

Opinion of the Board of Directors relating to possible impact arising from shareholding and management restructuring

1. **Overview of Finansia Syrus Securities Public Company Limited (the “Company”)**

General Information

<b>Company Name</b>	Finansia Syrus Securities Public Company Limited
<b>Head Office</b>	999/9 The Offices at Central World, 18th and 25th Floors, Rama I Road, Pathumwan, Bangkok 10330
<b>Company Registration No.</b>	0107547000079
<b>Company Incorporation Date</b>	February 11, 2004
<b>Registered and Paid-up Capital</b>	THB 930,244,840
<b>Par Value</b>	THB 1.60 per share
<b>Number of Shares</b>	581,403,025 shares

Information on Nature of Business Operations

(1) Brokerage – Securities

The Company provides brokerage services in respect of listed securities on the Stock Exchange of Thailand (the “**SET**”) and the Market for Alternative Investment (mai) to individual and institutional customers, both in the country and abroad. Customers may choose to open three types of trading accounts, namely cash account, cash balance account, and credit balance account, and may trade their securities via 2 channels, namely trading via investment advisor and trading via the Internet system known as Finansia HERO, which is an online trading system capable of sending orders instantly, supporting both mobile platform known as Mobile Trading System (MTS) for both iOS and Android and desktop platform known as Home Trading System (HTS).

(2) Brokerage – Derivatives

The Company has been licensed by the Office of the Securities and Exchange Commission Office (the “**SEC Office**”), on October 14, 2005, to operate the derivatives business, and is fully qualified as a member in the category of derivatives agent of Thailand Futures Exchange Public Company Limited (Thailand Futures Exchange “TFEX”) and Thailand Clearing House Co., Ltd. (Thailand Clearing House “TCH”). The Company started its derivatives dealing services since March 17, 2008.

In addition, in July 2015, the Company launched services as a contractual party of Single Stock Future on the big lot board to improve the liquidity of Single Stock Futures.

(3) Investment Banking

The Company engages in the investment banking business as a financial advisor in various areas. The Company's investment banking team comprises key personnel with expertise and experience for a long time with in-depth capital market know-how. The Company has been approved by the SEC Office to provide financial advisory services since September 30, 2002, and has also been licensed by the Ministry of Finance to operate the securities underwriting business.

The investment banking services provided by the Company include:

- ๙ Securities Issuance & Offering, and Listing on the SET;
- ๙ Securities Underwriting;
- ๙ Merger & Acquisition;
- ๙ Corporate Valuation;
- ๙ Financial Restructuring;
- ๙ Financial Feasibility Study;
- ๙ Entry of various transactions of listed companies in compliance with the rules and regulations of the SEC Office and the Stock Exchange of Thailand, e.g., acquisition and disposition of assets of listed companies or connected transactions of listed companies, delisting of securities of listed companies, etc.

(4) Investment

The Company provides securities dealing section for corporate accounts in order to handle the Company's investment business, with its policy on investment in equity instruments, debt instruments, bonds, investment units, or business activities outside the SET, pursuant to strict compliance with the official rules and regulations, and for commercial purposes, both short-term and long-term, whereby the Company derives returns on investment from capital gain, dividends, and interest income.

(5) Derivative Warrants (DW)

The Company issued and offered derivative warrants (DW) for the first time in February 2016 by way of direct listing on the SET. In 2021, the Company issued and offer a total of 108 series of DW which were well received by investors. The Company is given a long-term credit rating at "BBB+(tha)" with a stable outlook, and at the same time, given a short-term local credit rating at "F2(thai)" from Fitch Ratings (Thailand) Limited on January 13, 2022.

(6) Wealth Management

The Company has been licensed to operate securities business in the category of private fund management on February 18, 2020, thereby enabling the Company to provide services in the form of portfolio management by its private fund manager team under the scope of services which customers can participate in setting strategies, investment goals, conditions and restrictions for investment, more in response to individual requirements. The private fund team also has an investment policy covering a variety of assets, e.g., equity instruments, debt instruments, other alternative funds, both in the country and abroad, to reach out to customers at every level of risks, and keep close monitoring and investment update report for customers and always introduce new investment opportunities.

(7) Securities Borrowing and Lending (SBL)

The Company has been licensed by the Ministry of Finance to operate securities business in the category of securities borrowing and lending on August 25, 2010, and started its services since September 16, 2010.

The Company serves as a principal party with borrowers and lenders of securities and affords customers wishing to borrow or lend securities to fulfill their requirements. This transaction will encourage investors to have more investment alternatives amidst the market fluctuations, and also provide another option for risk management and increase returns to investors. Moreover, this also helps support other businesses of the Company, such as securities brokerage, investment, derivatives agent, derivative warrants, etc. The Company develops technology systems in support of securities borrowing and lending services in order to provide customers with channels for use of the services and execution of various transactions.

(8) Global Trading

The Company provides global trading services to customers for the trading of securities in foreign stock exchanges by a securities trading application through the Internet system with efficiency and data security that meets standards and are internationally adopted, capable of trading securities in more than 25 countries and 36 capital markets worldwide. This trading system simply facilitates investors' handling of their portfolios on their own by solely opening accounts, and supports multi-currency settlement without opening a foreign currency deposit account (FDC). Customers may transfer investment funds from one market to another market with higher potential returns at any time. For the purpose of international settlement, the Company executes such transactions via foreign agents with security and expertise in international settlement to rest investors assured of efficient and secure settlement for their foreign investments.

(9) Debt Instrument

The Company is a member of the Thai Bond Market Association (Thai BMA) and Thai Bond Market to provide debt instrument brokerage and dealing services to investors for their trading of debt instruments. The Company provides debt instrument and bond brokerage services to investors and also acts as a debt instrument broker in secondary markets. This debt instrument business is intended to respond to customers' needs under the One-Stop-Service concept. Debt instruments serve as an investment alternative to generate steady revenue via debt instruments issued by both public and private sectors, and both short-term and long-term, to help the Company manage its financial planning in line with the investment requirements in debt instruments.

## 2. Management Discussion and Analysis on Financial Positions and Business Operating Results of the Company

**Statement of Financial Position of the Company for the year ended as of  
December 31, 2019, December 31, 2020, and December 31, 2021**

Items	Ended as of December 31, 2019		Ended as of December 31, 2020		Ended as of December 31, 2021	
	Thousand THB	%	Thousand THB	%	Thousand THB	%
<b>Assets</b>						
Cash and cash equivalents	101,513	2.37	221,568	3.73	185,987	2.64
Receivables from Clearing House and broker - dealers	142,228	3.33	282,415	4.75	871,999	12.37
Securities and derivatives business receivables	2,558,518	59.82	3,759,476	63.22	4,339,919	61.58
Accrued fees and service income	1,543	0.04	11,734	0.20	3,602	0.05
Derivatives assets	-	-	686	0.01	5,748	0.08
Investments	781,523	18.27	707,618	11.90	714,108	10.13
Loans to employees	275	0.01	642	0.01	6,370	0.09
Investments in a subsidiary and an associate	116,411	2.72	121,190	2.04	135,122	1.92
Equipment	69,724	1.63	99,569	1.67	98,032	1.39
Right-of-use assets	-	-	279,360	4.70	249,452	3.54
Intangible assets	246,463	5.76	214,672	3.61	185,427	2.63
Deferred tax assets	59,625	1.39	37,429	0.63	30,733	0.44
Other assets	199,130	4.66	210,575	3.54	220,714	3.13
<b>Total assets</b>	<b>4,276,952</b>	<b>100.00</b>	<b>5,946,936</b>	<b>100.00</b>	<b>7,047,213</b>	<b>100.00</b>
<b>Liabilities and owners' equity</b>						
<b>Liabilities</b>						
Borrowings from financial institutions	50,000	1.17	350,000	5.89	-	-
Payables to Clearing House and broker-dealers	662,573	15.49	303,176	5.10	16,169	0.23
Securities and derivatives business payables	940,532	21.99	1,928,434	32.43	3,022,981	42.90
Derivatives liabilities	19,371	0.45	23,383	0.39	18,567	0.26
Debt issued	-	-	278,975	4.69	507,545	7.20
Current Income tax payable)	-	-	-	-	36,207	0.51
Provisions	-	-	32,582	0.55	34,223	0.49
Provision for long-term employee benefits	64,493	1.51	73,314	1.23	90,416	1.28
Other payables	1,439	0.03	-	-	-	-
Lease liabilities	-	-	180,216	3.03	159,999	2.27
Other liabilities	189,295	4.43	345,691	5.81	469,536	6.66
<b>Total liabilities</b>	<b>1,927,704</b>	<b>45.07</b>	<b>3,515,772</b>	<b>59.12</b>	<b>4,355,643</b>	<b>61.81</b>
<b>Owners' equity</b>						
Share capital						
Registered share capital: 581,403,025 ordinary shares of THB 1.60 each	930,245		930,245		930,245	

Items	Ended as of December 31, 2019		Ended as of December 31, 2020		Ended as of December 31, 2021	
	Thousand THB	%	Thousand THB	%	Thousand THB	%
Issued and paid-up share capital: 581,403,025 ordinary shares of THB 1.60 each	930,245	21.75	930,245	15.64	930,245	13.20
Share premium	620,893	14.52	620,893	10.44	620,893	8.81
Capital reserve for share-based payment transactions	323	0.01	323	0.01	323	0.00
Deficit as a result of change in holding percentage the subsidiary	(252)	(0.01)	(252)	(0.00)	(252)	(0.00)
Retained earnings						
Appropriated - statutory reserve	78,641	1.84	83,019	1.40	93,024	1.32
Unappropriated	725,419	16.96	803,461	13.51	1,045,077	14.83
Other component of owners' equity						
Exchange differences on translation of financial statements in foreign currency - net of income tax	(6,772)	(0.16)	(7,159)	(0.12)	1,522	0.02
Gains on investments in equity designated at fair value through other comprehensive income - net of income tax	-	-	246	0.00	248	0.00
<b>Total equity attributable to the Company's shareholders</b>	<b>2,348,497</b>	<b>54.91</b>	<b>2,430,777</b>	<b>40.87</b>	<b>2,691,080</b>	<b>38.19</b>
Non-controlling interests of the subsidiary	752	0.02	387	0.01	490	0.01
<b>Total owners' equity</b>	<b>2,349,249</b>	<b>54.93</b>	<b>2,431,164</b>	<b>40.88</b>	<b>2,691,570</b>	<b>38.19</b>
<b>Total liabilities and owners' equity</b>	<b>4,276,952</b>	<b>100.00</b>	<b>5,946,936</b>	<b>100.00</b>	<b>7,047,213</b>	<b>100.00</b>

## Financial Positions

### Assets

As of the end of the year 2019 – 2021, the Company and subsidiaries have total assets of THB 4,277 million, THB 5,947 million, and THB 7,047 million, respectively, which increase in the amount of THB 1,670 million and THB 1,100 million or equivalent to the increase of 39% and 19%, respectively, due to the following significant causes:

- 1) The increase in receivables from clearing house and broker-dealers and securities and derivatives business in the amount of THB 1,341 million and THB 1,170 million in 2020 and 2021, respectively, as a result of the value of securities trading of the last 2 business days of 2020 is higher than the value of securities trading of the last 2 business days of 2019, and of the value of securities trading of the last 2 business days of 2021 is higher than the value of securities trading of the last 2 business days of 2020, which is in accordance with the increase in the quantity of securities trading of the Company.
- 2) The increase in right-of-use assets in the amount of THB 279 million in 2020 as a result of the use of the accounting standard no. 16 in replace of the accounting standard no. 17 regarding lease agreement and interpretation of relevant accounting standards. Such accounting standards have determined the principle of recognition of item, valuation, display,

and disclosure of lease agreements and determination of recognition of lessee's assets and liabilities for every item of lease agreements with a period of more than 12 months, except for the reference assets with low value. Therefore, the Company recognizes the accumulated effect of the use of such accounting standard for the first time by adjusting with right-of-use assets and liabilities under lease agreements as of January 1, 2021.

### **Liabilities**

As of the end of the year 2019 – 2021, the Company and subsidiaries have total liabilities of THB 1,928 million, THB 3,516 million, and THB 4,356 million, respectively, which increase in the amount of THB 1,588 million and THB 840 million or equivalent to the increase of 82% and 24%, respectively, due to the following significant causes:

- 1) The increase in securities and derivatives business payables in the amount of THB 988 million and THB 1,095 million in 2020 and 2021, respectively, as a result of the value of securities trading of the last 2 business days of 2020 is higher than the value of securities trading of the last 2 business days of 2019, and of the value of securities trading of the last 2 business days of 2021 is higher than the value of securities trading of the last 2 business days of 2020, which is in accordance with the increase in the quantity of securities trading of the Company.
- 2) The increase in borrowings from financial institutions and debt issued in the amount of THB 579 million in 2020 as a result of the increase in the quantity of securities trading, causing investors' demand on the obtaining of loans for securities trading from the Company, and the Company is obliged to use such loans for the development of the online trading system of the Company, i.e., Finansia HERO, to satisfy the investors' demand promptly.

### **Owners' equity**

As of the end of the year 2019 – 2021, the Company and subsidiaries have total owners' equity of the Company in the amount of THB 2,348 million, THB 2,431 million, and THB 2,691 million, respectively, which increase in the amount of THB 82 million and THB 260 million or equivalent to the increase of 4% and 11%, respectively, as a result of the increase in total comprehensive income of the Company in 2020 and 2021 in the amount of THB 82 million and THB 295 million, respectively, and the Company's distribution of dividend payment in 2021 in the amount of THB 35 million.

**Statement of comprehensive income for the year ended as of  
December 31, 2019, December 31, 2020, and December 31, 2021**

Items	Ended as of December 31, 2019		Ended as of December 31, 2020		Ended as of December 31, 2021	
	Thousand THB	%	Thousand THB	%	Thousand THB	%
<b>Income</b>						
Brokerage fees income	914,155	70.57	1,314,752	75.25	1,930,020	80.53
Fees and service income	81,389	6.28	122,787	7.03	113,985	4.76
Interest income	113,269	8.74	84,769	4.85	130,223	5.43
Gain(loss) and return on financial instruments	140,555	10.85	168,834	9.66	165,614	6.91
Shares of gain (loss) from investments in an associate	4,044	0.31	5,263	0.30	3,080	0.13
Other income	41,903	3.23	50,700	2.90	53,629	2.24
<b>Total income</b>	<b>1,295,315</b>	<b>100.00</b>	<b>1,747,104</b>	<b>100.00</b>	<b>2,396,551</b>	<b>100.00</b>
<b>Expenses</b>						
Employee benefits expenses	796,367	61.48	942,793	53.96	1,243,179	51.87
Fees and service expenses	218,920	16.90	231,920	13.27	277,956	11.60
Interest Expenses	28,168	2.17	34,721	1.99	47,598	1.99
Bad debt and doubtful accounts (reversal)	(49)	(0.00)	-	-	-	-
Expected credit losses	-	-	10,885	0.62	3,363	0.14
Other expenses	421,995	32.58	422,498	24.18	448,459	18.71
<b>Total expenses</b>	<b>1,465,401</b>	<b>113.13</b>	<b>1,642,817</b>	<b>94.03</b>	<b>2,020,554</b>	<b>84.31</b>
Profit (loss) before income tax	(170,086)	(13.13)	104,287	5.97	375,997	15.69
Income tax	32,003	2.47	(22,231)	(1.27)	(75,822)	(3.16)
<b>Profit (loss) for the year</b>	<b>(138,083)</b>	<b>(10.66)</b>	<b>82,055</b>	<b>4.70</b>	<b>300,175</b>	<b>12.53</b>
<b>Other comprehensive income (loss)</b>						
<b>Other comprehensive income to be reclassified to profit or loss in subsequent periods:</b>						
Exchange differences on translation of financial statements in foreign currency - net of income tax	(5,355)	(0.41)	(387)	(0.02)	8,681	0.36
Other comprehensive income to be reclassified to profit or loss in subsequent periods - net of income tax	(5,355)	(0.41)	(387)	(0.02)	8,681	0.36
<b>Other comprehensive income not to be reclassified to profit or loss in subsequent periods:</b>						
Actuarial loss - net of income tax	(3,586)	(0.28)	-	-	(13,569)	(0.57)
Gain on investments in equity instruments designated at fair value through other comprehensive income	-	-	246	0.01	1	0.00

Items	Ended as of December 31, 2019		Ended as of December 31, 2020		Ended as of December 31, 2021	
	Thousand THB	%	Thousand THB	%	Thousand THB	%
Other comprehensive income not to be reclassified to profit or loss in subsequent periods - net of income tax	(3,586)	(0.28)	246	0.01	(13,568)	(0.57)
Other comprehensive income (loss) for the year	(8,941)	(0.69)	(140)	(0.01)	(4,886)	(0.20)
<b>Total comprehensive income (loss) for the year</b>	<b>(147,024)</b>	<b>(11.35)</b>	<b>81,915</b>	<b>4.69</b>	<b>295,289</b>	<b>12.32</b>
<b>Profit (loss) attributable to</b>						
The Company's shareholders	(138,065)	(10.66)	82,420	4.72	300,127	12.52
Non-controlling interests of the subsidiary	(18)	(0.00)	(365)	(0.02)	48	0.00
	(138,083)	(10.66)	82,055	4.70	300,175	12.53
<b>Comprehensive income (loss) attributable to</b>						
The Company's shareholders	(147,001)	(11.35)	82,280	4.71	295,186	12.32
Non-controlling interests of the subsidiary	(23)	(0.00)	(365)	(0.02)	103	0.00
	(147,024)	(11.35)	81,915	4.69	295,289	12.32
<b>Earnings per share</b>						
Basic earnings (loss) per share						
Profit (loss) attributable to shareholders of the Company (Unit: THB per share)	<b>(0.24)</b>		<b>0.14</b>		<b>0.52</b>	

## Business Operating Results

### Income

For the year 2019 – 2021, the Company and subsidiaries have total income in the amount of THB 1,295 million, THB 1,747 million, and THB 2,397 million, respectively, which increase in the amount of THB 452 million, and THB 649 million, or equivalent to the increase 35% and 37%, respectively, due to the following significant causes:

- 1) The increase in brokerage fees income in 2020 and 2021 in the amount of THB 401 million and THB 615 million compared to the previous year, or equivalent to the increase of 44% and 47%, respectively, as a result of a significant amount of brokerage fees income from securities trading in equity market which is equivalent to 90% and 93% of the total brokerage fees income, respectively.
- 2) The increase in fees and service income in 2020 for THB 41 million or equivalent to the increase of 51%, compared to the previous year, as a result of the increase in income from securities analysis and income from securities underwriting and financial advisory services which are derived from the increase in the number of ordinary shares through an initial public offering (IPO) from 13 securities to 15 securities, including the factor that the Company has income from investment units trading fees from the investors and the higher value of investment.

- 3) The increase in interest income in 2021 in the amount of THB 45 million or equivalent to the increase of 54%, compared to the previous year, as a result of the increase in loans for securities trading of the Company from the amount of THB 1,162 million in 2020 to THB 1,966 million in 2021, or equivalent to the increase of 69% from 2020, which is in accordance with the increase in the quantity of securities trading of the Company.
- 4) The increase in gain and return on financial instruments in 2020 from the previous year of THB 28 million or equivalent to the increase of 20% was materially caused by the increase of derivatives from THB 40 million in 2019 to THB 177 million in 2020 as a result of the increase in transactions of the derivatives business.

## **Profit**

For the year 2019 – 2021, the Company and subsidiaries have net profit(loss) in the amount of THB (138) million, THB 82 million, and THB 300 million, respectively, which increase in the amount of THB 220 million and THB 218 million, or equivalent to the increase of 159% and 266%, respectively, as a result of the increase in brokerage fees income and interest income which is derived from the increase in the quantity of securities trading and the investor’s speculation on profits and return from investment in securities than other types of investment as the fluctuation of the market from the covid-19 situation. In addition, the Company has fees and service income from its steady investment banking, including wealth management service.

### **3. Opinion of the Board of Directors of the Company on Potential Impact of the Shareholding and Management Restructuring**

Reference is made to that the Board of Directors’ Meeting No. 4/2022, which was held on February 28, 2022, has resolved to propose the 2022 Annual General Meeting of Shareholders to consider and approve the shareholding and management restructuring plan of the Company and relevant arrangements (the “**Restructuring Plan**”) as detailed in the Shareholding and Management Restructuring Plan (Enclosure 5) and the transfer of subsidiary’s shares held by the Company to a public limited company operating business as a holding company under the name “Finansia X Public Company Limited” (“**Hold Co.**”) (the “**Transfer of Subsidiary’s Shares Held by the Company to Hold Co.**”) which forms part of the Restructuring Plan as detailed in the Plan for Transfer of Subsidiary’s Shares (Enclosure 6).

In this regard, the Board of Directors has opinion relating to possible impact arising from the shareholding and management restructuring as follows:

#### **3.1 Impact on the Company**

##### **3.1.1 Impact on the Company’s Financial Position and Operating Results**

###### **(1) In case of Successful Implementation of the Restructuring Plan**

Assuming that the share purchase in (1) Finansa Securities Limited (“**FSL**”) in proportion of approximately 100 percent; and (2) International Investment Advisory Securities Company Limited (“**FSSIA**”) in the proportion of approximately 3.75 percent,

pursuant to the resolutions of the Board of Directors' Meeting No. 3/2022 held on February 24, 2022, completes within the second quarter of 2022, upon the Company completes for the proceeding of the Transfer of Subsidiary's Shares Held by the Company to Hold Co. (inclusive of shares of FSL and FSSIA) pursuant to the Restructuring Plan which is expected to take place in 2023, the Company will no longer recognize its subsidiary's operating results (inclusive of shares of FSL and FSSIA) in the Company's financial statements. However, the Company's operating results in such accounting period may have the income and profit or loss from the divestment of shares in FSSIA and FSL in the amount equivalent to the difference between the sale price (which is the book value) and the cost of such shares. Furthermore, the Company will have more liquidity from the divestment of shares in subsidiaries to Hold Co.

**(2) In case of Unsuccessful Implementation of the Restructuring Plan**

Should the Restructuring Plan be unsuccessful, the Company's financial position and operating results will remain unchanged and the Company will continue to recognize the operating results of FSL as a subsidiary of the Company.

Furthermore, in the future, Hold Co. may change the Company's structure, including shareholding in its subsidiaries, for appropriateness of the business situation as well as rules and regulations which may be amended. Should there be any arrangements in the future, Hold Co. and the Company shall comply with the good corporate governance principles and take into account the laws, rules, and regulations of the SEC Office, the SET, and the relevant regulatory bodies.

**3.1.2 Impact on Accounts and Tax from the Company's Shareholding Restructuring**

**(1) In case of Successful Implementation of the Restructuring Plan**

Should the shareholding restructuring be successful, after completion of the Transfer of Subsidiary's Shares Held by the Company to Hold Co. (inclusive of shares of FSL and FSSIA), the Company will no longer hold shares in any subsidiary, but will hold shares in one associate (i.e., shares in SBIR). Therefore, the Company will not be required to prepare the consolidated financial statements and the financial statements of the Company will be separate financial statements.

As for the impact on tax exposures, given that the Transfer of Subsidiary's Shares Held by the Company to Hold Co. is considered a transfer of shares at the book value, such arrangements may give rise to a tax burden in respect of the difference between cost and the transfer price of shares to Hold Co.

**(2) In case of Unsuccessful Implementation of the Restructuring Plan**

Should the Restructuring Plan be unsuccessful, the Company shall have no impact on its account and tax. However, assuming that the share purchase in (1) FSL in the proportion of approximately 100 percent; and (2) FSSIA in the proportion of approximately 3.75 percent, pursuant to the resolutions of the Board of Directors' Meeting No. 3/2022 held on February 24, 2022, completes within the timeframe (i.e., within the second quarter of 2022), the Company's financial statements will contain one additional subsidiary, i.e., FSL.

**3.2 Impact on Hold Co.**

### 3.2.1 Impact on Hold Co.'s Financial Position and Operating Results

Should Hold Co. acquire the Company's shares from the tender offer for securities in full representing 100 percent of all issued shares of the Company, the financial position and operating results of Hold Co. and subsidiaries shall be the same as the Company's financial position and operating results before the shareholding restructuring, including the operating results of FSL which eliminates connected transactions between the Company and FSL.

Should Hold Co. acquire the Company's shares from the tender offer for securities representing less than 100 percent of all issued shares of the Company, Hold Co. will recognize the Company's financial position and operating results in proportion to the shares acquired by Hold Co. For example, should Hold Co. acquire the Company's shares representing 75 percent of all issued shares of the Company, Hold Co. will recognize the Company's financial position and operating results in proportion to 75 percent as detailed in the table below.

In addition, the pro forma statement as detailed in the table below has been prepared solely for the purpose of use as a guideline for consideration of accounting impacts on the financial position and operating results of Hold Co. after this shareholding restructuring as a whole, whereby the pro forma statements have not been reviewed nor audited by the auditor and does not have any certification of accuracy in accordance with the relevant accounting standard.

(1) **Financial position and operating results of Hold Co. in case Hold Co. purchases shares of the Company as a result of the tender offer for all securities of the Company representing 100%**

Unit: THB Thousand

	For the year ended as of		
	December 31, 2019	December 31, 2020	December 31, 2021
<b>In case Hold Co. purchases shares of the Company representing 100%</b>			
Net Profit (loss) attributable to parent company	(177,880)	173,847	351,352
Amount of weighted average shares (share)	581,403,025	581,403,025	581,403,025
Profit (loss) per share (THB)	(0.31)	0.30	0.60
Total assets	5,054,575	6,923,979	7,624,134
Total liabilities	1,958,775	3,667,413	4,442,376
Parent company's attribution	3,095,049	3,256,179	3,181,268
Non-controlling shareholder's attribution	752	387	490
Total shareholders' interest	3,095,801	3,256,566	3,181,759
Book value of parent company (THB / share)	5.32	5.60	5.47

(2) Financial position and operating results of Hold Co. in case Hold Co. purchases shares of the Company as a result of the tender offer for all securities of the Company representing 75%<sup>1</sup>

Unit: THB Thousand

	For the year ended as of		
	December 31, 2019	December 31, 2020	December 31, 2021
<b>In case Hold Co. purchases shares of the Company representing 75%</b>			
Net Profit (loss) attributable to parent company	(133,410)	130,386	263,514
Amount of weighted average shares (share)	436,052,269	436,052,269	436,052,269
Profit (loss) per share (THB)	(0.31)	0.30	0.60
Total assets	5,054,575	6,923,979	7,624,134
Total liabilities	1,958,775	3,667,413	4,442,376
Parent company's attribution	2,321,287	2,442,134	2,385,951
Non-controlling shareholder's attribution	774,514	814,423	795,807
Total shareholders' interest	3,095,801	3,256,566	3,181,759
Book value of parent company (THB / share)	5.32	5.60	5.47

Assumptions for preparation of pro forma financial information

1. The swap of Hold Co. and the Company's shares is proceeded at the ratio of 1 ordinary share of the Company to 1 ordinary share of Hold Co. as of January 1, 2019.
2. The transfer of FSSIA and the consolidation of operating results of FSL pursuant to the Restructuring Plan takes place on January 1, 2019, under the guidance for business combination under common control, and the transfer price is determined based on the net book value as of the transfer date, excluding any taxation impact (if any).
3. Hold Co. has no taxation burden on corporate income tax arising of dividends of the Company as of January 1, 2019. Assuming that the recipient (Hold Co.) is a listed company holding shares in the Company for not less than 3 months prior to the receipt of dividends and further holds shares in the Company for not less than 3 months after the date of

<sup>1</sup> As FSSIA is small-sized business, the Company's separate financial statements is not significantly different from the Company's consolidated financial statements. According to the Company's separate financial statements for the year ended as of December 31, 2021, total assets of the Company is THB 7,002,998 thousand and total liabilities of the Company is THB 4,340,517 thousand.

receipt of dividends according to relevant laws. In addition, there is no taxation burden taken into account for the Restructuring Plan in this pro forma financial information.

### **3.3 Impact on the Shareholders of the Company and Hold Co.**

#### **3.3.1 Impact on the Company's shareholders who accept the tender offer for securities and become shareholders of Hold Co.**

##### **(1) Successful Implementation of the Restructuring Plan**

Should Hold Co. acquire the Company's shares from the tender offer for securities in full representing 100 percent of all issued shares of the Company, there shall be no impact on the Company's shareholders because, after the shareholding and management restructuring, the Company's shareholders shall become shareholders of Hold Co. which has a similar scope of core business operations and financial position and operating results as those of the Company (inclusive of business operating results of FSL and FSSIA deemed to be obtained by the Company) before the shareholding and management restructuring.

However, should Hold Co. acquire the Company's shares from the tender offer for securities representing 75 percent or more but less than 100 percent of all issued shares of the Company, Hold Co. will recognize the Company's financial position and operating results only in proportion to Hold Co.'s shareholding ratio.

##### **(2) Unsuccessful Implementation of the Restructuring Plan**

Should the shareholding restructuring be unsuccessful, i.e. in the case that upon the end of the period for the tender offer for securities, it appears that the amount of shares accepted for sale through the tender offer for securities is less than 75 percent of the total voting rights of the Company, Hold Co. will cancel the tender offer for securities, the shareholders who express their intention to sell securities shall remain the Company's existing shareholders without any impact from such arrangements.

As for the Company's shareholders who have received shares of Hold Co. in return at the ratio of 1 ordinary share of the Company to 1 ordinary share of Hold Co., their tax burdens for the share exchange shall be as specified in the Revenue Code.

#### **3.3.2 Impact on the Company's shareholders who do not accept the tender offer for securities and become shareholders of Hold Co.**

Shareholders who choose not to sell shares by way of exchange of the Company's shares with Hold Co.'s shares shall be affected as follows:

##### **(1) Lack of liquidity for the trading of shares**

Since the Company's shares shall be delisted from being listed securities on the SET after the shareholding and management restructuring, such shares shall have no reference price, in which case, the Company's shareholders may be affected by a lack of liquidity for the trading of the Company's shares.

##### **(2) Payment of income tax on capital gain**

Should the shareholders wish to trade the Company's shares later on, the shareholders who are natural persons shall be liable to pay income tax on capital gain due to the fact that such shares are not exempt from income tax for the sale of shares as securities on the SET. In addition, the Company's shareholders shall also be liable to pay stamp duty for transfer of such shares since the exemption shall be applied only for the stamp duty for sale of shares as listed securities on the SET with Thailand Securities Depository Co., Ltd. as the registrar.

**(3) The Company's news or updates will be available less often**

The Company's shareholders' access to the Company's news or updates will be available less often. Following the delisting of the Company's shares from the SET, shareholders will not be able to access the Company's updates as holders of listed securities on the SET. In addition, after completion of the tender offer for all securities of the Company, in the case where there are other shareholders who are not Hold Co., the person acting in concert with Hold Co. and the persons under Section 258 of the Securities and Exchange Act B.E.2535 (1992) (as amended) (the "**Securities Act**") of Hold Co., hold shares in an aggregate number of not greater than 5 percent of the total voting rights of the Company or there are less than 100 shareholders, the Company will not be required to comply with Chapter 3/1 of the Securities Act. Therefore, the Company's shareholders will be entitled to obtain the information pursuant to the Public Limited Companies Act B.E. 2535 (1992) (as amended) and through Hold Co.

**(4) No entitlement to dividends from the operating results of new business, including the operating results of the Company's subsidiary**

In the event where Hold Co. starts operating any new business, the shareholders who choose not to exchange their shares shall not be entitled to dividends from the operating results of such new business, including the operating results of the Company's subsidiary which will be transferred to Hold Co. under the transaction of Transfer of Subsidiary's Shares Held by the Company to Hold Co.

**(5) No entitlement to balance the control power of Hold Co. as a major shareholder**

Should Hold Co. be entitled to vote in the shareholders' meeting of the Company and such voting right exceeds 75 percent of all voting rights in the Company, the resolutions on significant matters in the Company's shareholders shall be solely passed by the votes of Hold Co. Therefore, the other shareholders of the Company shall not be able to gather their votes to object the resolutions passed by Hold Co. in the shareholders' meeting of the Company.

**(6) Impact of the Conflicts of Interest from Operations of Investment Banking and Securities Underwriting Business**

Under the management of Hold Co., there will be two securities companies that engage in investment banking and securities underwriting business. Therefore, the Company's shareholders may be affected by conflicts of interest that may arise in the operation of investment banking and securities underwriting business of such two companies. In this regard, Hold Co. will allow its subsidiaries to operate their business independently as usual according to the proficiency of each company. Although such two securities companies both engage in investment banking and securities underwriting business, but operations of

investment banking and securities underwriting business by such two companies are currently different due to different groups of main target customers of the Company and FSL, e.g., for main target customers of the Company for IPOs, the Company focuses on customers with small to medium-sized businesses and less complicated organizational structure. Thus, the duration of such operations does not take much time and the Company is able to underwrite IPOs securities to individual investors of the Company's brokerage business group on average 2-3 securities per year, while FSL focuses on customers with large-sized businesses and complicated organizational structure, resulting in longer duration of such operations. FSL also focuses on energy, electricity, oil, and petrochemical businesses which are FSL working team's expertise for over 20 years. Moreover, Hold Co. will supervise such conflicts of interest through business ethics in order to be fair to both companies.

Sincerely Yours,

- *Mr. Chatchaval Jiaravanon* -

(Mr. Chatchaval Jiaravanon)

Chairman of the Board of Directors