2015 (as amended) (the "Notification No. TorJor. 72/2558"). In this regard, the "market price" refers to the weighted average price of the Company's shares listed on the SET for the past period of at least 7 consecutive business days, but not exceeding 15 consecutive business days prior to the date the Board of Directors passed its resolution to propose this matter to the Shareholders' Meeting of the Company to approve the capital increase and the allocation of new shares, whereby the weighted average price of the Company's shares calculated for the past 7 consecutive business days during the period from May 5, 2022 to May 13, 2022 is equal to Bt. 0.54 per share

The share acquisition of SGMP totaling Bt. 371,700,000. The transaction is under the Notification of the Capital Market Supervisory Board No. TorChor. 20/2551 Re: Rules on Entering into Material Transactions Deemed as Acquisition or Disposition of Assets and the Notification of the Board of Governors of the Stock Exchange of Thailand Re: Disclosure of Information and Other Acts of Listed Companies Concerning the Acquisition or Disposition of Assets B.E. 2547 (2004) and its amendments ("Notifications on Acquisition or Disposition of Assets"). The highest transaction size is equal to 75%, calculated based on criteria of total consideration value according to the Company's consolidated financial statements for year ended March 31, 2022. The Company has no transaction of acquisition during the past 6 months before the date of the BOD's meeting to approve this transaction.

The entering into the transactions is deemed as connected transactions under the Notification of Capital Market Supervisory Board No. TorChor. 21/2551 Re: Rules on Connected Transactions and the Notification of the Board of Governors of the Stock Exchange of Thailand Re: Disclosure of Information and Other Acts of Listed Companies Concerning Connected Transactions B.E. 2546 (2003) (collectively referred to as the "Notifications on Connected Transactions") as Mr. Huang Ho-Chih is a director & Chief Executive Officer of the Company and a director & shareholder of 30% of SGMP held via Gold Dynamic Holding Co.,Ltd. Size of connected transactions is 99% of net tangible asset of the Company's consolidated financial statements as of March 31, 2022, which is higher than 3% of net

tangible asset of the Company and subsidiaries. Over the past 6 months, the Company has no connected transactions that are not approved by the shareholders' meeting.

As the size of transaction is in the range of 50% - 100% according to the Notifications on Acquisition or Disposition of Assets and the size of connected transaction is over 3.00% of Net Tangible Asset. Therefore, the company is required to disclose information on the entering into the asset acquisition and connected transactions to the SET and appoint an independent financial advisor to render an opinion to the shareholders of the Company. It also has to seek approval from shareholders' meeting with affirmative votes of at least three-fourths of the total votes of the shareholders who attend the meeting and are eligible to vote, excluding shareholders with conflict of interest.

The Company has appointed Capital Advantage Company Limited as the Independent Financial Advisor (the "Independent Financial Advisor" or "CapAd") to render an opinion to shareholders regarding reasonableness and fairness of price and conditions for the acquisition of assets and connected transaction. CapAd has studied Information Memorandum concerning the acquisition of assets and information from interviews with management and executives of the Company and SGMP as well as documents received from the Company and SGMP such as financial statements, business plan, relevant documents, and information disclosed to the public, information disclosed on websites of SET and the Office of the Securities and Exchange Commission ("SEC"), and financial information available from various websites as a basis for rendering our opinion on such transactions. The opinion of CapAd in this report is based on the assumption that all information and documents received from the Company's and SGMP's management are accurate and complete. CapAd is unable to assure or guarantee any accuracy or completeness of such information. In deriving its opinion, CapAd takes into account current operating environment and most up-to-date information at the time of issuance of this report. Any change or future incident may have a material impact on business operation and financial projection of the Company and SGMP and assessment and analysis of CapAd, as well as decision of shareholders on the acquisition of assets and connected transaction.

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

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

After CapAd considering and studying all the information on the acquisition of assets and connected transaction, CapAd would like to summarize the study results as follows:

Abbreviation	
"the Company" or "DIMET"	Dimet (Siam) PCL.
"DP"	Dimet Paint Co., Ltd. (formerly named Asian Corrosion Technology Co., Ltd. (a subsidiary of the Company))
"Igen-Energy"	Igen Energy Co., Ltd. (a subsidiary of the Company)
"McTRIC"	MC TRIC Co., Ltd. (a related company)
"IGEN"	Igen Engineering Co., Ltd. (a related company)
"GDH"	Gold Dynamic Holding Co., Ltd. and/or the seller of SGMP shares
"SGMP"	SGMP PCL.
"15 Business Advisory"	15 Business Advisory Company Limited as an independent asset appraiser of SGMP
"First Star Consultant"	First Star Consultant Company Limited as an independent asset appraiser of the Company
"Dimet Group"	The Company and its subsidiaries and associated companies
"Independent Financial Advisor" or "CapAd"	Capital Advantage Company Limited
"The SEC"	The Office of the Securities and Exchange Commission, Thailand
"The SET"	The Stock Exchange of Thailand
"Notifications on Acquisition or Disposition of Assets"	The Notification of the Capital Market Supervisory Board No. Tor.Chor. 20/2551 Re: Rules on Entering into Material Transactions Deemed as Acquisition or Disposition of Assets and the Notification of the Board of Governors of the Stock Exchange of Thailand Re: Disclosure of Information and Other Acts of Listed Companies Concerning the Acquisition or Disposition of Assets B.E. 2547 (2004) and its amendments
"Notifications on Connected Transaction"	The Notification of the Capital Market Supervisory Board No. Tor.Chor. 21/2551 Re: Rules on Connected Transactions and the Notification of the Board of Governors of the Stock Exchange of Thailand Re: Disclosure of Information and Other Acts of Listed Companies Concerning the Connected Transactions B.E. 2546 (2003) and its amendments
"Notification of Tor.Chor. 72/2015"	"The Notification of the Capital Market Supervisory Board No. Tor.Chor. 72/2015 Re: The Approval of Share Offering to Private Placement dated October 28, 2015 and its amendments
"NTA"	Net Tangible Assets
"WACC"	Weighted Average Cost of Capital

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**Executive Summary**

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via Gold Dynamic Holding Co.,Ltd. Size of connected transactions is 99% of net tangible asset of the Company's consolidated financial statements as of March 31, 2022, which is higher than 3% of net tangible asset of the Company and subsidiaries. Over the past 6 months, the Company has no connected transactions that are not approved by the shareholders' meeting.

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

The Company has appointed Capital Advantage Company Limited as the Independent Financial Advisor (the "Independent Financial Advisor" or "CapAd") to render an opinion to shareholders regarding reasonableness and fairness of price and conditions for the acquisition of assets and the connected transaction. CapAd has considered the advantages, disadvantages, benefits and risks involved, and is of the opinion as follows:

#### Objective and Necessity of the transaction

The transaction is the investment diversification in other business that shows profit from operations, which is a rubber glove manufacturer and distributor and will become an associated company at 30% shareholding. SGMP is the company that Mr. Huang Ho-Chih is one of the major shareholder via Gold Dynamic Holding Co., Ltd and at the same time, he is also the Director and Chief Executive Officer of the Company. Therefore, SGMP is the business that Mr. Huang Ho-Chih is familiar with and can manage with consistent policy under the co-investment. Therefore, investment in SGMP's shares would enhance the investment opportunity by expecting dividend revenue from SGMP. The Company would have another source of revenue which will bring benefits to the Company and shareholders.

Advantages and Benefits of the Transaction are as follows:

- (1) The Company invests in the business that has good revenue and profit especially during 2020 - 2021, the net profit of SGMP went up to Bt. 131 million and Bt. 543 million respectively, or net profit margin of 27 percent and 31 percent, respectively. In addition, SGMP had record of dividend payment from its retained earnings of Bt. 477 million in 2020, Bt. 120 million in February 2022 and Bt. 140 million in April 2022 paid from net profit. Therefore, investment in SGMP is the investment diversification in the business with good performance and the Company expects to have dividend as another source of revenue in the future.
- (2) The Company will pay in kind for SGMP shares by issuing 423 million shares accounting for 17.35% of capital after capital increase and some cash payment of Bt. 122.13 million, which was from the capital increase from specific investors in the 4th quarter of 2021 and the 1st quarter of 2022. The Company would have no burden to seek additional source of funds for the transaction and there will be no significant impact on the financial liquidity and be able to keep the rest of the cash for the purpose of using as working capital and business management.
- (3) The investment in SGMP is the expansion of business and diversify the risk to the business of rubber glove manufacturer and distributor that has good return. Moreover, the rubber glove business has a good opportunity due to the epidemic which is COVID-19 and other epidemic diseases that may occur in the future. In addition, it is also an investment in a business that already has track record, not a new business or a startup which could reduce the investment risk of the Company.
- (4) Issuing and offering new shares for the capital increase will not have a price dilution effect on existing shareholders of the Company. Since the offering price of the issued shares at Bt. 0.59 per share is higher than the weighted average price of the Company's shares trading on SET in the past period of 7-15 consecutive business days before the date that the Company's board of directors



resolved to present in annual shareholder meeting 2022. The period was between April 21, 2022 and May 13, 2022 and it is defined as the market price approach according to the opinion of CapAd, which is in the range of Bt. 0.54 – 0.56 per share.

- (5) No significant change in management of the Company as Mr. Huang Ho-Chih held 100% of GDH and also a director and CEO of the Company.

Disadvantages of the Transaction are as follows:

- (1) The Company could not control SGMP because the Company will hold only 30%. However, voting about important issues; such as increasing the capital, decreasing the capital, amendment of the Article of Association, and amendment of the Memorandum of Association requires affirmative votes at least three-fourths of the total votes in shareholders' meeting of limited company. Therefore, the proportion share that the Company holds could give the Company the right to check and balance power on important issues.
- (2) To purchase most of SGMP's shares with issuance of newly-issued shares affects the control dilution of shareholders of the Company to reduce 17.35 percent of paid-up capital after increasing the capital.
- (3) Currently, SGMP has not determined the dividend policy which may cause uncertainty to the Company to receive dividend in the future. However, after the transaction, the Company will discuss with the remaining two shareholders to make it clear about the dividend policy, which will be beneficial to shareholders as return from investment. In addition, SGMP does not have substantial expansion project or need cash for investment.

Risks of the Transaction are as follows:

- (1) To complete the transaction, several steps need approval or to be proceeded such as the conditions in the Share and Purchase Agreement, increasing capital for a private placement needs approval from the SEC, the approval from the shareholders' meeting with required affirmative votes of at least three-fourths of the total votes of the shareholders who attend the meeting and have the right to vote, excluding shareholders with conflict of interest.
- (2) SGMP is the manufacturer and distributor of natural rubber gloves and nitrile rubber gloves. about 85-90% of production are industrial rubber gloves that has continued demand and SGMP also manufacture medical rubber gloves which had high growth since 2020 due to the pandemic of COVID-19 and is expected to benefit from demand for medical rubber gloves during the pandemic of COVID-19. But future performance may not be as good as in 2021 because the situation of COVID-19 has improved in 2022. Thus, the Independent Financial Advisor has estimated revenue and profit of SGMP to continue but at slow pace of lower profit margin on a conservative basis as the averaged selling price of medical rubber gloves and cost of production has moved down.

The spread of COVID-19 is still existing around the world and be predicted by many countries, including the Ministry of Public Health of Thailand, that COVID-19 would be endemic in 2022. It is expected that demand for medical rubber gloves are still exist as the existing of COVID-19. In case of industrial rubber gloves, there has been continued demand from customers in several sectors internationally and selling price is mainly subject to the qualifications of rubber gloves and cost of raw material.

However, the projection may not be as expected due to several factors both from internal & external factors of SGMP especially the situation of COVID-19 which may affect the dividend to be announced and resulting in change in return of investment as not expected.

### Key Conditions Precedent

- (1) The Company is satisfied with the legal due diligence of the SGMP.
- (2) The Shareholders' Meeting of the Company shall have resolved to approve the execution of the Share Purchase Transaction of SGMP and the Transaction involving the Share Allocation in Consideration of the Acquisition of Shares in SGMP including approval on various matters necessary for and/or in connection with such transactions;
- (3) As of the date of acquisition of SGMP's shares, there shall be no event or action having occurred or caused to occur or reasonably believed to be likely to occur, which may give rise to any material and adverse impact on SGMP or jeopardize the execution of the Share Purchase Transaction of SGMP and the Transaction involving the Share Allocation in Consideration of the Acquisition of Shares in SGMP;
- (4) The SEC Office shall have approved the private placement of the newly issued ordinary shares to the Seller of SGMP shares by way of private placement.

The Company's legal advisor has already completed the legal due diligence of (1) and the Company will hold the Extraordinary Shareholders' Meeting on June 30, 2022 according to (2) and expects to complete the transaction in July 2022.

After considering the objective and necessity of the transaction along with the advantages, disadvantages, benefits, and risks. The Independent Financial Advisor opines that **the acquisition of assets and connected transactions is appropriate**, which benefits to the overall business operation of the Company and shareholders in the long run.

### Summary of the valuation

When considering the appropriateness of valuation and condition of the transaction, CapAd has done valuation of both companies with the following summary:

#### Valuation of shares of the Company

Referring to 6 valuation approaches, it can be summarized in the table below:

Valuation Approach	Value of the Company		Appropriateness
	(Million Baht)	(Bt. Per share)	
Book Value Approach	374.39	0.19	Not appropriate
Adjusted Book Value Approach	400.47	0.20	Not appropriate
Market Value Approach	1,094.26 – 1,132.84	0.54 – 0.56	Appropriate
P/BV Approach	1,448.64 – 1,642.83	0.72 – 0.82	Not appropriate
P/E Approach	Can not be valued		
Discounted Cash Flow Approach	287.84 – 300.91	0.1428 – 0.1493	Not appropriate

Note: Par value at Bt. 0.50 per share

The appropriate valuation is Market Value Approach as shares of the Company have sufficient liquidity in the SET and can be referred, which reflects value of shares and demand from investors to capability and growth of the Company in the future. Therefore, market price approach can be referred as fair value. Moreover, the Company allocated shares to specific investors in December 2021 and March 2022 at Bt. 0.59 per share. Regarding the discounted cash flow approach, it can reflect ability to generate cash flow from operation in the future but this approach shows lower value compared to market value approach, lower than book value and adjusted book value approach. Thus, this approach is not appropriate.

In summary, appropriate price range in between Bt. 1,094.26 – Bt. 1,132.84 million or Bt. 0.54 – Bt. 0.56 per share.

#### Valuation of shares of SGMP

Referring to 6 valuation approaches, it can be summarized in the table below:

Valuation Approach	Value of the SGMP		Valuation Approach
	(Million Baht)	(Bt. per share)	
Book Value Approach	832.08	40.59	Not appropriate
Adjusted Book Value Approach	754.82	36.82	Not appropriate
Market Value Approach	Can not be valued		
P/BV Approach	1,129.56 – 2,419.95	55.10 – 118.05	Not appropriate
P/E Approach	840.32 – 2,398.23	40.99 – 116.99	Not appropriate
Discounted Cash Flow Approach	1,238.32 – 1,325.70	60.41 – 64.67	Appropriate

Note: Par value at Bt. 5.00 per share

The appropriate valuation is Discounted Cash Flow Approach as it can reflect ability to generate cash flow and future performance of the Company. The appropriate price range is between Bt. 1,238.32 – Bt. 1,325.70 million or Bt. 60.41 – Bt. 64.67 per share.

#### The share payment

When comparing the fair value of SGMP shares to the share price approved by the Board of Director of the Company at Bt. 60.439 per share (par value of Bt. 5) and the total of 6.15 million shares, totaling Bt. 371.70 million, the approved price is appropriate as it is in the price range that evaluated by the Independent Financial Advisor, which is between Bt. 60.41 – Bt. 64.67 per share.

And referring to the consideration value, the Company will pay in kind new shares of 423 million shares at Bt 0.59 per share totaling Bt. 249.57 million, compared with the fair value of the market approach evaluated by the Independent Financial Advisor, which is Bt. 0.54 – Bt. 0.56 per share. The Company will pay additional of Bt. 122.13 million, totaling Bt. 371.70 million. Therefore, the price of the Company shares to be paid in kind is appropriate as it is higher than the market price approach.

**Therefore, the Independent Financial Advisor has the opinion that the acquisition of asset of SGMP shares at Bt. 371.70 million is appropriate.**

After considering the reasonableness of entering into the transaction along with the appropriateness of valuation, the acquisition of assets and condition of the transaction, **the Independent Financial Advisor opines that shareholders of the Company should approve the acquisition of asset and the connected transaction**

Shareholders can study and consider the information and opinions on various issues according to the Independent Financial Advisor's report to decide whether to approve the acquisition of assets and connected transaction. The final decision is at the discretion of each shareholder and the opinion of the Independent Financial Advisor this time does not guarantee the success of the transaction including the potential impact.

Thus, CapAd as the Independent Financial Advisor hereby certifies that the above opinions have been carefully considered in accordance with professional standards by taking into account the interests of shareholders as important.

Details with opinion of the Independent Financial Advisor are as follows:

## Part 1: Background and Details of the Acquisition of Assets and Connected Transaction

### 1 Characteristics and details of the transaction

#### 1.1 Objective and background of the transaction

The investment diversification in SGMP which is a rubber glove manufacturer and distributor, most of products are industrial gloves including medical gloves and other gloves. SGMP has a continued growth with potential in the future. The Company expects to have another source of dividend revenue, which will bring benefits to the Company and shareholders.

#### 1.2 Date of the transaction

The Company anticipates that the entire sale and purchase process will be completed within July 2022 after the completion of the conditions precedent under the share purchase agreement have been completed or has been waived by the relevant parties and the obligations under the shares purchase agreement have been taken to complete the transaction and after the Shareholders' Meeting has approved the Share Purchase Transaction of SGMP and the Transaction involving the Share Allocation in Consideration of the Acquisition of Shares in SGMP, including approval of matters necessary and/or in connection with the transaction and the Securities and Exchange Commission ("the SEC") grants an approval to the Company to offer the newly issued shares to the private placement investor, namely the Seller of SGMP Shares, as payment in kind for shares instead of cash.

#### 1.3 Relevant parties and their relationship

Seller	:	Gold Dynamic Holding Co.,Ltd. ("GDH") which was incorporated in Hong Kong as an investment company
Buyer	:	The Company
No. of shares	:	600,000 ordinary shares and 150,000 preferred shares or equal to 30% of total paid-up capital
Relationship	:	Mr. Huang Ho-Chih is a director & Chief Executive Officer of the Company and a director & shareholder of 100% of GDH

Note: As of December 31, 2021, SGMP has registered capital of Bt. 102.50 million comprising 2 million shares of ordinary shares, par value at Bt. 5.00 0.50 million shares of preferred, par value at Bt. 5.00

#### 1.4 General characteristics of the transaction

The Company will purchase ordinary shares and preferred shares in SGMP from GDH to be paid by newly issued ordinary shares in the Company and some cash. Total consideration value is Bt. 399,600,000 with the following details:

##### Details of share acquisition of SGMP

Name of seller	No. of ordinary shares	No. of ordinary shares	Total shares	% of SGMP Capital <sup>1/</sup>	Offering price (Bt. Per share)	Total amount (Bt. million)
1. GDH	6,000,000	150,000	6,150,000	30.00	60.439	371.70

1/ Calculated as percentage of total issued and paid-up capital of SGMP, par value of 5 Baht.

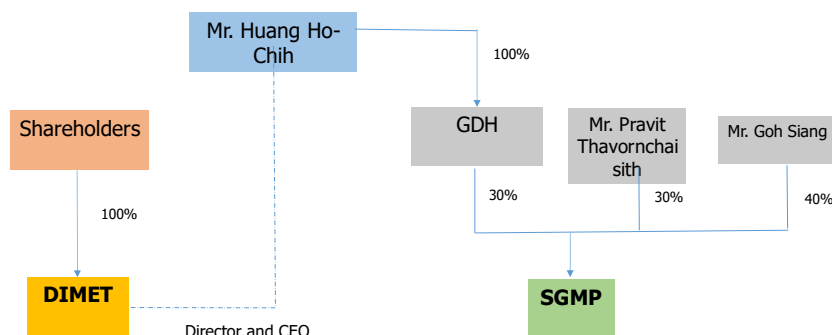
The payment with newly issued ordinary shares in the Company and some cash to the share seller of SGMP as follows:

Name of seller	No. of increased capital of the Company	% of the Company's capital <sup>1/</sup>	Offering price (Bt. Per share)	Amount (B. million)	Cash payment (Bt. Million)	Total amount (Bt. million)
1.GDH	423,000,000	17.35	0.59	249.57	122.13	371.70

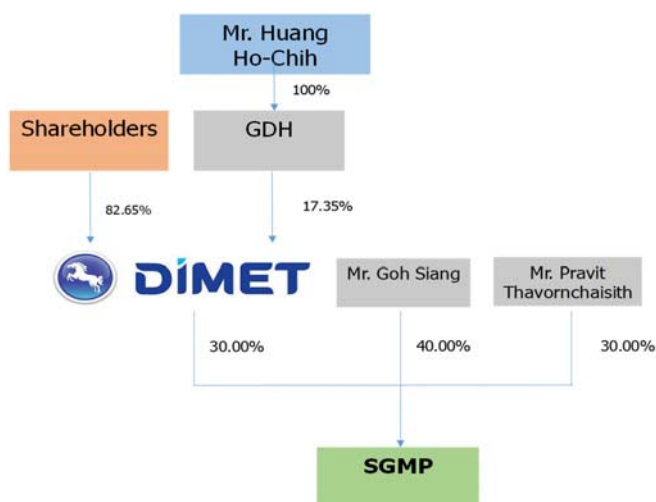
1/ Calculated as percentage of total issued and paid-up capital of the Company after the completion of the transaction.

The chart showing shareholding structure before and after the transaction

Before



After



The Company will increase the registered capital of Bt. 211,500,000 from existing registered capital of Bt. 1,438,140,413 to new registered capital of Bt. 1,649,640,413 by issuing new shares of 423,000,000 shares at Bt. 0.50 par value. Transaction involving the Share Allocation in Consideration of the Acquisition of Shares in SGMP constitutes an offering of newly issued ordinary shares by way of private placement, whereby the Shareholders' Meeting of the Company shall pass a resolution to specifically determine the offering price at Bt. 0.59 per share, which is not lower than 90% of the market price of the Company's shares pursuant to the requirements of the Notification of the Capital Market Supervisory Board No. TorJor. 72/2558 Re: Permission for Listed Companies to Offer Newly Issued Shares to Specific Investors dated October 28, 2015 (as amended) (the "Notification No. TorJor. 72/2558"). In this regard, the "market price" refers to the weighted average price of the Company's shares listed on the SET for the past period of at least 7 consecutive business days, but not exceeding 15 consecutive business days prior to the date the Board of Directors passed its resolution to propose this matter to the Shareholders' Meeting of the Company to approve the capital increase and the allocation of new shares, whereby the weighted average price of the Company's shares calculated for the past 7 consecutive business days during the period from May 5, 2022 to May 13, 2022 is equal to Bt. 0.54 per share

And the Company still holds shares in its subsidiaries and associated companies with no change after the transaction.

## 1.5 Details of the assets being acquired

The Company will purchase ordinary shares of 6,000,000 shares and preferred shares of 150,000 shares in SGMP, Bt. 5 par value, or accounting for 30% of total issued and paid-up capital of SGMP., totaling Bt. 371,700,000.

As of March 31, 2022, SGMP has registered and paid-up capital of Bt. 102.50 million comprising 500,000 preferred shares at Bt. 5 par value totaling Bt.2.5 million and 20 million ordinary shares at Bt. 5 par value totaling Bt.100 million.

The characteristics of preferred shares are as follows:

- 1.1 Privileges to receive dividend before ordinary share by allocating 2.0% of paid-up capital of preferred shares to shareholder of preferred shares except that the amount of dividend paid is over 2.0% of paid-up capital of preferred shares as the case maybe. The announcement of dividend payment will be in accordance with the proportion of shareholding. Right to receive dividend aforementioned will be applied to the first dividend payment of each year and will not be accumulated.
- 1.2 Right to vote at the Shareholders' Meeting at 1 vote per 1,000 preferred shares
- 1.3 Right to receive the capital decrease before the ordinary share when liquidated but not exceeding the amount of paid-up preferred shares.

SGMP is reistered as a company limited in Thailand dated January 7, 2000 to manufacture and distribute rubber gloves for medial and industrial purposes (TSIC 22193) in terms of Original Equipment Manufacturing (OEM). Most of products are industrial rubber gloves accounting for 85% – 90% of total production of SGMP is able to manufacture products in line with demand from each group of market or each type of customer. Factory of SGMP is located in Rattaphum District, Songkhla Province, which is close to the source of raw material, natural rubber and close to the deep sea port of the Province, available to transportation to foreign customers such as countries in Europe, Canada, countries in Latin America, Japan and Australia.

SGMP is a manufacturer of 2 type of rubber gloves, Natural Rubber Glove and Nitrile Glove. Natural Rubber Glove uses concentrated latex as raw material whih has qualification of flexibility, convenience to wear, easily decomposed. Nitrile Glove uses Nitrile Butadiene Rubber as raw material which is synthetic rubber as a by-product of petroleum production. It has qualification of strongness, endurance to be perforated, chemical and change in temperature better than rubber glove and as a choice for user who is allergic to protein from natural rubber.

(Please see more information of SGMP in the Attachment 1)

### SGMP's Business Operation Guidelines after the Share Purchase Transaction of SGMP

The Company shall operate the SGMP's business in accordance with the existing business plan with the manufacturing capacity from 14 machines. The SGMP production process uses 12 nitrile gloves and 2 natural rubber gloves with a total production capacity of 9,360,000 boxes per year. In present, most of SGMP's customers are companies located overseas, however, the Company has a marketing plan to expand the SGMP's customer base in Thailand by focused on the group of customer of food factories business, drug factories, hospitals and clinics. Although the COVID 19 situation is easing which results in the decline of demand for medical gloves, however SGMP consider that the demand for industrial gloves continues to grow. Therefore, SGMP plans to expand the group of customers who mainly use industrial gloves. SGMP expects that building a customer base in Thailand can also help reduce risks and expenses incurred from the transportation of ships.

## 1.6 Calculation of transaction size

The share acquisition of SGMP is deemed as an acquisition of assets pursuant to the Notifications on Acquisition or Disposition of Assets and the Notification of the Board of Governors of the Stock Exchange of Thailand Re: Disclosure of Information and Other Acts of Listed Companies Concerning the Acquisition or Disposition of Assets B.E. 2547 (the "Notifications on Acquisition or

Disposition of Assets"). The highest transaction size is equal to 75% based on the criteria of total consideration value which is over 50% but not exceeding 100%.

The calculation of size of transaction is based on the consolidated financial statements of the Company and SGMP as of March 31, 2022

(Unit: Million Baht)

Detail	The Company	SGMP
Net profit for the past 12 months From the 2 <sup>nd</sup> quarter of 2021 to the 1 <sup>st</sup> quarter of 2022	(57.53)	346.97
Total Assets	493.78	917.65
Less Total Liabilities	(119.39)	(85.57)
Less Intangible Assets	(0.43)	-
<b>Net Tangible Assets (NTA)</b>	<b>373.96</b>	<b>832.08</b>

#### The calculation of size of transaction

Criteria	Calculation	Size of transaction (%)
1. Net Tangible Asset (NTA)	% of investment * NTA of SGMP / NTA of the Company = 30% * Bt. 832.08 million / Bt. 373.96 million	67%
2. Net Profit	% of investment * Net profit of SGMP / Net profit of the Company Can not do the calculation because net profit of the Company is negative	-
3. Total Consideration value	Total Consideration / Total Assets of the Company = Bt. 371.70 million / Bt. 493.78 million	75%
4. Total value of issued shares	Total newly issued shares to pay for the assets / Total paid-up capital of the Company = 423,000,000 shares / 2,015,123,566 shares	21%
<b>The maximum percent is from total consideration value</b>		<b>75%</b>

#### The Calculation of size of connected transaction

The entering into the transactions is deemed as connected transactions under the Notification of Capital Market Supervisory Board No. TorChor. 21/2551 Re: Rules on Connected Transactions and the Notification of the Board of Governors of the Stock Exchange of Thailand Re: Disclosure of Information and Other Acts of Listed Companies Concerning Connected Transactions B.E. 2546 (2003) (collectively referred to as the "Notifications on Connected Transactions") as Mr. Huang Ho-Chih is a director & Chief Executive Officer of the Company and a director & shareholder of 30% of SGMP held via GDH

Calculation	Formula	Size of transaction
NTA Criteria	Total Consideration / NTA of the Company	
	Bt. 371.70 million / Bt. 373.96 million	99%

Note: Over the past 6 months, the Company has no connected transactions

As Size of transaction is over 50% but not exceeding 100% and size of connected transaction exceeds 3%. Therefore, the company is required to disclose information on the entering into the asset acquisition and connected transactions to the SET and appoint an independent financial advisor to render an opinion to the shareholders of the Company. It also has to seek approval from shareholders' meeting with affirmative votes of at least three-fourths of the total votes of the shareholders who attend the meeting and are eligible to vote, excluding shareholders with conflict of interest.

## **1.7 Total value of consideration, basis for determination of consideration value, and payment terms & source of fund**

### Total value of consideration

The Company will purchase shares of SGMP comprising 6,000,000 ordinary shares, par value of Bt. 5.0 and 150,000 preferred shares, par value of Bt. 5, accounting for 30% of total registered and paid-up capital of SGMP with purchased price at Bt. 60.439 per share or Bt 371,700,000.

Shareholders' Equities of SGMP as of March 31, 2022 was Bt. 832.08 million or equal to Bt. 40.59 per share.

### Payment terms & source of fund

The Company will make payment with 432,000,000 newly issued ordinary shares, or 17.35% of total issued and paid-up capital, Bt. 0.50 par value based on the offering price of Bt. 0.59 per share totaling Bt. 249,570,000 including some cash of Bt. 122,130,000, the total value of consideration will be Bt. 371,700,000. The proportion of payment value of capital : cash equal to 67 : 33

The Company has increased the capital and distributed to several investors via private placement, which was approved by the Extraordinary Shareholders' Meeting 1/2021 dated November 15, 2021. The shares were allocated in December 2021 amounting Bt. 147.50 million and in March 2022 amounting Bt. 88.50 million, resulting in the ending cash of the consolidated financial statements as of March 31, 2022 at Bt. 239.81 million (including cash from operation). Therefore, the Company has sufficient cash for the payment of SGMP shares and does not have impact to liquidity or business operation of the Company.

The offering price at Bt. 0.59 per share when compared with, the market price according to the definition of the SEC, referring to the weighted average price of the Company's shares listed on the SET for the past period of at least 7 consecutive business days, but not exceeding 15 consecutive business days. Whereby the weighted average price of ordinary shares of the Company that are traded on the SET between May 5 - May 13, 2022, which was a period of 7 consecutive business days is equal to Bt. 0.54 per share, there is no dilution effect to share price of the Company.

Shareholders' Equities of the Company as of March 31, 2022 was Bt. 374.39 million or equal to Bt. 0.19 per share.

### Basis for determination of consideration value

The criteria used to determine the value of consideration is the value that is negotiated between the Company and the Seller of SGMP Shares by considering the financial projection for the acquisition of SGMP's conducted by Kingsford Securities Public Company Limited which is a licensed financial advisor approved by the SEC by analyzing the investment by discounted cash flow approach method to determine the fair value of SGMP. This reflects the profitability of such businesses in the future by considering the benefits that the Company will receive in the future. The result of the calculation by such method the enterprise value of SGMP according to the financial projection is Bt. 1,375.77 – 1,575.79 million and the equity value is Bt. 1,521.08 – 1,721.10 million. SGMP does not have any interest-bearing debt and it has Bt. 145.31 million in cash as of March 31, 2022. The crucial assumptions used for the financial project are as follows:

(1) SGMP owns 14 manufacturing machines with total capacity of 9,360,000 boxes per year which each box contains 100 pieces of glove. In 2022, the utilization rate is expected to be 87 percent in the worst case and 95 percent in the best case. The utilization rate is expected to be gradually decreasing due to the decrease in demands as the pandemic is becoming less severe. In 2026, the utilization rate is expected to be 74 percent in the worst case and 77 percent in the best case.

(2) In 2022, the net profit margin of SGMP is expected to be 32 percent of the total revenue of SGMP which will gradually decrease each year to 12 percent in 2026 as a result of the expected selling price to be lowered.

(3) The Weighted Average Cost of Capital (WACC) used for this financial projection is 10.08 percent which is equal to its cost of equity as SGMP does not have any interest-bearing debt.



(4) The terminal growth rate used for this financial projection is 0.50 percent due to the fact that the pandemic is becoming less severe and the expectation that the demand for rubber gloves will slow down and not rapidly grow.

When considering the offering price of the newly issued shares of the Company to be issued to the Seller of SGMP Shares at the offering price of Bt. 0.59 per share, this time compared to the market price of the Company's shares, which is calculated from the weighted average price of the Company's shares traded on the SET not less than 7 consecutive business days prior to the date of the Board of Directors' meeting, that is, between from May 5, 2022 to May 13, 2022 is equal to Bt. 0.54 per share. The price is not lower than 90% of the market price according to Notification No. TorJor. 72/2558.

### 1.8 Conditions of the transaction

The Share Purchase Transaction of SGMP and the Transaction involving the Share Allocation in Consideration of the Acquisition of Shares in SGMP shall proceed only after the conditions precedent as specified in the Shares Purchase Agreement between the Company and the Seller of SGMP Shares have been fulfilled or waived. The significant terms and conditions of the Shares Purchase Agreement and Shareholders Agreement are summarized below.

#### Summary Information of Draft Share Purchase Agreement

<b>Parties</b>	Dimet (Siam) Public Company Limited <b>as a Purchaser</b> Gold Dynamic Holding Company Limited <b>as a Seller</b>
<b>Shares to be sold</b>	6,150,000 shares in SGMP representing 30 percent of the registered capital of SGMP (the "Sale Shares"), comprising of existing ordinary shares of 6,000,000 shares and existing preference shares of 150,000 shares
<b>Selling price</b>	The purchase price is Bt. 371,700,000. The Purchaser will pay the Purchase in the form of (1) The Purchaser's newly issued ordinary shares in the amount of 423,000,000 shares, representing 17.35 percent of total issued shares of the Purchaser after the issuance of newly issued shares to the Seller, at the offering price of Bt. 0.59 per share, representing the total value of THB 249,570,000. The share swap rate is 1 ordinary share of SGMP for 102.439 the Purchaser's Newly Issue Shares; and (2) Cash in the amount of Bt. 122,130,000
<b>Conditions Precedent</b>	(1) The Company is satisfied with the legal due diligence of the SGMP. (2) The Shareholders' Meeting of the Company shall have resolved to approve the execution of the Share Purchase Transaction of SGMP and the Transaction involving the Share Allocation in Consideration of the Acquisition of Shares in SGMP including approval on various matters necessary for and/or in connection with such transactions; (3) As of the date of acquisition of SGMP's shares, there shall be no event or action having occurred or caused to occur or reasonably believed to be likely to occur, which may give rise to any material and adverse impact on SGMP or jeopardize the execution of the Share Purchase Transaction of SGMP and the Transaction involving the Share Allocation in Consideration of the Acquisition of Shares in SGMP; (4) The SEC Office shall have approved the private placement of the newly issued ordinary shares to the Seller of SGMP shares by way of private placement.

The Company's legal advisor has already completed the legal due diligence of (1) and the Company will hold the Extraordinary Shareholders' Meeting on June 30, 2022 according to (2) and expects to complete the transaction in July 2022.

And CapAd has an opinion that draft Share Purchase Agreement is in accordance with normal agreement in business and does not cause disadvantage to the Company.

### 1.9 Impact to shareholders of the Company

The Company will issue new ordinary shares of 423 million shares which will have dilution effect of 17.35% to shareholders after the completion of the transaction but there will be no price dilution as the Company will sell shares at Bt. 0.59 per share higher than market price which equal to Bt. 0.54 per share

**Part 2: Opinion of the Independent Financial Advisor on Reasonableness of the Acquisition of Assets and the Connected transaction****2.1 Objective and necessity of the transaction**

The transaction is the investment diversification in other business that shows profit from operations, which is a rubber glove manufacturer and distributor and will become an associated company at 30% shareholding. SGMP is the company that Mr. Huang Ho-Chih is one of the major shareholder via Gold Dynamic Holding Co., Ltd and at the same time, he is also the Director and Chief Executive Officer of the Company. Therefore, SGMP is the business that Mr. Huang Ho-Chih is familiar with and can manage with consistent policy under the co-investment. Therefore, investment in SGMP's shares would enhance the investment opportunity by expecting dividend revenue from SGMP. The Company would have another source of revenue which will bring benefits to the Company and shareholders.

The Independent Financial Advisor has also considered other funding alternatives and analysis of various source of funds such as

A. Issuance and Offering shares to investors. The Company has just allocated new capital of about 250 million shares at offering price of Bt. 0.59 per share to specific investors in December 2021, totaling Bt. 147.50 million and allocated new capital of 150 million shares at offering price of Bt. 0.59 per share in March 2022, totaling Bt. 88.50 million. The total funding amount was Bt. 236.00 million prepared to support the expansion plan of the Company. Therefore, re-issuing and offering shares to other investors would be difficult because the Company had already contacted several investors.

B. Right Offering from shareholders. The Company increased capital from right offering in October 2020, amounting Bt. 107.67 million to pay debt, increase liquidity and reserve for expanding the paint business. Therefore, raising funds via right offering again will be a burden to existing shareholders as most of them are minority shareholders, causing the risk for being unable to raise the fund in the amount as needed and also the burden for new specific investors (as mentioned in A) that has just become shareholders of the Company if the Company has to raise fund by this alternative.

C. Public Offering. This alternative needs approval from the SEC resulting in long time of process to receive the funds and having high cost of operations and the Company needs to show profit to attract the public to invest. However, the Company recorded losses from operation, so it cannot raise funds as required amount. In addition, the succession of offering shares also depends on the stock market sentiment and economic conditions at the time of offering.

D. Loan from financial institutions. The Company would be in difficulties to ask for additional loans from financial institutions and would not seek for sufficient amount of money as the Company has recorded losses from operation. Moreover, the increase in debt level and interest expenses can make the Company more risk in business operation.

Therefore, to increase Company's capital as source of funding to pay for the assets including paying some cash would be the most appropriate method compared to other alternatives. This alternative affects the dilution of proportion of shareholding to a certain level and paying some cash to prevent too high dilution effect. In addition, Mr. Huang Ho-Chih is familiar with the operation of SGMP, so the acquisition of SGMP's shares will make the Company and SGMP to have the same direction of management. In summary, the transaction by this approach is appropriate.

As the Company has to increase the capital as a key source of fund to pay for SGMP's shares, the approval from the shareholders' meeting for this transaction, including the share swap and increasing capital of the Company by issuing new ordinary shares by private placement, to be allocated to GDH. Therefore, it is considered as a related agenda which if one of the agenda has not been approved by the shareholder's meeting, another one that already been approved will be canceled and will not consider further.

## **2.2 Comparison of Advantages and Disadvantages of the Transaction**

### **2.2.1 Advantages and Benefits of the Transaction**

#### **(1) The Company has an opportunity to receive revenue from dividend**

Regarding the past performance, the Company has recorded losses from operation. Thus, the Company has an intention to seek for other source of revenue by the acquisition in shares of SGMP that shows continued profit especially during 2020 - 2021, the net profit of SGMP went up to Bt. 131 million and Bt. 543 million respectively, or net profit margin of 27% and 31%, respectively.

In 2019, there was a fire incident at the Company's factory which damaged machinery and inventories, resulting in the temporary pause of production line during August 2019 – May 2020. The production capacity and performance were under normal level, therefore, in 2019, the Company recognized revenue from production only in the first half of 2019 and resume to recognize revenue in the last half of 2020 onward. During that time, SGMP had to maintain its customer base by trading rubber gloves instead. Due to the occurrence of COVID-19 in 2020, it resulted in the increasing demand of rubber gloves especially medical rubber gloves and caused SGMP to record improving revenue and profit.

SGMP has shown good record of dividend payment in the past which was the dividend payment from the retained earnings amounting Bt. 477 million in 2020, Bt. 120 million in February 2022 and dividend payment from profit in 2021 amounting Bt. 140 million. Therefore, investment in SGMP is the investment diversification that invests in the business with good performance and the expectation to have dividend revenue as another source of revenue in the future.

#### **(2) The Company has no burden to seek source of funds for the transaction.**

Regarding the transaction, the Company will pay the shares of SGMP by issuing new ordinary shares of 423 million shares (or accounting for 17.35% of paid-up capital after the capital increase) at Bt. 0.59 per share totaling Bt. 249.57 million, together with some cash of Bt. 122.13 million, the fund of which was raised in the 4th quarter of 2021 and the 1st quarter of 2022 from specific investors. That caused the Company to have no burden to seek source of funds for the transaction and no significant impact on the financial liquidity. The Company is able to keep the rest of the cash for the purpose of using as working capital and business management. As of 31 March 2022, the Company had cash balance equal to Bt. 239.81 million and will have the balance of Bt. 117.68 million after the transaction.

In addition, the previous increased capital of the Company has expanded the capital base with more stability in financial status and can be used as the base to ask for more loan from financial institutions for supporting future investment.

#### **(3) To diversify the investment risks**

At present, the current business of the Company is a paint manufacturer and distributor in industrial and construction works. Regarding previous performance, the income has been declining and caused net losses from operations, resulting in lacking liquidity and working capital. During the past 6 months, the funds were raised to enhance the liquidity and to prepare for investment in new businesses. Therefore, the investment in SGMP is the expansion of the Company's scope of business and diversify the risk to the business that has good return, such as rubber glove manufacturer and distributor business. It is also a business investment that already has track record which is not a new business or a startup, resulting in lower risk of investment.

#### **(4) Existing shareholders of the Company will have no price dilution**

Issuing and offering new shares of 423 million shares with the offering price at Bt. 0.59 per share for the share swap with shares of SGMP will not have a price dilution effect on existing shareholders of the Company. Since the offering price of the issued share is higher than the weighted average price of the Company's shares trading on SET in the past period of 7 - 15 consecutive business days before the date that the Company's board of directors resolved to present in annual shareholder meeting 2022 between April 21, 2022 and May 13, 2022, the price range of Bt. 0.54 – 0.56 per share. This approach is the market price according to the opinion of CapAd. Thus, the issuing and offering new shares of the Company to SGMP will have no price dilution.

#### **(5) No significant change in management of the Company**

The Company will issue 432 million new shares to GDH or accounting for 17.35% of total paid-up capital after the completion of the transaction. As Mr. Huang Ho-Chih is 100% shareholder of GDH

and also the director and CEO of the Company. Therefore, there will be no significant change in management of the Company.

### **2.2.2 Disadvantages of the Transaction**

#### **(1) The Company could not have major control in SGMP**

Regarding the transaction, the Company will hold 30% in shares of SGMP which makes SGMP as an associated company. The Company will have one director as an authorized director in proportion of the shareholding. Mr. Huang Ho-Chih, currently a director of SGMP, will continue his directorship in SGMP as the representation of the Company. Thus, the Company is unable to control over the entire business and could not set all direction of business of SGMP.

However, voting rights about important issues; such as increasing the capital, decreasing the capital, amendment the Article of Association, and amendment of the Memorandum of Association, in the shareholders' meeting of limited company required affirmative votes at least three-fourths of the total votes. Therefore, the shareholding of the Company could give the right to check and balance power on important issues. The Company will record the investment amount as investment in associated companies and apply the recognition by equity method which will indirectly affect the Company's performance. In case SGMP pays dividend, the Company can recognize as dividend revenue.

And in case there is no Shareholder Agreement, the Company and other shareholders of SGMP still have to comply with the Article of Association of SGMP. The meeting of the Board of Director and the Shareholders have to be based on the majority of the vote except the agenda of the Shareholders' Meeting of key issues mentioned above that needs affirmative votes at least three-fourths of the total votes.

#### **(2) Control dilution and Earnings dilution affect the shareholders' Company**

To purchase most of SGMP's shares with issuance of newly-issued shares affecting the control dilution of shareholders of the Company to be reduced to 17.35% after increasing the capital.

#### **(3) SGMP has not yet determine the dividend policy**

Currently, SGMP has not determined the dividend policy which may cause uncertainty to the Company to receive dividend in the future. However, after the transaction, the Company will discuss with the remaining two shareholders to make it clear about the dividend policy, which will be beneficial to shareholders as return from investment. In addition, SGMP does not have substantial expansion project or need cash for investment. The Company expects that SGMP would pay dividend to shareholders when it records profit from operation each year.

### **2.2.3 Risks of the transaction**

#### **(1) Risks from the conditions precedent is unsuccessful**

To complete the transaction, several steps need approval or to be proceeded such as the conditions in the Share Purchase Agreement, increasing capital for a private placement needs approval from the SEC, the approval from the shareholders' meeting with required affirmative votes of at least three-fourths of the total votes of the shareholders who attend the meeting and have the right to vote, excluding shareholders with conflict of interest.

#### **(2) Risks from the future performance that may not be as expected**

SGMP is the manufacturer and distributor of natural rubber gloves and nitrile rubber gloves. about 85-90% of production are industrial rubber gloves that has continued demand and SGMP also manufacture medical rubber gloves which had high growth since 2020 due to the pandemic of COVID-19 and is expected to benefit from high demand for medical rubber gloves during the pandemic of COVID-19. But future performance may not as good as in 2021 as the situation of COVID-19 has improved in 2022. Thus, the Independent Financial Advisor has estimated revenue and profit of SGMP to continue but at slow pace of lower profit margin on a conservative basis as the averaged selling price of medical rubber gloves and cost of production has moved down.

The spread of COVID-19 is still existing around the world and be predicted by many countries, including the Ministry of Public Health of Thailand, that COVID-19 would be endemic in 2022. However, the expectation of the demand for medical rubber gloves is still at a high level for a period of time and will still continue as long as the existing of COVID-19. In case of industrial rubber gloves, there has

been continued demand from customers in several sectors internationally and selling price is mainly subject to the qualifications of rubber gloves and cost of raw material.

However, the projection may not be as expected due to several factors both from internal & external factors of SGMP especially the situation of COVID-19 which may affect the dividend to be announced and resulting in change in return of investment as not expected.

### **2.3 Comparison of Benefits and Impacts between Entering into the Transaction with Connected Person and the Transaction with a Third Party**

Entering into the transaction with the connected person is more convenient and more rapid in the negotiation rather than the external party. Since Mr. Huang Ho-Chih is the Director of SGMP and the Company, and he clearly understands the business and the performance of SGMP. In addition, the business information would still be in the group between the Company and SGMP and not leak to outsiders.

However, the Company is a listed company under the SET. The Company has to comply with the rules and regulations regarding the connected transaction and enter into the transaction as external parties by taking the Company's benefit as a priority to prevent minority shareholders being affected by the transaction. The Company's Board of Directors has considered and stated acquisition of asset transaction is for the highest benefit to the Company and the Company's shareholders as a priority.

### **2.4 Summary of the Independent Financial Advisor's Opinion Regarding Reasonableness of the Transaction**

This asset acquisition is the investment diversification in SGMP that records profit from operations despite in different business from the Company. SGMP is a rubber glove manufacturer and distributor and will be an associated company as the Company will hold 30% after completing the transaction. SGMP is the company that Mr. Huang Ho-Chih is the major shareholder by holdings through Gold Dynamic Holdings Co., Ltd. At the same time, Mr. Huang Ho-Chih is also the Director and Chief Executive Officer of the Company. Therefore, SGMP is the business that Mr. Huang Ho-Chih is familiar with and can manage with consistent policy under the co-investment. The Company has decided to invest in SGMP's shares through a share swap method and some cash payment which would help the Company increase investment opportunity to have dividend revenue as another source of revenue which will bring benefits to the Company and shareholders.

Advantages and Benefits of the Transaction are as follows:

- (1) The Company invests in the business that has good revenue and profit especially during 2020 - 2021, the net profit of SGMP went up to Bt. 131 million and Bt. 543 million respectively, or net profit margin of 27 percent and 31 percent, respectively. In addition, SGMP had record of dividend payment from its retained earnings of Bt. 477 million in 2020, Bt. 120 million in February 2022 and Bt. 140 million in April 2022 paid from net profit. Therefore, investment in SGMP is the investment diversification in the business with good performance and the Company expects to have dividend as another source of revenue in the future.
- (2) The Company will pay in kind for SGMP shares by issuing 423 million shares accounting for 17.35% of capital after capital increase and some cash payment of Bt. 122.13 million, which was from the capital increase from specific investors in the 4th quarter of 2021 and the 1st quarter of 2022. The Company would have no burden to seek additional source of funds for the transaction and there will be no significant impact on the financial liquidity and be able to keep the rest of the cash for the purpose of using as working capital and business management.
- (3) The investment in SGMP is the expansion of business and diversify the risk to the business of rubber glove manufacturer and distributor that has good return. Moreover, the rubber glove business has a good opportunity due to the epidemic which is COVID-19 and other epidemic diseases that may occur in the future. In addition, it is also an investment in a business that already has track record, not a new business or a startup which could reduce the investment risk of the Company.

- (4) Issuing and offering new shares for the capital increase will not have a price dilution effect on existing shareholders of the Company. Since the offering price of the issued shares at Bt. 0.59 per share is higher than the weighted average price of the Company's shares trading on SET in the past period of 7-15 consecutive business days before the date that the Company's board of directors resolved to present in annual shareholder meeting 2022. The period was between April 21, 2022 and May 13, 2022 and it is defined as the market price approach according to the opinion of CapAd, which is in the range of Bt. 0.54 – 0.56 per share.
- (5) No significant change in management of the Company as Mr. Huang Ho-Chih held 100% of GDH and also a director and CEO of the Company.

However, there are disadvantages of the transaction are as follows:

- (1) The Company could not control SGMP because the Company will hold only 30%. However, voting about important issues; such as increasing the capital, decreasing the capital, amendment of the Article of Association, and amendment of the Memorandum of Association requires affirmative votes at least three-fourths of the total votes in shareholders' meeting of limited company. Therefore, the proportion share that the Company holds could give the Company the right to check and balance power on important issues.
- (2) To purchase most of SGMP's shares with issuance of newly-issued shares affects the control dilution of shareholders of the Company to reduce 17.35 percent of paid-up capital after increasing the capital.
- (3) Currently, SGMP has not yet determined the dividend policy which may cause uncertainty to the Company to receive dividend in the future. However, after the transaction, the Company will discuss with the remaining two shareholders to make it clear about the dividend policy, which will be beneficial to shareholders as return from investment. In addition, SGMP does not have substantial expansion project or need cash for investment.

**Risks of the Transaction are as follows:**

- (1) To complete the transaction, several steps need approval or to be proceeded such as the conditions in the Share and Purchase Agreement, increasing capital for a private placement needs approval from the SEC, the approval from the shareholders' meeting with required affirmative votes of at least three-fourths of the total votes of the shareholders who attend the meeting and have the right to vote, excluding shareholders with conflict of interest.
- (2) SGMP is the manufacturer and distributor of natural rubber gloves and nitrile rubber gloves. about 85-90% of production are industrial rubber gloves that has continued demand and SGMP also manufacture medical rubber gloves which had high growth since 2020 due to the pandemic of COVID-19 and is expected to benefit from demand for medical rubber gloves during the pandemic of COVID-19. But future performance may not be as good as in 2021 because the situation of COVID-19 has improved in 2022. Thus, the Independent Financial Advisor has estimated revenue and profit of SGMP to continue but at slow pace of lower profit margin on a conservative basis as the averaged selling price of medical rubber gloves and cost of production has moved down.

The spread of COVID-19 is still existing around the world and be predicted by many countries, including the Ministry of Public Health of Thailand, that COVID-19 would be endemic in 2022. It is expected that demand for medical rubber gloves are still exist as the existing of COVID-19. In case of industrial rubber gloves, there has been continued demand from customers in several sectors internationally and selling price is mainly subject to the qualifications of rubber gloves and cost of raw material.

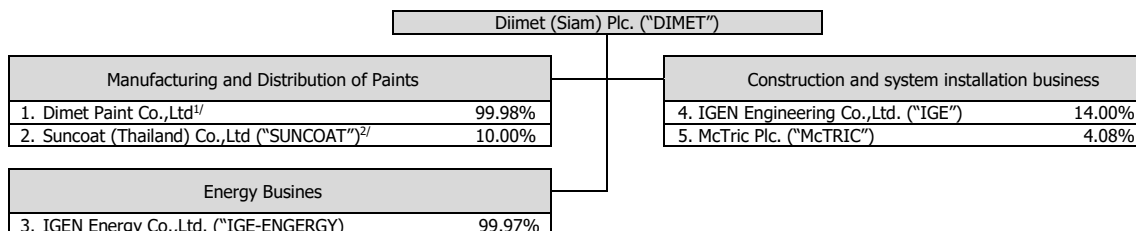
However, the projection may not be as expected due to several factors both from internal & external factors of SGMP especially the situation of COVID-19 which may affect the dividend to be announced and resulting in change in return of investment as not expected.

After considering the objective and necessity of the transaction along with the advantages, disadvantages, benefits, and risks. The Independent Financial Advisor opines that this transaction acquisition of assets and connected transactions is **appropriate**, which benefits to the overall business operation of the Company and shareholders in the long run.

### Part 3: Opinion of the Independent Financial Advisor Concerning the Appropriateness of Price and Conditions of the Asset Acquisition

As the Company is going to acquire shares of SGMP totaling 6,150,000 shares or equivalent to 30 percent of total issued and paid-up capital from existing shareholders of SGMP and the Company will pay in kind by issuing new shares of the Company totaling 423,000,000 shares by share swap and a portion of cash in the amount of Bt. 122,130,000. CapAd as the Independent Financial Advisor will value Dimet Group's and SGMP Group's share prices in order to determine the appropriate share prices of both companies.

At present, the Company holds shares in subsidiaries and associates companies, both directly and indirectly, totaling 5 companies. Shareholding structure is shown in the chart below:



หมายเหตุ: 1/ The Annual General Meeting of Shareholders No. 1/2022 on April 8, 2022 resolved to approve the change of the Company's former name from Asian Corrosion Control Technology Company Limited ("ACCT") to Dimet Paint Company Limited.  
2/ 10% shareholding through Dimet Paint Co., Ltd. Therefore, the Company holds a net 10% stake.

CapAd will further explain in details about the projection of the company. CapAd has studied information from the Company, interview for management & parties involved, asset appraisal reports done by appraiser, business agreement including other publicly-disclosed information such as Annual Registration Statement (Form 56-1), audited and reviewed financial statements, and information from the SEC's and SET's websites ([www.sec.or.th](http://www.sec.or.th) and [www.set.or.th](http://www.set.or.th)), Bank of Thailand ([www.bot.or.th](http://www.bot.or.th)), the Company ([www.dimetsiam.com](http://www.dimetsiam.com)) and SGMP ([www.sgmp.co.th](http://www.sgmp.co.th)).

The Independent Financial Advisor's opinion is based mainly on the assumptions that information and documents provided are true, complete, and accurate. CapAd has reviewed the information according to the professional standard and found no material anomalies. However, CapAd is unable to assure or guarantee any accuracy or completeness of such information. Additionally, the rendered opinion is based on environment and most up-to-date information at the time of issuance of this report. Therefore, any change of such information or any incurrence of events may significantly affect business operations and financial projection of the Company and SGMP as well as shareholders' decision in considering the appropriateness of the acquisition.

CapAd has considered several valuation approaches of the Company and SGMP in total of 6 approaches as follows:

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

CapAd is able to summarize opinion of the appropriateness of the valuation after studying information, document and other relating information of each transaction classified by company as follows:



### 3.1 Valuation of the Company ("DIMET")

The valuation of share price can be valued by 6 approaches as follows:

#### 3.1.1 Book Value Approach

The book value approach shows the Company's share value by using book value at the point of time to evaluate the Company's share value which, in this case, referred to the reviewed financial statement as of March 31, 2022. The certified auditor responsible for the Company's financial statement is Mr. Jirote Sirirorote, Certified Public Accountant No. 5113, from Karin Audit Company Limited who is also an approved auditor from the office of SEC. the Company's financial valuation is in detail as follows:

The Company	Bt. Million
Authorized share capital <sup>1/</sup>	1,438.14
Issued and paid-up capital	1,007.56
Premium on ordinary shares	188.09
Discount on ordinary shares	(430.70)
Surplus from change in proportion of investment	0.55
Retained earnings (losses)	(435.72)
Other components of shareholders' equity <sup>2/</sup>	44.62
<b>Total shareholder's equity (100%)</b>	<b>374.39</b>
Number of registered and paid-up shares <sup>3/</sup> (Million shares)	2,015.12
<b>Book value share price (Baht per share)</b>	<b>0.19</b>

Note: 1/ As of April 27, 2022, according to the resolution of the 2022 Annual General Meeting of Shareholders approved the reduction in capital and an increase of capital from the original registered capital of THB 2,015,642,674.50 to THB 1,438,140,413, with a par value of THB 0.50 per share.

2/ From surplus from land revaluation of THB 44,615,600.

3/ As of March 31, 2022, the Company has a total of 2,015,123,566 paid-up shares with a par value of THB 0.50.

From the valuation approach, the Company's value is **Bt. 374.39 million or Bt. 0.19 per share**. However, the Book Value approach can reflect the Company's value at a time but does not consider the Company's performance in the future and fair value of the Company's asset, including Property, Plant, and Equipment. So, the Independent Financial Advisor opines that the valuation by using the book value approach is **not appropriated** approach to value the Company's value.

#### 3.1.2 Adjusted Book Value Approach

This valuation approach is using the Company's total asset deducted by total liabilities including any Commitments and Contingent Liabilities shown on the Company's reviewed financial statement dated March 31, 2022, by a certified auditor approved by the SEC. The financial statement is the latest published financial statement and adjusting with the transaction occurred after the published date or transaction that may affect the book value to reflect the actual value of the asset e.g. gain/loss from the appraised asset which does not record in the financial statement. However, there is no liability that may occur in the future and after financial statement published to date. After that, the approach is using the result from the calculation divided by the number of the Company's paid-in shares.

In the valuation of the Company's value, CapAd is using the book value in the Company's latest financial statement dated March 31, 2022, to adjust and having major points as follows:

##### Gain (Loss) from the appraisal of asset

The Company's group has the appraised asset consisting of land, building and installation and machinery and equipment. The Company has appointed First Star Consultant Co., Ltd. ("First Star Consultant") which is the approved asset appraiser by the SEC to appraise the Company's asset in this transaction. So, the asset appraisal report from First Star Consultant can be classified into 2 reports which classify by types of assets as follows:

##### A. Land

The land and building appraisal report no.65-FSCR-GR-037 are appraised as of February 17, 2022, and published in the asset appraisal report dated February 25, 2022, to determine the Market Value of the appraised asset for public purposes.

Objective	Public Propose
Title Deed /Area	Title deed No.85930 <b>6 Rai 1 Ngan 80 Sq.Wah in total (2,580 Sq.wah)</b>
Types of land	Land with buildings
Location of asset	No. 602, Moo 2, Soi 1B Bangpoo Industrial Estate (Soi Thetsaban Bang Pu 77), Sukhumvit Road (Public road No.3), Bang Pu Mai Subdistrict, Mueang Samut Prakan District, Samut Prakan Province
Land condition and contact territory	The Land shape is near rectangle. The North and East are next to the land with industrial factory. The South and West are adjacent to the road of Bangpoo Industrial Estate.
Ownership	Dimet Paint Company Limited (formerly named Asian Corrosion Control Technology Company Limited)
Land burden	The land secured as collateral under Beyond Capital Company Limited
Method of valuation	Market Approach is a method of comparing the assessed land with the market data to be compared, and give points or weights to compare in each factor, such as location, town plan, land plot size, area size, etc.
Appraisal value	Bt. 72,240,000

### B. Buildings

The land and building appraisal report no.65-FSCR-GR-037 are appraised as of February 17, 2022, and published in the asset appraisal report dated February 25, 2022, to determine the Market Value of the appraised asset for public purposes.

Location	No. 602, Moo 2, Soi 1B Bangpoo Industrial Estate (Soi Thetsaban Bang Pu 77), Sukhumvit Road (Public road No.3), Bang Pu Mai Subdistrict, Mueang Samut Prakan District, Samut Prakan Province
Method of valuation	The replacement cost method (Replacement Cost, New) deducts physical depreciation. Useful depreciation and economic deterioration or external factors to determine market value
Number of buildings	24 buildings such as office buildings, factory buildings, product showroom buildings service center building, raw material storage building, open roof and canvas tent
Total areas	11,404.50 sq.m.
Ownership	Dimet Paint Company Limited (formerly named Asian Corrosion Control Technology Company Limited)
Building burden	The building secured as collateral under Beyond Capital Company Limited
Appraisal value	Bt. 21,551,000

### C. Machine and Equipment

The land and building appraisal report no. 65-FSCM-GR-038 are appraised as of February 17, 2022, and published in the asset appraisal report dated February 28, 2022, to determine the Market Value of the appraised asset for public purposes.

Location	No. 602, Moo 2, Soi 1B Bangpoo Industrial Estate (Soi Thetsaban Bang Pu 77), Sukhumvit Road (Public road No.3), Bang Pu Mai Subdistrict, Mueang Samut Prakan District, Samut Prakan Province
Number of buildings	The replacement cost method (Replacement Cost, New) deducts physical depreciation. Useful depreciation and economic deterioration or external factors to determine market value
Total areas	25 machine comprising machinery used in paint manufacturing and distribution such as grinders, packing machines, dust removal kits, air compressors, mixers, cranes, milling machines, transformers, forklifts, etc.
Ownership	Dimet (Siam) Plc.
Building burden	Bt. 18,382,000

### **Summary of book value and appraised value by First Star Consultant**

CapAd has compared the Company's asset from book value as of March 31, 2022, with the appraised value from the asset appraiser. Thus, the adjusted shareholder equity can be summarized as follows:

(Unit: Million Baht)

Appraised Asset		Book value as of March 31, 2022	Appraised value by the independent asset appraiser	Appraised value higher (lower) than book value
		(1)	(2)	(2) – (1)
1	Land	72.24	72.24	-
2	Building	5.39	21.55	16.16
3	Machinery and equipment	1.13	17.57 <sup>2/</sup>	16.50
<b>Total asset value</b>		<b>78.76</b>	<b>111.36</b>	<b>32.66</b>
(Deduct): Deferred Tax Liabilities <sup>1/</sup>				(6.53)
<b>Total adjusted shareholder equity</b>				<b>26.08</b>

Note: 1/ the projection of Deferred Tax Liabilities is using 20% tax rate of profit from a gain in asset appraised value than asset book value

2/ The value of machinery and equipment according to the appraised value of the property, deducts the appraised value of the vehicles.

Thus, the appraised value consisting of land, building, machinery and equipment of the Company's group by First Star Consultant is Bt. 111.36 million. The Independent Financial Advisor adjusts the shareholder equity of the Company from the gain from the asset valuation in a net total of **Bt. 26.08 million**.

### **IFA's Opinion on Asset Appraisal**

1. CapAd's opinion is consistent with First Star Consultant, regarding the appropriateness of the land data used in the comparison as it represents the market data of land located in the vicinity of the appraised property that has been offered for sale or sold, according to the nature and condition of the land at present. First Star Consultant has adjusted the market information of the land used in the comparison to make it similar and reflect the market price of the land as much as possible. While the factors that be considered for weighted scoring to adjust the reference price for the price of the appraised are location, land size, land level, land shape, environment of land and so on. The scores obtained from each comparative data will be analyzed to adjust the price that is different from the market price data (Adjusted Grid Sale Analysis) and analyzed to weigh the data (Weight Quality Score).
2. In the appraisal of buildings and structures. CapAd's opinion is consistent with First Star Consultant, regarding the appropriateness of the building and building information used in the appraisal, which is the new replacement cost method, according to the current price, less depreciation over the useful life. Construction valuation is based on the current cost per square meter method, regarding the price of construction materials, labor cost, production equipment and various expenses related. This is a valuation based on the actual condition of the current building and construction under current construction costs, which reflects a good comparative value relative to the current condition of the property.
3. In the appraisal of machine and equipment. CapAd has an opinion in accordance with First Star Consultant in using the appropriate appraisal method. For this valuation of machinery and equipment is the method of calculating from the replacement cost. Because the property is designed for a specific use. And the appraisal price is adjusted to reflect the condition of the property, including the improvement (Economic Obsolescence) by the appraised value of the asset that is appropriate to compare with the book value for further adjustment of book value.

### Summary of the Company's Adjusted Book Value

From the above considerations, CapAd values the Company's valuation by using an adjusted book value approach in summary as follows:

The Company's adjusted book value	Million Baht
<b>Total Equity</b>	<b>374.39</b>
Adjusted transaction	
- Gain (Loss) from asset valuation	26.08
<b>Total Equity after adjusting transaction</b>	<b>400.47</b>
Number of paid-up shares <sup>1/</sup> (million shares)	2,015.12
<b>Adjusted Book Value Share price (Baht per share)</b>	<b>0.20</b>

Note: 1/ At par value of THB 0.50

From the valuation approach above, the total value of the Company's group is **Bt. 400.47 million or Bt. 0.20 per share**. However, this approach adjusts the transactions to reflect the market value of the Company's asset better than the Book value approach. However, this approach only considers the Company's value at a time and does not consider the future operating performance. Thus, CapAd opines that the valuation by using an adjusted book value approach may not reflect the actual value of the Company's group.

### 3.1.3 Market Value Approach

This share valuation approach uses the weighted average of trading transactions of the Company shares in the SET during a specific time. CapAd has considered the weighted average market price of the Company (Trading value of the Company's share/ Trading volume of the Company share) using past information for 7 - 15 days counting from May 13, 2022, which is the day before the Company's board of director meeting on May 17, 2022, and have details as follows:

**Graph below shows trading volume and share price of MALEE  
From November 12, 2020 to May 13, 2022**



Source: SETSMART

By this approach, weighted average market price is used in accordance with the SEC's definition, which is a weighted average market price of not less than 7 days but not over 15 days during April 21 – May 13, 2022 before the date of consideration. The 7-day averaged price was Bt. 0.54 per share and 15-day averaged price was Bt. 0.56 per share, of which derives a value of **Bt. 0.54 – Bt. 0.56 per share or equal to Bt. 1,094.26 – Bt. 1,132.84 million**. Thus, the selling of new ordinary shares for Bt. 0.59 per share is higher than market pricing range and is not fall under the low-price

offer of new ordinary shares according to the Notification of the Capital Market Supervisory Board No. TorJor. 72/2558.

Considering the Company's liquidity in the past 360 days, the average of the Company's trading volume is about 51.73 million shares per day or equal to 2.57% of the total Company's paid-up shares. Compared to the trading volume of the top 5 companies in the SET which have an average trading volume of 0.24% of the total shares, the Company has the good percentage of trading volume. The market price is considered by demand and supply of investors towards the Company's share which can reflect share price in a certain time including fundamental and investors demand towards potential growth of the Company in the future. The market price in the past can be used as a reference to reflect the value or actual price of the Company's share. Thus, CapAd opines the valuation using Market Value Approach can reflect the value or actual price of the Company.

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

CapAd evaluates the Company's share value by using Book Value per Share as stated in the audited financial advisor dated March 31, 2022, by the Company's certified auditors. The share price is equal to Bt. 0.19 per share then multiply with the median of the P/BV ratio of 2-peer listed companies, consisting of TOA Paint (Thailand) Public Company Limited listed in SET (Construction materials sector in property and construction industry) and Delta Paint Public Company Limited listed in MAI (Property and construction industry).

Considering the overall operations of 2 peer's companies, CapAd has considered companies that produce and sell the main product similar to the Company which manufactures and distributes several types of paint. The referred information is based on the financial statement as of March 31, 2022, and can be summarized as follows:

Company	Symbol	Business Operation
1. TOA Paint (Thailand) Public Company Limited	TOA	Manufacturing and distributing paint and coating products for general customers. The main product groups are divided into 2 groups 1. Building paint products 2. Paint and coating products and other types of products such as construction chemicals, high durability paint products and products other than other building paints
2. Delta Paint Public Company Limited	DPAINT	Production and distribution of building paint products

The peer companies' financial statements

(Unit: million Baht)

Company	Symbol	Market price as of March 31, 2021	Total asset as of March 31, 2022	Total revenue 12 months ended of March 31, 2022	Gain (Loss) 12 months ended of March 31, 2022
1. TOA Paint (Thailand) Public Company Limited	TOA	60,362.75	19,211.45	18,248.96	1,672.63
2. Delta Paint Public Company Limited	DPAINT	1,863.00	963.55	787.63	42.69
3. Dimet (Siam) Public Company Limited <sup>1/</sup>	DIMET	1,209.07	493.78	150.80	(64.08)

Source: SETSMART and the companies' financial statement published on their website

<sup>1/</sup> The Company information for comparison

The summary of the Company's share value is as follows:

Company	Average P/BV Ratio in the past period (Times)							
	7 days	15 days	30 days	60 days	90 days	120 days	180 days	360 days
1. TOA	4.76	4.69	4.74	4.98	5.18	5.26	5.40	5.71
2. DPAINT	3.10	3.04	3.07	3.07	3.07	3.07	3.07	3.07
Median of 2 companies	3.93	3.87	3.90	4.02	4.12	4.17	4.23	4.39
The Company's share price (Baht/share)	0.73	0.72	0.73	0.75	0.77	0.77	0.79	0.82
Total value (million Baht)	1,472.42	1,448.64	1,461.77	1,505.67	1,543.78	1,559.41	1,584.62	1,642.83

Source: SETSMART

From the valuation by using Price to Book Value approach, the Company value is equal to **Bt. 1,448.64 – Bt. 1,642.83 million or Bt. 0.72 – Bt. 0.82 per share.** However, this valuation method

is based on the financial status of the company at a time and do not reflect the future capacity. So, the valuation by using this approach is not appropriate.

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

The share valuation by using Price to Earnings Ratio Approach: P/E Ratio is using the Company's earnings per share during the past 12 months from the 2<sup>nd</sup> quarter of 2021 to the 1<sup>st</sup> quarter of 2022 and multiplying with a median of P/E ratio of peer companies. However, CapAd is not able to calculate by using earning per share since the Company perform losses during that period.

### 3.1.6 Discounted Cash Flow Approach

The Discounted Cash Flow approach is the method considering the Company's future performance by using the present value of the expected net cashflow received which is calculated by appropriated discount rate from the Weighted Average Cost of Capital (WACC) and calculation of net cashflow from the Company's financial projection in the next 5 years starting from the year of 2022 to 2026, which is the appropriate period of projection to reflect performance & situation of the Company including economics situation, and finding of Terminal Value in the last year of the projection. For the information for financial projection, the Independent Financial Advisor has adjusted assumptions in some transactions to reflect industry condition as well as an economic overview and follow the Conservative Basis.

However, CapAd's opinion is under the assumption that the information received is correct and completed and is considered from the current situation including no significant changes in the future. If there are significant changes that may affect the business operations and the Company's group financial projection, these changes may affect the fair value of the asset in the future.

#### The Company grouping for financial projection

From the previous operation, the Company operated through its subsidiaries and joint venture companies which some companies no longer operate. CapAd classifies these companies into two groups as follows:

1. The group companies that CapAd will perform financial projection by using the discounted cash flow approach as follows:
  - Dimet (Siam) Public Company Limited ("DIMET") operates as the producer and seller of various painting products, tinner, and other painting and tinner chemicals including architecture coating, timber finishes, and steel structure. The Company's products are high-performance protective coating for industrial and steel structures for various construction projects, such as petrochemical plants, refineries, power plants, and oil and gas platforms in the Gulf of Thailand, including as well as timber finishes, industrial coating, and architectural coating.
  - Dimet Paint Company Limited ("DP"), which is the Company's subsidiary, operates as a seller and contractor of painting projects, design to installation of Cathodic Protection systems for underground gas pipelines, underwater steel structures, etc., and corrosion protection with Wax Tape system. However, the Company is in the process of transferring the painting business to DP within 2022 which does not affect the projection since the Company holds 99.98% of the total shares.
  - IGEN Energy Company Limited ("IGE-ENERGY"), which is the Company's subsidiary, operates in the renewable energy business
2. The group companies that CapAd will not perform financial projection by using the discounted cash flow approach as follows:
  - IGEN Engineering Company Limited ("IGE") since the Company only holds 14.00% of the total shares
  - McTric Company Limited ("McTRIC") since the Company only holds 4.08% of total shares

#### The financial statement disclosure to comply with the new accounting cycle

From the Company changing of the accounting cycle from ending June 30<sup>th</sup> of each year to ending December 31<sup>st</sup> of each year starting Y2021 from January 1<sup>st</sup> to December 31<sup>st</sup>, 2021, the Independent Financial Advisor requests the Company to prepare a financial statement for management including Income statement from the previous accounting cycle to new accounting cycle ending December 31<sup>st</sup>, 2019 and December 31<sup>st</sup>, 2022 for the ease of comparison and used as a base assumption for this financial projection. The financial statement is deducted intercompany transactions and will consider only the transaction with external parties only as well as the projection.

The summary of the Company income statement for the 12 months ending December 31<sup>st</sup>, 2019 – 2022 which are presented in the new accounting cycle is in detail as follow:

Statement of Income	Year 2019		Year 2020		Year 2021		Year 2022	
	Ended Dec 31, 2019		Ended Dec 31, 2020		Ended Dec 31, 2021		Ended Dec 31, 2022	
	Million Baht	%	Million Baht	%	Million Baht	%	Million Baht	%
Revenue from sale and services	319.06	99.88	200.93	96.49	141.90	97.49	48.92	99.10
Revenue from construction	6.99	2.19	59.57	28.61	-	-	-	-
Cost of sale and services	(251.83)	(78.84)	(210.94)	(101.30)	(113.56)	(78.02)	(18.61)	(37.70)
<b>Gross profit</b>	<b>74.23</b>	<b>23.24</b>	<b>49.56</b>	<b>23.80</b>	<b>28.34</b>	<b>19.47</b>	<b>30.31</b>	<b>61.41</b>
Other income	0.37	0.12	7.31	3.51	3.66	2.51	0.44	0.90
<b>Profit before expenses</b>	<b>74.60</b>	<b>23.35</b>	<b>56.87</b>	<b>27.31</b>	<b>32.00</b>	<b>21.98</b>	<b>30.76</b>	<b>62.30</b>
Selling expenses	(52.48)	(16.43)	(20.25)	(9.72)	(25.46)	(17.49)	(6.09)	(12.33)
Administrative expenses	(128.35)	(40.18)	(129.69)	(62.28)	(38.69)	(26.58)	(17.09)	(34.62)
Expected credit loss	-	-	(21.59)	(10.37)	(52.94)	(36.37)	-	-
Loss on fair value measurement	-	-	-	-	(0.81)	(0.56)	-	-
<b>Profit (loss) before interests and tax</b>	<b>(106.23)</b>	<b>(33.26)</b>	<b>(114.65)</b>	<b>(55.06)</b>	<b>(85.90)</b>	<b>(59.01)</b>	<b>7.58</b>	<b>15.36</b>
Financial costs	(0.27)	(0.08)	(8.75)	(4.20)	(3.79)	(2.60)	(1.26)	(2.55)
<b>Profit (loss) before tax</b>	<b>(106.50)</b>	<b>(33.34)</b>	<b>(123.40)</b>	<b>(59.26)</b>	<b>(89.69)</b>	<b>(61.62)</b>	<b>6.32</b>	<b>12.81</b>
Tax	(9.36)	(2.93)	(4.30)	(2.07)	0.43	0.30	-	-
<b>Profit (loss) for the year</b>	<b>(115.86)</b>	<b>(36.27)</b>	<b>(127.70)</b>	<b>(61.33)</b>	<b>(89.25)</b>	<b>(61.32)</b>	<b>6.32</b>	<b>12.81</b>

### The major assumption to perform a financial projection of the Company

#### ▪ Sales revenue

Currently, the Company and its subsidiaries had revenue from producing, selling, and contract manufacturing painting including revenue from producing and selling renewable energy by Solar Energy. According to the adjusted financial statement ending December 31<sup>st</sup> of each year from 2019 to 2021, the Company group had operating revenue of Bt. 326.06 million, Bt. 260.50 million, and Bt. 141.90 million respectively, or decreasing of 20.11% and 45.53% respectively due to the COVID-19 pandemic which affects sales volume to decrease due to fewer new projects and customers reduce painting in the past period.

Moreover, the Company had entered into a new business which is the trading of synthetic rubber in Thailand and the Company had been entitled to be the seller of synthetic rubber in Thailand on February 24<sup>th</sup>, 2022 from the 2 Korean agents. The contract is 1 year and can be a renewal contract once due. The Company had a marketing plan which will start around quarter 3 of 2022 which is mentioned in Sector (C) Revenue from synthetic rubber.

#### a) Revenue from contract manufacturing of painting

In this financial projection, the Company's painting products can be classified into 5 major groups consisting of 1. Protective Coatings 2. Timber Coatings 3. Metal Coatings 4. Decorative Coatings 5. OEM in which industrial paints are various and differed by the demand of each industry. So, CapAd has projected revenue by using the assumption of average sales volume multiplied by the average price per liter which is in detail as follows:

##### • Sales volume

The Company has a production capacity of about 4.53 million liters per year and, from the adjusted financial statement ending December 31<sup>st</sup> in 2019 – 2021, the Company had a sales volume of 2.07 million liters, 1.04 million liters, and 1.06 million liters respectively, which compared to the production capacity in 2019 – 2021 of 45.72%, 22.99%, and 23.37% respectively.

CapAd assumes the growth rate of each category according to the Company's policies and direction including the appropriateness of growth that should align with the past selling capacity before COVID-19 and during the COVID-19 period. In 2024, it is estimated that most of revenue from sales will recover to the same level prior COVID-19 pandemic. Also, in 2022, CapAd set the growth rate of total sales volume to recover by 15% according to the operating performance in Quarter 1 and, in 2023 – 2024, growing by 30% per annual which, in 2024, the sales volume will recover into the same amount of 2019 before COVID-19 from the marketing policies and expansion of customer base of each type of products. In 2025 – 2026, the growth rate is set at 10% according to the Company policies and based on the customer base.

Average selling price

During the 2019 – 2021 with accounting period ending 31 December, the average selling price per liter of every product is Bt. 135.47 per liter, Bt. 125.74 per liter, and Bt. 131.24 per liter respectively, or decreasing by (7.18%) in 2020 and increasing by 4.38% in 2021. The average selling price is changing from proportion of sales volume and price each year.

In this projection, CapAd assumes the average selling price to grow close to the rate of 2021 which is equal to 5% per annual throughout the projection period. The Company expects to sell more of high-quality painting.

Average selling price	Unit	2019A	2020A	2021A	2022F	2023F	2024F	2025F	2026F
1. Sales volume	Million liter	2.07	1.04	1.06	1.22	1.58	2.06	2.26	2.49
2. Average selling price	Baht/liter	135.47	125.74	131.24	137.81	144.70	151.93	159.53	167.50
<b>Sales revenue</b>	Million Baht	280.51	130.96	138.95	167.78	229.01	312.61	361.06	417.02
<b>Growth (Decline) rate</b>									
1. Sales volume	percent	n.a.	(49.70)	1.65	15.00	30.00	30.00	10.00	10.00
2. Average selling price	percent	n.a.	(7.18)	4.38	5.00	5.00	5.00	5.00	5.00
<b>Sales revenue</b>	percent	n.a.	(53.32)	6.10	20.75	36.50	36.50	15.50	15.50

b) Revenue from the selling of electricity

Igen-Energy, the Company's subsidiary, had revenue from the selling of electricity from solar energy installed on the rooftop in a maximum of 249 kilowatts (kWp) to the Metropolitan Electricity Authority ("the MEA"). The Solar PV Rooftop is installed in the rental area of 6,240 square meters in its client's warehouse roof located in Samae Dam, Bang Khun Tien, Bangkok. In 2020 – 2021, the power project in Samae Dam can generate revenue of Bt. 2.34 million per annual and, in 2021, can generate a service fee (inspection of the solar panel and cleaning service) of Bt. 0.37 million. Currently, the Company does not have an additional electricity project.

So, CapAd assumes the Company can generate revenue from the electricity of Bt. 2.71 million per annual throughout the contract period with the MEA which will end in 2038.

c) Revenue from the selling of synthetic rubber

- Sales volume

The Company has an operating plan and estimates the sales volume in 2022 of 840 tons and growth of 20% in the following year. However, CapAd assumes the growth rate in 2024 – 2026 of 10%, 5%, and 5% respectively, which is determined by the survey of demand from customer group.

- Average selling price

The Company set the selling price at USD 1,200 per ton or equal to THB 40,800 per ton at the exchange rate of USD 1 to Bt. 34 which is closed to the market rate. In this projection, CapAd assumes the average selling price of the products remains constant throughout the projection period of Y2022 – Y2026 on a conservative basis.

Note:

Synthetic rubber is the product synthesized to copy natural rubber. When comparing synthetic rubber with natural rubber, the natural rubber characteristic is worse than the synthetic rubber since the synthetic rubber has better abrasion resistance and better thermal stability making it slower to deteriorate than the natural one. Also, several types of synthetic rubber can remain elastic under low temperatures, resist oil and asphalt, and be resistant to fire which makes it suitable to be used as an insulator for electrical devices. Currently, synthetic rubber is becoming more popular and have various type for many functions in the automotive industry, and medical industry such as rubber gloves, mold parts, machine belt, etc.

d) Other revenues

During the 2019 – 2021 with accounting period ending 31 December, the Company's other revenues were Bt. 0.37 million, Bt. 7.31 million, and Bt. 3.66 million respectively, or compared to operating income of 0.11%, 2.81%, and 2.58% respectively. However, other revenues in 2020 – 2021 and the 1<sup>st</sup> of 2022 were mainly consisting of accounting adjustment transactions such as Gain (Loss) from the selling of investment, Gain (Loss) from the exchange rate, and Gain (Loss) from the disposition of asset which were not related to the Company main operation. Nevertheless, the revenue from raw material and equipment scraps and interest income occurred regularly every year. CapAd assumes the revenue from raw material and equipment scraps in 2022 is equal to the mentioned amount adjusted annually which is equal to the ratio to operating revenue of 0.33% and remains constant throughout the projection period.



The Company revenue from sales and services is projected for 2022 – 2026 as follows:

Revenue	Unit	2019A	2020A	2021A	2022F	2023F	2024F	2025F	2026F
1. Revenue from Painting contract manufacturing	M. Baht	280.51	130.96	138.95	191.96 <sup>4/</sup>	229.01	312.61	361.06	417.02
2. Revenue from oversea <sup>1/</sup>	M. Baht	0.02	-	-	-	-	-	-	-
3. Revenue from electricity selling and service	M. Baht	38.53	69.97	2.95	2.71	2.71	2.71	2.71	2.71
4. Revenue from Construction service <sup>2/</sup>	M. Baht	6.99	59.57	-	-	-	-	-	-
5. Revenue from synthetic rubber <sup>3/</sup>	M. Baht	-	-	-	34.27	41.13	45.24	47.50	49.88
<b>Operating revenues</b>	M. Baht	326.06	260.50	141.90	228.95	272.85	360.56	411.27	469.61
Other revenues	M. Baht	0.37	7.31	3.66	0.95	0.90	1.19	1.35	1.55
<b>Total revenues</b>	M. Baht	326.43	267.81	145.56	229.89	273.75	361.74	412.63	471.16
<b>Growth (Decline) rate</b>									
1. Revenue from Painting contract manufacturing	Percent	n.a.	(53.32)	6.10	38.16	19.30	36.50	15.50	15.50
2. Revenue from oversea	Percent	n.a.	(100.00)	-	-	-	-	-	-
3. Revenue from electricity selling and service	Percent	n.a.	81.62	(95.78)	(8.21)	-	-	-	-
4. Revenue from Construction service	Percent	n.a.	751.70	(100.00)	-	-	-	-	-
5. Revenue from synthetic rubber	Percent	n.a.	-	-	-	20.00	10.00	5.00	5.00
<b>Operating revenue</b>	Percent	n.a.	(20.11)	(45.53)	61.35	19.18	32.14	14.07	14.19
Other revenue	Percent	n.a.	1,876.33	(49.93)	(74.10)	(5.19)	32.14	14.07	14.19
<b>Total revenue</b>	Percent	n.a.	(17.96)	(45.65)	57.94	19.08	32.14	14.07	14.19

Note: (1) Accounting period ending December 31 of every year

(2) revenue projection in 2022 - 2026

1/ the Company do not sell its product oversea since 2020, so there will be no projection for the revenue in this section

2/ the Company do not have revenue from construction service since 2021, so there will be no projection for the revenue in this section

3/ the Company expects to start selling synthetic rubber in 2022

4/ In the first quarter of 2022, there is the selling of inventory aged over 12 months and already set allowance to reduce Inventory to a Net Realizable Value of Bt. 24.19 million

#### ▪ Cost of sales

Cost of sales is consisting of raw material cost, labor cost, and other production costs, which mainly are painting factory operating costs. From the adjusted financial statement ending December 31, 2019 – 2021, the Company had cost of sales of Bt. 251.83 million, Bt. 210.94 million, and Bt. 113.56 million respectively, or equal to 77.23%, 80.97%, and 80.03% of revenue from sales, respectively.

From previous operating performance, the Company had equipment selling business and a construction service business. However, in the current period, the Company no longer operates those businesses and does not have a specific plan to estimate those revenues. So, this financial projection will focus on painting production and the cost of electricity generation. The related assumptions will use information from 2021 and the 1<sup>st</sup> quarter of 2022. For the synthetic rubber which is the Company's new business, the assumption will align with the Company policy.

The variable cost is set to align with the revenue from sales in each business. The average ratio between 2021 and the 1<sup>st</sup> quarter of 2022 is used to reflect current situation after the change in management, production improvement including new marketing policy. And the fixed cost is set to increase equal to the growth rate of the Thailand 20-year Consumer Price Index ("CPI") (Y2002 – 2021) of about 2% per year.

The summary of the main assumptions in the projection of the cost of sales is as follows:

- Raw material cost mainly consists of raw material costs and packaging costs that are used in the production e.g. Resin, Pigment, Solvent, and additive. For packaging, it is part of the painting product as a raw material cost. In 2022, CapAd assumes the portion of the cost of raw material to revenue from sales equal to the stated portion in 2021 and the 1<sup>st</sup> quarter of 2022 of 64.43% and remains steady throughout the projection period.
- Labor cost is a labor cost related to production which includes salary and welfare. However, the Company had a permanent employee in the production and, according to the Company interview,

- do not need to hire more employee when increasing the production capability as projected. In 2022, CapAd assumes the labor cost equal to the annually adjusted value in 2021 and, in 2023 – 2026, the salary to increase by 4% per year which equates to two-time of the growth CPI and welfare increase by 2% which equates to the growth CPI throughout the projection period.
- Employee expense is consisting of the salary and welfare of employees that are not related to the production. CapAd assumes the employee expense equal to the annually adjusted value in 2021 and, in 2023 – 2026, the salary to increase by 4% per year which equates to two-time of the growth CPI and welfare to increase by 2% which equals to the growth CPI throughout the projection period
  - Other fixed costs is consisting of office expenses, car rental fees, cleaning fees, security fees, transportation fees, etc. CapAd assumes other fixed costs equal to the annually adjusted value in 2021 and, in 2023 – 2026, the salary to increase by 2% per year which equates to the growth of CPI throughout the projection period.
  - Other variable costs is consisting of supplies expense, utilities expense, maintenance expense, lab fee, etc. CapAd assumes the other variable cost to operating revenue in 2022 is equal to the stated portion in 2021 and the 1<sup>st</sup> quarter of 2022 of 3.79% and remain constant throughout the projection period
  - Depreciation and Amortization have followed the depreciation and amortization that are recorded every year consisting of building, machinery and equipment, vehicles, and intangible asset and rights.
  - Other expenses consist of the cost of equipment, construction fees, and the cost of synthetic rubber. However, the Company no longer operates selling equipment and construction services since 2021 and the Company will start the synthetic rubber business in 2022. So, CapAd will consider only the cost of synthetic rubber which assume to be equal to 97.50% of revenue from synthetic rubber throughout the projection period as aligned with the Company estimation

Cost of sales	Unit	2019A	2020A	2021A	2022F	2023F	2024F	2025F	2026F
1. Cost of sales <sup>1/</sup>	M. Baht	207.22	99.48	110.60	125.75	167.85	225.29	258.82	297.48
- Raw material cost	M. Baht	182.56	79.31	95.67	108.10	147.55	201.41	232.63	268.68
- Labor cost	M. Baht	5.36	5.43	3.98	3.77	3.91	4.06	4.22	4.38
- Other production cost:	M. Baht								
- Employee expense	M. Baht	10.79	7.06	5.58	5.42	5.62	5.84	6.06	6.30
- Other fixed cost	M. Baht	1.47	1.55	1.07	1.45	1.48	1.51	1.54	1.57
- Other variable cost	M. Baht	5.66	4.68	3.75	6.47	8.79	11.96	13.80	15.92
- Depreciation expense	M. Baht	1.37	1.45	0.54	0.55	0.49	0.51	0.57	0.63
2. Other expense <sup>2/</sup>	M. Baht	44.60	111.46	2.96	33.42	40.10	44.11	46.31	48.63
The total cost of sales	M. Baht	251.83	210.94	113.56	159.17	207.95	269.40	305.13	346.11
<b>A portion to revenue from sales</b>									
1. Cost of sales	Percent	63.55	38.19	77.95	54.93	61.52	62.48	62.93	63.35
- Raw material cost	Percent	55.99	30.45	67.42	47.21	54.08	55.86	56.56	57.21
- Labor cost		1.64	2.08	2.81	1.65	1.43	1.13	1.03	0.93
- Other production cost:	Percent								
- Employee expense	Percent	3.31	2.71	3.94	2.37	2.06	1.62	1.47	1.34
- Other fixed cost	Percent	0.45	0.60	0.76	0.63	0.54	0.42	0.37	0.33
- Other variable cost	Percent	1.74	1.79	2.65	2.83	3.22	3.32	3.36	3.39
- Depreciation expense	Percent	0.42	0.56	0.38	0.24	0.18	0.14	0.14	0.13
2. Other expense	Percent	13.68	42.79	2.08	14.60	14.70	12.23	11.26	10.36
Total cost of sales	Percent	77.23	80.97	80.03	69.52	76.21	74.72	74.19	73.70

Note: (1) Accounting period ending December 31 of every year

(2) Estimate cost of sales from 2022 to 2026

1/ most of the cost of sales is the painting cost

2/ most of the other cost of sales in 2019 – 2020 is the cost of equipment and other tool selling and cost of construction service and, in 2022-2026, is the cost of synthetic rubber business only according to the Company plan

#### ▪ Selling expense

Selling expenses is consisting of employee salary, copyright expense, transportation expense, other expenses, and depreciation expenses. During the 2019 – 2021 the adjusted financial statement ending December 31, the company had selling expenses of Bt. 52.48 million, Bt. 20.25 million, and Bt.

25.46 million respectively, or compared to operating revenue in a portion of 16.10%, 7.77%, and 17.94% respectively.

CapAd assumes the selling expense that does not vary to the Company revenue to increase equal to the growth rate of the CPI. However, the selling expense that varies with the Company revenue is assumed to be the same portion as the average portion in 2021 and the 1<sup>st</sup> quarter of 2022 and remain constant throughout the projection period which is in detail as follows:

- Employee salary and other related expense – CapAd assumes the employee expense and other related expense in 2022 are equal to the annually adjusted amount from the 1<sup>st</sup> quarter of 2022 combined with the employee expense from synthetic rubber. In 2023 – 2026, CapAd assumes the employee expense to increase equal to the two-time growth rate of CPI of 4% and other related expenses to increase equal to the growth rate of CPI of 2% throughout the projection period
- Copyright expense – the Company had painting technology support and selling contract from two foreign companies; Carboline International Corporation (USA) and Valspar Paint (Australia) Pty. Ltd., which can be assumed in detail as follows:

1. Carboline International Corporation ("Carboline") from the United States of America. In 2017, the Company enters into a contract to be the manufacturer and seller of paint and the Company needs to pay a copyright fee in the percentage of net sales but not lower than the minimum amount. So, the expense will vary to the revenue estimation which will pay the copyright fee as stated in the contract. CapAd assumes the minimum copyright fee in 2022 to be equal to the minimum amount and this fee will grow by 10% per year in line with the contract.

2. Valspar Paint (Australia) Pty. Ltd. ("Valspar") (formerly "Wattyl") from Australia. In 2016, the Company entered into the contract to be the manufacturer and seller of architecture coating and timber finishes and have technical support which the Company needs to pay a copyright fee in the percentage of net sales but not lower than the minimum amount. So, the expense will vary to the revenue estimation which will pay the copyright fee as stated in the contract. CapAd assumes the minimum copyright fee in 2022 to be equal to the minimum amount and remain constant throughout the projection period. (According to the contract, there is no increase in the minimum copyright fee)

- Other variable expenses, CapAd assumes the other variable expense to operating revenue in 2022 equal to the average stated portion in 2021 and first quarter of 2022 of 1.13% and remains constant throughout the projection period

Selling expense	Unit	2019A	2020A	2021A	2022F	2023F	2024F	2025F	2026F
1. Salary expense	M. Baht	18.87	8.45	12.50	11.55	12.01	12.49	12.99	13.51
2. Copyright expense	M. Baht	8.99	2.12	6.40	7.54	8.28	9.61	10.71	11.95
3. Variable expense <sup>1/</sup>	M. Baht	14.32	3.01	1.64	2.31	3.08	4.07	4.64	5.30
4. Other expense <sup>2/</sup>	M. Baht	8.65	5.24	3.55	6.75	6.88	7.02	7.16	7.31
5. Depreciation expense <sup>3/</sup>	M. Baht	1.66	1.42	1.38	1.40	1.26	1.31	1.46	1.62
Total selling expense	M. Baht	52.48	20.25	25.46	29.56	31.52	34.50	36.97	39.69
<b>A portion to operating revenue</b>									
1. Salary expense	Percent	5.79	3.25	8.81	5.05	4.40	3.47	3.16	2.88
2. Copyright expense	Percent	2.76	0.81	4.51	3.29	3.03	2.67	2.61	2.54
3. Variable expense	Percent	4.39	1.16	1.15	1.01	1.13	1.13	1.13	1.13
4. Other expense	Percent	2.65	2.01	2.50	2.95	2.52	1.95	1.74	1.56
5. Depreciation expense	Percent	0.51	0.55	0.98	0.61	0.46	0.36	0.36	0.34
Total selling expense	Percent	16.10	7.77	17.94	12.91	11.55	9.57	8.99	8.45

Note: (1) Accounting period ending December 31 of every year

(2) Estimate cost of sales from 2022 to 2026

- 1/ variable expense consisting of manufacturing and marketing consulting fee, transportation expense, advertising expense, etc.
- 2/ other expenses consisting of welfare expenses, office expenses, and other expenses related to the public company, etc.
- 3/ Depreciation and Amortization have followed the depreciation and amortization record every year consisting of building and installation, machinery and equipment, vehicles, and intangible asset.

#### ▪ Administrative expense

Administrative expenses is consisting of employee expenses, office expenses, audit and professional fees, other expenses, and depreciation and amortization expense. During the 2019 – 2021 the adjusted financial statement ending December 31, the Company has an administrative expense of Bt.128.35 million, Bt. 151.28 million, and Bt. 92.44 million respectively, or increasing by 17.86% in 2020 and decreasing by (38.89%) in 2021.

CapAd assumes the administrative expense to increase equal to the growth rate of the CPI of 2% per year except the expense related to the employee that will be set to two-time of CPI of 4% per year and remain constant throughout the projection period which is in details as follow:

Administrative expense	Unit	2019A	2020A	2021A	2022F	2023F	2024F	2025F	2026F
1. Employee expense	M. Baht	19.44	16.39	15.09	16.15	16.80	17.47	18.17	18.90
2. Office expense <sup>1/</sup>	M. Baht	16.42	11.26	13.75	11.87	12.10	12.35	12.59	12.85
3. Professional fee <sup>2/</sup>	M. Baht	6.91	28.96	6.24	6.20	3.00	3.06	3.12	3.18
4. Other expense <sup>3/</sup>	M. Baht	84.45	92.67	55.19	5.06	-	-	-	-
5. Depreciation expense	M. Baht	1.13	1.99	2.16	2.19	1.97	2.05	2.27	2.47
Total administrative expense	M. Baht	128.35	151.28	92.44	41.47	33.88	34.92	36.16	37.40
<b>Growth (Decline) rate</b>									
1. Employee expense	Percent	n.a.	(15.67)	(7.91)	7.02	4.00	4.00	4.00	4.00
2. Office expense	Percent	n.a.	(31.43)	22.07	(13.67)	2.00	2.00	2.00	2.00
3. Audit fee	Percent	n.a.	319.09	(78.44)	(0.72)	(51.61)	2.00	2.00	2.00
4. Other expense	Percent	n.a.	9.73	(40.44)	(90.84)	(100.00)	-	-	-
5. Depreciation expense	Percent	n.a.	76.02	8.42	1.39	(10.05)	3.68	10.97	8.83
Total administrative expense	Percent	n.a.	17.86	(38.89)	(55.14)	(18.31)	3.09	3.53	3.43

Note: (1) Accounting period ending December 31 of every year

(2) Estimate cost of sales from 2022 to 2026

1/ Office expense consisting of transportation expense, welfare expense, public relations expense, etc.

2/ Professional fee consisting of audit fee, lawyer fee, transactional consultant fee e.g. construction project. However, some professional fees only occurred in 2022

3/ Other expenses consisting of allowance e.g. allowance for investment devalue, allowance for a doubtful account, allowance for credit, and allowance for loss from investment fair value adjustment

### Other assumptions in the financial projection

#### Financial cost

The company had loans which summarize as follows:

Type of loan	Outstanding balance (Million Baht)	Average interest rate
Short term loan from Beyond Capital Company Limited	45.00	5.00%
Short term loan from Igen Engineering Company Limited	2.80	4.25%
<b>Total loan and average interest rate</b>	<b>47.80</b>	<b>4.96%</b>

CapAd assumes the interest rates remain constant throughout the projection period. Currently, the short-term loan with Beyond Capital Company Limited is under legal process and, according to the courts of first instance verdict, the result is for the Company to pay the principle including the 7.5% interest rate per year starting from October 17, 2020, to April 10, 2021, and 5% interest rate per year starting April 11, 2021, until the payment is completed.

#### Corporate income tax

The corporate income tax is equal to 20% throughout the projection period

#### Capital Expenditure

CapAd assumes the capital expenditure for building and installation, machinery and equipment, decoration and office supply, and vehicles (according to the previous investment) which are the Company's group investment as follows:

Investment (Million Baht)	2022F	2023F	2024F	2025F	2026F
Building and installation	1.00	1.00	1.00	1.00	1.00
Machine and equipment	1.00	1.00	1.00	1.00	1.00
Decoration and office supply	0.50	0.50	0.50	0.50	0.50
Vehicle	1.00	1.00	1.00	1.00	1.00
<b>Total investment during the projection period</b>	<b>3.50</b>	<b>3.50</b>	<b>3.50</b>	<b>3.50</b>	<b>3.50</b>

#### ▪ Current Asset and Current Liabilities Turnover Rate

The current asset and current liability turnover rate are referred to as the Company's rate in 2021 which are the latest turnover rate and remain constant throughout the projection period as follows:

Account Receivable turnover rate	Approximately 45 days
Inventory turnover	Approximately 86 days
Account Payable turnover rate	Approximately 50 days

Summary of the Company financial projection in 2022 – 2026 as follows:

Income statement (million Baht)	2022F	2023F	2024F	2025F	2026F
Revenue from Services	228.95	272.85	360.56	411.27	469.61
Cost of Services	(159.17)	(207.95)	(269.40)	(305.13)	(346.11)
Gross Profit Margin	69.78	64.90	91.16	106.14	123.50
Other Revenue	0.95	0.90	1.19	1.35	1.55
Total Revenue	229.89	273.75	361.74	412.63	471.16
Selling and Administrative expense	(71.03)	(65.39)	(69.43)	(73.13)	(77.08)
Earning before Interest and Tax (EBIT)	(0.30)	0.41	22.92	34.37	47.97
<b>Net Profit (Loss)</b>	<b>(2.81)</b>	<b>(2.01)</b>	<b>20.55</b>	<b>32.00</b>	<b>45.60</b>
Total Asset	462.80	466.46	495.71	532.85	584.33
Total Liabilities	97.55	103.22	111.91	117.06	122.94
Total Equity	365.25	363.24	383.79	415.79	461.39

Note: (1) Accounting period ending December 31 of every year

#### ▪ Terminal Value Growth

CapAd assumes 1% growth of cash flow after the projection period or Going Concern Basis which reduce from the growth rate of Thailand CPI for the past 20 years (2002-2021) ("CPI") of 2% per year and remain development to increase competitiveness in the future which the rate follows Conservative Basis

#### ▪ Discount Rate

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

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

Where  $k_e$  = cost of equity or the required return on equity that shareholders require ( $R_e$ )

$k_d$  = cost of debt or the average interest rate on the Company's loan

T = corporate income tax rate

E = shareholder's equity

D = interest-bearing debt

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

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

Where

Risk Free Rate ( $R_f$ ) = the risk-free rate referenced from the yield on 30-year Thai government bonds as of March 31, 2022, which is equal to 3.59% per annum, and reflect long term return for going-concerned business

Beta ( $\beta$ ) = 1.54 times which referred to the average levered beta of the Company. The Beta set in this calculation is 1-year average starting from April 1, 2021 to March 31, 2022 and can best reflect the return and risk of the Company shares

Market Risk ( $R_m$ ) = the weighted average return from investing in the SET for a 30-year period from 1992 – 2021 ending December 2021 or 11.74% per annum which was the announcement of the Securities and Exchange Act in 1992 and can best reflect the average return.

$K_d$	=	the expected Company's average loan interest rate of 4.96% per annum (weighted average interest of the Company's short-term loan)
D/E Ratio	=	the Company's highest Debt-to-Equity ratio of 0.13 time referred from the Company's consolidated financial statement
T	=	Corporate income tax rate expected 20% per annum

In summary, it can calculate the Weight Average Cost of Capital or WACC of 14.83% per annum.

From the above assumption, the summary of the Company's financial projection for the manufacturing and selling of paint, electricity, and synthetic rubber starting from April 1, 2022, to December 31, 2026, is in detail as follows:

The Company cashflow (million Baht)	2022F	2023F	2024F	2025F	2026F
EBIT	(0.22)	0.41	22.92	34.37	47.97
Tax amount before interest and corporate income tax <sup>1/</sup>	-	-	-	-	-
Depreciation and amortization	3.11	3.73	3.86	4.30	4.72
Investment	(3.50)	(3.50)	(3.50)	(3.50)	(3.50)
Changes in working capital	(39.27)	(10.14)	(16.78)	(9.72)	(11.17)
Free Cash Flow to the Firm	(39.88)	(9.51)	6.50	25.45	38.01
Present Value of the Free Cash Flow to the Firm (PV of FCFF)	(35.97)	(7.47)	4.45	15.17	19.70

Note:

1/ For the projection period starting 2022 – 2026, the Company has a tax incentive since the Company has operating loss in 2018-2021 and expects to remain in operating loss in 2022 to 2026. So, the Company will not pay corporate income tax throughout the projection period

From the estimation of the Company FCFF, we can evaluate the business values in detail as follow:

PV of FCFF (as of March 31, 2022)	(Million THB)	(4.12)
PV of Terminal Value	(Million THB)	106.23 <sup>2/</sup>
<b>Total PV of net FCF</b>	(Million THB)	<b>102.11</b>
<b>Adjusted transaction</b>		
Add: Cash (as of December 31, 2021)	(Million THB)	<b>239.81</b>
(Less): Interest-bearing debt (as of December 31, 2021) <sup>2/</sup>	(Million THB)	(47.80)
<b>Total business value</b>	(Million THB)	<b>294.12</b>
Number of paid-up shares <sup>1/</sup>	(Share)	2,015,123,566
<b>Share value</b>	(Baht per Share)	<b>0.15</b>

Note:

1/ The registered capital as of March 31, 2022, is Bt. 1,007,561,783 divided by 2,015,123,566 shares with a par value of Bt. 0.50 per share

2/ In the calculation of the Terminal Value, it is calculated by using the Free Cash Flow which does not include tax saving from Losses Carried Forward

From the valuation, the Company has a value equal to **Bt. 294.12 million or Bt. 0.15 per share**

#### Sensitivity Analysis

The Independent Financial Advisor has performed Sensitivity Analysis on the share value which adjusts the Discount rate which refers to WACC to increase/decrease by 0.50% from the base case which can reflect the change in factors of assumptions in the projection. The Company's value is as follows:

Sensitivity Analysis	Unit	Discount Rate		
		WACC + 0.50%	Base case WACC	WACC - 0.50%
The Company business value	Million Baht	287.84	294.12	300.91
	Baht per share	0.1428	0.1460	0.1493

From the sensitivity analysis by adjusting the discount rate, the Company's business value is in the range of **Bt. 287.84 – Bt. 300.91 million, or equal to Bt. 0.1428 – Bt. 0.1493 per share.**

However, the discounted cash flow approach is calculated from the projection of future cash flow which refers to the assumption received from the Company including the adjustment in some

assumptions by CapAd. According to the principles of caution under the current economic and epidemic situation, any changes in the Company business plan or policies or Thai economy, or unusual events e.g. war which significantly impact the assumption or projection may affect the Company's future operating performance and result in the changing of business valuation.

### 3.1.7 the Summary of Independent Financial Advisor's opinion towards the appropriateness of the Company's share value

The table comparing the Company business value by each valuation approach is in detail as follows:

Valuation Approach	The Company value		Appropriateness of valuation approach
	(Million Baht)	(Baht per share)	
Book Value Approach	374.39	0.19	Not Appropriate
Adjusted Book Value Approach	400.47	0.20	Not Appropriate
Market Value Approach	1,094.26 – 1,132.84	0.54 – 0.56	Appropriate
P/BV Ratio Approach	1,448.64 – 1,642.83	0.72 – 0.82	Not Appropriate
P/E Ratio Approach	Can not evaluate		
Discounted Cash Flow Approach	287.84 – 300.91	0.1428 – 0.1493	Not Appropriate

Note: par value of Bt. 0.50 per share

From the above table, the Company value is in the range of Bt. 287.84 – Bt. 1,642.83 million or Bt. 0.14 – Bt. 0.82 per share.

The book value approach is the approach that can reflect the Company's performance and financial position at a period considered from the performance in the past. However, this approach does not consider the actual value of the asset, the Company's capability to generate profit in the future, and economic trends and industry overview. So, the valuation by using the book value approach may not reflect the Company's current status and derive appropriated value for the Company.

The adjusted book value approach is the approach that adjusts the transactions to reflect the market value of the Company assets more than the Book value approach e.g. events that occurred after published financial statements which, for example, Gain/Loss from the valuation of the asset. However, this approach does not consider the Company's capability to generate profit in the future, and economic trends and industry overview. So, the valuation by using the adjusted book value approach may not reflect the Company's current status and derive appropriated value for the Company.

Market value approach – in the past 360 days, the Company shares had been traded on average of 51.73 million shares per day or about 2.57% of the Company's total paid-up shares. Compared to the trading volume of the top 5 companies in the SET in 2021 which have an average trading volume of 0.24% of the total shares, the Company share had good liquidity. The market price is considered by demand and supply of investors towards the Company's share which can reflect share price in a certain time including fundamental and investors' demand towards potential growth of the Company in the future. The Market price in the past can be used as a reference to reflect the value or actual price of the Company's share. In addition, the Company entered a share offering transaction through private placement in December 2021 and March 2022 with the offering price of Bt. 0.59 per share. CapAd opines the valuation using Market Value Approach can reflect the value or actual price of the Company.

Price to Book value ratio (P/BV ratio) approach is using the Company's book value to compare with the P/BV ratio of peer listed companies in the property and construction industry, construction material sector, consisting of peers company listed in SET; TOA Paint (Thailand) Public Company Limited and peer company listed in MAI; Delta Paint Public Company Limited. However, CapAd does not consider this approach to evaluate the Company value because the peer companies only operate in the same area for only part of the Company and they have different target customers and business sizes. Also, this approach evaluates operating performance in a period and does not reflect future revenue-generating capability. So, the valuation by using the P/BV ratio approach may not be appropriate.

Price to earnings ratio approach is using the Company's Earnings Per Share in the past 12-month ended March 31, 2022, which is the Company's past information to compare with the Price per

Earning per share of companies listed in the SET. However, this approach cannot evaluate the Company value since the Company operate losses in the past 12-month

Discounted Cash Flow Approach is considered the Company's future performance by using the present value of the expected net cash flow received from the financial projection which is based on the assumption received from the Company and based on the economic and current situation. Any changes which significantly impact the assumption or projection may affect the Company's future operating performance and result in a change in business valuation.

However, this approach receives the share value lower than the market value approach, book value approach, and adjusted book value approach. So, the valuation by using the discounted cash flow approach may not be appropriate.

The Independent Financial Advisor opines that the Market Value approach is the most suitable approach to evaluate the Company's value because the Company's shares remain attractive for investment through the SET and stock is one of the liquidity assets. Also, the private placement is offered in the range of valuation of THB 0.59 per share. So, **the Appropriate value of the Company is in the range of Bt. 1,094.26 – Bt. 1,132.84 million or Bt. 0.54 – Bt. 0.56 per share**



### 3.2 The valuation of the share value of SGMP Company Limited ("SGMP")

The valuation of share price can be valued by 6 approaches as follows:

#### 3.2.1 Book Value Approach

The book value approach shows SGMP's share value by using book value at the point of time to evaluate SGMP's share value which, in this case, referred to the management's financial statement as of March 31, 2022, that have not been reviewed by a certified public accountant. SGMP's financial valuation is in detail as follows:

SGMP	Million Baht
Issued and paid-up capital	102.50
Retained earnings (loss):	
Appropriated retained earnings	10.63
Unappropriated retained earnings	718.95
Other components of shareholder's equity	-
<b>Total shareholder's equity (100%)</b>	<b>832.08</b>
Number of registered and paid-up shares <sup>1/</sup> (shares)	20,500,000
<b>Book Value share price (Baht per share)</b>	<b>40.59</b>

Note: 1/ As of March 31, 2022, SGMP has 20,000,000 registered and paid-up ordinary shares with a par value of THB 5 per share and 500,000 registered and paid-up preferred shares with a par value of THB 5 per share.

From the valuation approach, SGMP's value is **Bt. 832.08 million or Bt. 40.59 per share**. However, the Book Value approach can reflect SGMP's value at a time and does not consider SGMP's performance in the future and fair value of SGMP's asset, including Property, Plant, and Equipment. So, the Independent Financial Advisor opines that the valuation by using the book value approach is not an appropriate approach to evaluate SGMP's value.

#### 3.2.2 Adjusted Book Value Approach

This valuation approach is using SGMP's total assets deducted by total liabilities including any commitments and contingent liabilities shown on SGMP's management financial statement as of March 31, 2022, that have not been reviewed by a certified public accountant. The financial statement is the latest financial statement and adjusting with the transaction occurred after the closing date or transaction that may affect the book value to reflect the actual value of the asset e.g. gain/loss from the appraised asset or dividend payment which does not record in the financial statement. There is no liability that may occur in the future and after financial statement. After that, the approach is using the result from the calculation divided by the number of SGMP's paid-in shares.

In the valuation of SGMP's value, CapAd is using the book value in SGMP's latest financial statement dated March 31, 2022, to adjust and having major points as follows:

##### 3.2.2.1 Gain (Loss) from the appraisal of asset

SGMP's group has the appraised asset consisting of land, building, machinery and equipment, and utility system. SGMP has appointed 15 Business Advisory Company Limited ("15 Business Advisory") who is the approved asset appraiser by the SEC to appraise SGMP's assets in this transaction. According to the asset appraisal report dated March 11, 2022 (No. J20/65038). The objective is to know the market value of the asset for using in public purpose, which details of the asset appraisal report can be summarized as follows:

#### A. Lands

Land appraisal report of 4 title deeds which are 2285, 5168, 5169 and 5170 are appraised as of February 28, 2022, and issued as the asset appraisal report dated March 11, 2022 for the purpose of knowing the market value of the asset for using in public purpose.

Land deed/ Area	Land deed number 2285, 5168, 5169 and 5170 Total Area of 67 Rai 2 Ngan 6 Sq. Wah (27,006 Sq. Wah)
Land type	Land with Buildings
Location	181 Moo 6 Phetkasem Road (TorLor4) Kamphaengphet Sub-District, Rattaphum District, Songkla

Shape of land and boundaries	Polygon land. There is a width in front of the land (west) next to Petchkasem Road, approximately 17 meters long, north next to Khlong Rattaphum, East next to personal property, South adjacent to public benefits and personal property
Ownership	SGMP Company Limited
Encumbrance	None
Appraisal Approach	Market Approach is a method of comparing the assessed land with the market data, and give points or weights to compare in each factor, such as location, town plan, land plot size, area size, etc.
Total Appraised Value	54,000,000 Baht

### B. Building and other constructions

Buildings and other constructions appraisal report No. J20/65038 are appraised as of February 28, 2022, and issued as the asset appraisal report dated March 11, 2022, for the purpose of knowing the market value of the asset for using in public purpose.

Location	181 Moo 6 Phetkasem Road (TorLor4) Kamphaengphet Sub-District, Rattaphum District, Songkla
Appraisal Approach	Replacement Cost New deducted by physical depreciation, useful depreciation, and economic deterioration or external factors to determine a market value.
Number of Building and other constructions	23 buildings, such as production buildings, warehouse buildings office building and other construction such as concrete roads and courtyards, the open roof covered the parking lot, etc.
Total Usage Area	27,920 sq. m.
Ownership	SGMP Company Limited
Encumbrance	None
Total Appraised Value	86,300,000 Baht

### C. Machinery, Equipment and Utility Systems

Machinery, Equipment and Utility Systems appraisal report No. J20/65038 are appraised as of February 28, 2022, and issued as the asset appraisal report dated March 11, 2022, for the purpose of knowing the market value of the asset for using in public purpose.

Location	181 Moo 6 Phetkasem Road (TorLor4) Kamphaengphet Sub-District, Rattaphum District, Songkla
Appraisal Approach	Replacement Cost New deducted by physical depreciation, useful depreciation, and economic deterioration or external factors to determine a market value.
Number of Machinery Equipment and Utility System	34 types consisting of machinery used in the business such as production lines, dryers fuel heater, main electrical control cabinets in buildings, transformers, etc.
Ownership	SGMP Company Limited
Total Appraised Value	92,400,000 Baht

### Summary of asset book value and appraised value by the asset appraiser

The Independent Financial Advisor has compared SGMP's asset from book value as of March 31, 2022, with the appraised value from the asset appraiser including Deferred Tax Liabilities. So, the adjusted shareholder equity can be summarized as follows:

(Unit: Million Baht)

Appraised Asset		Book value as of March 31, 2022 (1)	Appraised value by the independent asset appraiser (2)	Appraised value higher (lower) than book value (2) – (1)
1	Land	29.57	54.00	24.43
2	Building and other construction	53.48	86.30	32.82
3	Machinery, equipment, and utility system	129.97	92.40	(35.57)
<b>Total asset value</b>		<b>213.03</b>	<b>232.70</b>	<b>19.67</b>
(Deduct): Deferred Tax Liabilities <sup>1/</sup>				(3.93)
<b>Total adjusted shareholder equity</b>				<b>15.74</b>

Note: 1/ the projection of Deferred Tax Liabilities is using 20% tax rate of profit from a gain in asset appraised value higher than asset book value

So, the appraised value consisting of land, building and other construction, machinery, equipment, and utility system of SGMP's group by the independent asset appraiser is Bt. 232.70 million. The Independent Financial Advisor adjusts the shareholder equity of SGMP from the gain from the asset valuation in a net total of **Bt. 15.74 million.**

### **CapAd's Opinion on Asset Appraisal**

1. CapAd's opinion is consistent with 15 Business Advisory, regarding the appropriateness of the land data used in the comparison as it represents the market data of land located in the vicinity of the appraised property that has been offered for sale or sold, according to the nature and condition of the land at present. 15 Business Advisory has adjusted the market information of the land used in the comparison to make it similar and reflect the market price of the land as much as possible. While the factors that be considered for weighted scoring to adjust the reference price for the price of the appraised are location, land size, land level, land shape, environment of land and so on. The scores obtained from each comparative data will be analyzed to adjust the price that is different from the market price data (Adjusted Grid Sale Analysis) and analyzed to weigh the data (Weight Quality Score).
2. In the appraisal of buildings and other construction, CapAd's opinion is consistent with 15 Business Advisory, regarding the appropriateness of the building and building information used in the appraisal, which is the new replacement cost method, according to the current price, less depreciation over the useful life. Construction valuation is based on the current cost per square meter method, regarding the price of construction materials, labor cost, production equipment and various expenses related. This is a valuation based on the actual condition of the current building and construction under current construction costs, which reflects a good comparative value relative to the current condition of the property.
3. In the appraisal of machine, equipment, and utility system. CapAd has an opinion in accordance with 15 Business Advisory in using the appropriate appraisal method. For this valuation of machinery and equipment is the method of calculating from the replacement cost. Because the property is designed for a specific use. And the appraisal price is adjusted to reflect the condition of the property, including the improvement (Economic Obsolescence) by the appraised value of the asset that is appropriate to compare with the book value for further adjustment of book value.

#### **3.2.2.2 Gain (loss) from the events after the date of financial statement**

The Board of Directors' Meeting of SGMP No. 4/2022 on April 4, 2022, resolved to approve the proportional dividend payment to the shareholders of SGMP in the amount of Bt. 140.00 million within April 11, 2022. In addition, SGMP has loan receivables to director of the amount of Bt. 47.00 million, Mr. Koh Siang, who repaid the said loan in April 2022. Therefore, SGMP has net cash flow payments of (140.00) + 47.00, which is equal to Bt. (93.00) million.

Therefore, the discount from events after the date of the SGMP financial statements is equal to Bt. (93.00) million. The Independent Financial Advisor has adjusted the shareholders' equity with a discount from events after the date of the financial statements.

### **Summary of SGMP's Adjusted Book Value**

From the above considerations, the Independent Financial Advisor value SGMP's valuation by using an adjusted book value approach in summary as follows:

<b>SGMP's adjusted book value</b>	<b>Million Baht</b>
<b>Total Shareholder's Equity</b>	<b>832.08</b>
<u>Adjusted transaction</u>	
- Gain (Loss) from asset valuation	15.74
- Gain (Loss) from the events after the date of financial statements	(93.00)
<b>Total Equity after adjusting transaction</b>	<b>754.82</b>
Number of registered and paid-up shares <sup>1/</sup> (million shares)	20.50
<b>Adjusted Book Value Share price (Baht per share)</b>	<b>36.82</b>

Note: 1/ As of March 31, 2022, SGMP has 20,000,000 registered and paid-up ordinary shares with a par value of Bt. 5 per share and 500,000 registered and paid-up preferred shares with a par value of Bt. 5 per share.

From the valuation approach above, the total value of SGMP is **Bt. 754.82 million or Bt. 36.82 per share**. This approach adjusts the transactions to reflect the market value of SGMP's asset than the Book value approach. However, this approach only considers SGMP's value at a time and does not consider the future operating performance. So, the Independent Financial Advisor opines that the valuation by using an adjusted book value approach may not reflect the actual value of SGMP.

### 3.2.3 Market Value Approach

SGMP is not listed on the SET and there is no secondary market for securities trading. Therefore, it is not possible to find the market price by this approach.

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

CapAd evaluates SGMP's share value by using Book Value per Share as shown in the management's financial statement as of March 31, 2022, equal to Bt. 40.59 per share and multiply by the median of P/BV Ratios of all 8 comparable companies. All 8 comparable companies are consisting of Sri Trang Gloves (Thailand) Public Company Limited ("STGT"), listed on the SET in the personal care and medical supplies category, and 5 companies listed on the Malaysia Stock Exchange (Bursa Malaysia: MYX); Hartalega Holdings BHD ("HART"), Kossan Rubber Industry BHD ("KRI"), Top Glove Corporation BHD ("TOPG"), Supermax Corporation BHD ("SUCB"), Careplus Group BHD ("CPG"). Including 2 companies listed on the Singapore Exchange (SGX); UG Healthcare Corporation Limited ("UGHC") and Riverstone Holdings Limited ("RSTON"). All comparable companies operate as a rubber glove manufacturer same as SGMP, the referred information is based on the financial statement as of December 31, 2022 and can be summarized as follows:

Company	Symbol	Business Operation
1. Sri Trang Gloves (Thailand) Public Company Limited	STGT	Manufacture and distribute rubber gloves used in medical and other industries. The main products are powdered natural latex gloves powder-free natural latex gloves and nitrile rubber gloves.
2. Hartalega Holding BHD	HART	Operates the business of producing and distributing rubber gloves both nitrile rubber gloves and natural rubber gloves, which located in Malaysia.
3. Kossan Rubber Industry BHD	KRI	Operates the business of manufacturing and distributing rubber products through a subsidiary and is a manufacturer and distributor of rubber gloves for examination. The company located in Malaysia.
4. Top Glove Corporation BHD	TOPG	Operates the business of manufacturing and distributing various types of rubber gloves, such as powdered rubber examination gloves powder-free nitrile rubber gloves, vinyl latex gloves including surgical gloves and other related products. The company located in Malaysia.
5. Supermax Corporation BHD	SUCB	A holding company focusing on investments in companies that produce and sell various types of rubber gloves around the world. The company located in Malaysia.
6. Careplus Group BHD	CPG	Companies that invest in subsidiaries that operate business related to the production and distribution of rubber gloves. The company located in Malaysia.
7. UG Healthcare Corporation Limited	UGHC	Operates the business of manufacturing and distributing rubber gloves under the Unigloves brand, both nitrile rubber gloves and natural rubber gloves for examination. The company located in Singapore.
8. Riverstone Holdings Limited	RSTON	Production and distribution of gloves for use in clean rooms where dust content is required to be controlled to not exceed the standards in the electronics industry, including medical gloves. The company located in Singapore.

The peer companies' financial statement.

(Unit: million Baht)

Company	Symbol	Market Capitalization as of December 31, 2021	Total Asset as of December 31, 2021	Total Revenue Year 2021	Net Profit Year 2021
1. Sri Trang Gloves (Thailand) Public Company Limited	STGT	68,432	51,303	48,020	23,704
2. Hartalega Holding BHD	HART	157,426	57,442	74,964	36,981
3. Kossan Rubber Industry BHD	KRI	39,777	41,025	54,088	23,183
4. Top Glove Corporation BHD	TOPG	109,289	70,481	75,322	22,817
5. Supermax Corporation BHD	SUCB	32,304	49,279	47,058	21,563
6. Careplus Group BHD	CPG	4,800	5,089	5,690	1,796
7. UG Healthcare Corporation Limited	UGHC	4,996	6,421	7,414	2,129
8. Riverstone Holdings Limited	RSTON	25,964	67,559	77,140	35,483
9. SGMP Company Limited <sup>1/</sup>	SGMP	n.a.	942	1,741	544

Source: SETSMART, REUTERS and the companies' financial statement published on their website

<sup>1/</sup> SGMP's information for comparison

The summary of SGMP's share value is as follows:

SGMP	Average P/BV Ratio in the past period (Times)							
	7 days	15 days	30 days	60 days	90 days	120 days	180 days	360 days
1. STGT	1.91	1.91	1.91	2.02	2.05	2.08	2.25	2.97
2. HART	2.81	2.79	2.76	3.01	2.98	2.95	3.11	5.84
3. KRI	1.21	1.20	1.15	1.17	1.17	1.22	1.44	2.85
4. TOPG	2.25	2.19	2.26	2.44	2.58	2.64	2.96	4.50
5. SUCB	0.64	0.63	0.60	0.65	0.70	0.77	1.03	2.77
6. CPG	0.77	0.75	0.79	0.94	1.03	1.04	1.30	2.76
7. UGHC	0.72	0.72	0.73	0.79	0.86	0.89	1.10	1.68
8. RSTON	1.96	1.96	1.76	1.59	1.55	1.60	1.89	3.32
Median of 8 companies	1.56	1.56	1.46	1.38	1.36	1.41	1.66	2.91
<b>SGMP's share price (Baht/share)</b>	<b>63.28</b>	<b>63.16</b>	<b>59.07</b>	<b>55.87</b>	<b>55.10</b>	<b>57.37</b>	<b>67.45</b>	<b>118.05</b>
<b>Total value (million Baht)</b>	<b>1,297.34</b>	<b>1,294.83</b>	<b>1,210.87</b>	<b>1,145.41</b>	<b>1,129.59</b>	<b>1,176.12</b>	<b>1,382.67</b>	<b>2,419.95</b>

Source: SETSMART and REUTERS

From the valuation by using Price to Book Value approach, SGMP value is equal to **Bt. 1,129.56 – Bt. 2,419.95 million or Bt. 55.10 – Bt. 118.05 per share**. However, this valuation method is based on the financial status of SGMP at a time and do not reflect the future capacity. So, the valuation by using this approach is not appropriate.

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

The share valuation by using Price to Earnings Ratio Approach: P/E Ratio is using SGMP's Earnings during the past 12 months starting from the 2<sup>nd</sup> quarter of 2021 to the 1<sup>st</sup> quarter of 2022 and multiplying with a median of P/E ratio of 8-peer company as in the valuation approach under section 3 item 3.2.4 of this report.

The summary of SGMP's share value is as follows:

SGMP	Average P/E Ratio in the past period (Times)							
	7 days	15 days	30 days	60 days	90 days	120 days	180 days	360 days
1. STGT	3.08	3.08	3.08	2.93	2.88	2.86	3.14	11.18
2. HART	3.60	3.56	3.54	3.85	3.81	3.78	4.03	12.25
3. KRI	1.71	1.70	1.63	1.65	1.66	1.75	2.07	6.83
4. TOPG	5.19	5.05	4.68	3.89	3.70	3.42	3.41	6.56
5. SUCB	1.18	1.15	1.11	1.19	1.17	1.21	1.46	4.08
6. CPG	1.59	1.55	1.63	1.96	2.00	1.97	2.19	5.24
7. UGHC	1.76	1.76	1.79	1.92	1.86	1.79	2.00	5.88
8. RSTON	3.66	3.66	3.28	2.96	2.74	2.73	3.07	9.00
Median of 8 companies	2.42	2.42	2.43	2.44	2.37	2.35	2.63	6.70
<b>SGMP's share price (Baht/share)</b>	<b>42.30</b>	<b>42.27</b>	<b>42.52</b>	<b>42.68</b>	<b>41.42</b>	<b>40.99</b>	<b>45.88</b>	<b>116.99</b>
<b>Total value (million Baht)</b>	<b>867.09</b>	<b>866.46</b>	<b>871.72</b>	<b>874.98</b>	<b>849.08</b>	<b>840.32</b>	<b>940.56</b>	<b>2,398.23</b>

Source: SETSMART and REUTERS

From the valuation by using Price to Earnings Value approach, SGMP value is equal to **Bt. 840.32 – Bt. 2,398.23 million or Bt. 40.99 – Bt. 116.99 per share**. However, this valuation method is based on the operating result of SGMP at a period of time and do not reflect the future capacity. So, the valuation by using this approach is not appropriate.

### 3.2.6 Discounted Cash Flow Approach

The Discounted Cash Flow approach is the method considering SGMP's future performance by using the present value of the expected net cashflow which is calculated by appropriated discount rate from the Weighted Average Cost of Capital (WACC) and calculation of net cashflow from SGMP's financial projection in the next 5 years starting from January 1, 2022, to December 31, 2026, which is the appropriate period of projection to reflect performance & situation of SGMP including economics situation, and finding of Terminal Value in the last year of the projection. For the information for financial projection, CapAd based on the financial information that has been audited for the past 3 years, including other information. however, CapAd has adjusted assumptions in some transactions to reflect industry condition as well as an economic overview and follow the Conservative Basis.

However, CapAd's opinion is under the assumption that the information received is correct and completed and is considered from the current situation including no significant changes in the future. If there are significant changes that may affect the business operations and SGMP's financial projection, these changes may affect the fair value of the asset in the future. The determination of assumptions will be shown in detail as follows.

#### ▪ Revenue from Sales

SGMP's major revenue is from the production and distribution of natural rubber gloves and nitrile rubber gloves for medical and industrial use in form of Original Equipment Manufacturing: OEM). Most of them are exported to foreign countries such as countries in Europe, the United States, Canada, countries in Latin America, Japan, and Australia. In 2019-2021, revenue from sales was Bt. 591.07 million, Bt. 481.50 million and Bt. 1,741.46 million, with a proportion sales of natural rubber gloves to nitrile rubber gloves about 15 percent : 85 percent, and the maximum production capacity was 936 million pieces per year under a total of 14 production lines.

However, in 2019, a fire at SGMP's factory caused damage to machinery and inventories. As a result, production has been temporarily suspended from August 2019 - May 2020, affecting sales and production capabilities during that period. Therefore, SGMP is obliged to order some rubber gloves from other manufacturers to sell to their own customers in order to maintain their customer base. At the same time, the epidemic of COVID-19 since the beginning of 2020 has greatly increased the world demand for rubber gloves and caused the selling price of rubber gloves to rise. The spread of COVID-19 continuing until 2021, resulting in SGMP's income has increased significantly both from increased sales volume and higher selling price. However, the average selling price of rubber gloves of SGMP has begun to decline in line with the average selling price of rubber gloves in the industry as the world's largest manufacturers increase their production capacity to cope with the spread of COVID-19. Therefore, CapAd expected that the trend of SGMP's sales revenue will gradually return to normal and normal growth from the projection 2023 onwards, based on conservative basis.

CapAd assesses the sales revenue by formulating assumptions from the sales volume of each type of rubber gloves multiplied by the average selling price per thousand pieces. The details are as follows:

#### (a.) Sales volume of rubber gloves

From the past performance, SGMP has sale volume of rubber gloves from 2017-2021 as follows.

Unit: Million Pieces	2017	2018	2019	2020	2021
Sales volume	768.97	738.58	426.12	188.50	629.32
Max Capacity	936.00	936.00	936.00	936.00	936.00
Approximate Utilization Rate (%)	82.15	78.91	45.53	20.14	67.24

In August 2019, a fire caused damage to machines and production lines, resulting in the production capacity of 2019-2020 falling below normal, causing SGMP to stop production and it is necessary to order rubber gloves from other manufacturers instead.

CapAd has set the sales volume in 2022 to be 692.25 million pieces or 10 percent growth from 2021 according to SGMP's sales plan, which is expected to increase from an increasing of demand from the COVID-19 epidemic as well as a demand from industrial sector. At the end of the first quarter of 2022, SGMP's sales volume of rubber gloves was 150.21 million pieces. Then, CapAd determined to grow at a rate of 2.5 percent per annum for the forecast period of 2023 – 2026 to use capacity more efficiently and begin to return to normal industry growth rate, which the highest sales volume in 2026

close to the level SGMP achieved in 2017. According to the management interview, currently SGMP has no plan to expand production capacity throughout the projection period.

Sale Volume	unit	2019A	2020A	2021A	2022F	2023F	2024F	2025F	2026F
Natural Rubber Glove	M. Pieces	41.74	61.63	119.04	130.94	134.21	137.57	141.01	144.53
Nitril Rubber Glove	M. Pieces	384.38	126.87	510.29	561.31	575.35	589.73	604.47	619.59
<b>Total</b>	M. Pieces	<b>426.12</b>	<b>188.50</b>	<b>629.32</b>	<b>692.25</b>	<b>709.56</b>	<b>727.30</b>	<b>745.48</b>	<b>764.12</b>
Max Capacity	M. Pieces	936.00	936.00	936.00	936.00	936.00	936.00	936.00	936.00
Approximate Utilization Rate	Percent	45.53	20.14	67.24	73.96	75.81	77.70	79.65	81.64
<u>Growth (Decline) rate</u>									
Natural Rubber Glove	Percent	n.a.	47.66	93.13	10.00	2.50	2.50	2.50	2.50
Nitril Rubber Glove	Percent	n.a.	(66.99)	302.22	10.00	2.50	2.50	2.50	2.50
<b>Total</b>	Percent	<b>n.a.</b>	<b>(55.76)</b>	<b>233.85</b>	<b>10.00</b>	<b>2.50</b>	<b>2.50</b>	<b>2.50</b>	<b>2.50</b>

Note: 1/ In August 2019 - May 2020, a fire occurred at SGMP's factory, causing production lines to be damaged and temporarily halt production and had to order rubber gloves from other manufacturers to deliver to customers instead.

#### (b.) Average Selling Price

The average selling price per thousand pieces in 2019-2021 is USD 46, USD 85, and USD 83, respectively (or approximately Bt. 1,387, Bt. 2,554, and Bt. 2,767 respectively, calculated from the exchange rates as of December 30 of each year as announced by the Bank of Thailand). The average selling price has risen due to the sharply higher demand from the COVID-19 epidemic from early 2020 to 2021, the average selling price of rubber gloves in 2020 increased by 84.81% from 2019. However, the average selling price of rubber gloves has started to decline since the fourth quarter of 2021 due to the increase in production capacity of the world's major glove manufacturers. As a result, the average selling price of rubber gloves tends to decrease from the last few years.

As of the first quarter of 2022, the average selling price of SGMP was about USD 55 (equivalent to approximately Bt. 1,838), a decrease of 33.43 percent from 2021. CapAd determined the average selling price in 2022 to drop 43.10 percent from 2021 to about USD 47 (approximately Bt. 1,571), according to SGMP forecasts and determine the average selling price of 2023-2024 to be decreased 5.00 percent per year, then in 2025-2026 to be decrease 2.50 percent per year. The average selling price in 2026 will be equal to USD 40 (approximately Bt. 1,348) which is close to the average selling price before the epidemic of COVID-19 in 2019.

Average Selling Price	Unit	2019A	2020A	2021A	1Q2022
Average Selling Price	Bt./1,000 pcs	1,387	2,554	2,767	1,838
Average Selling Price	USD/1,000 pcs	46	85	83	55
<u>Growth (Decline) rate</u>	percent	n.a.	84.81	(2.60)	(33.43)
Average Exchange Rate <sup>1/</sup>	Bt./USD	30.12	30.01	33.38	33.31

Average Selling Price	Unit	2022F	2023F	2024F	2025F	2026F
Average Selling Price	Bt./1,000 pcs	1,571	1,492	1,418	1,382	1,348
Average Selling Price	USD/1,000 pcs	47	45	43	42	40
<u>Growth (Decline) rate</u>	percent	(43.10)	(5.00)	(5.00)	(2.50)	(2.50)
Average Exchange Rate <sup>1/</sup>	Bt./USD	33.31	33.31	33.31	33.31	33.31

Note: 1/ Average exchange rates in 2019, 2020 and 2021 are based on the average interbank exchange rates as of December 30, and the first quarter of 2022 are based on the average interbank exchange rates as of March 31, 2022 (Source: Bank of Thailand)

#### ▪ Other Income

Other income consists of interest income, revenue from selling defective products, gain on foreign exchange and other income. However, CapAd estimates other income only for recurring items, such as interest income and income from selling defective products without taking the profit from the exchange rate into account in formulating assumptions because it is an uncertain item. Therefore, CapAd determines that other income for the year of 2022 is equal to that that occurred during the first quarter of 2022 plus interest income from loans to directors. Then, from the projected year 2023-2026, it is set to be equal to the average percentage of sales revenue of 2019-2021, which is 0.26 percent per year.

From the assumptions of each type of income, total revenue can be summarized as follows:

<b>Total Revenue</b>	<b>Unit</b>	<b>2019A<sup>1/</sup></b>	<b>2020A</b>	<b>2021A</b>	<b>1Q 2022A</b>
Revenue from sales	M. Baht	591.07	481.50	1,741.46	276.07
Other income	M. Baht	0.26	2.92	16.57	4.21
<b>Total revenue</b>	<b>M. Baht</b>	<b>591.33</b>	<b>484.41</b>	<b>1,758.03</b>	<b>280.28</b>
Growth (Decline) Rate	Percent	n.a.	(18.08)	262.92	n.a.

Note: 1/ Year 2019, SGMP has income from insurance claims amounting to Bt. 137.06 million, but it is a one-time income, and are not included in the above table.

<b>Total Revenue</b>	<b>Unit</b>	<b>2022F</b>	<b>2023F</b>	<b>2024F</b>	<b>2025F</b>	<b>2026F</b>
Revenue from sales	M. Baht	1,087.43	1,058.88	1,031.09	1,030.44	1,029.80
Other income	M. Baht	4.40	2.79	2.72	2.72	2.72
<b>Total revenue</b>	<b>M. Baht</b>	<b>1,091.82</b>	<b>1,061.67</b>	<b>1,033.80</b>	<b>1,033.16</b>	<b>1,032.51</b>
Growth (Decline) Rate	Percent	(37.90)	(2.76)	(2.63)	(0.06)	(0.06)

#### ▪ Cost of Sales

Cost of Sales is consisting of raw material cost, direct labor cost, and production overhead cost. In the year 2019 – Q1 of 2022, the cost of sales was Bt. 598.73 million, Bt. 295.56 million, Bt. 1,044.53 million, and Bt. 250.72 million respectively, or accounted for 101.30 percent, 61.38 percent, 59.98 percent, and 90.82 percent of the revenue from sales respectively.

In this regard, CapAd estimates the cost of sales by mainly using the structure of 2019 - Q1 2022 because it is the period that can best reflect the SGMP's cost of sales structure and can reflect both the negative impact of the fire incident from August 2019 - May 2020 and the benefit period from the COVID-19 epidemic in 2020 continues to the present. Details are as follows:

##### (a.) Raw material cost

The cost of raw materials consists of natural latex, nitrile latex and chemicals used in the production of rubber gloves. In 2019 – Q1 of 2022, SGMP has raw material cost equal to Bt. 318.88 million, Bt. 166.95 million, Bt. 700.09 million, and Bt. 137.79 million which is account for 53.95 percent, 34.67 percent, 40.20 percent, and 49.91 percent of revenue from sales respectively (main raw material is nitrile latex, which is accounts for 66.99 – 84.38 percent of total raw material cost).

In the projection of raw material costs in 2022, CapAd determined from the average of raw material cost to sales revenue of 2019 – Q1 of 2022. Then, for the projected year of 2023-2026, it is set to be equal to the proportion of revenue of the year 2022 (equal to 47.31 percent of revenue from sales), which is the best reflect current information and it is expected that SGMP will be able to maintain this cost rate. Therefore, the rate is fixed throughout the projection period.

##### (b.) Direct labor cost

Direct labor costs are wages at SGMP's manufacturing plants, in the year 2019 – Q1 of 2022, labor costs equal to Bt. 91.90 million, Bt. 37.28 million, Bt. 96.14 million, and Bt. 32.27 million respectively, representing 15.55 percent, 7.74 percent, 5.52 percent, and 11.69 percent of sales revenue, respectively.

CapAd determines direct labor cost in 2022 from the average ratio of labor cost to sales revenue of 2019 - Q1 of 2022. Then, for the projected year 2023-2026, it is set to be equal to 10.13 percent of sales revenue. This is equal to the average ratio to revenue of 2019 - 2022, as SGMP has some of its labor costs as fixed costs that do not vary with revenue, and it is expected that SGMP will be able to maintain this cost level. Therefore, the rate is fixed throughout the projection period.

##### (c.) Production Overhead cost

Production overhead cost consist of packaging cost, fuel cost, cost of repair and maintenance of machinery, depreciation, utility bills, and other production expenses. In the year 2019 - Q1 of 2022, the production overhead costs were Bt. 187.95 million, Bt. 91.32 million, Bt. 248.30 million, and Bt. 80.66 million, which accounted for 31.80 percent, 18.97 percent, 14.26 and 29.22 percent of sales revenue, respectively.

For the projection, the Independent Financial Advisor has determined that production overhead costs excluding depreciation in 2022 are equal to the average proportion to sales revenue of 2019 - Q1 2022. Then, for the projected years 2023 - 2026, it is set to be equal to proportion to revenue in 2022, which is 23.17 percent of sales revenue due to such ratio can reflect current information. Therefore,



the rate is fixed throughout the projection period and when combined with depreciation, production overhead costs of the year 2022 - 2026 accounted for approximately 25.65 percent - 26.02 percent of sales revenue.

The projection and assumptions of cost of sales can be summarized as follows:

Total Cost of Sales	Unit	2019A	2020A	2021A	1Q 2022A
Raw material cost	M. Baht	318.88	166.95	700.09	137.79
Direct labor cost	M. Baht	91.90	37.28	96.14	32.27
Production overhead cost	M. Baht	187.95	91.32	248.30	80.66
<b>Total cost of sales</b>	<b>M. Baht</b>	<b>598.73</b>	<b>295.56</b>	<b>1,044.53</b>	<b>250.72</b>
Proportion to revenue from sales					
Raw material cost	Percent	53.95	34.67	40.20	49.91
Direct labor cost	Percent	15.55	7.74	5.52	11.69
Production overhead cost	Percent	31.80	18.97	14.26	29.22
<b>Total cost of sales</b>	<b>Percent</b>	<b>101.30</b>	<b>61.38</b>	<b>59.98</b>	<b>90.82</b>

Total Cost of Sales	Unit	2022F	2023F	2024F	2025F	2026F
Raw material cost	M. Baht	514.48	500.97	487.82	487.52	487.21
Direct labor cost	M. Baht	118.65	107.21	104.40	104.33	104.27
Production overhead cost	M. Baht	278.90	272.88	267.03	267.48	267.92
<b>Total cost of sales</b>	<b>M. Baht</b>	<b>912.03</b>	<b>881.06</b>	<b>859.25</b>	<b>859.33</b>	<b>859.40</b>
Proportion to revenue from sales						
Raw material cost	Percent	47.31	47.31	47.31	47.31	47.31
Direct labor cost	Percent	10.91	10.13	10.13	10.13	10.13
Production overhead cost	Percent	25.65	25.77	25.90	25.96	26.02
<b>Total cost of sales</b>	<b>Percent</b>	<b>83.87</b>	<b>83.21</b>	<b>83.33</b>	<b>83.39</b>	<b>83.45</b>

#### ▪ Selling Expenses

Selling expenses consist of transportation expenses, marketing expenses and other selling expenses such as travel expenses, advertising expenses, and license fees, etc. In 2019 - Q1 of 2022, the selling expenses were Bt. 10.48 million, Bt. 3.49 million, Bt. 23.74 million, and Bt. 6.44 million respectively. A ratio of sales revenue is equal to 1.77 percent, 0.72 percent, 1.36 percent, and 2.33 percent respectively. In the projection, CapAd determines selling expenses of 2022 equal to 2.33 percent of sales revenue, which is equal to the first quarter of 2022. Then in the projected year 2023-2026, equal to 1.55 percent of sales revenue, which is equal to the average ratio to revenue from sales of 2019 - Q1 2022, fixed throughout the projection period.

The projection and assumptions of selling expenses can be summarized as follows:

Selling Expenses	Unit	2019A	2020A	2021A	1Q 2022A
Transportation expenses	M. Baht	8.86	3.07	23.59	6.39
Marketing expenses	M. Baht	1.57	0.18	0.09	0.05
Other selling expenses	M. Baht	0.06	0.23	0.06	-
<b>Total selling expenses</b>	<b>M. Baht</b>	<b>10.48</b>	<b>3.49</b>	<b>23.74</b>	<b>6.44</b>
Proportion to revenue from sales					
Transportation expenses	Percent	1.50	0.64	1.35	2.31
Marketing expenses	Percent	0.27	0.04	0.01	0.02
Other selling expenses	Percent	0.01	0.05	-	-
<b>Total selling expenses</b>	<b>Percent</b>	<b>1.77</b>	<b>0.72</b>	<b>1.36</b>	<b>2.33</b>

Selling Expenses	Unit	2022F	2023F	2024F	2025F	2026F
Transportation expenses	M. Baht	25.16	15.37	14.96	14.95	14.94
Marketing expenses	M. Baht	0.20	0.87	0.85	0.84	0.84
Other selling expenses	M. Baht	0.01	0.17	0.16	0.16	0.16
<b>Total selling expenses</b>	<b>M. Baht</b>	<b>25.37</b>	<b>16.40</b>	<b>15.97</b>	<b>15.96</b>	<b>15.95</b>
Proportion to revenue from sales						
Transportation expenses	Percent	2.31	1.45	1.45	1.45	1.45
Marketing expenses	Percent	0.02	0.08	0.08	0.08	0.08
Other selling expenses	Percent	-	0.02	0.02	0.02	0.02
<b>Total selling expenses</b>	<b>Percent</b>	<b>2.33</b>	<b>1.55</b>	<b>1.55</b>	<b>1.55</b>	<b>1.55</b>

### ▪ Administrative Expenses

Administrative expenses consist of employee expenses, employee benefit expenses, fees and taxes, office expenses, and other administrative expenses such as foreign exchange losses, general expenses, car insurance, and donations. In 2019 - Q1 2022, administrative expenses were Bt. 78.57 million, Bt. 28.52 million, Bt. 31.76 million, and Bt. 10.75 million respectively. In 2020 and 2021, the rate decreased by 63.70 percent and increased by 11.34 percent respectively.

CapAd has determined that administrative expenses in 2022 are equal to those incurred in the first quarter and to be considered annually (annualized), excluding other administrative expenses which include foreign exchange losses. Then, for the projection years 2023 - 2026, the rate is set to increase equal to the average growth rate of the consumer price index for the past 20 years of Thailand (2002 - 2021) ("CPI<sub>TH</sub>"), which is approximately 2 percent per year, except for employee expenses and employee benefit expenses set to double the rate of CPI<sub>TH</sub> according to the policy of SGMP. Details are shown in the following table.

The projection and assumptions of administrative expenses can be summarized as follows:

Administrative expenses	unit	2019A <sup>1/</sup>	2020A	2021A	1Q 2022A
Employee expenses	M. Baht	0.43	5.81	16.41	4.18
Employee benefit expenses	M. Baht	-	5.70	0.42	-
Fees and taxes	M. Baht	4.54	7.43	11.21	0.57
Office expenses	M. Baht	1.00	1.28	1.90	0.50
Other administrative expenses	M. Baht	15.61	8.30	1.81	5.51
<b>Total administrative expenses</b>	<b>M. Baht</b>	<b>21.59</b>	<b>28.52</b>	<b>31.76</b>	<b>10.75</b>
Growth (Decline) Rate					
Employee expenses	Percent	n.a.	1,237.59	182.51	n.a.
Employee benefit expenses	Percent	n.a.	(85.44)	(92.58)	n.a.
Fees and taxes	Percent	n.a.	63.72	50.91	n.a.
Office expenses	Percent	n.a.	28.10	47.95	n.a.
Other administrative expenses	Percent	n.a.	(75.20)	(78.25)	n.a.
<b>Total administrative expenses</b>	<b>Percent</b>	<b>n.a.</b>	<b>(63.70)</b>	<b>11.34</b>	<b>n.a.</b>

Note: 1/ In 2019, SGMP had employee benefit expenses of Bt. 39.13 million, which was paid to employees who were terminated after a fire incident and had damage expenses from the downtime of Bt. 17.85 million, which were one-time expenses and are not included in the administrative expenses table above.

Administrative expenses	unit	2022F	2023F	2024F	2025F	2026F
Employee expenses	M. Baht	16.72	17.39	18.08	18.81	19.56
Employee benefit expenses	M. Baht	3.53	3.68	3.82	3.98	4.13
Fees and taxes	M. Baht	2.27	2.31	2.36	2.41	2.46
Office expenses	M. Baht	1.99	2.03	2.07	2.11	2.16
Other administrative expenses	M. Baht	8.26	8.43	8.59	8.77	8.94
<b>Total administrative expenses</b>	<b>M. Baht</b>	<b>32.77</b>	<b>33.83</b>	<b>34.93</b>	<b>36.07</b>	<b>37.25</b>
Growth (Decline) Rate						
Employee expenses	Percent	1.84	4.00	4.00	4.00	4.00
Employee benefit expenses	Percent	735.85	4.00	4.00	4.00	4.00
Fees and taxes	Percent	(79.77)	2.00	2.00	2.00	2.00
Office expenses	Percent	4.85	2.00	2.00	2.00	2.00
Other administrative expenses	Percent	357.63	2.00	2.00	2.00	2.00
<b>Total administrative expenses</b>	<b>Percent</b>	<b>3.20</b>	<b>3.24</b>	<b>3.25</b>	<b>3.25</b>	<b>3.26</b>

### ▪ Financial Cost

As of March 31, 2022, SGMP has no short-term and long-term loans. Therefore, there is no financial cost, and CapAd assumes that SGMP shall not have short-term and long-term loans throughout the projection period.

### ▪ Corporate Income Tax

The corporate income tax rate is 20 percent throughout the projection period.

### ▪ Capital Expenditure

CapAd assumes the capital expenditure for buildings and building improvements, machinery, equipment and utilities, furniture, office equipment and vehicles. In 2022, it will be equal to the investment plan of SGMP, then for the projection year of 2023-2026, referred to previous investment. The detail are as follows:

Capital Expenditure	Unit	2022F	2023F	2024F	2025F	2026F
Building and building improvements	M. Baht	3.00	1.50	1.50	1.50	1.50
Machinery and equipment	M. Baht	8.11	2.50	2.50	2.50	2.50
Utility system	M. Baht	6.32	0.50	0.50	0.50	0.50
Furniture	M. Baht	0.50	0.50	0.50	0.50	0.50
Office equipment	M. Baht	0.59	0.10	0.10	0.10	0.10
Vehicles	M. Baht	0.50	0.50	0.50	0.50	0.50
<b>Total capital expenditure</b>	<b>M. Baht</b>	<b>19.02</b>	<b>5.60</b>	<b>5.60</b>	<b>5.60</b>	<b>5.60</b>

#### ▪ Current Asset and Current Liabilities Turnover Rate

The current asset and current liability turnover rate are referred to SGMP's ratio in 2021 which reflects the latest performance and have it fixed along the projection period as follows:

Account Receivable turnover rate	approximately 21 days
Inventory turnover rate	approximately 61 days
Account Payable turnover rate	approximately 10 days

Summary of SGMP's financial projection in 2022 – 2026 as follows:

Financial Projection (M.Baht)	2022F	2023F	2024F	2025F	2026F
Revenue from sales	1,087.43	1,058.88	1,031.09	1,030.44	1,029.80
Cost of sales	(912.03)	(881.06)	(859.25)	(859.33)	(859.40)
<b>Gross profit</b>	<b>175.40</b>	<b>177.82</b>	<b>171.83</b>	<b>171.11</b>	<b>170.39</b>
Other revenue	4.40	2.79	2.72	2.72	2.72
Selling and administrative expenses	(58.15)	(50.23)	(50.90)	(52.03)	(53.19)
Profit before interest and tax (EBIT)	121.65	130.37	123.65	121.80	119.91
<b>Net profit (loss)</b>	<b>97.32</b>	<b>104.30</b>	<b>98.92</b>	<b>97.44</b>	<b>95.93</b>
Total asset	1,024.59	1,131.69	1,233.82	1,335.24	1,435.31
Total liabilities	109.71	112.52	115.73	119.71	123.84
Total shareholders' equity	914.87	1,019.17	1,118.09	1,215.53	1,311.46

Note: accounting period ending December 31 of every year

#### ▪ Terminal Value Growth

The Independent Financial Advisor assume a terminal value to reflect cash flows after the forecast period without any expansion of cash flow after the forecast period on going concern basis because revenue and profit is forecasted to decrease and no growth of free cash flow to the firm.

#### ▪ Discount Rate

The discount rate used to calculate the net present value of cash flows, derived from the weighted average cost of capital (WACC) from the weighted average cost of debt (K<sub>d</sub>) and cost of capital (K<sub>e</sub>) as follows:

WACC =	$K_e * E / (D + E) + K_d * (1 - T) * D / (D + E)$
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K <sub>e</sub> =	Cost of capital or the return that shareholder required (R <sub>e</sub> )
K <sub>d</sub> =	Cost of debt or the average loan interest of SGMP
T =	Corporate income tax
E =	Total shareholder's equity
D =	Total interest-bearing debt

The cost of capital (K<sub>e</sub>) or the desired rate of return (R<sub>e</sub>) is calculated from the Capital Asset Pricing Model (CAPM) as follows:

Risk Free Rate (R<sub>f</sub>) = 3.59%, the risk-free rate referenced from the yield on 30-year Thai government bonds as of March 31, 2022 and reflect long term return for going-concerned business

Beta (β) = 1.0034 times which is determined by average of unlevered beta of 1 listed company in the SET, 5-listed company in Bursa Malaysia: MYX, and 2-listed company in Singapore Exchange: SGX, which operates as the manufacturer and distributor of rubber glove as well as SGMP. The beta value set is the average of the last one year from March 31, 2021 – March 31, 2022. This is proper period to reflect on the return and risks of SGMP.

Market Risk ( $R_m$ )	=	the weighted average return from investing in the SET for a 30-year period from 1992 – 2021 ending December 2021, equals to 11.74 % per annum which was the announcement of the Securities and Exchange Act in 1992 and can best reflect the average return.
$K_d$	=	SGMP has no loan and financial cost
D/E Ratio	=	SGMP's D/E ratio is fixed at 0.00 times over the projection period, as SGMP has no loan
T	=	corporate income tax rate is expected to 20% per annum

To sum up, it can be calculated the Weighted Average Cost of Capital or WACC of 11.77% per annum and fixed throughout the projection period.

Based on the above assumptions, SGMP's financial projections can be summarized from the business of manufacturing and distribution of rubber gloves, starting from April 1, 2022 - December 31, 2026 as follows:

SGMP's cashflow (M.Baht)	2022F	2023F	2024F	2025F	2026F
Earnings before interest and tax (EBIT)	91.24	130.37	123.65	121.80	119.91
Tax amount before interest and tax	(18.25)	(26.07)	(24.73)	(24.36)	(23.98)
Depreciation and amortization	20.17	27.49	28.08	28.68	29.27
Capital expenditure	(14.27)	(5.60)	(5.60)	(5.60)	(5.60)
Change in working capital	121.55	5.94	4.64	0.03	0.03
Free cash flow to firm (FCFF)	200.44	132.13	126.04	120.55	119.63
Present value of the free cash flow to firm (PV of FCFF)	184.39	108.75	92.81	79.42	70.51

From the estimation of SGMP's FCF, it can evaluate the business values in detail as follows:

Total PV of FCFF (as of March 31, 2022)	(M.Baht)	535.88
PV of terminal value	(M.Baht)	598.99
<b>Total PV of net FCFF</b>	<b>(M.Baht)</b>	<b>1,134.86</b>
<b>Adjusted transaction</b>		
Add: cash (as of March 31, 2022)	(M.Baht)	238.31
(less): dividend payment (as of April 11, 2022)	(M.Baht)	(93.00)
(Less): interest-bearing debt (as of March 31, 2022)	(M.Baht)	-
<b>Total SGMP's value</b>	<b>(M.Baht)</b>	<b>1,280.17</b>
No. of paid-up shares <sup>1/</sup>	(Shares)	20,500,000
<b>Share price</b>	<b>(Baht per share)</b>	<b>62.45</b>

Note: 1/ Registered capital as of March 31, 2022 is Bt. 102.50 million divided into 20,500,000 shares with a par value of 5 baht per share.

CapAd adjusted the total present value of free cash flow with net cash of Bt. 238.31 million according to SGMP's management financial statement as of March 31, 2022. Including dividend payment, which is the event occurs after the date of financial statement according to the Board of Directors' Meeting of SGMP No. 4/2022 on April 4, 2022, resolved to approve the proportional dividend payment to the shareholders of SGMP in the amount of Bt. 140.00 million within April 11, 2022. In addition, SGMP has loan receivables to director of the amount of Bt. 47.00 million, Mr. Koh Siang, who repaid the said loan in April 2022. Therefore, SGMP has net cash flow payments of (140.00) + 47.00, which is equal to Bt. (93.00) million.

From the valuation, SGMP is valued equal to **Bt. 1,280.17 million or Bt. 62.45 per share.**

#### Sensitivity analysis

The Independent Financial Advisor has performed sensitivity analysis on the share value which adjusted the Discount Rate which refers to WACC to increase/decrease by 0.50 percent per year from the base case which can reflect the change in factors of assumptions in the projection. The Company's value is as follows:

Sensitivity Analysis	Unit	Discount Rate)		
		WACC+0.50%	Base case WACC	WACC – 0.50%
Total value of SGMP	M.THb	1,238.32	1,280.17	1,325.70
	Bt. per share	60.41	62.45	64.67

From the sensitivity analysis by adjusting the discount rate, SGMP business value is in the range of **Bt. 1,238.32 – Bt. 1,325.70 million or equal to Bt. 60.41 – Bt. 64.67 per share.**

However, the discounted cash flow approach is calculated from the projection of future cash flow which refers to the assumption received from SGMP including the adjustment in some assumptions by CapAd. According to the principles of caution under the current economic and epidemic situation, any changes in SGMP business plan or policies or Thai economy or unusual events e.g. war which significantly impact the assumption or projection may affect SGMP's future operating performance and result in the changing of business valuation.

### 3.2.7 The summary of Independent Financial Advisor opinion towards the appropriateness of SGMP's share value

The table comparing SGMP business value by each valuation approach is in detail as follows:

SGMP Valuation Approach	SGMP Value		Appropriateness of Valuation Approach
	(M. THB)	(Baht per share)	
Book Value Approach	832.08	40.59	Not Appropriate
Adjusted Book Value Approach	754.82	36.82	Not Appropriate
Market Value Approach	n.a.	n.a.	Unable to do valuation
P/BV Ratio Approach	1,129.56 – 2,419.95	55.10 – 118.05	Not Appropriate
P/E Ratio Approach	840.32 – 2,398.23	40.99 – 116.99	Not Appropriate
Discounted Cash Flow Approach	1,238.32 – 1,325.70	60.41 – 64.67	Appropriate

Note: Par value of Bt. 5.00 per share

From the above table, SGMP value in the range of **Bt. 754.82 – Bt. 2,419.95 million or Bt. 36.82 – Bt. 118.05 per share.**

The book value approach is the approach that can reflect SGMP's performance and financial position at a period which considered from the performance in the past. However, this approach does not consider the actual value of the asset, SGMP's capability to generate profit in the future, and economic trends and industry overview. So, the valuation by using the book value approach may not reflect SGMP's status and derived appropriated value for SGMP.

The adjusted book value approach is the approach that adjusted the transaction to reflect the market value of SGMP assets more than the Book Value Approach e.g., events that occurred after financial statement including Gain/Loss from the valuation of the asset. However, this approach does not consider the actual value of assets, SGMP's capability to generate profit in the future, and economic trends and industry overview. So, the valuation by using the adjusted book value approach may not reflect SGMP's status and derived appropriated value for SGMP.

Market Value Approach is unable to assess because SGMP is not a listed company on the Stock Exchange of Thailand and any secondary market. So SGMP does not have a reference market price.

Price to Book Value Ratio Approach (P/BV) is using SGMP's book value to compare with the P/BV ratio of 8-peer company which consisting of 1-listed company on the SET; Sri Trang Glove Public Company Limited ("STGT"), and 5-listed company on the Stock Exchange of Malaysia (Bursa Malaysia: MYX); namely Hartalega Holdings BHD ("HART"), Kossan Rubber Industry BHD ("KRI"), Top Glove Corporation BHD ("TOPG"), Supermax Corporation BHD ("SUCB"), Careplus Group BHD ("CPG"), including 2-listed company on the Singapore Exchange (SGX); namely UG Healthcare Corporation Limited ("UGHC") and Riverstone Holdings Limited ("RSTON"). All companies operate as rubber glove manufacturers with reference data as of March 31, 2022. CapAd does not use this approach for valuing SGMP's shares, as it is based on the performance at any given time and does not reflect future profitability. Therefore, this valuation approach is not appropriate.

The Price to Earnings Ratio Approach (P/E) is using SGMP's earnings per share in the past 12-month ended March 31, 2022, which is SGMP's past performance to compare with the Price to Earnings per share of peer companies listed on the stock exchanges in different countries as well as the Price to Book Value Approach. However, the Independent Financial Advisor does not consider this approach to evaluate SGMP's shares as it is based on the performance at any given time.

Discounted Cash Flow Approach is considered SGMP's past performance to reflect the ability to generate cash flow and future performance of SGMP. In this regard, the Discounted Cash Flows Approach is a calculation of future cash flows based on financial projections. It is based on various assumptions obtained from SGMP and established under economic conditions and current situation. Therefore, any changes occurring in the future which significantly affects the aforementioned assumptions This could result in SGMP's future performance not being as expected or make variables that value used in the valuation changes, so the value of the shares under this approach also changes.

The Independent Financial Advisor opines that the Discounted Cash Flow approach is the most suitable approach to evaluate SGMP's value because they can reflect SGMP's future operation. So the appropriate value of SGMP is in the range of **Bt. 1,238.32 – Bt. 1,325.70 million or Bt. 60.41 – Bt. 64.67 per share**

### 3.3 Summary of Valuation

Referring to the valuation of the Company, appropriate valuation is Market Value Approach which will have price range between Bt. 0.54 – Bt. 0.56 per share or Bt. 1,094.26 – 1,132.84 million. And appropriate valuation of SGMP is Discounted Cash Flow Approach which will have price range between Bt. 1,238.32 – Bt. 1,325.70 million. The investment amount of 30 percent will be valued between Bt. 371.50 – Bt. 397.71 million.

When comparing the fair value of SGMP shares to the share price approved by the Board of Director of the Company at Bt. 60.439 per share (Bt. 5 par value) and the total of 6.15 million shares, totaling Bt. 371.70 million, the approved price is appropriate as it is in the price range that evaluated by the Independent Financial Advisor, which is between Bt. 60.41 – Bt. 64.67 per share.

And referring to the consideration value, the Company will pay in kind new shares of 423 million shares at Bt 0.59 per share totaling Bt. 249.57 million, compared with the fair value of the market approach evaluated by the Independent Financial Advisor, which is Bt. 0.54 – Bt. 0.56 per share. The Company will pay additional of Bt 122.13 million, totaling Bt. 371.70 million. Therefore, the price of the Company shares to be paid in kind is appropriate as it is higher than the market price approach.

**Therefore, the Independent Financial Advisor has the opinion that the acquisition of asset of SGMP shares at Bt. 371.70 million is appropriate.**

**Part 4: Summary of Opinion of the Independent Financial Advisor on the Asset Acquisition and Connected Transaction**

The Independent Financial Advisor has an opinion that the transaction is appropriate because it is the investment diversification to profitable business which is the business of a manufacturer and distributor of rubber gloves. SGMP will be an associated company with the Company's shareholding of 30 percent after the completion of the transaction. SGMP is the company that Mr. Huang Ho-Chih is a major shareholder via Gold Dynamic Holdings Co.,Ltd. and he is also the Chief Executive Officer and Director of the Company. Therefore, he is familiar with SGMP and is able to continue the management of business under the Company. The investment in SGMP can enhance the opportunity to the Company to receive dividend as another source of revenue, resulting in more benefit to the Company and shareholders. In addition, the Company pay in-kind with new shares of the Company to reduce burden to find source of financing and pay the remaining in cash, of which the total investment value is in accordance with the valuation of the Independent Financial Advisor.

Please see the summary of the opinion of the Independent Financial Advisor in **"Executive Summary"** on this report.

However, shareholders should carefully study all documents and information attached to the notice to this shareholders' meeting, for the sake of their own decision making. Decision in the acquisition of assets rests primarily and is sole discretion of the shareholders.



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

Sincerely Yours

The Independent Financial Advisor  
Capital Advantage Company Limited

*-Patchara Netsuwan-*

(Mr. Patchara Netsuwan)  
Executive Director

*-Annop Saengvanich-*

(Mr. Annop Saengvanich)  
Supervisor

## **Attachment 1**

### **Summary Information of SGMP Company Limited**

#### **1. General Background**

Company Name	SGMP Company Limited
Address	181 Moo 6, Kampaengphet Subdistrict, Rattaphum District, Songkhla 90180, Thailand
Registered and Paid-up Capital	Registered and Paid-up capital is Bt. 102.50 million consisting of 500,000 preferred shares at Bt. 5 par value with the capital of Bt. 2.50 million and 20 million ordinary shares at Bt. 5 par value with the capital of Bt. 100 million.
Business	SGMP is a manufacturer and distributor of medical rubber gloves and industrial rubber gloves in the form of Original Equipment Manufacturing (OEM). The office and factory are located in Rattaphum District, Songkhla Province, close to the source of raw materials (natural latex) including the Songkhla Deep Sea Port, which is convenient for transporting goods to foreign customers such as countries in Europe, the United States of America, Canada, countries in Latin America, Japan and Australia.

#### **2. Nature of business**

SGMP Company Limited was registered as a Limited Company on January 7, 2000, as a manufacturer and distributor of medical rubber gloves and industrial rubber gloves (TSIC 22193) in the form of Original Equipment Manufacturing (OEM). SGMP mainly manufacture and distribute industrial rubber gloves approximately 85-90 percent of total quantity of sales. SGMP is able to produce products that meet the needs of each market or customer group. The office and factory are located in Rattaphum District, Songkhla Province, close to the source of raw materials (natural latex) including the Songkhla Deep Sea Port, which is convenient for transporting goods to foreign customers such as countries in Europe, the United States of America, Canada, countries in Latin America, Japan and Australia.

##### Products

SGMP is the manufacturer and distributor of two main types of rubber gloves: natural rubber gloves and nitrile rubber gloves.

- (1) Natural Rubber Gloves (NR) are made of concentrated latex which has several qualifications such as flexibility, comfort to wear and biodegradation which is better than nitrile rubber gloves;
- (2) Nitrile Rubber Gloves are mainly made of nitrile butadiene rubber (NBR), a type of synthetic latex from petroleum production, which is strong, resistant to tears and punctures, resistant to chemicals and wide range of temperature. Moreover, nitrile rubber glove is another choice for those who are allergic to protein in natural rubber gloves.

The products can also be classified by the nature of use into two main categories: examination glove and industrial glove, with powder and powder-free. The powder can make it easier to wear and remove. They are used in food industry, beauty industry, electronics industry, agriculture industry, etc. Different kinds of rubber gloves have different properties depending on the usage. During 2018-2021, SGMP produced both natural rubber gloves and nitrile rubber gloves in the form of OEM, accounting for 100 percent of sales revenue under the customer's trademark to customers both in domestic and international countries. The ratio of natural rubber gloves to nitrile rubber gloves on average was about 15: 85.

The products of SGMP are recognized by domestic and international agencies, such as the Food and Drug Administration (FDA), 510K certification from the U.S. Food and Drug Administration, the factory standard ISO 13485: 2016 (Medical Devices – Quality Management System: MDMS), ISO 9001:2015 (International Organization for Standardization), ISO 374-1:2016 (Standardization of Protective Gloves to Protect Users from Hazardous Chemicals) and Canadian and EU Medical Gloves Standard.

However, in 2019, there was a fire incident at SGMP's factory which damaged machinery and inventories, causing the production line to be temporarily stopped during August 2019 – May 2020. Thus, SGMP could recognize revenue only in the first half of 2019 and the last half of 2020 onward. During that period, SGMP had to lay off workers by paying employment compensation. Therefore, the production capacity and performance during 2019 – 2020 were lower than normal situation. Fortunately, SGMP received compensation from insurance company around Bt. 137.06 million in 2019. And during the rebuild of factory, SGMP had to order some rubber gloves from other manufacturers and deliver to customers to maintain its customer base.

### 3. **Shareholder List and Board of Director of SGMP**

#### List of Shareholders

As of 31 December 2021, the registered and paid-up capital of SGMP was Bt. 102.50 million consisting of 20 million ordinary shares and 0.50 million preferred shares at B 5 par value. The list of shareholders are as follows:

No.	Name	Ordinary Shares	Preferred Shares	Total	Percent (%)
1	Mr. Goh Siang	8,000,000	200,000	8,200,000	40.00%
2	Gold Dynamic Holding Company Limited	6,000,000	150,000	6,150,000	30.00%
3	Mr. Pravit Thavornchaisith	6,000,000	150,000	6,150,000	30.00%
	Total	20,000,000	500,000	20,500,000	100.00%

Resource : DBD e-Filing BOJ5 and regulations

Note : 1. The characteristics of preferred shares are as follows:

- 1.1 Privileges to receive dividend before ordinary share by allocating 2.0% of paid-up capital of preferred shares to shareholder of preferred shares except that the amount of dividend paid is over 2.0% of paid-up capital of preferred shares as the case maybe. The announcement of dividend payment will be in accordance with the proportion of shareholding. Right to receive dividend aforementioned will be applied to the first dividend payment of each year and will not be accumulated.
- 1.2 Right to vote at the Shareholders' Meeting at 1 vote per 1,000 preferred shares
- 1.3 Right to receive the capital decrease before the ordinary share when liquidated but not exceeding the amount of paid-up preferred shares.
2. Gold Dynamic Holding Company Limited is a company established in Hong Kong with the objective to invest in other businesses and also has Mr. Huang Ho-Chih as a shareholder by holding 100 percent.

#### Board of Director

List of Board of Director as of 10 January 2022 as follows:

No.	Name	Position
1	Mr. Goh Siang	Director
2	Mr. Huang Ho-Chih	Director
3	Mr. Pravit Thavornchaisith	Director

Resource: The Certificate of SGMP

Note: The conditions for signing to a binding company; 1) One director signs for various documents filed to the government agency, such as an application for permission, submission of a form or document required by law. or 2) two directors jointly sign and seal the company's seal.

### 4. **Financial Highlights**

Financial statements for the year 2018-2019 of SGMP were audited by Mr. Yanyong Maethaphanich, Certified Public Accountant No. 4002 from Intadit C.P.A. Company Limited.

The financial statements for the year 2020 were audited by Mr. Surachai Damnoenwong, Certified Public Accountant No. 4721 from RSM Audit Services (Thailand) Company Limited, approved by the SEC.

The financial statements for the year 2021 was audited by Mr. Bongkot Amsageam, Certified Public Accountant No. 3684 from KPMG Phoomchai Audit Company Limited, approved by the SEC.

And the first quarter of 2022 was the management account done by SGMP.

Chart of operating results for the year 2016 – Q1 2022

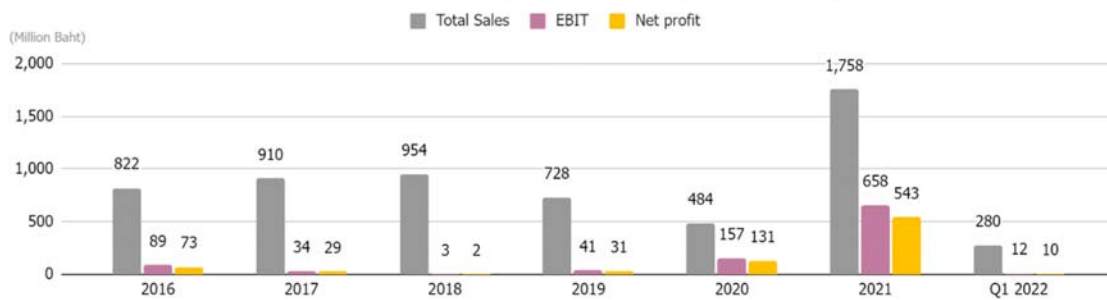
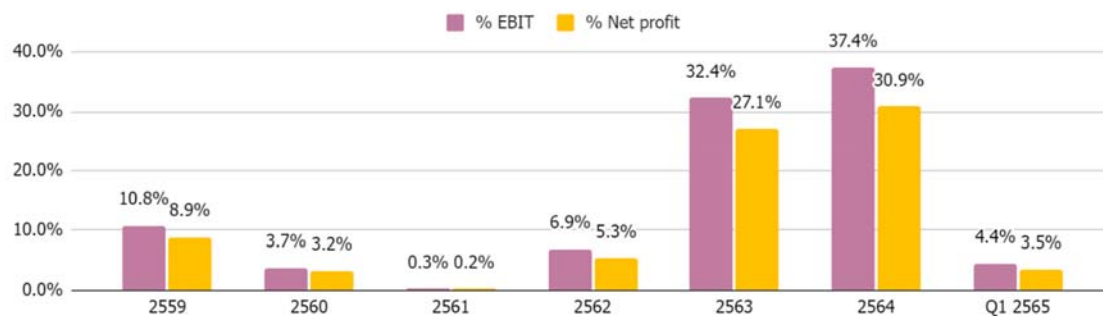


Chart of Earnings Before Interest and Tax margin and Net Profit Margin for the year 2016- Q1 2022



Statement of Financial Position for the year ended 31 December 2018-2021 and for the first quarter of 2022 as follows:

Statement of Financial Position	2018		2019		2020		2021		Q1 2022	
	M. Bt.	Percent	M. Bt.	Percent	M. Bt.	Percent	M. Bt.	Percent	M. Bt.	Percent
<b>Asset</b>										
Cash and cash equivalent	107.51	16.40	241.38	36.78	127.37	25.09	135.10	14.34	238.31	25.97
Account Receivables and other receivables	269.35	41.09	29.78	4.54	21.73	4.28	308.26	32.71	193.60	21.10
Advance payment	-	-	3.64	0.56	18.46	3.64	7.12	0.76	8.30	0.90
Receivable of Revenue Department	-	-	2.89	0.44	9.39	1.85	20.02	2.12	63.51	6.92
Insurance claim receivable	-	-	238.85	36.39	-	-	-	-	-	-
Inventory	131.05	19.99	6.87	1.05	134.82	26.56	222.49	23.61	170.78	18.61
Advance purchase of fixed assets	-	-	16.07	2.45	-	-	-	-	-	-
Other current assets	-	-	0.32	0.05	0.34	0.07	0.91	0.10	0.04	0.00
Total current assets	507.91	77.49	539.81	82.24	312.11	61.49	693.90	73.64	674.53	73.51
Bank deposit pledge as collateral	3.47	0.53	3.49	0.53	3.51	0.69	3.52	0.37	-	-
Land, Buildings and Machinery	137.38	20.96	113.04	17.22	191.89	37.81	243.74	25.87	243.12	26.49
Deposits	6.72	1.02	0.04	0.01	0.06	0.01	1.15	0.12	-	-
Total non-current assets	147.56	22.51	116.57	17.76	195.46	38.51	248.41	26.36	243.12	26.49
Total Assets	655.47	100.00	656.37	100.00	507.57	100.00	942.31	100.00	917.65	100.00
<b>Liabilities</b>										
Account payable and other payable	56.05	8.55	15.47	2.36	51.46	10.14	44.22	4.69	77.41	8.44
Advanced from directors1/	-	-	-	-	85.50	16.84	-	-	-	-
Deferred income2/	-	-	-	-	62.14	12.24	13.89	1.47	0.02	0.00
Deferred tax3/	-	-	9.21	1.40	32.46	6.39	60.32	6.40	-	-
Other current liabilities	-	-	0.06	0.01	2.33	0.46	2.92	0.31	8.14	0.89
Total current liabilities	56.05	8.55	24.74	3.77	233.88	46.08	121.36	12.88	85.57	9.33
Employee benefits	11.26	1.72	12.07	1.84	-	-	3.40	0.36	-	-
Total non-current liabilities	11.26	1.72	12.07	1.84	-	-	3.40	0.36	-	-
Total liabilities	67.31	10.27	36.81	5.61	233.88	46.08	124.76	13.24	85.57	9.33
<b>Shareholder's equity</b>										
Registered and paid-up capital	-	-	-	-	-	-	-	-	-	-
500,000 Preferred shares @ THB 5	2.50	0.38	2.50	0.38	2.50	0.49	2.50	0.27	2.50	0.27
20,000,000 common shares @ THB 5	100.00	15.26	100.00	15.24	100.00	19.70	100.00	10.61	100.00	10.90
Retain Earnings	-	-	-	-	-	-	-	-	-	-
Appropriated	10.63	1.62	10.63	1.62	10.63	2.09	10.63	1.13	10.63	1.16
Unappropriated	475.03	72.47	506.43	77.16	160.56	31.63	704.42	74.75	718.95	78.35
Total shareholder's equity	588.16	89.73	619.56	94.39	273.69	53.92	817.55	86.76	832.08	90.67
Total shareholder's equity and liabilities	655.47	100.00	656.37	100.00	507.57	100.00	942.31	100.00	917.65	100.00

Remark 1/ In 2020, there is Advanced from directors, which is a loan from directors, SGMP has fully repaid in 2021.

2/ In 2020, there was an advance income of 62.14 million baht due to the sharp increase in demand for rubber gloves from the epidemic of COVID-19, causing customers pay for products in advance, then demand gradually decreased until it started to return to normal in 2021.

3/ In 2021, there was an accrued income tax of 60.32 million baht, which was higher net profit than normal.

Statement of Income for the year ended 31 December 2018-2021 and for the first quarter of 2022 as follows:

Income statement	2018		2019		2020		2021		Q1 2022	
	M. Bt.	Percent	M. Bt.	Percent	M. Bt.	Percent	M. Bt.	Percent	M. Bt.	Percent
Revenue from sales	952.52	100.00	591.07	100.00	481.50	100.00	1,741.46	100.00	276.07	100.00
Cost of sales	(933.70)	(98.02)	(598.73)	(101.30)	(295.56)	(61.38)	(1,044.53)	(59.98)	(250.72)	(90.82)
Gross profit	18.82	1.98	(7.66)	(1.30)	185.94	38.62	696.93	40.02	25.35	9.18
Insurance claim	-	-	137.06	23.19	-	-	-	-	-	-
Other income	1.84	0.19	0.26	0.04	2.92	0.61	16.57	0.95	4.21	1.53
Profit before expenses	20.67	2.17	129.66	21.94	188.85	39.22	713.50	40.97	29.56	10.71
Selling Expenses	(13.41)	(1.41)	(10.48)	(1.77)	(3.49)	(0.72)	(23.74)	(1.36)	(6.44)	(2.33)
Administrative Expenses	(4.64)	(0.49)	(21.59)	(3.65)	(28.52)	(5.92)	(31.76)	(1.82)	(10.75)	(3.89)
Downtime expense	-	-	(17.85)	(3.02)	-	-	-	-	-	-
Employee benefits	-	-	(39.13)	(6.62)	-	-	-	-	-	-
EBIT	2.61	0.27	40.61	6.87	156.84	32.57	658.00	37.78	12.37	4.48
Income tax	(0.55)	(0.06)	(9.21)	(1.56)	(25.64)	(5.32)	(114.14)	(6.55)	(2.47)	(0.90)
Net profit	2.06	0.22	31.40	5.31	131.20	27.25	543.86	31.23	9.90	3.58

Note: 1/ In 2019, SGMP has insurance claim income, employee benefit expense, and downtime expenses as one-time expenses

### **The Analysis of SGMP's performance**

Analysis of past performance will exclude some operational results analysis that occurred during the year 2019-2020 due to the factory fire incident causing the factory to stop production during August 2019 - May 2020.

#### **Income Statement**

##### **Revenue from sales**

From past performance revenue from sales tends to be higher all the time, from a value of Bt. 821.33 million in 2016 to Bt. 909.65 million in 2017 and Bt. 952.52 million in 2018, but due to the factory fire, revenue from sales has decreased during the year 2019-2020 to Bt. 591.07 million and Bt. 481.50 million, respectively. However, due to the spread of COVID-19 occurring since 2020 onwards, the demand for rubber gloves especially for medical use has increased dramatically. In 2021, SGMP had revenues of up to Bt. 1,741.46 million, an increase of 261.68% from 2020 (the rate of increase is higher than usual because revenue in 2020 is lower than normal from the factory fire) and in the first quarter of 2022, revenue from sales is Bt. 276.07 million.

In addition, the selling price of rubber gloves has also increased greatly. SGMP average selling price of gloves is adjusted according to industry trends, with SGMP average selling price for 2017-2019 around USD 36, USD 40, USD 46, respectively (Calculated from the exchange rate as of December 30 of each year as announced by the Bank of Thailand) and have risen to average price of USD 85 and USD 83 per thousand pieces in 2020 and 2021 respectively, due to the high demand of gloves. However, the average selling price is likely to decline from Q3 2021 to Q1 2022 at around USD 55 per thousand pieces because a higher competition including the fact that the world's largest manufacturers, especially in Malaysia and Thailand, can increase their production capacity to sell more.

##### **Other Income**

Other incomes include foreign exchange gains, interest income, income from selling defective products and insurance claims from factory fires that occurred only in 2019, amounting to Bt. 137.06 million. Excluding insurance claims income, other income for the year 2018 – 2021 was Bt. 1.84 million, Bt. 0.26 million, Bt. 2.92 million, and Bt. 16.57 million, a decrease of Bt. 1.58 million, an increase of Bt. 2.65 million, and an increase of Bt. 13.65 million, respectively. In this regards, an average of other income in 2018-2021 accounted for 0.45% of sales revenue. And in the first quarter of 2022, there were other income equal to Bt. 4.21 million or 1.53% of sales revenue, most of which was profit from foreign exchange.

##### **Cost of Sales**

Cost of sales mainly consisting of cost of latex (natural latex), nitrile latex, chemical cost, labor cost and production overhead such as fuel cost, packaging cost, utilities, maintenance, insurance, depreciation and other expenses. In 2018-2021, the cost of sales was Bt. 933.70 million, Bt. 598.73

million, Bt. 295.56 million and Bt. 1,044.53 million, representing 98.02%, 101.30%, 61.38%, 59.98 % of sales revenue, respectively with the average proportion of 80.17% of revenue from sales. While the first quarter of 2022 had cost of sales equal to Bt. 250.72 million or equal to 90.82% of revenue. In this regard, the cost of sales during the year 2018 - the first quarter of 2022 accounted for an average of 82.30% of the sales revenue.

a. Cost of concentrated latex and nitrile latex, which are the main raw material for the production of rubber gloves and accounting for an average of 40.90 % of sales or an average of 50.53 % of cost of sales (calculated during the year 2018 - the first quarter of 2022). SGMP has a proportion of production of natural rubber gloves to nitrile rubber gloves in the proportion of 15 : 85. Moreover, nitrile latex is easier to evaporate than concentrated latex, therefore, the proportion of use of nitrile latex is higher than concentrated latex. When considering in terms of value, the cost of concentrated latex to nitrile is accounted for 11:89.

b. Chemical cost in the production of rubber gloves, the main chemicals used in production are vulcanizing agent, activator, rubber curing agent, (accelerator), substance to prevent rubber deterioration from oxidation (antioxidation), coagulant and filler. During 2018 - the first quarter of 2022, this cost accounted for an average of 6.26% of sales revenue or an average of 7.45% of cost of sales.

C. Direct labor are the wages of employees in SGMP factories with both daily and monthly employees, accounted for an average of 10.44 % of the sales revenue or an average of 12.40 % of the cost of sales calculated during the year 2018 - the first quarter of 2022.

D. The cost of production overhead, consists of fuel costs, packaging cost, utilities cost, maintenance cost, insurance cost, depreciation and other expenses was an average of 24.70% of sales revenue or and average of 29.78% of cost of sales, calculated during the year 2018 - the first quarter of 2022. In addition, the average fuel cost was 44.11% of production overhead cost, mainly the fuel used for drying rubber gloves from three different types of energy sources; fuel oil, LPG and biomass. However, in the first quarter of 2022, fuel costs increased by 30.12% from 2021, equal to Bt. 247 per thousand pieces due to the war between Russia and Ukraine that began in February 2022.

#### Gross profit

Gross profit of SGMP had decreased during 2016 – 2018. In 2018, SGMP has gross profit of Bt. 18.82 million, and loss equal to Bt. 7.66 million in 2019 due to the factory fire in August 2019, caused SGMP to stop producing and selling products. However, the spread of COVID-19 since 2020 had benefit for SGMP as the average selling price of rubber gloves has increased significantly as demand increases, resulting in gross profit of 2020-2021 of Bt. 185.94 million and Bt. 696.93 million or accounted for 38.62 % and 40.02% of sales revenue, respectively. While gross profit in the first quarter of 2022 was Bt. 25.35 million or 9.18% of sales revenue. In this regard, SGMP's average gross profit margin between 2018 - the first quarter of 2022 was 17.70%.

#### Selling and Administrative expenses

The expenses of selling and administration consist of transportation expenses, staff expenses, fees and taxes, certification fees, office expenses and other administration expenses. During 2018 – the first quarter of 2022, the expenses of selling and administration were Bt. 18.05 million, Bt. 32.07 million, Bt. 32.01 million, Bt. 55.50 million and Bt. 17.19 million or accounted for 1.90%, 5.43%, 6.65%, 3.19% and 6.23% respectively. SGMP's selling and administrative expenses accounted for 4.68% of total revenue, calculated during the year 2018 - the first quarter of 2022.

#### Net Profit

SGMP's net profit continued to decline from 2016-2018 following gross profit. In 2018, net profit was Bt. 2.06 million and started to increase in 2019 - the first quarter of 2022 with a net profit of Bt. 31.40 million, Bt. 131.20 million, Bt. 543.86 million, and Bt. 9.90 million respectively. For the year 2018 - the first quarter of 2022, the net profit margin was 0.22%, 5.31%, 27.25%, 31.23% and 3.58%, respectively, representing an average net profit margin of 13.52% of total revenues.

### **Statement of Financial Position**

#### Assets

The key assets of SGMP were land, building and machinery, account receivables, inventories, cash, and other assets. During 2018 – 2019, the value of total assets was stable between Bt. 655.47 – Bt. 656.37 million. For the year 2019, insurance claim was approximately Bt. 238.85 million. However,

the value of total assets decreased to Bt. 507.57 million in 2020, due to the purpose of paying dividends amounting Bt. 477.07 million. For the year 2021, the value of total assets was Bt. 942.31 million due to the increase in machine investment and in working capital according to the raised of sales, account receivables, inventories, and remaining cash. For the first quarter of 2022, the value of total assets was Bt. 917.65 million.

#### Liabilities

Pertaining to the previous performance of SGMP, total liabilities was little and without short-term and long-term financial institutions. Most of liabilities were account receivables causing low debt to shareholders' equities is in the range between 0.06-0.85 times for 2018-2021. For the first quarter of 2022, total liabilities were Bt. 85.57 million or debt to shareholders' equities equal to 0.10 times.

#### Shareholders' Equities

For the year ended 31 December 2021, the registered and paid-up capital of SGMP was Bt. 102.50 million. During 2018 – 2019, shareholders' equities were stable between Bt. 588.16 – Bt. 619.56 million due to low net profit. For the year 2020, the profit of SGMP went up to Bt. 131.20 million but SGMP has paid dividend amounting of Bt. 477.07 million from net profit and retained earnings caused shareholders' equities to remain at Bt. 273.69 million. For the year 2021, SGMP still had a high level of net profit equal to Bt. 543.86 million which made shareholders' equities increase to Bt. 817.55 million. And for the first year of 2022, shareholders' equities were Bt. 832.08 million.

## **Attachment 2**

### **Summary of Appraisal Reports of Dimet (Siam) Public Company Limited**

Regarding the valuation of adjusted book value's approach, this approach needs the appraisal of key asset value of company under DIMET Group, which is Dimet Paint Company Limited (formerly named Asian Corrosion Control Technology Company Limited) 99% held by DIMET, by comparing the difference between its fair value and its book value to obtain the adjusted book value. Therefore, DIMET has appointed an independent asset appraiser, namely First Star Consultant Company Limited. ("First Star Consultant"), approved by the Valuers Association of Thailand, which is a property valuation company in the capital market and an appraiser approved by the SEC. The objective is to prepare a report to justify the market value of the appraised assets to use for public purposes. The appraisal report dated 17 February, 2022 which appraises the key assets consists of Lands, Buildings, Machine & Equipment and other fixed assets can be summarized as follows:

#### **1. Land Appraisal**

Regarding the appraisal of land, the independent asset appraiser uses comparative of market information method by selecting the market price data that is offered for sale nearby (Sale Comparison Approach). That means all the assets are offered for purchase and sale during the same period, by considering several factors such as location in the vicinity area, land size, land shape, environment of land and the utility system. Then the aforementioned factors are analyzed as the factors to be considered for weighted scoring to adjust the reference price for the price of the appraised land. The scores obtained from each comparative data will be analyzed to adjust the price that is different from the market price data (Adjusted Grid Sale Analysis) and analyzed to weigh the data (Weight Quality Score). Detail of land appraisal of SGMP is summarized in detail as follows:

Objective	Public Propose
Title Deed /Area	Title deed No.85930 <b>6 Rai 1 Ngan 80 Sq.Wah in total (2,580 Sq.wah)</b>
Types of land	Land with building
Location of asset	No. 602, Moo 2, Soi 1B Bangpoo Industrial Estate (Soi Thetsaban Bang Pu 77), Sukhumvit Road (Public road No.3), Bang Pu Mai Subdistrict, Mueang Samut Prakan District, Samut Prakan Province
Land condition and contact territory	The Land shape is near rectangle. The North and East are next to the land with industrial factory. The South and West are adjacent to the road of Bangpoo Industrial Estate.
Ownership	Dimet Paint Company Limited (formerly named Asian Corrosion Control Technology Company Limited)
Land burden	The land secured as collateral under Beyond Capital Company Limited
Date	17 February 2022

#### **The Asset Site**





Comparison table and weighted scoring method which is prepared by the independent appraiser

Details	Appraised Assets	Data 1	Data 2	Data 3	Data 4
Location	No. 602, Moo 2, Soi 1B Bangpoo Industrial Estate, Bang Pu Mai Sub-district, Muang Samut Prakan District, Samut Prakan Province	Pattana 1 Road and Soi 1B Bangpoo Industrial Estate, Bang Pu Mai Sub-district, Muang Samut Prakan District, Samut Prakan Province	Soi 1C Bangpoo Industrial Estate, Bang Pu Mai Sub-district, Muang Samut Prakan District, Samut Prakan Province	Soi 2 B-5 Bangpoo Industrial Estate, Bang Pu Mai Sub-district, Muang Samut Prakan District, Samut Prakan Province	Soi 2 B-4 Bangpoo Industrial Estate, Bang Pu Mai Sub-district, Muang Samut Prakan District, Samut Prakan Province
Selling Date		October 2021	-	-	-
Area (Rai-Ngan-Sq.Wah)	6-1-80 (2,580 Sq.Wah)	3-3-43 (1,543 Sq.Wah)	11-2-29 (4,629 Sq.Wah)	11-3-60 (4,760 Sq.Wah)	11-0-48.5 (4,448.5 Sq.Wah)
Offering Price (Bt./Sq.Wah)		30,000	32,500	34,664	32,500

Details	Appraised Assets	Data 1	Data 2	Data 3	Data 4
Value after adjustment <sup>1/</sup> (Bt./Sq.Wah)		26,250	28,500	29,000	28,000
Weighted Level		10%	30%	30%	30%
Fair Market Value (Bt./Sq.Wah)	28,275	2,625	8,550	8,700	8,400
<b>Total Value<sup>2/</sup> (Bt./Sq.Wah)</b>	<b>28,000</b>				

Note: 1/ Consider both external and internal factors by comparing data 1-4 to the appraised property, such as property ownership ,sale conditions, market conditions, location, land size , land shape , entry-exit of asset ,legal restrictions and physical condition  
2/ Roundup Value

Therefore, the appraisal price of land equal to Bt. 28,000 per Sq.Wah. The fair market value **equal to Bt. 72,240,000.**

## 2. Buildings and the other structures Appraisal

Regarding the appraisal of building, the independent asset appraiser uses the Cost Approach which is the calculation of the Depreciated Replacement Cost, which considers the Replacement Cost New of the standard cost buildings from The Valuers Association of Thailand , then deducting it from the depreciation of the buildings and structures by estimating physical depreciation approximately 2%-10% per year. The details of the appraisal as follows:

Details	Area (Sq.m.)	Value of Replacement New (Bt.)	Depreciation (%)	Replacement Value New after depreciation (Bt.)
1. Office building (3 floors)	1,465.00	16,440,000	58%	6,904,800
2. Production and warehouse building	1,980.00	16,830,000	58%	7,068,600
3. Showroom	32.00	384,000	22%	299,520
4. Service center building (2 floors)	120.00	1,200,000	52%	576,000
5. Storage building (Warehouse 5)	210.00	1,260,000	39%	768,600
6. Storage building (Warehouse 7)	480.00	3,600,000	39%	2,196,000
7. Space with roof covering (Delivery Area)	160.00	560,000	39%	341,600
8. Space with roof covering (Warehouse 4)	100.00	200,000	27%	146,000
9. Space with roof covering (Workshop)	60.00	120,000	27%	87,600
10. Space with roof covering (Garage)	144.00	504,000	70%	151,200
11. Space with roof covering (General waste)	28.00	98,000	12%	86,240
12. Space with roof covering (Hazardous waste)	15.00	30,000	12%	26,400
13. Space with roof covering (Pump house)	24.00	60,000	70%	18,000
Fire water tank	15.00	105,000	70%	31,500
14. Canvas tent (Warehouse 6)	48.00	72,000	80%	14,400
15. Canvas tent (Warehouse 3)	100.00	150,000	80%	30,000
16. Canvas tent (Warehouse 2)	576.00	1,152,000	80%	230,400
17. Canvas tent (Warehouse 8)	252.00	378,000	60%	151,200
18. Canvas tent (Warehouse 9)	72.00	108,000	60%	43,200
19. Canvas tent (Written Off Area)	60.00	72,000	80%	14,400
20. Canvas tent (Water storage)	24.00	28,800	80%	5,760
21. Chemical storage building (Nitrocellulose)	24.00	144,000	39%	87,840
22. Guard building	3.00	19,500	33%	13,065
23. Solution storage space (Solvent tank yard)	135.00	202,500	70%	60,750
24. Concrete road with sewers and sidewalks	5,277.50	4,485,875	51%	2,198,079
<b>Replacement Cost New of Buildings and the other structures</b>	<b>11,404.50</b>	<b>48,203,675</b>		<b>21,551,154</b>

Therefore, total appraisal value of buildings and structures by the independent appraiser **equal to Bt. 21,551,154.**

## 3. Machine & Equipment and Other Fixed Asset Appraisal

Regarding the appraisal of Machine & Equipment,the independent asset appraiser chooses Cost

Approach to be the criteria of appraisal. This method calculates from the Replacement Cost New by using the new price of the assets, which can be surveyed from manufacturer, dealers or other published information including the cost in the past and the cost comparing to other assets with similar conditions or to use price index instead if it is unable to find new price. Next is to deduct it from physical depreciation, utility depreciation, economic depreciation or from external factors including considering the standard useful life compared with the remaining useful life of machine & equipment. The details can be summarized as follows:

No.	Detail	Units	Fair Value for exchange (Bt.)	Total Value (Bt.)
1	Cone Grinder	4	2,164,000	649,000
2	Semi Auto Filling Machine	1	646,000	194,000
3	Dust Collector Unit	1	683,000	205,000
4	Air Compressor	1	400,000	120,000
5	Mixer machine	21	10,887,000	3,267,000
6	Overhead Travelling Crane	1	1,145,000	344,000
7	Super Mill	5	6,000,000	2,435,000
8	Colling Tower	1	95,000	29,000
9	Dispenser	2	1,080,000	324,000
10	Transformer	1	1,890,000	567,000
11	Air Compressor	1	300,000	90,000
12	Chiller	1	198,000	59,000
13	Tank washing machine	1	200,000	60,000
14	Sewage well	1	245,000	74,000
15	Hood	2	204,000	61,000
16	Spray Boot	2	270,000	81,000
17	Water Chiller	1	342,000	227,000
18	Fire Fighting System	1	1,372,000	412,000
19	Mixing Tank	1	293,000	88,000
20	Color storage tank	11	13,058,000	6,812,000
21	Lap equipment	1	3,253,500	814,000
22	Hand Pallet Truck	2	212,000	34,000
23	Forklift	3	2,050,000	342,000
24	Reach Truck	2	1,250,000	123,000
25	Lift Truck	1	430,000	161,000
<b>Total of Machine &amp; Equipment of DIMET</b>			<b>48,667,500</b>	<b>17,572,000</b>

Therefore , total appraisal value of Machine & Equipment by the independent appraiser **equal to Bt. 17,572,000.**

#### **Summary The Value of Land , Building , Machine & Equipment and Other Fixed Assets**

Lists	Details	Price per Unit	Fair Value (Bt.)
1. Land	6 Rai 1 Ngan 80 Sq.Wah (2,580 Sq.Wah)	28,000	72,240,000
2. Building and other structures	24 lists and other structures	-	21,551,154
3. Machine & Equipment and other fixed assets	Total 69 lists	-	17,572,000
<b>Total</b>			<b>111,363,154</b>
<b>Total (Round up)</b>			<b>111,400,000</b>

From the appraisal of land , building , Machine & Equipment and other fixed assets, the total appraisal price from the independent appraiser is equal to Bt. 111,363,154 or the roundup amount **equal to Bt. 111,400,000.**

IFA's Opinion on Asset Appraisal

1. IFA's opinion is consistent with the independent asset appraiser, regarding the appropriateness of the land data used in the comparison as it represents the market data of land located in the vicinity of the appraised property that has been offered for sale or sold, according to the nature and condition of the land at present. The independent asset appraiser has adjusted the market information of the land used in the comparison to make it similar and reflect the market price of the land as much as possible. While the factors that be considered for weighted scoring to adjust the reference price for the price of the appraised are location, land size, land level, land shape, environment of land and so on. The scores obtained from each comparative data will be analyzed to adjust the price that is different from the market price data (Adjusted Grid Sale Analysis) and analyzed to weigh the data (Weight Quality Score).
2. In the appraisal of buildings and structures. IFA's opinion is consistent with the independent asset appraiser, regarding the appropriateness of the building and building information used in the appraisal, which is the new replacement cost method, according to the current price, less depreciation over the useful life. Construction valuation is based on the current cost per square meter method, regarding the price of construction materials, labor cost, production equipment and various expenses related. This is a valuation based on the actual condition of the current building and construction under current construction costs, which reflects a good comparative value relative to the current condition of the property.
3. In the appraisal of machine and equipment. IFA has an opinion in accordance with the independent asset appraiser in using the appropriate appraisal method. For this valuation of machinery and equipment is the method of calculating from the replacement cost. Because the property is designed for a specific use. And the appraisal price is adjusted to reflect the condition of the property, including the improvement (Economic Obsolescence) by the appraised value of the asset that is appropriate to compare with the book value for further adjustment of book value.

### **Attachment 3**

#### **Summary of Appraisal Reports of SGMP Company Limited**

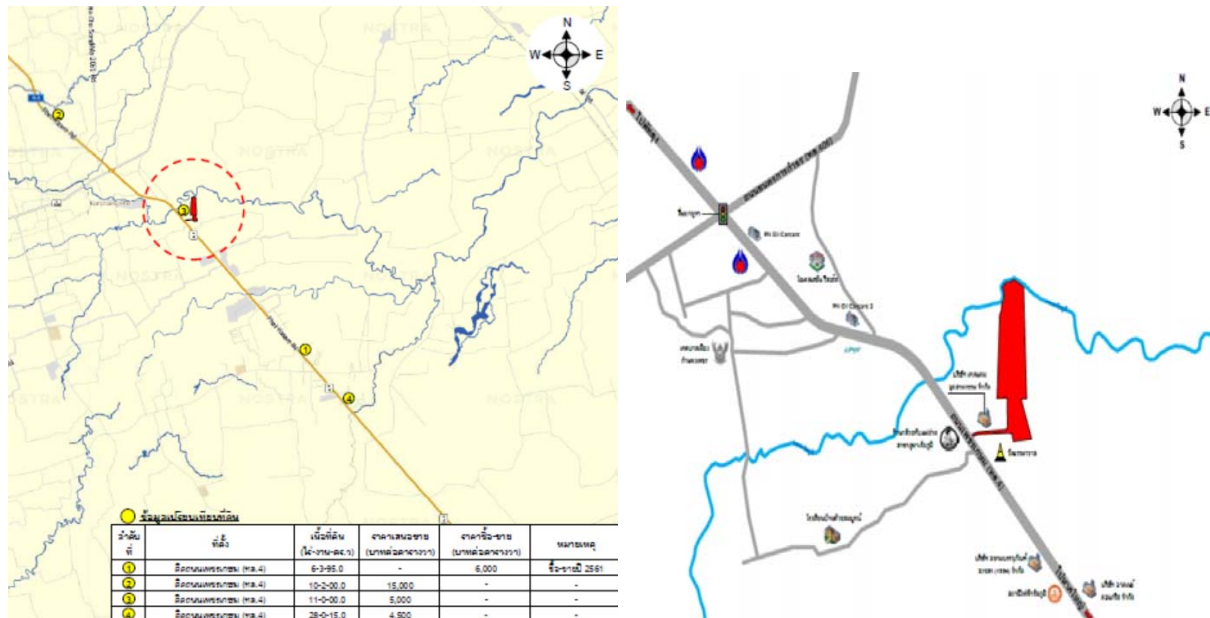
Regarding the valuation of adjusted book value's approach, this approach needs the appraisal of key asset value of the SGMP company by comparing the difference between its fair value and its book value to obtain the adjusted book value. Therefore, the SGMP company has appointed an independent asset appraiser, namely 15 Business Advisory Limited. ("15 Business Advisory"), approved by the Valuers Association of Thailand, which is a property valuation company in the capital market and an appraiser approved by the SEC. The objective is to prepare a report to justify the market value of the appraised assets to use for public purposes. The appraisal report dated 28 February ,2022 which appraises the key assets consists of Lands , Buildings , Machine & Equipment and other fixed assets can be summarized as follows:

#### **1. Land Appraisal**

Regarding the appraisal of land, the independent asset appraiser uses comparative of market information method by selecting the market price data that is offered for sale nearby (Sale Comparison Approach). That means all the assets are offered for purchase and sale during the same period, by considering several factors such as location in the vicinity area, land size, land shape, environment of land and the utility system. Then the aforementioned factors are analyzed as the factors to be considered for weighted scoring to adjust the reference price for the price of the appraised land. The scores obtained from each comparative data will be analyzed to adjust the price that is different from the market price data (Adjusted Grid Sale Analysis) and analyzed to weigh the data (Weight Quality Score). Detail of land appraisal of SGMP is summarized in detail as follows:

Objective	Public Propose
Title Deed /Area	Certificate of Utilization (N.S. 3 K). There are 4 title deeds No.2285, No.5168, No.5169 and No.5170 <b>Total land area is 67 Rai 2 Ngan 6 Sq.Wah (27,006 Sq.Wah)</b>
Types of land	Land with building and structures
Location of asset	No. 181, Moo 6, Petchkasem Road (Public road no.4), Kamphaeng Phet Sub-district, Rattaphum District, Songkhla Province
Land condition and contact territory	The land is a polygon shape of which the in front of the land (west) adjacent to Petchkasem Road, approximately 17 meters long. The North is next to Khlong Rattaphum while the East is next to personal property. The South adjacent to public road and personal property.
Ownership	SGMP Company Limited
Land burden	Free-hold land
Date	28 February 2022

#### **The Asset Site**



Comparison table and weighted scoring method which is prepared by the independent appraiser

Details	Appraised Assets	Data 1	Data 2	Data 3	Data 4
Location	Petchkasem Road, Kamphaeng Phet Sub-district, Rattaphum District, Songkhla Province	Petchkasem Road, Kamphaeng Phet Sub-district, Rattaphum District, Songkhla Province	Petchkasem Road, Kamphaeng Phet Sub-district, Rattaphum District, Songkhla Province	Petchkasem Road, Kamphaeng Phet Sub-district, Rattaphum District, Songkhla Province	Petchkasem Road, Kamphaeng Phet Sub-district, Rattaphum District, Songkhla Province
Selling Date		Actual sale at the end of 2018	Offer for sale in February 2022	Offer for sale in February 2022	Offer for sale in February 2022
Area (Rai-Ngan-Sq.Wah)	67-2-06.0	6-3-95.0	10-2-00.0	11-0-00.0	28-0-15.0
Offering Price (Bt./Sq.Wah)		6,000	15,000	5,000	4,500
Value after adjustment <sup>1/</sup> (Bt./Sq.Wah)		1,890	3,830	1,350	1,220
Weighted Level		25%	25%	25%	25%
Fair Market Value (Bt./Sq.Wah)	2,073	473	958	338	305
<b>Total Value<sup>2/</sup> (Bt./Sq.Wah)</b>	<b>2,000</b>				

Note: 1/ Consider both external and internal factors by comparing data 1-4 to the appraised property, such as property ownership, sale conditions, market conditions, location, land size, land shape, entry-exit of asset, legal restrictions and physical condition

2/ Roundup Value

Therefore, the appraisal price of land of SGMP equal to Bt. 2,000 per Sq.Wah. The fair market value **equal to Bt. 54,000,000.**

## 2. Buildings and the other structures Appraisal

Regarding the appraisal of building, the independent asset appraiser uses the Cost Approach which is the calculation of the Depreciated Replacement Cost, which considers the Replacement Cost New of the standard cost buildings from The Valuers Association of Thailand, then deducting it from the depreciation of the buildings and structures by estimating physical depreciation approximately 2% per year. The details of the appraisal as follows:



Details	Area (Sq.m.)	Value of Replacement New (Bt.)	Depreciation (%)	Replacement Value New after depreciation (Bt.)
1. Office building	486.00	5,346,000	64%	1,924,560
2. Storage building 1	454.00	2,497,000	64%	898,920
3. Former building 1	240.00	1,320,000	64%	475,200
4. Glove washing building	487.00	2,678,500	64%	964,260
5. Chlorine storage building	66.00	297,000	64%	106,920
6. Boiler building	162.00	972,000	8%	894,240
7. Production building 1	3,230.00	24,225,000	64%	8,721,000
8. Former building 2	750.00	5,625,000	64%	2,025,000
9. Production building 2	1,944.00	15,552,000	64%	5,598,720
10. Production building 3	1,431.00	11,448,000	64%	4,121,280
11. Storage building 2	5,148.00	41,184,000	2%	40,360,320
12. Packaging building	576.00	4,320,000	2%	4,233,600
13. Storage building 3	324.00	1,944,000	4%	1,866,240
14. Chemical storage building 1	163.00	1,222,500	2%	1,198,050
15. Chemical storage building 2	324.00	2,430,000	2%	2,381,400
16. Chemical storage building 3	270.00	1,620,000	2%	1,587,600
17. Technician building	135.00	810,000	2%	793,800
18. Water tank building	96.00	576,000	64%	207,360
19. Bathroom building	140.00	770,000	64%	277,200
20. Canteen building	360.00	1,800,000	64%	648,000
21. Nursing building	35.00	280,000	64%	100,800
22. Guard building	24.00	240,000	64%	86,400
23. Dormitory building (Nonuse)	1,420.00	10,650,000	64%	3,834,000
<b>Total Building Value</b>		<b>137,807,000</b>	<b>-</b>	<b>83,304,870</b>
<b>Other Structures</b>				
- Parking with roof covering	140.00	210,000	64%	75,600
- Building linkage with roof covering	275.00	550,000	64%	198,000
- Concrete roads and courtyards	8,500.00	6,800,000	64%	2,448,000
- Fence type 1	540.00	432,000	64%	155,520
- Fence type 2	190.00	285,000	64%	102,600
- Fence gate	10.00	8,000	64%	2,880
<b>Total Other Structure Value</b>		<b>8,285,000</b>		<b>2,982,600</b>
<b>Total Value of Replacement Cost New (RCN) of building and other structures</b>		<b>146,092,000</b>		<b>86,287,470</b>
<b>Roundup Value</b>		<b>146,100,000</b>		<b>86,300,000</b>

Therefore, total appraisal value of buildings and structures of SGMP by the independent appraiser **equal to Bt. 86,300,000.**

### 3. Machine & Equipment and Public Utility System

Regarding the appraisal of Machine & Equipment and Public Utility System, the independent asset appraiser chooses Cost Approach to be the criteria of appraisal. This method calculates from the Replacement Cost New by using the new price of the assets, which can be surveyed from manufacturer, dealers or other published information including the cost in the past and the cost comparing to other assets with similar conditions or to use price index instead if it is unable to find new price. Next is to deduct it from physical depreciation, utility depreciation, economic depreciation or from external factors including considering the standard useful life compared with the remaining useful life of machine & equipment. The details can be summarized as follows:

No.	Detailed	Amount	Fair Value for exchange (Bt.)	Total Value (Bt.)
Glove Manufacturing Machine & Equipment of SGMP				
1.	Dry Tumbler Capacity 250	6	3,227,000	2,312,725
2.	Main Distribution Board	3	6,000,000	5,176,667
3.	Thermopac	2	5,252,000	262,600
4.	Hexagonal washer	3	368,000	18,400
5.	Dust Collector	1	1,050,000	52,500
6.	Dip Line	14	321,086,000	47,618,377
7.	Water treatment plant	1	3,000,000	888,625
8.	Wastewater treatment plant	1	1,570,000	412,706

No.	Detailed	Amount	Fair Value for exchange (Bt.)	Total Value (Bt.)
10.	Air compressor Ingersoll Rand	4	4,150,000	1,441,655
11.	Biomass- Hot Oil Machine	1	7,878,000	4,967,517
12.	Watertight test machine <sup>2/</sup>	3	100,000	5,000
13.	Scrubber machine	3	15,926,000	10,782,339
14.	Water drinking cooler machine	4	28,000	7,754
15.	Gas system	3	678,000	33,900
16.	Fire system	1	1,955,000	1,685,441
17.	Deep well	1	212,000	10,600
20.	Air blower	2	123,000	117,807
21.	Bulk latex tank	26	3,342,200	167,110
22.	Generator	2	1,640,000	1,176,263
23.	BOD online system	1	1,242,000	801,176
24.	Chemical mixing tank	10	66,000	6,302
25.	Biomass Machine - Maxtwo	1	11,314,205	11,075,350
26.	OBL- Mechanical Diaphragm Pump M	1	20,850	20,300
27.	Pallet Wrapping Machine OX-PS	1	186,458	181,538
28.	OBL- Mechanical Diaphragm Pump M	1	20,850	20,300
29.	INNOXPA Screw Pump EFI2003 0.37K	1	20,850	20,300
30.	Universal Testing Machine 5000N	1	25,500	24,962
31.	MULLER Helical gear motor RBL 87	1	155,000	151,728
32.	MULLER three phase gear motor ML	1	16,600	16,250
33.	Air Compressor PUMA HUSH25 HP750	1	16,000	15,747
34.	Water Pump STL EBARA DW0200 2HP	1	4,680	4,606
<b>Total Glove Manufacturing Machine &amp; Equipment of SGMP</b>		<b>102</b>	<b>390,674,193</b>	<b>89,476,543</b>
<b>Public Utility System of SGMP</b>				
1.	Transformer 1500KVA-L7 & L8	1	768,000	564,320
2.	Installation Transformer 2,500 K	1	1,174,000	1,132,176
3.	2,000 KVA 33 KV 230/400 KVA	1	956,000	933,295
4.	Oil immersed distribution transfer	1	272,879	275,679
<b>Total Public Utility System of SGMP</b>		<b>4</b>	<b>3,175,879</b>	<b>2,905,470</b>
<b>Total</b>			<b>393,850,072</b>	<b>92,382,013</b>
<b>Roundup Value</b>				<b>92,400,000</b>

Note 1/ At appraisal date found only 2 machines.

Therefore, total appraisal value of Machine & Equipment and Public Utility System of SGMP by the independent appraiser **equal to Bt. 92,400,000.**

#### **Summary The Value of Land , Building , Machine & Equipment and Public Utility System**

List	Details	Price per Unit	Fair Value (Bt.)
1. Land	67 Rai 2 Ngan 6 Sq.Wah (27,006 Sq.Wah)	2,000	54,000,000
2. Building and other structures	23 lists included building which some part is on other land	-	86,300,000
3. Machine & Equipment and Public Utility System	Total 106 lists such as glove manufacturing machine & equipment 102 lists and public utility system 4 lists	-	92,400,000
<b>Total</b>			<b>232,700,000</b>

From the appraisal of land, building, Machine & Equipment and Public Utility System of SGMP, the total appraisal price from the independent appraiser is **equal to Bt. 232,700,000.**

#### **IFA's Opinion on Asset Appraisal**

1. IFA's opinion is consistent with the independent asset appraiser, regarding the appropriateness of the land data used in the comparison as it represents the market data of land located in the vicinity of the appraised property that has been offered for sale or sold, according to the nature and condition of the land at present. The independent asset appraiser has adjusted the market information of the land used in the comparison to make it similar and reflect the market price of the land as much as possible. While the factors that be considered for weighted scoring to adjust the reference price for



the price of the appraised are location, land size, land level, land shape, environment of land and so on. The scores obtained from each comparative data will be analyzed to adjust the price that is different from the market price data (Adjusted Grid Sale Analysis) and analyzed to weigh the data (Weight Quality Score).

2. In the appraisal of buildings and structures. IFA's opinion is consistent with the independent asset appraiser, regarding the appropriateness of the building and building information used in the appraisal, which is the new replacement cost method, according to the current price, less depreciation over the useful life. Construction valuation is based on the current cost per square meter method, regarding the price of construction materials, labor cost, production equipment and various expenses related. This is a valuation based on the actual condition of the current building and construction under current construction costs, which reflects a good comparative value relative to the current condition of the property.
3. In the appraisal of machine and equipment. IFA has an opinion in accordance with the independent asset appraiser in using the appropriate appraisal method. For this valuation of machinery and equipment is the method of calculating from the replacement cost. Because the property is designed for a specific use. And the appraisal price is adjusted to reflect the condition of the property, including the improvement (Economic Obsolescence) by the appraised value of the asset that is appropriate to compare with the book value for further adjustment of book value.