



KGI

Opinion of Financial Advisor on Appropriateness of
Shareholding and Management Restructuring Plan

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Subject Opinion of Financial Advisor on the Appropriateness of Shareholding and Management Restructuring Plan
between Malee Group Public Company Limited and Abico Holdings Public Company Limited

To **Shareholders of Abico Holdings Public Company Limited**

Reference is made to the Annual General Meeting of Shareholders of Malee Group Public Company Limited (the “Company” or “MALEE”) and Abico Holdings Public Company Limited (“ABICO”) for the year 2022 dated 27 April 2022, which approved the shareholding and management restructuring plan between the Company (MALEE) and ABICO, as well as other relevant procedures. Under the aforementioned restructuring plan, the Company shall make a tender offer for all securities of Abico Holdings Public Company Limited (“ABICO”) from all ABICO’s shareholders for the share swap with the Company’s newly issued ordinary shares at the swap ratio of one ABICO ordinary share per 1.12930899 newly issued ordinary shares of the Company.

KGI Securities (Thailand) Public Company Limited (“KGI” or “Financial Advisor”) has been appointed by the Board of Directors’ Meeting of the Company No. 1/2022 dated 25 February 2022 to act as a financial advisor in preparing the registration statement for the offering for sale of securities along with the tender offer and providing opinions on the appropriateness of the shareholding and management restructuring plan of the Company and ABICO in accordance with the requirements of the Notification of the Capital Market Supervisory Board No. Tor Jor. 34/2552 re: Criteria for Offering for Sale of Newly Issued Securities with a Tender Offer for the Existing Securities of Listed Companies for Restructuring of Shareholding and Management, dated 3 August 2009.

In preparing an opinion report on the appropriateness of this restructuring plan, the Financial Advisor considered details of the aforesaid transaction from the shareholding and management restructuring plan between the Company and ABICO, which was approved by the 2022 Annual General Meeting of Shareholders of the Company and ABICO dated 27 April 2022 with affirmative votes of not less than three-fourths of the total number of votes of the shareholders who attend the meeting and are entitled to vote. Then, on 5 July 2022, the Stock Exchange of Thailand (“SET”) has issued a letter of preliminary approval of the above-mentioned restructuring plan. In addition, the Financial Advisor also considered other documents obtained from MALEE and ABICO and/or other information publicly available such as annual reports, annual registration statement (Form 56-1), financial statements audited and reviewed by certified public accountant, including information obtained from interviews with executives of the Company and ABICO.

Preparation of the Financial Advisor's opinion is based on the assumption that such information and documents, which are the information that the Financial Advisor has received and used to provide an opinion on this transaction, are complete, correct and reasonable without any reason to suspect that such information is materially lacking in completeness and accuracy which shall significantly affect the completeness of the information received.

In addition, this Financial Advisor's opinion is prepared under market conditions, economic conditions and other external factors incurred while preparing the opinion of the Financial Advisor, as well as based on information received up to the date stated in this Financial Advisor's opinion, which may change significantly later and may have a significant impact on business operations, financial projections, including the opinion of the Financial Advisor for the shareholders' decision on the tender offer.

The Financial Advisor has an opinion on the appropriateness of the shareholding and management restructuring plan, Impact of the restructuring plan and the appropriateness of transaction price or the share swap ratio which can be summarized as follows;

1. Summary of Shareholding and Management restructuring Plan

1.1 Details of Shareholding Restructuring

The 2022 Annual General Meeting of Shareholders dated 27 April 2022 resolved to approve the shareholding and management restructuring plan between the Company (MALEE) and ABICO, which consists of the following actions;

- (1) The Company shall make a tender offer for all 244,397,239 ordinary shares of ABICO from all existing shareholders of ABICO by paying for ABICO's shares to the shareholders of ABICO who offer ABICO's shares to the Company with the newly issued ordinary shares of the Company at the swap ratio of one ABICO ordinary share (par value of THB 1.00 per share) per 1.12930899 newly issued ordinary shares of the Company (par value of THB 0.50 per share). In this regard, the Company does not offer cash alternative, if there is a fraction resulting from the calculation of the share swap, it will be disregarded and there shall not be any compensation for such rounded off fraction.

Remark:

The Company shall terminate the tender offer if there is any event or action that occurs after the Securities and Exchange Commission (the "SEC") accepted the prospectus pursuant to registration statement of the securities offering and tender offer ("Form 69/247-1") and the tender offer period has not yet expired, which causes or may cause (1) serious damage to the status or assets of ABICO, where such event or action is not caused by the action of MALEE or action that MALEE is responsible for; or (2) a significant decrease in the value of ABICO's shares; or (3) the restructuring of the Company and ABICO to not achieve its objectives.

- (2) The Company shall issue of not exceeding 276,000,000 newly issued ordinary shares with a par value of THB 0.50 per share to ABICO's shareholders who offer their shares to the Company. Therefore, the shareholders of ABICO who accept this tender offer shall change their status to be shareholders of the Company (MALEE). After the completion of the tender offer, the Company shall bring the newly issued ordinary shares allocated to the shareholders of ABICO to register the capital increase with the Ministry of Commerce. Then, the Company shall request permission from the Stock Exchange of Thailand ("SET") to accept such newly issued ordinary shares as listed securities on the SET.
- (3) ABICO shall delist its ordinary shares from being listed on the Market for Alternative Investment (MAI) which is expected that the SET shall approve the delisting of ABICO's ordinary shares from being listed on the Market for Alternative Investment (MAI) after the Company reported the results of the tender offer to the SET and the SEC.
- (4) After the completion of the tender offer under the restructuring plan, there shall be a cross-shareholding between the Company (MALEE) and ABICO (since prior to the tender offer, ABICO held 75,100,000 ordinary shares of the Company). In the event that the Company acquired ABICO's shares from this tender offer in excess of 50% of the total voting rights of ABICO, the Company shall not have qualifications in accordance with the criteria set forth in the Notification of the Capital Market Supervisory Board No. Tor Jor. 39/2559 Re: Application for Approval and Granting Approval for Offering of Newly Issued Shares (as amended) ("**Notification No. Tor Jor. 39/2559**"), which stipulates that if the applicant holds shares in another company in excess of 50%, it must not appear that another company has a cross-shareholding in the applicant.

In this regard, the Company has received a waiver from the SEC regarding the cross-shareholding, whereby the SEC has a condition that the Company and ABICO must take action to eliminate cross-shareholding within 12 months from the date on which the Company holds shares in ABICO in excess of 50% of ABICO's shares. The Company and ABICO may consider eliminating cross-shareholding through two approaches; (1) the sale of 75,100,000 shares of MALEE held by ABICO to interested investors or (2) the Company's execution of selective capital reduction for all of ABICO's shares held in MALEE, whichever method shall be in the best interests of the Company and ABICO within the specified time frame. In the event that the implementation of the guidelines (1) and (2) above may not be completed within 12 months, the Company shall proceed for ABICO to sell all shares in MALEE to Ms. Roongchat Boonyarat, Mr. Chaichat Boonyarat and/or Ms. Kamonchat Juangroongruangkit which are members of Boonyarat Family and major shareholders of MALEE after the shareholding restructuring within 30 days from the due date of 12 months.

1.2 Objectives of Shareholding Restructuring

Reasons and objectives for the shareholding and management restructuring between the Company and ABICO can be summarized as follows;

Currently, the Company (MALEE) is a listed company in the Stock Exchange of Thailand (SET), engaged in the business of manufacturing and distributing canned fruit and UHT and pasteurized fruit juices under "Malee" brand, while also distributing UHT and pasteurized milk under "Farm Chokchai" brand, as well as contract manufacturing beverage packaging for both domestic and international customers. While, ABICO is a listed company on the Market for Alternative Investment (MAI), as a holding company, having the main income from production of UHT ready-to-drink milk and pasteurized milk for customers in the food and beverage business industry that did not have its own production base or have insufficient production capacity to meet the market demand. At present, ABICO holds 75,100,000 shares in MALEE, representing 27.21% of the total issued and paid-up shares. In addition, ABICO is also contracted to produce UHT milk, pasteurized milk and pasteurized fruit juices for MALEE. In the year 2020 – 2021, ABICO has revenue from production of milk and fruit juices for MALEE equal to THB 102 million and THB 79 million, accounting for approximately 4 - 5% of the total revenue, respectively.

The shareholding and management restructuring is expected to benefit the Company and ABICO as follows;

1.2.1 Benefits to Business Operation

(A) Expanding production capacity and customer base

MALEE intends to invest in ABICO to create production stability in order to have a larger production base that can produce more variety of products and is able to support demand of both domestic and foreign customers. In addition, MALEE and ABICO shall have a wider customer base to offer Original Equipment Manufacturing (OEM) services to customers more comprehensively and efficiently from the merger of production bases of the two companies. Subsequent to the shareholding restructuring, MALEE's Group shall become a manufacturer and distributor of fruit juices and ready-to-drink milk with larger production capacity and wider customer base.

(B) One Stop Service Provider

Currently, the Company (MALEE) and ABICO are also contract beverage manufacturers for OEM customers, which can produce beverages in various packaging, shapes, and sizes per customers demand (e.g. UHT and pasteurization). However, their machineries are different in terms of types and sizes of packaging production capability, such as PET bottled beverages and boxed beverages. Therefore, services provided to the OEM customers by each company may not cover all types and sizes of packaging.

After the shareholding and management restructuring by merging ABICO into a subsidiary of the Company to be under the same Group, the Company shall be able to offer beverage manufacturing services with more types and sizes of packaging, which improves convenience for customers to communicate with the Company as a one-stop service provider, and expands the opportunity to access larger and more diverse customers groups in the future, as well as responds to a larger and more diverse group of customers because the Group's total production capacity shall increase as discussed above.

(C) *Business Diversification*

After the completion of the tender offer, if MALEE acquires ABICO's ordinary shares until its shareholding is more than 50% of ABICO's total issued and paid-up shares, ABICO shall become a subsidiary of MALEE. Consequently, ABICO's earnings shall be combined with MALEE's operating performance in the consolidated financial statements. The shareholding restructuring shall strengthen the Group since, at present, MALEE and ABICO focus on producing and distributing different products in which MALEE focuses on fruit juice products, while ABICO has its main income from contract manufacturing of ready-to-drink milk. Therefore, the shareholding restructuring shall help diversify the risk from relying on fruit juice production and distribution, which is the Company's current core business.

(D) *Reducing the risk of potential conflicts of interest between MALEE and ABICO*

At present, MALEE and ABICO have some similar businesses, namely, the business of manufacturing beverage packaging for OEM customers. MALEE and ABICO's main assets are machinery and equipment capable of producing similar types and sizes of packaged beverages. Although, currently, MALEE and ABICO have non-overlapping customer bases but there is a possibility that in the future the Company and ABICO may compete in offering contract manufacturing services to customers which shall not cause a good effect on the business of each company. In this regard, the shareholding restructuring shall reduce the risk of conflicts of interest since when MALEE acquires ABICO's ordinary shares through the tender offer, MALEE and ABICO shall be considered as companies in the same group, and ABICO shall be a subsidiary of MALEE. The executives of the Company shall be able to determine the direction of business operation and management of MALEE and ABICO to be beneficial to each other. Initially, the executives plan to assign ABICO to be the main company in the Group engaged in the contract manufacturing business of ready-to-drink milk products because ABICO has advantages of having a production base in Pak Chong District, Nakhon Ratchasima Province which is the location of the dairy farm and the main raw milk production source of the country. While, the Company (MALEE) shall operate its main business in the production and distribution of canned fruit, fruit juices and other beverages.

(E) Reducing the amount of connected transactions between MALEE and ABICO

Nowadays, MALEE employs ABICO to produce certain beverages, including UHT milk and pasteurized milk under "Farm Chokchai" brand, as well as pasteurized fruit juice under "Malee" brand. As a result, MALEE and ABICO have made connected transactions every year. In the year 2020 – 2021, ABICO has revenue from contract manufacturing for MALEE in the amount of THB 102 million and THB 79 million, respectively, representing approximately 4 - 5% of the total revenue from sales.

However, with the current shareholding structure, transactions between MALEE and ABICO are considered transactions between the Company and “persons who may have conflicts of interest” according to the definition of the Notification of the Securities and Exchange Commission No. Kor Jor. 17/2551 Re: Determination of Definitions in Notifications relating to Issuance and Offer for Sale of Securities. Since ABICO is a major shareholder of the Company and the Company is an associate of ABICO, MALEE and ABICO have to comply with the procedures for connected transactions. The Audit Committee of each business shall consider and provide opinions on necessity and reasonableness of the transaction, as well as appropriateness of pricing between each other.

After this shareholding and management restructuring by merging ABICO into a subsidiary of the Company, such transactions shall be regarded as intercompany transactions by not regarding to transactions with “persons who may have conflicts of interest” which may have risks of conflicts of interest issue that requires to be approved by the audit committee of each entity. Therefore, this restructuring shall reduce the transaction process between the Company and ABICO, resulting in more flexible transactions between companies in the Group.

(F) Increasing flexibility and management efficiency

This shareholding and management restructuring has an objective to achieve centralized production management in order to increase flexibility and management efficiency, as well as economies of scale in the future, which shall benefit the performance of both companies, such as (1) reducing overlapping procurement processes among the Company and MALEE with external suppliers (2) reducing procurement steps, sale, logistics, and relevant processes (3) after the shareholding restructuring, the Company’s size shall become larger which increases bargaining power given that, once ABICO becomes MALEE’s subsidiary, demand for various raw materials such as bottles, glasses, beverages ingredients, or services can be managed and sourced from one company in bulk volume. Not only this change shall reduce duplicative procurement processes, negotiation for better pricing and trade terms can also be achieved, compared to before the restructuring where each company has separate procurement department and cannot be utilized jointly for highest benefits.

The consolidation of ABICO as MALEE's subsidiary shall help the executives to maximize the Group's benefits by integrating resources of both companies, including reducing overlapping workflows and reducing certain costs such as procurement costs, and advisor costs, etc. which are benefits from economies of scale. Therefore, in terms of business operations, the shareholding restructuring shall improve the Company's competitiveness in terms of comprehensive service offerings to customers, increasing variety of products and services offerings to customers, and reducing redundant work steps and costs. The benefits arising from synergy shall be reflected in future financial performance that are expected to improve.

(G) Increasing operational efficiency through knowledge sharing

When the Company and ABICO are under the same group, the Company and MALEE shall be able to share knowledge in various areas to improve and develop overall operation such as (1) production process knowledge and expertise sharing between the two factories in order to address weakness or improve production efficiency of each factory, (2) knowledge sharing by employees in different departments between the companies, and (3) techniques and formulas sharing for development of new innovative products that can better serve consumers.

1.2.2 Benefits to Financial Status

(A) Strengthening operating performance and increasing liquidity in business operations

After the completion of the tender offer, if MALEE holds more than 50% of ABICO's issued and paid-up shares, ABICO shall become a subsidiary of MALEE. Therefore, ABICO's performance shall be combined with the performance of MALEE in the consolidated financial statements. As a result, the shareholding restructuring shall help strengthen the Company's performance as follows;

Operating performance according to the Consolidated Financial Statements of MALEE before the shareholding restructuring

Unit: THB Million	2017	2018	2019	2020	2021
Revenue from Sales	5,916	5,339	4,921	3,870	3,458
Net Profit (Loss) attributable to the Parent Company	286	(286)	(210)	(201)	(114)

Operating performance according to Pro Forma Consolidated Financial Statements of MALEE after the shareholding restructuring

Unit: THB Million	2019	2020	2021
Revenue from Sales	5,980	5,814	5,649
Net Profit (Loss) attributable to the Parent Company	(95)	(65)	(37)

According to the summary of financial information above, during the past 4 years, the Company had continuous operating losses. As of 31 March 2022, the Company had interest-bearing debt (only short-term and long-term loans from financial institutions) in the amount of THB 1,934 million, representing the interest-bearing debt to equity ratio of 2.63 times. MALEE's operating loss was mainly due to a change in behavior of consumers who are interested in new types of beverages released to the market. In addition, the situation of the COVID-19 epidemic in 2020 – 2021 also directly affected the purchasing power of consumers and the Company's operating performance. However, after the shareholding restructuring, overview of the Company's operating performance shall have more revenue and better performance from the consolidation of ABICO's performance into the Company's consolidated financial statements. Moreover, the Company shall have larger assets from the consolidation of ABICO's assets and the Company will have increasing equity as a result of the issuance of newly issued ordinary shares to pay compensation to the sellers of ABICO's shares. In the long term, the Company shall benefit from an increase in income, productivity and a reduction of some overlapping expenses within the Group.

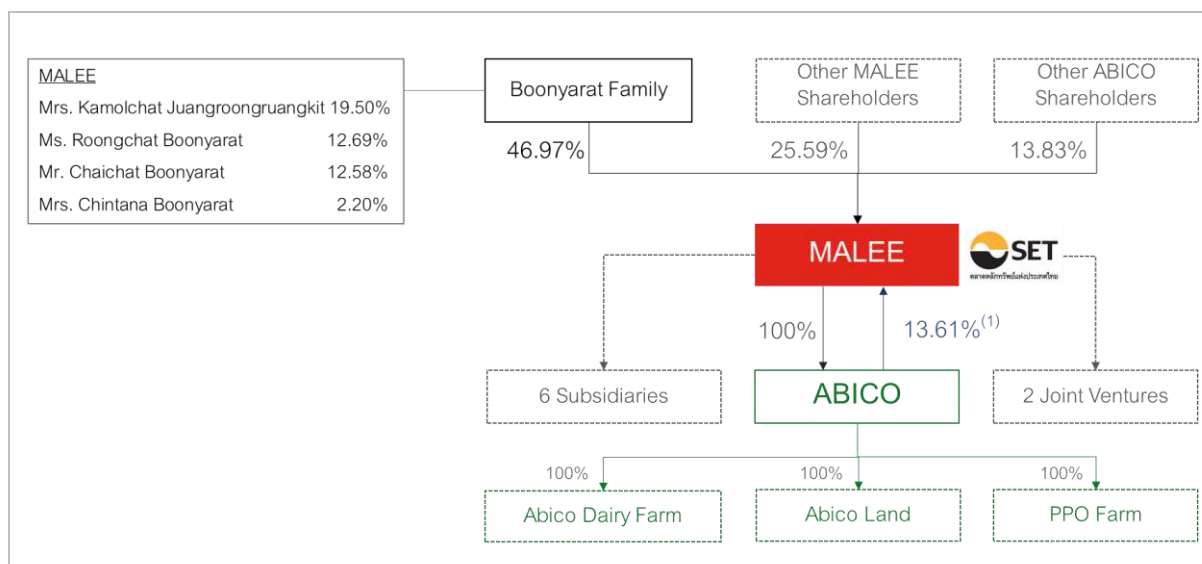
Based on a stronger and more stable financial position, including the operating performance that is likely to be better from increasing the efficiency of business operations after the restructuring of the Company, this shall increase the Company's cash flow from operations, increase the ability to repay loans to financial institutions, as well as increase the Company's financial leverage as needed to operate the business.

(B) *Increasing liquidity for securities*

In this shareholding and management restructuring, the Company shall issue new ordinary shares to ABICO's shareholders who offer ABICO's shares to the Company. Therefore, after the shareholding restructuring, ordinary shares and investor base of the Company shall increase which shall boost the trading liquidity of the Company's shares.

1.2.3 Benefit to clarity of business structure

Currently, ABICO directly holds 75,100,000 shares in MALEE, representing 27.21% of the total issued and paid-up ordinary shares of the Company. However, after the issuance of MALEE's newly issued ordinary shares to pay compensation to ABICO's shareholders who offer ABICO's shares to MALEE, under the assumption that all ABICO's shareholders accept the tender offer, MALEE shall issue the total number of newly issued ordinary shares of 276,000,000 shares (par value of THB 0.50 per share), resulting in a decrease in ABICO's shareholding in MALEE from 27.21% to 13.61% of the total issued and paid-up shares of the Company after the capital increase, while MALEE shall hold 100 % of ABICO's total issued and paid-up shares.



Remark (1) The Company and ABICO must proceed the elimination of cross-shareholding within 12 months from the date on which the Company holds shares in ABICO in excess of 50% of the total voting rights.

According to the expected benefits above, MALEE intends to acquire all ordinary shares in ABICO by making a tender offer for all securities of ABICO. In this regard, MALEE shall issue new ordinary shares as payment for the tender offer to shareholders of ABICO at the swap ratio of one ABICO ordinary share (par value of THB 1.00 per share) per 1.12930899 newly issued ordinary shares of MALEE (par value of THB 0.50 per share). If there is a fraction resulting from the calculation of the share swap, it will be disregarded and there shall not be any compensation for such rounded off fraction. After the tender offer, ABICO shall delist its ordinary shares from being listed on the Market for Alternative Investment (MAI) and MALEE shall remain as a listed company on the SET in which shareholders of ABICO who accept the tender offer shall have the status of a shareholder of the Company, while the Company shall have ABICO as an additional subsidiary.

1.3 Plans and Policies after Shareholding Restructuring

After the restructuring, the Company and ABICO shall continue to operate the business as before without policies to change any significant business operations as a result of such restructuring. Business plans or any changes that may occur in the future of both companies shall be a result of market conditions and industrial conditions that may change in the future. The overall business operation of the Group after the shareholding restructuring shall be as follows;

(A) Nature of business

After the shareholding restructuring, the Group shall operate 3 main businesses as follows;

- (1) Business of production and distribution of fruit and vegetable juices under “Malee” brand, milk under “Farm Chokchai” brand, including beverages and canned fruits of Malee brand and other brands owned by the Company.

- (2) Business of contract product development and contract manufacturing of beverage packaging for other companies in food and beverage industry both domestically and internationally.
- (3) Dairy farm business by producing and distributing raw milk.

While, ABICO shall continue to operate its current business as a separate entity from the Company, whereby ABICO shall continue to focus on contract manufacturing of ready-to-drink milk and pasteurized fruit juices for companies in the food and beverage industry as usual.

(B) Management structure

After the shareholding restructuring, the corporate governance and management structure of the Company shall remain the same, and the Company does not have a plan to change the directors and executives of the Company (except for the change of directors whose terms of office expire in the Annual General Meeting of Shareholders). In addition, the Company shall continue to adhere to the corporate governance and management guidelines of the Company, as well as shall supervise ABICO, which shall become a company in the Group, to ensure that ABICO's business operations continue to be efficient and transparent in accordance with good corporate governance practices according to laws and regulations of the relevant agencies.

In this regard, the Company may consider adjusting ABICO's corporate governance structure because after the delisting of ABICO's ordinary shares from the Market for Alternative Investment (MAI), ABICO shall no longer be a listed company on the SET. Therefore, the Company may propose to ABICO to consider changing the number or constitution of the Board of Directors in accordance with the status of entity that is not a listed company on the SET, that is, ABICO shall terminate its duty to comply with the SET's regulations regarding the constitution of the Board of Directors that requires at least one-third of the total number of directors to be independent directors, but not less than 3 persons, and there shall be at least 3 members of the Audit Committee.

However, while MALEE and ABICO still have a cross-shareholding structure, the Company shall still have a plan for (1) ABICO to maintain the same Board of Directors' structure consisting of at least one-third of the total number of directors, and there shall be at least three audit committee members (although ABICO no longer has listed securities on the MAI) (2) ABICO shall also establish a policy regarding attendance of, and voting at the Company's shareholders meetings to ensure that the voting at the Company's shareholders meetings is transparent, such as by prescribing that ABICO must not attend and/or vote at shareholders meetings of MALEE for agenda items relating to consideration and approval of the entry into any transactions with MALEE's connected persons, or that the exercise of voting right by ABICO at MALEE's shareholders meetings requires the approval of the Independent Directors of ABICO. In this regard, ABICO's Board of Directors has already approved the said policy at the first Board of Directors' Meeting after the restructuring plan between MALEE and ABICO was approved by the shareholders' meeting of each company.

As for the executives, the Company may propose to adjust, increase or decrease the number of executives and/or appoint personnel with knowledge, competence and experience in ABICO's business for the appropriate position or department in order to enhance the efficiency of management in the future. Any modification of the structure or guideline shall continue to comply with all applicable laws and regulations, including ABICO's business administration policies.

(C) Dividend Policy

The Company's current dividend policy payout rate is not less than 30% of the net profit from normal operations according to the consolidated financial statements, after deducting income tax and all reserves as required by law and by the Company, with consideration to cash flow, investment plan of the Company and its affiliates, as well as other requirements as appropriate in the future.

However, the Company (MALEE), as a major shareholder of ABICO after the restructuring, may propose ABICO to change its dividend policy as appropriate to its operating performance, financial position, liquidity, investment plan and fund utilization plan of the Group. As a result, ABICO's dividend policy in the future may differ from the present of at least 30 % of the net profit from operations according to the separate financial statements after a deduction of income tax and all types of reserves as required by law. However, changes in the said dividend policy, the Company and ABICO shall act in accordance with the relevant regulations, including the Articles of Association of ABICO and an approval from the Board of Directors and/or the Shareholders' Meeting of ABICO.

(D) Policy and method of transfer / sale-purchase of assets of the Company and ABICO

After the shareholding restructuring, the Company and ABICO do not have any plan to dispose of their core assets significantly, except for the disposal of assets from normal business operations, and they also do not have policy to transfer or dispose of any assets between each other. However, after ABICO becomes a subsidiary of the Company, the Company may consider allowing ABICO to provide loans to the Company to be used as working capital for business operations as needed.

(E) Connected Transactions

After the shareholding restructuring, the Company shall continue to focus on connected transactions in order to operate the business with transparency and taking into account all stakeholders.

For ABICO, in the event that after the delisting of its ordinary shares from being listed on the Market for Alternative Investment (MAI), ABICO has other shareholders who are not the tender offeror (MALEE), having a total shareholding of not exceeding 5% of the total amount of voting rights or having a total number of shareholders of not exceeding 100, ABICO shall be exempted from Article 3/1 (Management of Securities Issuing Companies)

of the Securities Act, which includes exemption from having to Comply with the rules related to entering into connected transactions. Therefore, in such event, MALEE, which shall be a major shareholder and controlling person of ABICO, may propose to ABICO to consider changing its policy on connected transactions by taking into account the overall interests of the Group as a priority. Any changes still have to comply with the regulations of the entity and provisions of the Public Limited Companies Act B.E. 2535.

(Please see more details in Section 1, No. 3 *Overview of MALEE and ABICO after the Shareholding Restructuring*).

2. Opinion of Financial Advisor on Restructuring Plan

2.1 Appropriateness of Shareholding and Management Restructuring

The Financial Advisor has an opinion that the shareholding and management restructuring plan between MALEE and ABICO, where MALEE shall make a tender offer for all ABICO's ordinary shares and delist ABICO's shares from being listed on the SET, is reasonable as follows;

- (1) The shareholding and management restructuring shall increase the efficiency of the Group's business operations to be able to respond to business opportunities more effectively, increase the strength of operating performance, resulting in a clearer business structure of the Group and a decrease in potential conflicts of interest between MALEE and ABICO in the future
- (2) According to the plan after the shareholding restructuring, the Group is expected to be able to manage costs and expenses more efficiently. In addition, when ABICO's ordinary shares are delisted from the SET, this shall help reduce redundant expenses within the Group in connection with maintaining the status of a listed company on the SET.
- (3) Currently, both the Company and ABICO are listed companies on the SET, causing the Company and ABICO to have an obligation to comply with relevant rules and regulations, which, in some cases, resulted in a lack of flexibility or delay in decision-making and actions in the industry environment or business opportunity that require quick response. Therefore, the restructuring by delisting ABICO's ordinary shares from being listed on the SET shall enhance the Group's business performance.
- (4) According to the plan after the shareholding restructuring, the Company focuses on human resource management for maximum efficiency by not having a plan to reduce the number of employees, but shall use human resources of the two companies together for the best benefit of the Group.

- (5) According to the shareholding restructuring plan, the Company shall issue new ordinary shares to pay compensation to ABICO's shareholders who offer ABICO's shares to the Company, which shall increase the number of shares and the investor base of the Company. This shall result in an increase in the number of free float shares, which, in theory, shall increase the trading liquidity of the Company's shares as well. However, in addition to the aforementioned, share trading liquidity also depends on other factors, such as market conditions, investor interest in the Company's shares, including other internal and external environmental factors.
- (6) If all shareholders of ABICO accept the tender offer, the Company (MALEE) shall hold 100% of ABICO's total issued and paid-up shares, which shall cause the Company to be able to recognize the operating performance of ABICO in the consolidated financial statements of the Company (by not deducting non-controlling interests), as well as recognize business risks of ABICO. While, ABICO's shareholders shall have the opportunity to invest in the Company's shares which have additional businesses such as production and distribution of fruit juices under the company's own brand, which, in theory, is considered as a diversification of investment risk of the shareholders. However, in any investment, investors have both the opportunity to earn returns and take risks from investment in which returns and risks shall depend on the ability to manage the business, operating performance, industry conditions, market conditions, and other internal and external factors that the Financial Advisor cannot completely predict at the moment.
- (7) Consolidation of ABICO's operating performance into the Company's consolidated financial statements shall help strengthen the Company's financial position as ABICO is considered a company that can generate good cash flow from operations and has profits from continuous business operations. In the past 3 years, ABICO has earned more than THB 200 million in operating profit (EBITDA) per year, while the Company's business trend, at present, is gradually improving. Consequently, the consolidation of ABICO's operating performance shall help increase cash flow and liquidity for the Company, as well as increase the ability to repay debts to financial institutions and increase the financial leverage as necessary for business operations.
- (8) After the shareholding restructuring, the Company shall proceed to eliminate the cross-shareholding between the Company (MALEE) and ABICO within 12 months as has been waived by the SEC. Consequently, the shareholding structure of the Group after the restructuring shall be appropriate, clear and transparent, and shall create clarity in the control and be compliance with good corporate governance.
- (9) Since ABICO currently has positive operating cash flows and is able to support its current business expansion sufficiently, ABICO is no longer necessary to maintain its status as a listed company on the SET. Therefore, delisting of ABICO's ordinary shares from being listed on the SET is reasonable.
- (10) The shareholding restructuring does not cause the rights of shareholders of ABICO to be inferior because;

KGI Securities (Thailand) Public Company Limited (KGI) as a Financial Advisor in preparing the registration statement for the offering for sale of securities along with the tender offer has provided opinion on the appropriateness of the shareholding and management restructuring plan and considered the appropriateness of the share swap ratio (please see more details in No. 2.3 Appropriateness of Share Swap Ratio). The calculated share swap ratio is in the range of one ABICO's share per 1.0042 – 1.7156 MALEE's newly issued ordinary shares. Therefore, the share swap ratio under the tender offer of one ABICO's ordinary share per 1.12930899 newly issued ordinary shares of MALEE is appropriate (please see more details in section 3 *Opinion of Financial Advisor on Appropriateness of Share Swap Ratio*).

Capital Advantage Company Limited (CapAd), which is the Independent Financial Advisor of the Company (MALEE), has expressed its opinion on the Independent Financial Advisor's Opinion Report dated 25 March 2022 to the Company's shareholders in considering and approving the shareholding and management restructuring plan at the 2022 Annual General Meeting of Shareholders that the share swap ratio of one ABICO's shares per 1.12930899 newly issued ordinary shares of MALEE is an appropriate and fair ratio for the shareholders of the Company and shareholders of ABICO. The aforementioned share swap ratio is in the range that the Independent Financial Advisor has assessed of one ABICO's share per 1.013522 – 1.341578 newly issued ordinary shares of MALEE.

I V Global Securities Public Company Limited (IVG), which is an Independent Financial Advisor of ABICO, has expressed its opinion in the Independent Financial Advisor's Opinion Report dated 25 March 2022 to the shareholders of ABICO for considering and approving the shareholding and management restructuring plan at the 2022 Annual General Meeting of Shareholders that the share swap ratio of one ABICO's shares per 1.12930899 newly issued ordinary shares of MALEE is an appropriate and fair ratio since the aforementioned share swap ratio is in the range that the Independent Financial Advisor has assessed of one ABICO's share per 1.11 – 1.19 newly issued ordinary shares of MALEE.

According to the appropriateness assessment of the share swap ratio by the above 3 external financial advisors, the share swap ratio based on the tender offer is appropriate and fair.

- (11) Shareholders of ABICO who change their status to MALEE's shareholders are entitled to various basic rights from being a shareholder of MALEE that are not inferior to the rights previously received, such as the right to receive dividends, right to attend the shareholders' meeting, right to receive information, news, etc.
- (12) When considering the dividends that ABICO's shareholders shall receive as a shareholder of MALEE, there may be a risk that such shareholders shall not receive dividends in the first phase because when considering MALEE's operating performance in the previous 4 years, MALEE had a net loss, as well as MALEE did not pay dividend in the past 5 years. Therefore, shareholders are at risk of not receiving dividends if ABICO's profits

cannot offset MALEE's operating losses. However, MALEE's operating performance tends to improve in a better direction and when combined with ABICO's current profitable performance, the consolidated operating performance of the Group is expected to turn into profits in the near term.

- (13) The issuance of newly issued ordinary shares to the shareholders of ABICO shall increase the investor base of the Company. In this regard, the Company shall have 2,586 existing shareholders of ABICO (Information as of 14 March 2022, which was the last book closing date) which shall totally hold 276,000,000 shares of the Company (under the assumption that all existing shareholders of ABICO agree to sell ABICO's shares to the Company).
- (14) During the previous 5 years, MALEE's ordinary shares have a higher trading volume than ABICO's ordinary shares. In addition, after the shareholding restructuring was completed, the number of minority shareholders (Free Float) of MALEE shall increase from the merger of minority shareholders of MALEE (before restructuring) and ABICO together. With an increase in the number of free float shares, the Company's ordinary shares are expected to have higher trading liquidity in which the share swap may increase the trading liquidity of the Company's shares. Therefore, the shareholders of the Company and shareholders of ABICO who change their status to MALEE's shareholders shall benefit from higher share trading liquidity. Minor shareholders shall have more opportunities to sell the Company's securities at the price, amount or time period they desire.

According to the reasons mentioned above, the Financial Advisor has an opinion that the shareholding restructuring shall be beneficial and advantageous to the Company, shareholders of the Company and shareholders of ABICO. Therefore, the Financial Advisor has an opinion that the shareholding restructuring plan is appropriate and beneficial to the Company and ABICO in the long run.

2.2 Impact on Shareholders of Malee Group Public Company Limited (MALEE)

Potential impacts on the shareholders of MALEE from the shareholding restructuring are as follows;

2.2.1 Impact on shareholding and voting rights

In the event that all shareholders of ABICO (100%) offer ABICO's shares to the Company, the Company shall issue 276,000,000 newly issued ordinary shares as compensation to the shareholders of ABICO, which shall reduce the voting rights of the existing shareholders of MALEE as follows;

	Before Capital Increase		After Capital Increase	
	Number of Share	%	Number of Share	%
Existing shareholders of MALEE	276,000,000	100.00	276,000,000	50.00
Shareholders of ABICO	-	-	276,000,000	50.00
Total	276,000,000	100.00	552,000,000	100.00

According to the above table, the shareholders of MALEE shall be affected by the reduction of voting rights and shareholding (Control Dilution) from 100% to 50% of the total voting rights after the capital increase.

2.2.2 Impact on share price

If considering the impact on the Company's share price, in theory, after the shareholding and management restructuring, the impact is expected to be as follows;

	Number of Share (share)	Market Price ⁽¹⁾ (THB per Share)	Market Value (THB Million)
MALEE	276,000,000	6.08	1,678
ABICO	244,397,239	6.45	1,576
Total	552,000,000	5.90	3,254

Remark: (1) Market price before the allocation of newly issued ordinary shares herein means the average closing price of shares for the past 30 working days from 5 May 2022 to 17 June 2022 to be used as an example only.

At present, the Company has a total of 276,000,000 issued and paid-up shares. In the event that the market price of the shares is THB 6.08, after the share swap through the tender offer, the Company's share price, theoretically, shall decrease to THB 5.90 per share or represent a decrease in the share price of approximately 3.03%. However, the share price used in the calculation above is just an example. The closing price of MALEE and ABICO shares on the swap date may be higher or lower than the prices shown in the example above. In this regard, the trading price in each period shall depend on the share trading conditions, including other internal and external environmental factors which cannot be predicted.

2.2.3 Risk of impact from elimination of cross-shareholding in the future

Since after the shareholding restructuring is completed, there shall be cross-shareholding between MALEE and ABICO, the Company has proposed 3 approaches for eliminating the cross-shareholding in which each approach has conditions and risks as follows;

(A) *ABICO sells 75,100,000 shares of MALEE held by ABICO to interested investors*

Under the aforementioned approach, the Company shall recruit investors interested in purchasing MALEE's shares from ABICO, who have sufficient capital and are suitable to be the Company's major shareholders. However, the implementation of such approach shall have to go through various consideration processes from investors carefully, such as due diligence, trading prices negotiation and negotiation of conditions in the share purchase agreement, etc.

In this regard, such action may be regarded as a disposition of significant assets of a subsidiary of a listed company according to the Notification of the Capital Market Supervisory Board No. Tor Jor. 20/2551

re: Rules on Entering into Material Transactions Deemed as Acquisition or Disposal of Assets, dated 31 August 2008 (as amended) and relevant announcements of the SET. In considering the total value of consideration basis, which is calculated from the average closing price of MALEE's shares for the past 30 working days from 5 May 2022 – 17 June 2022, equal to THB 6.08 per share, then, multiplied by the number of shares of MALEE held by ABICO in a total amount of 75,100,000 shares. The total value of consideration shall be equal to THB 457 million, which is compared to the total assets according to the Pro Forma Consolidated Financial Statements of MALEE as of 31 March 2022 of THB 5,882 million. Therefore, the transaction size shall account for 7.8%. In the event that the total value of consideration is more than 50% of the net tangible assets, the Company must obtain the approval from the shareholders' meeting of MALEE (including shareholders of ABICO who accepted the tender offer and changed their status to MALEE's shareholders) prior to the transaction. The approval shall depend on the reasonableness of the transaction, appropriateness of the transaction price, including the expected profit from the share offering. In addition, investors who purchase MALEE's shares from ABICO may be one person or many persons which may cause such person(s) to be obliged to make a mandatory tender offer according to the Notification of the Capital Market Supervisory Board No. Tor Jor. 12/2554 Re: Rules, Conditions and Procedures for the Acquisition of Securities for Business Takeovers.

(B) MALEE undertakes a selective capital reduction in MALEE's shares held by ABICO

Under this approach, MALEE shall eliminate the cross-shareholding through a selective capital reduction by reducing the total number of shares of MALEE held by ABICO in a total amount of 75,100,000 shares by means of a resolution approving the capital reduction from the shareholders' meeting of MALEE by a vote of not less than three-fourths of the total votes of the shareholders who attend the meeting and are entitled to vote. In addition, MALEE's creditors must not object to the capital reduction or in case of objection, MALEE has already repaid the debt or provided full guarantee against such debt. Therefore, if creditors opposes the selective capital reduction and the Company is unable to repay the debt to the creditor or unable to agree on full guarantee to be given to such creditors, the Company shall not be able to proceed the capital reduction according to the plan.

(C) ABICO sells MALEE's shares held by ABICO to Boonyarat Family

In the event that the Company expects that the elimination of cross-shareholding in accordance with items (A) and (A) above shall not be achieved within a period of 12 months from the date on which MALEE holds shares in ABICO more than 50% of the total number of voting rights according to the waiver from the SEC, the Company shall proceed for ABICO to sell all shares in MALEE held by ABICO to Ms. Roongchat Boonyarat, Mr. Chaichat Boonyarat and/or Ms. Kamonchat Juangroongruangkit which are connected persons to the Company within 30 days from the due date of 12 months.

Such action shall be considered a connected transaction according to the Notification of the Capital Market Supervisory Board No. Tor Jor. 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) (as amended) since all 3 persons shall become the major shareholders of the Company after the shareholding restructuring. In addition, Ms. Roongchat Boonyarat is also a director and chief executive officer of the Company, as well as this transaction may be considered as a disposal of significant assets. Therefore, ABICO must seek an 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).

In addition to the above 3 approaches, the Financial Advisor has considered another approach for eliminating the cross-shareholding, such as the Company (MALEE) repurchases shares from ABICO (Treasury Stock). However, the share repurchase must be a general offer in which the Company is unable to offer a specific share repurchase to MALEE's shares held by any one shareholder. Therefore, if the Company considers repurchasing shares in general, the Company may not be able to control the number of shareholders who shall offer MALEE's shares to the Company in case that there are a large number of shareholders offering MALEE's shares to the Company. In addition, such action may be considered against the Section 66/1 (2) of the Public Act, which stipulates that the Company may repurchase shares for financial management purposes when the Company has retained earnings and excess liquidity, as well as the repurchase of shares does not cause the Company to encounter financial problems. However, in the case of MALEE, according to the separate financial statements for the year ended 31 March 2022, MALEE had retained earnings of only THB 223 million and had no excess liquidity because the Company still have current liabilities more than current assets of approximately THB 680 million.

Furthermore, after the completion of the share repurchase, the Company shall not be able to sell the repurchased shares within 6 months and unable to raise new funds, unless the repurchased shares must be sold out beforehand or after the expiration of 3 years after the completion of the share repurchase. In this regard, if the repurchased shares are not sold out, the Company have to reduce the paid-up capital by cutting off the repurchased shares that have not been sold in order to be able to raise new capital again. Therefore, this may cause limitations in funding for future business expansion. Additionally, the implementation of the aforementioned approach may affect the Company to be unable to eliminate the cross-shareholding within 12 months from the date on which MALEE holds more than 50% of ABICO's shares in accordance with the waiver from the SEC.

2.3 Impact on Shareholders of Abico Holdings Public Company Limited (ABICO)

Impact on ABICO's shareholders if the restructuring plan is completed and the SET approves a delisting of ABICO's ordinary shares from being listed on the SET can be divided into 2 cases as follows;

2.3.1 Impact on ABICO's shareholders who accept the tender offer

Shareholders of ABICO who accept the tender offer shall change their status to be shareholders of MALEE, which is a listed company on the SET, and shall have rights and benefits from holding shares of MALEE as follows;

- The rights of ABICO's shareholders who accept the tender offer shall not be inferior as the details mentioned above.
- ABICO's shareholders shall change their status to MALEE's shareholders while still having a secondary market for share trading.
- Shareholders have the opportunity to receive returns in the form of capital gains of the Company. In this regard, individual shareholders shall be exempted from capital gain tax.
- Shareholders are entitled to receive dividends directly from MALEE (which includes ABICO's operating performance in proportion to ABICO's shares to be received from this tender offer) as well as are able to exercise their voting rights as MALEE's shareholders directly, in which MALEE shall exercise the voting rights on behalf of the shareholders in ABICO further.
- Shareholders shall receive news and information that the Company must disclose in accordance with the regulations of the SET and/or the SEC, as well as obtain analytical information from securities analysis provided by securities companies.
- Shareholders of ABICO who accept the tender offer shall become shareholders of MALEE, which, after the restructuring, shall be a listed company with higher market capitalization from the merger of MALEE and ABICO together.

2.3.2 Impact on shareholders of ABICO who reject the tender offer

ABICO's shareholders who reject the tender offer and continue to be ABICO's shareholders shall be affected after the shareholding restructuring and the delisting of ABICO's ordinary shares from being listed on the SET as follows;

(1) *Impact from ABICO not being a listed company on the SET*

- Shareholders shall lack liquidity in trading ABICO's shares as there is no a secondary market for share trading.
- The model of return on investment has changed. Opportunity for shareholders to take profits from share trading shall be limited because there is no share illiquidity and secondary market for share trading. Therefore, the return is mainly in the form of dividends which there may be limitations as the Company may propose to ABICO to change its dividend policy as appropriate to operating performance, financial position, liquidity, investment plans and funding utilization plans of the Group in the future.
- Individual shareholders shall not be exempted from capital gains tax and not be exempted from stamp duty on the share transfer.
- If the shareholding restructuring plan is completed and MALEE is able to purchase more than or equal to 75% of ABICO's issued and paid-up shares, the aforementioned shareholding shall provide MALEE the control and power to make decisions on almost all significant resolutions and actions of ABICO. In addition, if MALEE holds shares in ABICO more than 90% of the total issued and paid-up shares of ABICO, minority shareholders who still hold ABICO's shares after the delisting shall have risk of no longer being able to collect votes to check and balance the power of the Company, which is a major shareholder.
- The availability of ABICO's information shall be reduced as ABICO shall end its duty to comply with the regulations of the SET and the SEC in relation to being a listed company. However, the disclosure of ABICO's information remains a part of the Company's disclosure (MALEE) because after the shareholding restructuring, ABICO shall become a subsidiary or an associate of the Company, depending on the number of ABICO's shares that the Company shall acquire from the tender offer.
- After the delisting, ABICO still has a status of a public company limited in which shareholders who reject the tender offer and remain ABICO's shareholders shall continue to receive news or information that the entity must disclose according to the Public Act, such as information disclosed at the shareholders' meeting of ABICO and annual report of ABICO which must be delivered to shareholders annually, etc. In addition, shareholders can request a copy of ABICO's important documents, which are affidavits, a list of shareholders and annual financial statements of ABICO from the Ministry of Commerce.

(2) *Loss of opportunity to receive returns from investment in MALEE's shares*

Shareholders who reject the tender offer and continue to be shareholders of ABICO shall lose the opportunity to receive future returns on their investment in MALEE's shares, which shall include MALEE and ABICO's earnings together (according to MALEE's shareholding in ABICO). Then, after MALEE and ABICO complete the elimination of cross-shareholding, ABICO shall no longer be able to recognize revenue from share of profit (loss) from its investment in MALEE. Even in the short term, ABICO's net profit may increase as ABICO no longer has to recognize any loss on its investment in MALEE, but when MALEE's earnings turn back to profit, shareholders who retain ABICO's shares shall lose the opportunity to become MALEE's shareholders that combine the operating performance of both MALEE and ABICO together.

(3) *Impact from elimination of cross-shareholding*

In the process of eliminating the cross-shareholding, if the Company and ABICO elect to proceed the sale of all 75,100,000 shares of MALEE held by ABICO to a third party, ABICO has a higher risk of being unable to sell MALEE's shares above the acquisition cost. As a result, ABICO has to record the loss from the disposal of such investments in the financial statements, which shall affect ABICO's retained earnings and ability to pay dividends in the future.

In addition, in the event that the Company and ABICO consider eliminating the cross-shareholding through a selective capital reduction, whereas the Company (MALEE) proceeds to reduce capital and return capital to ABICO's shareholders, ABICO's shareholders who reject the tender offer and remain ABICO's shareholders shall be affected by a significant decrease in the value of ABICO's assets since ABICO shall have to recognize the loss on the Company's investment arising from a selective capital reduction that ABICO holds in the Company in the amount of 75,100,000 shares at a par value of THB 0.50 per share. Such par value is lower than the book value of the investments in MALEE's shares recorded under the equity method in the consolidated financial statements of ABICO, which amounted to THB 210 million, or equal to THB 2.80 per share, in which ABICO must recognize the loss from the capital reduction of approximately THB 173 million. As a result, the retained earnings according to the consolidated financial statements of ABICO shall decrease by THB 173 million (the loss figure is an estimate in which the actual loss shall change according to the value of investments in MALEE's shares recorded by ABICO according to the equity method). Although the recording of the loss from the capital reduction shall not cause ABICO to have accumulated losses, but it can affect ABICO's ability to pay dividends. In the event that ABICO has accumulated losses, ABICO shall not be able to pay dividends until the accumulated losses are cleared in accordance with the requirements of the Public Act.

3. Opinion of Financial Advisor on Appropriateness of Share Swap Ratio

According to the shareholding restructuring plan, the Company shall make a tender offer for all shares of ABICO from all ABICO's shareholders and the Company shall pay compensation by issuing newly issued ordinary shares of the Company to the shareholders of ABICO who offer shares to the Company at the share swap ratio of one ABICO ordinary share (par value of THB 1.00 per share) per 1.12930899 newly issued ordinary shares of MALEE (par value of THB 0.50 per share). In this regard, there shall not be cash compensation (No Cash Alternative). If there is a fraction resulting from the calculation of the share swap, it will be disregarded and there shall not be any compensation for such rounded off fraction.

The Financial Advisor considers the appropriateness of the share swap ratio according to the tender offer by considering the information of MALEE and ABICO from the financial statements audited and/or reviewed by certified public accountants, market price of MALEE and ABICO's ordinary shares, estimated operating performance of MALEE and ABICO, interviews with company executives, property appraisal reports by independent property appraisers and other relevant information, including the study of economic and industrial conditions, business and financial information of comparable companies, as well as information publicly available in general. The opinion of the Financial Advisor is based on the assumption that such information and documents are complete and correct according to the update situation and information that can be currently perceived. If there is any change, it may have a significant impact on business operations, share valuation and the decision of the shareholders.

3.1 Fair Valuation of Shares of Abico Holdings PLC. (ABICO)

The Financial Advisor assesses the value of ABICO's shares by using 5 valuation approaches as follows;

- Book value approach
- Adjusted book value approach
- Volume-weighted average price approach
- Market comparable approach
- Discounted cash flow approach

The share valuation in each approach can be summarized as follows;

3.1.1 Book Value Approach

This valuation approach shall represent the overall ABICO's value at any point of time. As for this valuation of ABICO by book value approach, ABICO's value is based on the financial statements as of 31 March 2022, which is the most up-to-date financial statement, audited by the auditor approved by the SEC.

Under this approach, ABICO's value shall be calculated from the shareholders' equity divided by the total issued and paid-up shares. ABICO's total issued and paid-up shares are 244,397,239 shares. The calculation is shown as follows;

As of 31 March 2022	THB Million
Issued and paid-up capital ⁽¹⁾	244
Allocated retained earnings (legal reserve)	24
Unallocated retained earnings	498
Other components of shareholders' equity	251
Total Shareholders' Equity	1,018
Number of issued and paid-up ordinary shares (million shares)	244
Share value under book value approach (THB per share)	4.16

(1) Consists of 244,397,239 issued and paid-up shares with a par value of THB 1.00 per share

According to share valuation by book value approach, the value of ABICO's shares is equal to THB 1,018 million or THB 4.16 per share.

3.1.2 Adjusted Book Value Approach

The valuation of ordinary shares by this approach is an adjustment to the book value as shown in ABICO's consolidated financial statements as of 31 March 2022 with significant transactions occurring after the aforementioned date, including obligations and liabilities that may occur in the future and some transactions of increment or discount on the asset value that are appraised by the Independent Property Appraiser in order to reflect the most current fair value of net assets.

According to ABICO's consolidated financial statements as of 31 March 2022, ABICO has total assets of THB 1,968 million, of which most assets are trade accounts receivable and other receivables, investments in MALEE, as well as land, building and equipment. In this regard, since the fair values of trade accounts receivable and other receivables are close to their book value, the Financial Advisor considers only fair values of 2 main assets, i.e. investments in MALEE and property, plant and equipment, as follows;

(1) Investments in MALEE

As of 31 March 2022, ABICO has investments in Malee Group PLC. (MALEE) in the amount of 75,100,000 shares, representing 27.21% of the total issued and paid-up shares of MALEE. Such investments are presented in the consolidated financial statements of ABICO under the equity method. Therefore, the Financial Advisor considers to adjust the fair value of such investments by considering the weighted average market price of MALEE's shares for the past 7-15 days prior to 17 June 2022 as follows;

THB Million	Book Value	Market Value	Increment (Discount)
Investments in MALEE	207	544 – 546	338 – 370

(2) Land, building and equipment

The Financial Advisor has adjusted the value of land, building and equipment of ABICO based on the property valuation report prepared by 15 Business Advisory Limited (“**Independent Property Appraiser**”), a property valuation company approved by the SEC, which has assessed the value of land, building and equipment and right-of-used assets of ABICO and its 3 subsidiaries, which are Abico Dairy Farm Company Limited (“**ADF**”), Abico Land Company Limited (“**ALAND**”) and PPO Farm Company Limited (“**PPO**”). In this regard, the important fixed assets of ABICO’s Group consist of a land and manufacturing plants in Pak Chong District, Nakhon Ratchasima Province, a land in Seka District, Bueng Kan Province, as well as a dairy farm in Seka District, Bueng Kan Province. The Independent Property Appraiser uses the Market Approach for the appraisal of land price and the Depreciated Replacement Cost Approach is used for valuation of building, machinery, equipment and other fixed assets according to a report dated 8 February 2022 for a public purpose.

The Financial Advisor has adjusted the book value of ABICO as of 31 March 2022 with the surplus from the appraisal of the said property price as follows;

List of Properties (Unit: THB Million)	Valuation Approach	Book Value as of 31 Mar 2022	Appraised Price	Increase (Decrease)
Abico Holdings Public Company Limited				
Furnishings and other fixed assets	Replacement Cost Approach	0	0	0
Abico Land Company Limited				
Furnishings and other fixed assets	Replacement Cost Approach	0	0	0
Abico Dairy Farm Company Limited (Subsidiary)				
Land				
(1) Land area of 55 Rais 0 Ngan 19.0 Square Wah in Pak Chong District, Nakhon Ratchasima Province	Market Approach	231	308	77
(2) Land area of 809 Rais 5 Ngans 12.0 Square Wah in Seka District, Bueng Kan Province		47	62	15
Buildings and structure				
(1) Product manufacturing factory, Pak Chong District, Nakhon Ratchasima Province	Replacement Cost Approach	121	174	53

List of Properties (Unit: THB Million)	Valuation Approach	Book Value as of 31 Mar 2022	Appraised Price	Increase (Decrease)
(2) Cattle house, Seka District, Bueng Kan Province		6	48	42
Manufacturing machinery and equipment and other assets	Replacement Cost Approach	486	711	225
PPO Farm Company Limited (Subsidiary)				
Manufacturing machinery and equipment and other assets	Replacement Cost Approach	4	9	5
Total Appraised Properties		895	1,312	417

Source: Property Valuation Report, prepared by 15 Business Advisory Limited according to the report dated 8 February 2022, assessed the properties of ABICO on 25 January 2022 (please see more details in Appendix 5 and 6).

According to the above table, the Independent Property Appraiser has assessed the value of land, building and equipment and right-of-used assets of ABICO, with a combined book value of THB 895 million, or 97.3% of the total land, building and equipment, and right-of-used assets, while the total appraised value of these assets is THB 1,312 million. Therefore, the Financial Advisor uses the difference between the appraised value of the Independent Property Appraiser and the book value of the assets of THB 417 million as shown above to adjust the book value of shares from the consolidated financial statements of ABICO.

(3) Dividend Payment

The 2022 Annual General Meeting of Shareholders of ABICO dated 27 April 2022 resolved to approve the allocation of profits and cash dividends at the rate of THB 0.0452 per share, representing a total amount of THB 11 million. Therefore, the Financial Advisor adjusted ABICO's book value by increasing its liabilities from accrued dividends and reducing retained earnings by THB 11 million.

Summary of Book Value Adjustments

As of 31 March 2022	THB Million
Net Asset Value	1,018
<u>Plus</u> Increment from the adjustment of investments in MALEE	338 – 370
<u>Plus</u> Increment from property valuation	417
<u>Less</u> Deferred tax liabilities	(151) – (157)
<u>Less</u> Dividend Payment	(11)
Net Asset Value – After Adjustments	1,610 – 1,636
Number of issued and paid-up ordinary shares (million shares)	244
Share Value based on Adjusted Book Value Approach (THB per share)	6.59 – 6.69

According to the valuation of the Company's ordinary shares by using the Adjusted Book Value Approach, the share value of ABICO shall be equal to THB 1,610 – 1,636 million or THB 6.59 – 6.69 per share.

3.1.3 Volume-Weighted Average Price Approach

The Financial Advisor uses the volume weighted average price approach as a reference in valuation of ABICO's shares, since market prices can reflect the investor's supply and demand for the company's securities. In this regard, the movement of share prices and trading volumes of ABICO's shares during the past one year (between 21 June 2021 – 17 June 2022) is shown as follows;



During the past one year, ABICO's shares have market prices between THB 4.40 – 9.75, with average daily trading volume of approximately 465,364 shares, representing a daily turnover ratio of about 0.19% of the total number of ABICO's shares, which are considered relatively low compared to the daily turnover ratios of all shares in the SET and shares in food and beverage sector, which are equal to 1.37% and 0.50% of the total shares.

In valuation of shares by using the volume weighted average price approach, the Financial Advisor considers the volume weighted average price for the past 7 days – 1 year prior to the date specified in this report, covering the period from 21 June 2021 – 17 June 2022, which are shown below.

	Lowest Price	Highest Price	Average Daily Trading Volume (Shares)	Turnover Ratio (%) ⁽¹⁾	Volume-Weighted Average Price (THB)
Past 7 Working Days	7.35	8.80	2,561,618	1.05%	8.04
Past 15 Working Days	5.30	9.75	5,898,306	2.41%	8.49
Past 1 Month	5.20	9.75	4,033,264	1.65%	8.48
Past 3 Months	5.05	9.75	1,594,953	0.65%	8.36
Past 6 Months	4.40	9.75	859,445	0.35%	8.07

Past 1 Year	4.40	9.75	465,364	0.19%	7.84
Range of ABICO's Share Price					7.84 – 8.49

(1) Turnover ratio shows the percentage of the number of shares traded in one day to the total number of paid-up shares of ABICO.

According to the above table, the volume weighted average prices of ABICO's ordinary shares for the past 7 days – 1 year are in the range of THB 1,917 – 2,075 million or THB 7.84 – 8.49 per share.

3.1.4 Market Comparable Approach

Share valuation by the Market Comparable Approach is a valuation of ordinary shares by comparing market prices to various financial ratios of companies listed on the SET based on the assumption that listed companies having similar business nature and environment should have similar market ratios. However, since ABICO operates its core business in the contract production of ready-to-drink milk beverages and has revenue from the said business accounting for approximately 97% of the total sales and service revenue. Therefore, there is no listed company in the SET which can directly compare to ABICO.

Therefore, the Financial Advisor considers selecting companies listed on the SET in the food and beverage sector, having a business nature and environment similar to ABICO. In this regard, the Financial Advisor considers listed companies whose main income is from the contract production of fruit juice, tea or coffee in which there are 4 comparable companies used by the Financial Advisor in valuation of ABICO's shares, namely Food and Drinks Public Company Limited (“F&D”), Malee Group Public Company Limited (“MALEE”), Siam Food Products Public Company Limited (“SFP”) and T.A.C. Consumer Public Company Limited (“TACC”).

Summary information of each comparable company is as follows;

▷ Food and Drinks Public Company Limited (“F&D”)

F&D engages in the business of manufacturing and distributing processed food and beverage products according to the demand and orders of customers under brands of customers and its own brands. F&D's products include curry pastes, soup, spices, sauces, fruit and vegetable juices and various beverages. As of 31 March 2022, F&D has total assets of THB 1,578 million and according to the operating performance for the year 2021, F&D has total revenue of THB 646 million and net profit for the year of THB 9 million.

▷ Malee Group Public Company Limited (“MALEE”)

MALEE engages in the business of manufacturing and distributing fruit juices and canned fruits under “MALEE” brand, including contract manufacturing for other beverage brand owners both domestically and internationally. As of 31 March 2022, MALEE has total assets of THB 3,954 million and according to the operating performance for the year 2021, MALEE has total revenue of THB 3,489 million and has a net loss for the year (only the shareholders' equity) of THB 114 million.

▷ **Siam Food Products Public Company Limited (“SFP”)**

SFP produces and exports canned pineapple products, canned mixed fruit, pineapple juice concentrate packed in sterile bags, seasonal fruit under the trademarks of key overseas customers and under the trademark of SFP “SIAMFOOD”. As of 31 March 2022, SFP has total assets of THB 2,538 million and according to the operating performance for the year ended 30 September 2021, SFP has total revenue of THB 2,633 million and net profit for the year of THB 88 million.

▷ **T.A.C. Consumer Public Company Limited (“TACC”)**

TACC operates in the business of providing, manufacturing, and distributing beverages in parts of tea and coffee and lifestyle product which can be divided into two main categories comprising of 1) Business to Business (B2B) such as Dispenser Drink in 7-Eleven, Hot Beverage Dispenser and 2) Business to Customer (B2C) such as Ready-to-drink green tea under "Zenya" brand, Instant powder drink under "Na-Arun" brand, etc. As of 31 March 2022, TACC has total assets of THB 1,101 million and according to the operating performance for the year 2021, TACC has total revenue of THB 1,346 million and has a net profit for the year (only the shareholders' equity) of THB 214 million.

The market ratios that the Financial Advisor considers in valuation of ABICO’s shares are Price to Earnings Ratio (P/E Ratio) and Price to Book Value Ratio (P/BV Ratio).

However, the valuation of shares in each approach can be shown as follows;

(1) **P/BV Multiple**

This valuation approach is a share valuation by using the book value of ABICO as of 31 March 2022, which is equal to THB 1,018 million as shown in 3.1.1, multiplied by the average of the market price to book value ratio (P/BV Ratio) of comparable companies.

Average of Historical P/BV Ratio	1 Month	3 Months	6 Months	12 Month
F&D	0.33	0.33	0.33	0.35
MALEE	2.79	2.55	2.55	2.60
SFP	1.42	1.40	1.49	1.50
TACC	5.46	5.78	6.10	6.14
Average P/BV (Time) ⁽¹⁾	1.51	1.43	1.46	1.48
Book Value of ABICO (THB Million)	1,018	1,018	1,018	1,018
Share Value based on P/BV Multiple	1,542	1,452	1,482	1,509

Source: SETSMART

(1) Calculated by excluding P/BV Ratio of TACC because TACC has an unusually high P/BV

According to the valuation of shares by using the P/BV Multiple Approach, the value of ABICO's shares is in the range of THB 1,452 – 1,542 million or THB 5.94 – 6.31 per share.

(2) P/E Multiple

The share valuation by using the market price to earnings ratio approach demonstrates the value of the entity's shares by multiplying its earnings per share as shown in ABICO's financial statements for the past 12 months to 31 March 2022 with the average market price to earnings ratio (P/E Ratio) of comparable companies.

ABICO's net profit from the consolidated financial statements for the past 12 months, equal to THB 64 million, is divided by the total number of issued and paid-up shares of ABICO, which is 244,397,239 shares, the earnings per share is THB 0.19 per share. Then, multiplied by the average P/E ratio of the comparable companies in the past 1 - 12 months prior to the date specified in this report (between 21 June 2021 – 17 June 2022) as follows;

Average of Historical P/E Ratio	1 Month	3 Months	6 Months	12 Months
F&D	31.00	36.62	33.44	26.55
MALEE ⁽¹⁾	<i>n/a</i>	<i>n/a</i>	<i>n/a</i>	<i>n/a</i>
SFP	11.57	12.71	15.85	27.31
TACC	19.11	20.07	20.72	21.68
Average P/E (Time)	20.56	23.13	23.33	25.18
Net Profit of ABICO (THB Million)	64	64	64	64
Share Value based on P/E Multiple	1,322	1,487	1,500	1,619

Source: SETSMART (1) Cannot be calculated because MALEE has operating losses in the past 12 months.

According to the valuation of shares by using the P/E Multiple, the value of ABICO's shares is in the range of THB 1,322 – 1,619 million or THB 5.41 – 6.62 per share.

3.1.5 Discounted Cash Flow Approach

Valuation of ABICO's Shares by using the Discounted Cash Flow Approach reflects the share value based on fundamentals which is considered from the Company's ability to operate business in the long term. This approach shall use the projected net cash flows that the entity expects to receive and calculate its present value by discounting with the weighted average cost of capital. In this regard, the Financial Advisor has assessed the net cash flow that ABICO expects to receive from its operations (Free cash flows to Firm: FCFF), which consists of two main parts of cash flow, that are, cash flow from the projection period of five years from 1 April 2022 – 31 December 2026 and the terminal value of the entity as of the last projection year, which is derived from the adjustment of cash flow to the entity as of the last projection year, representing the cash flow that shall continue to occur in the future, then, discounted by the weighted average cost of capital.

Key assumptions used in the preparation of this financial projection are mainly based on business policies, future operation plans, other information obtained from the interviews with executives, as well as the comparison of information from ABICO's past financial statements. The Financial Advisor has adjusted the assumptions to reflect the market conditions, competition in the industry, including the current overall economic conditions in order to comply with the conservative basis. In this regard, the aforementioned financial projection is based on the assumption that ABICO's business shall be operated on an ongoing basis without significant changes under the current economic conditions throughout the projection period.

In addition, the following financial projection is prepared with the objective to assess the fair value of ABICO's ordinary shares for providing an opinion in considering the appropriateness of the share swap ratio at this time only. It cannot be used as a reference price other than the purpose stated above. Moreover, if economic conditions and other external factors that affect and change operations significantly from the assumptions established during the projection period, the appraised value of ABICO's shares is subject to change as well.

Key assumptions used in the preparation of the financial projection can be summarized as follows;

1) Revenue from sales and services

ABICO's core business is the contract manufacturing of UHT milk beverages, pasteurized milk and pasteurized fruit juices with the proportion of revenue from the said business of approximately 97% of the total revenue from sales and services. In addition, ABICO also operates a dairy farm business by producing and distributing raw milk that is not processed, as well as also has income from real estate business by renting office space "Abico" in Lam Luk Ka District, Pathum Thani Province.

In the year 2019 – 2021, ABICO had revenue from sales and services of THB 1,206 million, THB 2,062 million and THB 2,289 million, respectively, representing an average compound annual growth rate (CAGR) of 37.8% per year, which was due to the growth in revenue from the contract manufacturing of UHT ready-to-drink milk from the increasing volume of orders from existing customers and the increase in new customers. While, revenue from real estate business and dairy farm business had not much changed.

The Financial Advisor estimates ABICO's revenue from sales and services based on executives' projection and adjusted the projection based on actual historical data. In this regard, the Financial Advisor has determined that revenue from OEM customers in 2022 shall have a 10% growth, close to the actual growth rate in 2021 and consistent with the first three months of the year 2022 that ABICO still has an increase in revenue from sales from entering into contracts with new customers. Then the growth rate shall be set to decline between 2 - 7% per year, reflecting the growth on higher revenue base. While, revenue from real estate business and dairy farm business is determined to be equal to the average actual revenue over the past 4 years.

Revenue from sales and services of ABICO in the past year and for the projection period can be summarized as follows;

THB Million	2019A	2020A	2021A	2022F	2023F	2024F	2025F	2026F
Contract Manufacturing	1,130	1,989	2,210	2,431	2,596	2,715	2,799	2,858
Real Estate	19	13	19	19	19	19	19	19
Dairy Farm	57	60	60	60	60	60	60	60
Revenue from Sales and Services	1,206	2,062	2,289	2,510	2,675	2,794	2,878	2,937
<i>Growth Rate (%)</i>	<i>54%</i>	<i>71%</i>	<i>11%</i>	<i>10%</i>	<i>7%</i>	<i>4%</i>	<i>3%</i>	<i>2%</i>

2) Other Income

In the year 2019 – 2021, ABICO had other income of THB 40 million, THB 31 million and THB 23 million, respectively, which were mostly gain from change in fair value of dairy biological assets, commission income and interest income, etc. The Financial Advisor estimates ABICO's other income over the next 5 years is approximately THB 6 million per year by considering only other income that is expected to occur definitely in the future and excluding gains from changes in the fair value of dairy biological assets due to the uncertainty of the profit each year, as well as commission income which was income from one customer that shall not occur in the future.

3) Cost of Sales and Services

Cost of sales and services mostly are costs of OEM business, which consist of raw material costs, packaging costs, labor costs and other production costs. While, costs of real estate business consist of utilities costs, cleaning fees, security service fees and maintenance costs, etc., as well as costs of dairy farm business consist of animal feed costs, cleaning fees, security service fees and maintenance costs, etc. In the year 2019 – 2021, ABICO had cost of sales and services (excluding depreciation) in the amount of THB 941 million, THB 1,750 million, THB 2,024 million, representing 78.0%, 84.9% and 88.4% of revenue from sales and services, respectively. In this regard, the higher cost of sales to revenue ratio was a result of providing full services to more customers.

In estimating cost of sales and services, the Financial Advisor based on historical financial data of ABICO during the year 2019 – 2021 by considering cost of sales and services by business segment. The estimated cost of sales and services of ABICO in the year 2022 – 2026 can be summarized as follows;

THB Million	2019A	2020A	2021A	2022F	2023F	2024F	2025F	2026F
Contract Manufacturing	875	1,686	1,957	2,152	2,298	2,403	2,478	2,530
Real Estate	7	2	4	5	5	5	5	5
Dairy Farm	59	63	63	60	60	60	60	60
Cost of Sales and Services⁽¹⁾	941	1,750	2,024	2,217	2,363	2,468	2,542	2,594
<i>Percentage of Revenue from Sales</i>	<i>78.0%</i>	<i>84.9%</i>	<i>88.4%</i>	<i>88.3%</i>	<i>88.3%</i>	<i>88.3%</i>	<i>88.3%</i>	<i>88.3%</i>

(1) Cost of sales and services before depreciation

4) Operating Expenses

Major operating expenses consist of selling expenses, staff expenses, freight and warehouse rent, most of which are fixed costs, projected to increase at a rate of 2.0% per annum, based on the average long-term inflation over the past 20 years (except staff expenses that are set to increase at a rate of 5.0% per year). While, selling expenses set to be equal to 0.3% of revenue from sales based on the actual expenses incurred during the past 3 years as follows;

THB Million	2019A	2020A	2021A	2022F	2023F	2024F	2025F	2026F
Selling Expenses	4	4	5	6	7	7	7	7
Administrative Expenses	64	73	82	90	97	102	107	111

5) Gross Profit Margin and Earnings before Interest Expense, Income tax, Amortization and Depreciation

According to the projected revenue from sales and services, cost of sales and services and operating expenses, the gross profit margin (before depreciation) and earnings before interest expense, income tax, amortization and depreciation (EBITDA Margin) can be summarized as follows;

%	2019A	2020A	2021A	2022F	2023F	2024F	2025F	2026F
Gross Profit Margin	22.0%	15.1%	11.6%	11.7%	11.7%	11.7%	11.7%	11.7%
EBITDA Margin	19.8%	13.3%	8.9%	8.5%	8.4%	8.4%	8.3%	8.3%

(1) Gross profit margin before depreciation

7) Interest Expense

As of 31 March 2022, ABICO has outstanding balance of short-term and long-term loans from financial institutions in the amount of THB 320 million. The Financial Advisor determines that the loan interest rate for short-term loans is 3.2% per annum and the loan interest rate for long-term loans is 4.0% per annum, equal to the average loan interest rate paid by ABICO in the year 2020 - 2021.

Projected interest expense in ABICO's income statement in the year 2022 – 2026 can be summarized as follows;

THB Million	2019A	2020A	2021A	2022F	2023F	2024F	2025F	2026F
Interest Expense	20	20	17	14	9	8	6	6

8) Corporate Income Tax

The Financial Advisor determines the corporate income tax rate equal to 20% of profit before tax. In calculating ABICO's corporate income tax, ABICO's accumulated tax losses shall be considered deductible with taxable profits in which as of 31 December 2021, ABICO has accumulated tax losses of THB 14 million.

9) Capital Expenditure

In estimating capital expenditure, the Financial Advisor considers historical financial information and interviews with the executives of ABICO. In this regard, the Financial Advisor determines the capital expenditure in the projection period based on ABICO's investment plans in the year 2022 – 2023, which are THB 73 million and THB 50 million, respectively. In the remaining projection years, the Financial Advisor sets the capital expenditure of THB 50 million, equal to the investment plan in 2023.

Capital expenditure in the projection period which includes capital expenditure of land, building and equipment and intangible assets can be shown in the following table;

THB Million	2019A	2020A	2021A	2022F	2023F	2024F	2025F	2026F
Capital Expenditure	236	120	20	73	50	50	50	50

10) Working Capital

In estimating future working capital, the Financial Advisor bases on ABICO's historical working capital ratio over the past 5 years in which details of historical working capital and projected working capital in the future are shown in the following table;

Unit: Day	2018A	2019A	2020A	2021A	2022F	2023F	2024F	2025F	2026F
Average Collection Period	56	95	83	76	74	74	74	74	74
Inventory Turnover Period	65	42	26	27	27	27	27	27	27
Average Payment Period	57	77	64	59	64	64	64	64	64

11) Summary of ABICO's Financial Projection

Projection Period						1	2	3	4	5
ABICO Profit and Loss	2017A	2018A	2019A	2020A	2021A	2022E	2023F	2024F	2025F	2026F
(Unit: THB million)										
Sale and service revenue	565	783	1,206	2,062	2,289	2,510	2,675	2,794	2,878	2,937
Other income	27	39	40	31	23	6	6	6	6	6
Total Revenue	591	822	1,246	2,093	2,312	2,516	2,681	2,800	2,884	2,943
Cost of sale and service	491	671	1,011	1,836	2,116	2,322	2,476	2,582	2,663	2,724
Selling and administrative exp	54	64	73	77	93	97	104	109	114	119
Earnings before interest and tax	46	88	162	180	103	98	101	109	107	101
Finance cost	(17)	(16)	(20)	(20)	(17)	(14)	(9)	(8)	(6)	(6)
Income tax	(5)	(13)	(27)	(24)	(9)	(14)	(18)	(20)	(20)	(19)
Net Profits	24	58	115	136	77	70	73	80	81	76
Share of profit(loss) from MALEE	76	(78)	(57)	(55)	(31)	(8)	7	11	15	15
Net profits per reported FS	99	(20)	58	81	46	62	80	91	96	91
Normalized EBITDA	94	146	238	275	204	213	225	234	240	243
<i>EBITDA Margin</i>	16.6%	18.6%	19.8%	13.3%	8.9%	8.5%	8.4%	8.4%	8.3%	8.3%

12) Terminal Growth Rate

The Financial Advisor estimates the terminal growth rate of cash flows after the year 2026, which is the last projection year, equal to 0% per year in order to adhere to the conservative basis.

13) Discount Rate

The Financial Advisor uses ABICO's Weighted Average Cost of Capital (WACC), which is derived from averaging cost of debt and cost of equity, as the discount rate used to calculate the present value of ABICO's net cash flows.

WACC used by the Financial Advisor is calculated by the following formula;

$$WACC = K_d \cdot (1-T) \cdot (D/A) + K_e \cdot (E/A)$$

- K_d = Loan interest rate equal to 3.41% per year
- T = Income tax rate equal to 20% of profit before tax
- K_e = Return on Equity equal to 9.56% per year
- D/A = Interest bearing debt to total assets ratio equal to 24.0% (based on ABICO's interest-bearing debt to equity ratio as of 31 March 2022, which is 0.31 times)
- E/A = Equity to total asset ratio equivalent to 76.0% (based on ABICO's interest-bearing debt to equity ratio as of 31 March 2022, which is 0.31 times)

The rate of return on equity (Ke or Cost of Equity) is calculated from the Capital Asset Pricing Model (CAPM) with the following formula;

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

Where:

R_f = The rate of returns on investment in 15-year government bonds as of 17 June 2022, which is equal to 3.61%.

β (Beta) = The volatility of returns of ABICO's shares compared to the return of the Stock Exchange of Thailand for the past 5 years is equal to 0.95 (Source: Bloomberg).

R_m = The rate of returns on investment in the Stock Exchange of Thailand in the period of 15 years (Market Return), which is 9.88% (Source: calculation of the Financial Advisor)

According to the above calculation formula, ABICO's weighted average cost of capital is equal to 7.93%.

12) Summary of ABICO's share valuation by using the Discounted Cash Flow Approach (DCF)

According to the above assumptions, cash flows to the entity over the next 5 years can be summarized as follows;

ABICO (Unit: THB Million)	9M2022F	2023F	2024F	2025F	2026F
Net Profit before Interest and Income Tax	58	101	109	107	101
<u>Less Tax</u>	(3)	(20)	(22)	(21)	(20)
Depreciation and Amortization	90	124	126	133	143
Capital Expenditure	(66)	(50)	(50)	(50)	(50)
Changes in Working Capital	67	(18)	(13)	(9)	(7)
Free Cash Flows to the Firm	146	137	150	159	166

According to the above-mentioned free cash flows to the firm, the fair value of ABICO's ordinary shares in the base case and Sensitivity Analysis can be calculated by increasing or decreasing the discount rate by 0.5% (+/- 50 bps), which shall result in the value of ABICO's shares as follows;

Sensitivity Analysis	Discount Rate		
	8.43%	7.93%	7.43%
Value of ABICO's shares (THB Million)	1,995	2,192	2,418

According to the share valuation by using the Discounted Cash Flow Approach (DCF), the value of ABICO's shares in the base case is equal to THB 2,192 million or THB 8.97 per share. And if analyzing the sensitivity of the share value by adjusting the discount rate +/- 50 bps, the value of ABICO's shares shall be in the range of THB 1,995 – 2,418 million or THB 8.16 – 9.89 per share.

3.1.6 Summary of Fair Valuation of ABICO's shares

The Financial Advisor assesses the fair value of ABICO's shares through various valuation approaches which can be summarized as follows;

Valuation Approach	THB Million	Appropriateness
1. Book Value Approach	1,018	Not Appropriate
2. Adjusted Book Value Approach	1,610 – 1,636	Not Appropriate
3. Volume-Weighted Average Price Approach	1,917 – 2,075	Not Appropriate
4. Market Comparable Approach		
4.1 P/BV Multiple	1,452 – 1,542	Not Appropriate
4.2 P/E Multiple	1,322 – 1,619	Not Appropriate
5. Discounted Cash Flow Approach	1,995 – 2,418	Appropriate

The Financial Advisor has an opinion on the appropriateness of each approach used in valuing ABICO's shares as follows;

- ▶ **Book Value Approach** is not appropriate as this approach is based on information from financial statements recently audited and/or reviewed which show the financial position of the entity at specific point of time in accordance with the accounting policies stipulated and cannot reflect the profitability and future cash flows of the entity. Therefore, this approach is not appropriate for share valuation of ABICO.
- ▶ **Adjusted Book Value Approach** is not appropriate. Although this approach can better reflect the actual value of ABICO's shares than the book value approach due to the adjustments in the value of the Company's main assets, i.e. land, building, machinery and equipment to be fair value of such assets in order to reflect the current state of the shareholders' equity, this approach still does not take into account future earnings and ability to generate cash flows in the future of ABICO.
- ▶ **Volume Weighted Average Price Approach** is a valuation approach that refers to the trading price of the company's shares in the SET, which, generally, are prices that reflect the demand and supply of the shares. This can reflect the real value of the shares based on the view of investors on fundamentals and growth potential of the company under the share trading condition with an appropriate level of liquidity. However, since in the past one year, ABICO's ordinary shares had average daily trading volume of only 465,364 shares, or 0.19% of

the total shares (calculated during 21 June 2021 – 17 June 2022) which was considered a low trading liquidity. Therefore, the share price calculated by such approach does not properly reflect the actual demand and supply of investors in the SET.

- ▶ **Market Comparable Approach** is not appropriate as it reflects the views of investors towards the company and related industries by considering current profitability and financial position regardless of future performance. In addition, this approach is a comparison of various market ratios of companies listed on the SET which operate similar business to ABICO, but those comparable companies cannot directly compare to ABICO since there is no a comparable company engaged in the contract manufacturing of ready-to-drink milk and fruit juice products as same as ABICO. Therefore, such approach is not appropriate to use comparing for valuation of ABICO's shares.
- ▶ **Discounted Cash Flow Approach** is appropriate because the Discounted Cash Flow Approach (DCF) reflects ABICO's future profitability and cash flow generation by taking into account a number of factors that affect operations such as policies and plans, competitiveness, cost efficiency, investment in core assets and tax benefits, etc. In this regard, the assumptions used in the projection are based on the analysis of ABICO's past performance data, together with future action plans, economic and industrial information, as well as the views of executives and industry analysts. Therefore, the Financial Advisor has an opinion that this approach is appropriate to use in valuation of ABICO's shares.

However, the valuation of shares by this approach may be subject to the uncertainty of various significant factors in the future that may change from determined assumptions, such as market conditions, competition, and the spread of the virus, which may affect the market price of products and the cost of raw materials. If there are some key factors that significantly change from the assumptions used, this may affect the valuation of such shares.

According to the aforesaid, the Financial Advisor has an opinion that the **Discounted Cash Flow Approach** is an appropriate approach for estimating the fair value of ABICO's shares. The appropriate value of ABICO's shares calculated from the Discounted Cash Flow Approach is in the range of THB 1,995 – 2,418 million or THB 8.16 – 9.89 per share.

3.2 Fair Valuation of Shares of Malee Group PLC. (MALEE)

The Financial Advisor assesses the value of MALEE's shares by using 5 valuation approaches as follows;

- Book Value Approach
- Adjusted Book Value Approach
- Volume-Weighted Average Price Approach
- Market Comparable Approach
- Discounted Cash Flow Approach

The share valuation in each approach can be summarized as follows;

3.2.1 Book Value Approach

Share valuation by using the Book Value Approach represents the value of the company reflected in the book value at any point in time. In this valuation of MALEE's shares, the Financial Advisor bases on the book value of MALEE's consolidated financial statements for the year ended 31 March 2022, which is the latest financial statement audited by the auditor approved by the SEC.

The valuation of ordinary shares by the above approach shall be calculated from the shareholders' equity according to the consolidated financial statements of MALEE divided by the total number of MALEE's issued and paid-up shares, which is equal to 276,000,000 shares. The calculation is shown as follows;

As of 31 March 2022	THB Million
Issued and paid-up capital ⁽¹⁾	138
Allocated retained earnings (legal reserve)	14
Unallocated retained earnings	223
Other components of shareholders' equity	255
Total Shareholders' Equity of MALEE (only part of the parent company)	630
Number of issued and paid-up ordinary shares (million shares)	276
Share value under book value approach (THB per share)	2.28

(1) Consists of 276,000,000 issued and paid-up shares with a par value of THB 0.50 per share

According to share valuation by book value approach, the value of MALEE's shares is equal to THB 630 million or THB 2.28 per share.

3.2.2 Adjusted Book Value Approach

The valuation of ordinary shares by this approach is an adjustment to the book value as shown in MALEE's consolidated financial statements as of 31 March 2022 with significant transactions occurring after the aforementioned date, including obligations and liabilities that may occur in the future and some transactions of increment or discount on the asset value that are appraised by the Independent Property Appraiser in order to reflect the most current fair value of net assets.

The Financial Advisor adjusted the value of MALEE's fixed assets based on the property valuation report prepared by 15 Business Advisory Limited (“Independent Property Appraiser”), a property valuation company approved by the SEC, which has assessed the value of land, building and structure, equipment and other fixed assets. In this regard, the Independent Property Appraiser used the Market Approach for the appraisal of land prices and the Depreciated Replacement Cost Approach is used for valuation of buildings, machinery, equipment and other fixed assets according to a report dated 8 February 2022 for a public purpose.

The Financial Advisor has adjusted the book value of MALEE as of 31 March 2022 with the surplus from the appraisal of the said property price as follows;

List of Properties (Unit: THB Million)	Valuation Approach	Book Value as of 31 Mar 2022	Appraised Price	Increase (Decrease)
Malee Group Public Company Limited				
Land area of 46 rais 1 ngan 77 square wah in Sampran District, Nakhon Pathom Province	Market Approach	410	429	19
Factory building in Sampran District, Nakhon Pathom Province Machinery, equipment and other fixed assets	Replacement Cost Approach	991	1,376	385
Malee Enterprise Company Limited				
Land area of 50 square wah in Makhham Tia Subdistrict, Mueang District, Surat Thani Province	Market Approach	1	1	0
Machinery, equipment and other fixed assets	Replacement Cost Approach	0	4	4
Malee Capital Company Limited				
Land area of 118 rais 3 ngans 79 square wah in Ban Phaeng District, Nakhon Phanom Province	Market Approach	18	18	-
Building and structure	Replacement Cost Approach	17	18	1
Malee Applied Sciences Company Limited				

List of Properties (Unit: THB Million)	Valuation Approach	Book Value as of 31 Mar 2022	Appraised Price	Increase (Decrease)
Manufacturing machinery and equipment and other fixed assets	Replacement Cost Approach	3	9	6
Total Appraised Properties		1,440	1,855	415

Source: Property Valuation Report, prepared by 15 Business Advisory Limited according to the report dated 8 February 2022, assessed the properties of MALEE on 25 January 2022 (please see more details in Appendix 1-4).

According to the above table, the Independent Property Appraiser has assessed the land value, manufacturing plant, machinery and equipment, and other fixed assets of the Company with a combined book value of THB 1,440 million or 92.5% of the total land, building and equipment. While, the total appraised value of the aforesaid assets is THB 1,855 million. Therefore, the Independent Financial Advisor uses the difference between the appraised value of the Independent Property Appraiser and the book value of the assets of THB 415 million as shown above to adjust the book value of shares from the consolidated financial statements of MALEE as of 31 March 2022 as follows;

As of 31 March 2022	THB Million
Net Asset Value	630
<u>Plus</u> Increment from Property Valuation	415
<u>Less</u> Deferred tax liabilities	(83)
Net Asset Value – After Adjustments	962
Number of issued and paid-up ordinary shares (million shares)	276
Share Value based on Adjusted Book Value Approach (THB per share)	3.48

According to the share valuation by using the Adjusted Book Value Approach, the value of MALEE's shares is equal to THB 962 million or THB 3.48 per share.

3.2.3 Volume-Weighted Average Price Approach

The Financial Advisor uses the volume weighted average price approach as a reference in valuation of MALEE's shares, since market prices can reflect the investor's supply and demand for the company's securities. In this regard, the movement of share prices and trading volumes of MALEE's shares during the past one year (between 21 June 2021 – 17 June 2022) is shown as follows;



During the past one year, MALEE's shares have market prices between THB 5.10 – 8.45, with average daily trading volume of approximately 531,838 shares, representing a daily turnover ratio of about 0.19% of the total number of MALEE's shares, which are considered relatively low compared to the daily turnover ratios of all shares in the SET and shares in food and beverage sector, which are equal to 1.37% and 0.50% of the total shares.

In valuation of shares by using the volume weighted average price approach, the Financial Advisor considers the volume weighted average price for the past 7 days – 1 year prior to the date specified in this report, covering the period from 21 June 2021 – 17 June 2022, which are shown below.

	Lowest Price	Highest Price	Average Daily Trading Volume (Shares)	Turnover Ratio (%)	Volume-Weighted Average Price (THB)
Past 7 Working Days	6.60	7.60	2,106,326	0.76%	7.25
Past 15 Working Days	5.25	8.45	5,832,657	2.11%	7.67
Past 1 Month	5.20	8.45	3,997,867	1.45%	7.66
Past 3 Months	5.10	8.45	1,586,413	0.57%	7.57
Past 6 Months	5.10	8.45	880,582	0.32%	7.37
Past 1 Year	5.10	8.45	531,838	0.19%	7.27
Range of MALEE's Share Price					7.25 – 7.67

According to the above table, the volume weighted average prices of MALEE's ordinary shares for the past 7 days – 1 year are in the range of THB 2,000 – 2,118 million or THB 7.25 – 7.67 per share.

3.2.4 Market Comparable Approach

Share valuation by the Market Comparable Approach is a valuation of ordinary shares by comparing market prices to various financial ratios of companies listed on the SET based on the assumption that listed companies having similar business nature and environment should have similar market ratios.

In this regard, since MALEE is mainly engaged in production and distribution of canned fruit products, UHT and pasteurized ready-to-drink fruit juices, as well as contract manufacturing of fruit juice drinks, tea, coffee for other brand owners both domestically and abroad, only Tipco Foods Public Company Limited (“TIPCO”) is a listed company on the SET which can be directly comparable to MALEE. However, the Financial Advisor considers selecting additional 7 companies listed on the SET which operates the business of manufacturing and distributing beverages in a group of fruit juices and tea, namely Abico Holdings Public Company Limited (“ABICO”), Food and Drinks Public Company Limited (“F&D”), Ichitan Group Public Company Limited (“ICHI”), Oishi Group Public Company Limited (“OISHI”), Sappe Public Company Limited (“SAPPE”), Siam Food Products Public Company Limited (“SFP”) and T.A.C. Consumer Public Company Limited (“TACC”).

Summary information of each comparable company is as follows;

▷ **Abico Holdings Public Company Limited (“ABICO”)**

ABICO is primarily engaged in contract manufacturing of UHT ready-to-drink and pasteurized milk, as well as pasteurized fruit juices. In addition, ABICO also has revenue from real estate rental service and raw milk distribution from a dairy farm business. As of 31 March 2022, ABICO has total assets of THB 2,055 million and according to the operating performance for the year 2021, ABICO has total revenue of THB 2,312 million and has a net profit for the year of THB 46 million.

▷ **Ichitan Group Public Company Limited (“ICHI”)**

ICHI engages in the business of manufacturing and distributing ready-to-drink green tea beverages, Ichitan Green Tea, herbal drinks, Yen Yen by Ichitan, and non-carbonated fruit juice drinks. In addition, ICHI is also contract manufacturing products for customers by having revenue from contract manufacturing business of approximately 0.8% of total revenue. As of 31 March 2022, ICHI has total assets of THB 7,360 million and according to the operating performance for the year 2021, ICHI has total revenue of THB 5,251 million and has a net profit for the year (only the shareholders' equity) of THB 547 million.

▷ **Oishi Group Public Company Limited (“OISHI”)**

OISHI operates the business of manufacturing and distributing Japanese food and beverages under "Oishi" brand. In the year 2020 - 2021, OISHI has approximately 60% of revenue from beverage business. In addition, OISHI has entered into a contract manufacturing of milk with a related company. As of 31 March 2022, OISHI has total assets of THB 9,828 million and according to the operating performance for the past 12 months ended 30 September 2021, OISHI has total revenue of THB 9,896 million and has a net profit (only the shareholders' equity) of THB 547 million.

▷ **Sappe Public Company Limited (“SAPPE”)**

SAPPE is a manufacturer and distributor of beverage products aimed to satisfy health-and-beauty-conscious consumers, including: 1) Functional Beverage Segment consists of Sappe Beauti Drink 2) Fruit Juice/Juice Drink Segment includes Sappe Aloe Vera, Sappe For One day. In addition, SAPPE also produces and distributes ready-to-drink powder products for health and beauty, other ready-to-drink beverages and healthier snack products. As of 31 March 2022, SAPPE has total assets of THB 4,152 million and according to the operating performance for the year 2021, SAPPE has total revenue of THB 3,713 million and has a net profit (only the shareholders' equity) of THB 411 million.

▷ **Tipco Foods Public Company Limited (“TIPCO”)**

TIPCO engages in the business of manufacturing and distributing processed fruits, fresh fruits, fruit juices, vegetable juices, natural mineral water and ready-to-drink beverages. As of March 31, 2022, TIPCO has total assets of THB 6,439 million and according to the operating performance for the year 2021, TIPCO has total revenue of THB 2,524 million and has a net profit (only the shareholders' equity) of THB 429 million.

(Please see more details of F&D, SFP and TACC's business operations in Section 3.1.4 *Valuation of ABICO's Shares by Market Comparable Approach*).

The market ratios that the Financial Advisor considers in valuation of MALEE's shares is the Price to Book Value Ratio (**P/BV Ratio**). In this regard, the Financial Advisor does not use the Price to Earnings Ratio (**P/E Ratio**) because MALEE has a loss in the past 12 months.

P/BV Multiple

This valuation approach is a share valuation by using the book value of MALEE as of 31 March 2022, which is equal to THB 630 million as shown in 3.2.1, multiplied by the average of the market price to book value ratio (P/BV Ratio) of comparable companies.

Average of Historical P/BV Ratio	1 Month	3 Months	6 Months	12 Month
ABICO	1.65	1.48	1.36	1.36
F&D	0.33	0.33	0.33	0.35
ICHI	1.90	2.18	2.19	2.30
OISHI	2.34	2.35	2.30	2.32
SAPPE	3.44	3.24	2.98	2.96
SFP	1.42	1.40	1.49	1.50
TACC	5.46	5.78	6.10	6.14
TIPCO	1.00	1.02	1.03	1.03

Average of Historical P/BV Ratio	1 Month	3 Months	6 Months	12 Month
Average P/BV (Time)	1.73	1.71	1.67	1.69
Book Value of MALEE (THB Million)	630	630	630	630
Share Value based on P/BV Multiple	1,087	1,079	1,051	1,063

Source: SETSMART

According to the valuation of shares by using the P/BV Multiple Approach, the value of MALEE's shares is in the range of THB 1,051 – 1,087 million or THB 4.30 – 4.45 per share.

3.2.5 Discounted Cash Flow Approach

Valuation of MALEE's Shares by using the Discounted Cash Flow Approach reflects the share value based on fundamentals which is considered from the Company's ability to operate business in the long term. This approach shall use the projected net cash flows that the entity expects to receive and calculate its present value by discounting with the weighted average cost of capital. In this regard, the Financial Advisor has assessed the net cash flow that MALEE expects to receive from its operations (Free cash flows to Firm: FCFF), which consists of two main parts of cash flow, that are, cash flow from the projection period of five years from 1 April 2022 – 31 December 2026 and the terminal value of the entity as of the last projection year, which is derived from the adjustment of cash flow to the entity as of the last projection year, representing the cash flow that shall continue to occur in the future, then, discounted by the weighted average cost of capital.

Key assumptions used in the preparation of this financial projection are mainly based on business policies, future operation plans, other information obtained from the interviews with executives, as well as the comparison of information from MALEE's past financial statements. The Financial Advisor has adjusted the assumptions to reflect the market conditions, competition in the industry, including the current overall economic conditions in order to comply with the conservative basis. In this regard, the aforementioned financial projection is based on the assumption that MALEE's business shall be operated on an ongoing basis without significant changes under the current economic conditions throughout the projection period.

In addition, the following financial projection is prepared with the objective to assess the fair value of MALEE's ordinary shares for providing an opinion in considering the appropriateness of the share swap ratio at this time only. It cannot be used as a reference price other than the purpose stated above. Moreover, if economic conditions and other external factors that affect and change operations significantly from the assumptions established during the projection period, the appraised value of MALEE's shares is subject to change as well.

Key assumptions used in the preparation of the financial projection can be summarized as follows;

1) Revenue from Sales

MALEE is mainly engaged in the production and distribution of canned fruits and UHT and pasteurized fruit juices under "Malee" Brand (Brand Business). In addition, MALEE also distributes and markets UHT and pasteurized milk, milk tablet products under "Farm Chokchai" brand, as well as serve customers in a form of Contract Manufacturing Business (CMG) for brand owners of beverage products both domestically and internationally. In the year 2020 – 2021, MALEE has revenue from Brand and CMG business accounting for approximately 63% and 37%, respectively.

In the year 2019 – 2021, MALEE had revenue from sales of THB 4,921 million, THB 3,870 million and THB 3,458 million, respectively, which decreased year by year. This was mainly due to a decrease in revenue from Brand business which was a result of the contraction of the domestic fruit juices market due to changes in consumer behavior. Meanwhile, revenue from the Contract Manufacturing Business (CMG) also declined due to the economic slowdown and a loss of some customers. In this regard, the Financial Advisor estimates MALEE's revenue from sales based on the executives' projection in which such projection has been adjusted based on the actual historical data of each business as follows;

Brand Business – the Financial Advisor expects revenue from Brand Business in 2022 to grow 15% from the previous year, based on actual sales data in the first three months of 2022 that increased compared to the same period last year. For the year 2023 – 2024, the Financial Advisor estimates revenue from Brand Business shall continue to grow from the previous year under the assumption of the relief of the COVID-19 situation and the full opening of the country in the second half of the year 2022, together with the consideration of the market trend of premium fruit juice, the main product of the Company, that during the first quarter of 2022 the market value of this type of fruit juice continued to expand by 5% from the previous year, contrary to the contraction of other fruit juice markets. In the year 2024, the growth shall be equivalent to the pre-COVID-19 epidemic period. For the projection year 2025 - 2026, the Financial Advisor determines the revenue from Brand Business to grow at a reduced rate, equal to 3.00% and 2.00% per year, respectively, based on long-term averages of inflation over the past 20 years.

Contract Manufacturing Business (CMG Business) the Financial Advisor determines revenue from CMG Business in the year 2022 to grow 11% from the previous year, based on an increase in actual sales data in the first three months of 2022. In addition, in the middle of 2022, the Company shall begin to recognize revenue from CMG Business for a new customer under a 5-year long-term contract. In 2023, the Financial Advisor expects that revenue from CMG Business shall continue to grow by approximately 19% from the previous year, reflecting the recognition of revenue from such new customer for a full year. For the year 2024 – 2026, the Financial Advisor has determined a gradual revenue growth rate of 2.00% per year based on the average long-term inflation rate over the past 20 years. In this regard, the revenue from CMG Business during the projection

period shall be in the range of THB 1,292 – 1,569 million, which is not more than the actual revenue of the Company during the past 3 years.

Revenue from sales of MALEE in the past year and for the projection period can be summarized as follows;

THB Million	2019A	2020A	2021A	2022F	2023F	2024F	2025F	2026F
Brand Business	2,760	2,386	2,241	2,577	2,835	2,977	3,099	3,161
CMG Business	2,161	1,484	1,217	1,292	1,479	1,508	1,539	1,569
Revenue from Sales	4,921	3,870	3,458	3,869	4,314	4,485	4,637	4,730
<i>Growth Rate (%)</i>	<i>(8)%</i>	<i>(21)%</i>	<i>(11)%</i>	<i>12%</i>	<i>11%</i>	<i>4%</i>	<i>3%</i>	<i>2%</i>

2) Other Income

Most of MALEE's other income consist of income from other contract manufacturing, income from sales of scrap, income from sales of raw materials, profit from sale of assets, interest income and gains from foreign exchange, etc. In the year 2019 – 2021, MALEE has other income of THB 79 million, THB 44 million and THB 35 million, respectively. The Financial Advisor estimates MALEE's other income over the next 5 years in the range of THB 45 – 55 million, accounting for 1.2% of revenue from sales based on average of other revenue to revenue from sales ratio over the past 5 years.

3) Cost of Sales

Cost of sales is mainly the costs of production which consist of raw material costs, packaging costs, labor costs and other production costs. In the year 2019 – 2021, MALEE has cost of sales (excluding depreciation) of THB 3,915 million, THB 2,965 million and THB 2,529 million, accounting for 79.6%, 76.6% and 73.1% of revenue from sales, respectively. In this regard, the proportion of cost of sales to revenue of MALEE continually decreased due to efficiency in controlling production costs.

In estimating cost of sales, the Financial Advisor based on historical financial information of MALEE by considering the actual cost of sales by business segment in the past. The Financial Advisor has determined that the cost of sales for Brand Business is 68.9% of revenue from the said business based on actual proportions in 2021 in order to reflect the result of recent improvement in manufacturing process efficiency. Meanwhile, cost of sales of CMG Business is projected to improve slightly from the year 2021, based on contract manufacturing of new major customers with higher gross margins than existing customers. Cost of sales of MALEE in the year 2022 – 2026 can be summarized as follows;

THB Million	2019A	2020A	2021A	2022F	2023F	2024F	2025F	2026F
Brand Business	1,976	1,608	1,543	1,775	1,952	2,050	2,134	2,176
CMG Business	1,939	1,357	986	1,034	1,168	1,192	1,215	1,240
Cost of Sales	3,915	2,965	2,529	2,808	3,120	3,241	3,349	3,416

THB Million	2019A	2020A	2021A	2022F	2023F	2024F	2025F	2026F
Percentage of Revenue from Sales	79.6%	76.6%	73.1%	72.6%	72.3%	72.3%	72.2%	72.2%

4) Operating Expenses

Major operating expenses consist of selling expenses, staff expenses, shipping costs, maintenance costs, and rental costs, most of which are fixed costs, projected to increase at a rate of 2.0% per annum, based on the average long-term inflation over the past 20 years (except staff expenses that are set to increase at a rate of 5.0% per year). While, selling expenses set to be equal to 11.3% of revenue from sales based on the actual expenses incurred during the past 3 years as follows;

THB Million	2019A	2020A	2021A	2022F	2023F	2024F	2025F	2026F
Selling Expenses	535	423	430	438	489	508	525	536
Administrative Expenses	548	486	495	509	525	540	557	573

5) Gross Profit Margin and Earnings before Interest Expense, Income tax, Amortization and Depreciation

According to the projected revenue from sales, cost of sales and operating expenses, the gross profit margin (before depreciation) and earnings before interest expense, income tax, amortization and depreciation (EBITDA Margin) can be summarized as follows;

%	2019A	2020A	2021A	2022F	2023F	2024F	2025F	2026F
Gross Profit Margin	20.4%	23.4%	26.9%	27.4%	27.7%	27.7%	27.8%	27.8%
EBITDA Margin	1.4%	3.0%	3.6%	5.8%	7.0%	7.0%	7.1%	7.0%

(1) Gross profit margin before depreciation

In the projection period, gross profit margin and EBITDA margin are expected to increase from the past since it is estimated that MALEE shall have higher revenue from sales. While, the cost of sales shall have a lower proportion compared to the revenue which is a result of continuous improvement in the production processes that MALEE has been continuously implementing so far in the past. In addition, most of operating expenses are fixed, as a result, the ratio decreased as MALEE earned more revenue. In this regard, the Financial Advisor considers the reasonableness of the projected EBITDA margin over the next 5 years, which is in the range of 5.8 - 7.0%, by studying the historical performance of MALEE during the year 2011 – 2017, which were the years that MALEE still had a net profit from operations. During the aforesaid years, MALEE had an average EBITDA Margin of 9.6% (excluding the profit margin of 2012 and 2016, which were the years that MALEE had revenue from sales of exceeding THB 6,000 million since such revenue is significantly higher than projected revenue over the next five years). Therefore, the Financial Advisor assesses that the projected EBITDA Margin is feasible and reasonable.

7) Interest Expense

As of 31 March 2022, MALEE has outstanding balance of short-term and long-term loans from financial institutions in the amount of THB 1,934 million. The Financial Advisor determines that the loan interest rate is equal to 3.41% per annum, equal to the average loan interest rate paid by MALEE in the year 2021.

Projected interest expense in MALEE's income statement in the year 2022 – 2026 can be summarized as follows;

THB Million	2019A	2020A	2021A	2022F	2023F	2024F	2025F	2026F
Interest Expense	66	71	76	75	77	75	71	65

8) Corporate Income Tax

The Financial Advisor determines the corporate income tax rate equal to 20% of profit before tax. In calculating MALEE's corporate income tax, MALEE's accumulated tax losses shall be considered deductible with taxable profits in which as of 31 December 2021, MALEE has accumulated tax losses of THB 1,449 million.

9) Capital Expenditure

Land, building and equipment are considered one of MALEE's core assets, accounting for 39.4% of total assets, based on the consolidated financial statements as of 31 March 2022. In estimating capital expenditure, the Financial Advisor considers historical financial information and interviews with the executives of MALEE in which the Financial Advisor determines the capital expenditure in the projection period based on the budget prepared by the executives of MALEE.

Capital expenditure in the projection period which includes capital expenditure of land, building and equipment and intangible assets can be shown in the following table;

THB Million	2019A	2020A	2021A	2022F	2023F	2024F	2025F	2026F
Capital Expenditure	106	23	33	32	52	32	32	32

10) Working Capital

In estimating future working capital, the Financial Advisor bases on MALEE's historical working capital ratio over the past 5 years in which details of historical working capital and projected working capital in the future are shown in the following table;

Unit: Day	2018A	2019A	2020A	2021A	2022F	2023F	2024F	2025F	2026F
Average Collection Period	59	62	56	69	61	61	61	61	61
Inventory Turnover Period	77	48	67	80	74	74	74	74	74
Average Payment Period	50	50	56	71	55	55	55	55	55

11) Summary of MALEE's Financial Projection

Projeciton Period						1	2	3	4	5
MALEE Profit and Loss	2017A	2018A	2019A	2020A	2021A	2022E	2023F	2024F	2025F	2026F
<i>(Unit: THB million)</i>										
Sale and service revenue	5,916	5,339	4,921	3,870	3,458	3,869	4,314	4,485	4,637	4,730
Other income	72	47	79	44	35	45	50	52	54	55
Total Revenue	5,988	5,386	5,000	3,915	3,492	3,914	4,364	4,538	4,692	4,785
Cost of sale and service	4,216	4,185	4,101	3,169	2,623	2,927	3,242	3,363	3,470	3,541
Selling and administrative exp	1,396	1,521	1,099	916	924	948	1,013	1,048	1,082	1,109
Earnings before interest and tax	376	(320)	(199)	(170)	(56)	39	109	126	140	136
Share of profits from JV	(22)	(16)	(12)	(27)	(6)	-	-	-	-	-
Finance cost	(22)	(60)	(66)	(71)	(76)	(75)	(77)	(75)	(71)	(65)
Income tax	(46)	101	66	66	16	7	(6)	(10)	(14)	(14)
Net Profits	286	(295)	(211)	(203)	(122)	(29)	26	41	55	56
Normalized EBITDA	557	(90)	69	116	125	225	303	316	327	329
EBITDA Margin	9.4%	-1.7%	1.4%	3.0%	3.6%	5.8%	7.0%	7.0%	7.1%	7.0%

12) Terminal Growth Rate

The Financial Advisor estimates the terminal growth rate of cash flows after the year 2026, which is the last projection year, equal to 0% per year in order to adhere to the conservative basis.

13) Discount Rate

The Financial Advisor uses MALEE's Weighted Average Cost of Capital (WACC), which is derived from averaging cost of debt and cost of equity, as the discount rate used to calculate the present value of MALEE's net cash flows.

WACC used by the Financial Advisor is calculated by the following formula;

$$WACC = K_d \cdot (1-T) \cdot (D/A) + K_e \cdot (E/A)$$

- K_d = Loan interest rate equal to 3.41% per year
- T = Income tax rate equal to 20% of profit before tax
- K_e = Return on Equity equal to 11.88% per year
- D/A = Interest bearing debt to total assets ratio equal to 61.9% (based on MALEE's average interest-bearing debt to equity ratio in the last projection year, representing the capital structure during the period that MALEE has operating profit, which is equal to 1.62 times)
- E/A = Equity to total asset ratio equivalent to 38.1% (based on MALEE's interest-bearing debt to equity ratio as of the last projection year, which is 1.62 times)

The rate of return on equity (Ke or Cost of Equity) is calculated from the Capital Asset Pricing Model (CAPM) with the following formula;

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

Where:

R_f = The rate of returns on investment in 15-year government bonds as of 17 June 2022, which is equal to 3.61%.

β (Beta) = The volatility of returns of MALEE's shares compared to the return of the Stock Exchange of Thailand for the past 5 years is equal to 1.32 (Source: Bloomberg).

R_m = The rate of returns on investment in the Stock Exchange of Thailand in the period of 15 years (Market Return), which is 9.88% (Source: calculation of the Financial Advisor)

According to the above calculation formula, MALEE's weighted average cost of capital is equal to 6.22%.

12) Summary of MALEE's share valuation by using the Discounted Cash Flow Approach (DCF)

According to the above assumptions, cash flows to the entity over the next 5 years can be summarized as follows;

MALEE (Unit: THB Million)	9M2022F	2023F	2024F	2025F	2026F
Net Profit before Interest and Income Tax	38	109	126	140	136
<u>Less Tax</u>	-	-	-	-	-
Depreciation and Amortization	144	193	189	188	193
Capital Expenditure	(26)	(52)	(32)	(32)	(32)
Changes in Working Capital	(195)	(113)	(58)	(52)	(41)
Free Cash Flows to the Firm	(38)	138	226	244	256

According to the above-mentioned free cash flows to the firm, the fair value of MALEE's ordinary shares in the base case and Sensitivity Analysis can be calculated by increasing or decreasing the discount rate by 0.5% (+/- 50 bps), which shall result in the value of MALEE's shares as follows;

Sensitivity Analysis	Discount Rate		
	6.79%	6.29%	5.79%
Value of MALEE's shares (THB Million)	1,592	1,891	2,243

According to the share valuation by using the Discounted Cash Flow Approach (DCF), the value of MALEE's shares in the base case is equal to THB 1,891 million or THB 6.85 per share. And if analyzing the sensitivity of

the share value by adjusting the discount rate +/- 50 bps, the value of MALEE's shares shall be in the range of THB 1,592 – 2,243 million or THB 5.77 – 8.13 per share.

3.2.6 Summary of Fair Valuation of MALEE's shares

The Financial Advisor assesses the fair value of MALEE's shares through various valuation approaches which can be summarized as follows;

Valuation Approach	THB Million	Appropriateness
1. Book Value Approach	630	Not Appropriate
2. Adjusted Book Value Approach	962	Not Appropriate
3. Volume-Weighted Average Price Approach	2,000 – 2,118	Not Appropriate
4. P/BV Multiple	1,051 – 1,087	Not Appropriate
5. Discounted Cash Flow Approach	1,592 – 2,243	Appropriate

The Financial Advisor has an opinion on the appropriateness of each approach used in valuing MALEE's shares as follows;

- ▶ **Book Value Approach** is not appropriate as this approach is based on information from financial statements recently audited and/or reviewed which show the financial position of the entity at specific point of time in accordance with the accounting policies stipulated and cannot reflect the profitability and future cash flows of the entity. Therefore, this approach is not appropriate for share valuation of the entity.
- ▶ **Adjusted Book Value Approach** is not appropriate. Although this approach can better reflect the actual value of MALEE's shares than the book value approach due to the adjustments in the value of the Company's main assets, i.e. land, building, machinery and equipment to be fair value of such assets in order to reflect the current state of the shareholders' equity, this approach still does not take into account future earnings and ability to generate cash flows in the future of the Company.
- ▶ **Volume Weighted Average Price Approach** is a valuation approach that refers to the trading price of the company's shares in the SET, which, generally, are prices that reflect the demand and supply of the shares. This can reflect the real value of the shares based on the view of investors on fundamentals and growth potential of the company under the share trading condition with an appropriate level of liquidity. However, since in the past one year, MALEE's ordinary shares had average daily trading volume of only 531,838 shares, or 0.19% of the total shares (calculated during 21 June 2021 – 17 June 2022) which was considered a low trading liquidity. Therefore, the share price calculated by such approach does not properly reflect the actual demand and supply of investors in the SET.

- ▶ **Market Comparable Approach** is not appropriate as it reflects the views of investors towards the company and related industries by considering current profitability and financial position regardless of future performance. In addition, this approach is a comparison of various market ratios of companies listed on the SET which operate similar business to MALEE, but those comparable companies cannot directly compare to MALEE. Therefore, such approach is not appropriate to use comparing for valuation of MALEE's shares.
- ▶ **Discounted Cash Flow Approach** is appropriate because the Discounted Cash Flow Approach (DCF) reflects MALEE's future profitability and cash flow generation by taking into account a number of factors that affect operations such as policies and plans, competitiveness, cost efficiency, investment in core assets and tax benefits, etc. In this regard, the assumptions used in the projection are based on the analysis of the Company's past performance data, together with future action plans, economic and industrial information, as well as the views of executives and industry analysts. Therefore, the Financial Advisor has an opinion that this approach is appropriate to use in valuation of MALEE's shares.

However, the valuation of shares by this approach may be subject to the uncertainty of various significant factors in the future that may change from determined assumptions, such as market conditions, competition, and the spread of the virus, which may affect the Company's projected revenue and profit. If there are some key factors that significantly change from the assumptions used, this may affect the valuation of such shares.

According to the aforesaid, the Financial Advisor has an opinion that the **Discounted Cash Flow Approach** is an appropriate approach for estimating the fair value of MALEE's shares. The appropriate value of MALEE's shares calculated from the Discounted Cash Flow Approach is in the range of THB 1,592 – 2,243 million or THB 5.77 – 8.13 per share.

3.3 Summary of Assessment of Appropriateness of Share Swap Ratio

Appropriate value of MALEE's shares estimated by using the Discounted Cash Flow Approach is in the range of THB 1,592 - 2,243 million or THB 5.77 - 8.13 per share, while the appropriate value of ABICO's shares estimated by using the Discounted Cash Flow Approach is in the range of THB 1,995 - 2,418 million or THB 8.16 - 9.89 per share. Therefore, the share swap ratio can be calculated as follows;

Ordinary Share	Fair Value assessed by Financial Advisor		Valuation Approach
	THB Million	THB per Share	
ABICO	1,995 – 2,418	8.16 – 9.89	Discounted Cash Flow Approach
MALEE	1,592 – 2,243	5.77 – 8.13	Discounted Cash Flow Approach
Share Swap Ratio	1.0042 – 1.7156		

According to the above table, the appropriate share swap ratio is in the range of one ABICO's share per 1.0042 – 1.7156 MALEE's newly issued ordinary shares. Therefore, the share swap ratio based on the tender offer at the swap ratio of 1 ABICO's ordinary share per 1.12930899 MALEE's newly issued ordinary shares is appropriate.

4. Summary of Opinion of Financial Advisor

The Financial Advisor has an opinion that the implementation of the shareholding and management restructuring plan between MALEE and ABICO, where MALEE shall make a tender offer for all ABICO's ordinary shares from all ABICO's shareholders, is reasonable. This is because the shareholding and management restructuring plan is aimed at increasing the efficiency of the Group's business operations to be able to respond to business opportunities more effectively, increase the strength of operating performance, clarify business structure of the Group and reduce the risk of conflicts of interest that may arise between MALEE and ABICO in the future. In addition, within 12 months after the completion of the tender offer, MALEE and ABICO shall proceed to eliminate the cross-shareholding that shall make the shareholding structure of the Group clearer.

In addition, the issuance of MALEE's newly issued ordinary shares in the amount of not exceeding 276,000,000 shares (par value of THB 0.50 per share) to be paid as compensation to the shareholders of ABICO who offered ABICO's shares to MALEE at the share swap ratio of one ABICO's ordinary share per 1.12930899 MALEE's newly issued ordinary is appropriate, fair and does not cause ABICO's shareholders who accepted the tender offer to lose their benefits from the share swap since the aforementioned share swap ratio is in the range of the appropriate share swap ratio assessed by the Financial Advisor at the swap ratio of one ABICO's ordinary share per 1.0042 – 1.7156 MALEE's newly issued ordinary shares.

The Financial Advisor has an opinion that the shareholders of ABICO should accept this tender offer since the shareholding and management restructuring plan, including the share swap ratio, are appropriate. In addition, the acceptance of this tender offer can reduce various impacts that may occur to minority shareholders after the delisting of ABICO's ordinary shares from being listed on the SET. However, the final decision whether to accept or reject the tender offer rest primarily with the individual shareholders. The shareholders should study the information contained in the Form 69/247-1 along with this opinion report of the Financial Advisor and use his/her own discretionary judgement in making the final decision.

KGI Securities (Thailand) Public Company Limited as the Financial Advisor hereby certifies that the opinions have prudently been provided in compliance with the professional standards and principles by mainly considering appropriateness, reasonableness, and benefits of shareholders.

Sincerely Yours,

KGI Securities (Thailand) Public Company Limited



- Rachada Klewpatinond -

(Rachada Klewpatinond)
Managing Director
Investment Banking Business 2
Authorized Person

- Jay Boonbundol -

(Jay Jinath Boonbundol)
Senior Vice President
Investment Banking Business 2
Financial Advisor

Appendix 1
Summary of Asset Valuation Report of MALEE

15 Business Advisory Limited, an Independent Property Appraiser approved by the Valuers Association of Thailand and the SEC, has appraised the assets of Malee Group Public Company Limited, comprising of land, building and structure, machinery, equipment and other fixed assets, according to the property appraisal report dated 8 February 2022, which can be summarized as follows;

Details (Unit: THB Million)	Book Value	Appraised Value	Value Difference
Land	410.32	429.30	18.98
Building and Structure	70.17	137.00	66.83
Machinery, Equipment and Other Fixed Asset	920.76	1,238.90	318.14
Total	1,401.25	1,805.20	403.95

Details of each property valuation group can be displayed as follows;

1. Land Appraisal

The Independent Property Appraiser has assessed value of 3 groups of land with a total area of 46 rais, 1 ngan, 77 square wah in Sampran District, Nakhon Pathom Province on 25 January 2022 as follows;

Group	Type of Land	Land Area			Land Owner	Obligation
		Rai	Ngan	Square Wah		
1	Building and Structure	33	2	32	Malee Group PCL.	Yes ⁽¹⁾
2	Vacant Land	9	2	37	Malee Group PCL.	No
3	Building and Structure	3	1	8	Malee Group PCL.	No
Total Land Area		46	1	77		

Remark (1): secured as collateral with Krung Thai Bank Public Company Limited

The Independent Property Appraiser conducted a land survey and property appraisal on 25 January 2022 by using the Market Approach by surveying 4 plots of land in the vicinity which were considered to be potential data similar to the appraised property. The aforementioned data shall be analyzed and compared to find the value of the property by using such comparable market information to assess the potential of the land in various aspects such as location comparison, width/type of road, environment, land access and utilities. Then, adjusting the offering price of each comparable land that is compared to the price of the land that the Company has entered into the transaction by using the Weighted Quality Score approach, and calculate the value of appraised land from the weighted average of the adjusted offering price of the comparative data.

1.1 Market Comparative Data used for Land Appraisal – Group 1

	Appraised Property	Data 1	Data 2	Data 3	Data 6
Location	Adjacent to Sampran Road, separate from Petchkasem Road for 450 meters	Petchkasem Road (Public road No.4) at 35-36 kilometer mark	Petchkasem Road (Public road No.4) at 35-36 kilometer mark	Petchkasem Road (Public road No.4) at 35-36 kilometer mark	Adjacent to Soi Sampran, separate from Petchkasem Road for 500 meters
Land Area (Rai-Ngan-Square Wah)	33-2-32 (13,432 Square Wah)	30-2-27 (12,227 Square Wah)	16-0-50 (6,450 Square Wah)	6-0-40 (2,440 Square Wah)	14-1-59 (5,759 Square Wah)
Status	-	Offer for Sale	Offer for Sale	Offer for Sale	Offer for Sale
Offering Price (THB/Rai)	-	10,000,000	10,440,000	11,150,000	5,500,000
Value after Adjustment (THB/Rai)	-	10,925,000	9,918,000	10,592,500	10,450,000
Weighted Level	-	25%	25%	25%	25%
Value after Weighting (THB/Rai)	10,500,000	2,731,250	2,479,500	2,648,125	2,612,500
Market Value of Property (THB)	352,600,000				

The Independent Property Appraiser appraised the land price - Group 1 at THB 10,500,000 per rai, representing a total land value of THB 352.6 million.

1.2 Market Comparative Data used for Land Appraisal – Group 2

	Appraised Property	Data 3	Data 4	Data 5	Data 6
Location	Adjacent to Soi Sampran 4, separate from Petchkasem Road for 1,050 meters	Petchkasem Road (Public road No.4) at 35-36 kilometer mark	Petchkasem Road (Public road No.4) at 36-37 kilometer mark	Adjacent to Soi Sampran 2, separate from Petchkasem Road for 2,050 meters	Adjacent to Soi Sampran 13, separate from Petchkasem Road for 500 meters
Land Area (Rai-Ngan-Square Wah)	9-2-37 (3,837 Square Wah)	6-2-40 (2,640 Square Wah)	4-3-53 (1,953 Square Wah)	9-3-47 (3,947 Square Wah)	14-1-59 (5,759 Square Wah)
Status	-	Offer for Sale	Offer for Sale	Offer for Sale	Offer for Sale
Offering Price (THB/Rai)	-	11,150,000	11,200,000	4,500,000	5,500,000
Value after Adjustment (THB/Rai)	-	3,177,750	2,800,000	4,275,000	4,180,000
Weighted Level	-	25%	25%	25%	25%

	Appraised Property	Data 3	Data 4	Data 5	Data 6
Value after Weighting (THB/Rai)	3,600,000	794,438	700,000	1,068,750	1,045,000
Market Value of Property (THB)	34,500,000				

The Independent Property Appraiser appraised the land price - Group 2 at THB 3,600,000 per rai, representing a total land value of THB 34.5 million.

1.3 Market Comparative Data used for Land Appraisal – Group 3

	Appraised Property	Data 2	Data 3	Data 4	Data 6
Location	Adjacent to Sampran Road, separate from Petchkasem Road for 720 meters	Petchkasem Road (Public road No.4) at 35-36 kilometer mark	Petchkasem Road (Public road No.4) at 35-36 kilometer mark	Petchkasem Road (Public road No.4) at 36-37 kilometer mark	Adjacent to Soi Sampran 13, separate from Petchkasem Road for 500 meters
Land Area (Rai-Ngan-Square Wah)	3-1-8 (1,308 Square Wah)	16-0-50 (6,450 Square Wah)	6-0-40 (2,440 Square Wah)	4-3-53 (1,953 Square Wah)	14-1-59 (5,759 Square Wah)
Status	-	Offer for Sale	Offer for Sale	Offer for Sale	Offer for Sale
Offering Price (THB/Rai)	-	10,440,000	11,150,000	11,200,000	5,500,000
Value after Adjustment (THB/Rai)	-	14,877,000	13,770,250	10,080,000	12,801,750
Weighted Level	-	25%	25%	25%	25%
Value after Weighting (THB/Rai)	12,900,000	3,719,250	3,442,563	2,520,000	3,200,313
Market Value of Property (THB)	42,200,000				

The Independent Property Appraiser appraised the land price - Group 3 at THB 12,900,000 per rai, representing a total land value of THB 42.2 million.

1.4 Summary of Appraised Price of Land in Total

Appraised Price	THB Million
Land Group 1: Area 33 Rais, 2 Ngans, 32 Square Wah	352.60
Land Group 2: Area 9 Rais, 2 Ngans, 37 Square Wah	34.50
Land Group 3: Area 3 Rais, 1 Ngan, 8 Square Wah	42.20
Total	429.30

2. Building and Structure Appraisal

The Independent Property Appraiser has appraised the value of building and structure by using the Depreciated Replacement Cost approach which considers the replacement cost new based on the standard cost of construction of the Valuers Association of Thailand. Then, a depreciation of building and structure shall be deducted from the replacement cost new by estimating physical depreciation at 2% per year for approximately 9-30 years. Details are as follows;

2.1 Building and Structure Appraisal - Group 1

Details of Buildings and Structures	Area (Square Meters)	Useful Life	Replacement Cost New	Depreciation	Appraised Value
<u>Buildings</u> Production building, office building, nursing building, warehouse building, wastewater controlling building, unloading building, etc.	28,578	9 – 30 years	261,849,500	(150,030,750)	111,818,750
<u>Structures</u> Sewage well, roads and walkways, fences and gates, etc.	8,785	11 – 30 years	29,551,900	(15,214,308)	14,337,842
Total	37,363	9 – 30 years	291,401,400	(165,245,058)	126,156,592

2.2 Building and Structure Appraisal - Group 2

- None -

2.3 Building and Structure Appraisal - Group 3

Details of Buildings and Structures	Area (Square Meters)	Useful Life	Replacement Cost New	Depreciation	Appraised Value
<u>Buildings</u> Dormitory (5 floors), guard building	1,905	13 – 30 years	19,136,000	(11,460,960)	7,675,040
<u>Structures</u> Garages, roads and walkways, concrete fences, etc.	5,053	13 years	7,115,600	(3,984,736)	3,130,864
Total	6,958	13 – 30 years	26,251,600	(15,445,696)	10,805,904

The Independent Property Appraiser appraised land, buildings and structures of MALEE at THB 137.0 million.

2.4 Summary of Appraised Price of Building and Structure in Total

Appraised Price	THB Million
Building Group 1 – Production Building and Other Structures	126.20
Building Group 2 – Dormitory and Other Structures	10.80
Total	137.00

3. Machinery, Equipment and Other Fixed Assets Appraisal

The Independent Property Appraiser has assessed the value of machinery, equipment and other fixed assets by using Depreciated Replacement Cost, which considers the replacement cost new from the rebuilding price of such property with manufacturer, dealers or other published information, including considering cost of the aforesaid property in the past and price of other properties with similar conditions or using the price index if it is unable to find the replacement cost. Then, physical depreciation, utility depreciation and economic depreciation of such property shall be deducted from value of the property. Details are as follows;

No.	Group of Property	Market Value (THB)
1.	Rental improvement area of Abico Building such as elevator, furniture, awning and document cabinet, etc.	72,171,284
2.	Machinery such as filling machine, transformer, fire alarm system, line pasteurizer ALFA-LAVAL, line coffee pasteurizer APV, Line UHT, etc.	1,101,611,768
3.	Vehicles such as cars, tractors	3,630,857
4.	Office equipment such as chairs, desks, lockers, televisions, etc.	16,919,109
5.	Computer and equipment	6,315,234
6.	Other properties consist of vehicles, properties under construction which are an improvement of ventilation system project, an improvement of main water pipes project	38,246,757
	Total	1,238,895,009

The Independent Property Appraiser appraised the machinery, equipment and other fixed assets of MALEE equal to THB 1,238.90 million.

Appendix 2
Summary of Asset Valuation Report of MEC

15 Business Advisory Limited, an Independent Property Appraiser approved by the Valuers Association of Thailand and the SEC, has appraised the assets of Malee Enterprise Company Limited (“MEC”), which are classified into 2 groups; (1) Land and (2) machinery and equipment, according to the property appraisal report dated 8 February 2022, which can be summarized as follows;

Details (Unit: THB Million)	Book Value	Appraised Value	Value Difference
Land	0.60	0.65	0.05
Machinery, Equipment and Other Fixed Asset	0.54	4.68	4.14
Total	1.14	5.33	4.19

Details of each property valuation group can be displayed as follows;

1. Land Appraisal

The Independent Property Appraiser has appraised the land owned by MEC, title deed no. 25973, in the total area of 50 square wah, located in Soi Chon Kasem 39, Makhm Tia Subdistrict, Mueang District, Surat Thani Province, which is a land without obligations. The Independent Property Appraiser conducted a land survey and property appraisal on 25 January 2022 by using the Market Approach by surveying 4 plots of land in the vicinity which were considered to be potential data similar to the appraised property. The aforementioned data shall be analyzed and compared to find the value of the property by using such comparable market information to assess the potential of the land in various aspects. Then, adjusting the offering price of each comparable land that is compared to the price of the land that the Company has entered into the transaction by using the Weighted Quality Score approach, and calculate the value of appraised land from the weighted average of the adjusted offering price of the comparative data.

1.1 Market Comparative Data used for Land Appraisal

	Appraised Property	Data 1	Data 2	Data 3	Data 4
Location	Soi Chon Kasem 39	Soi Chon Kasem 35	Soi Chon Kasem 37	Soi Chon Kasem 39	Soi Chon Kasem
Land Area (Rai-Ngan-Square Wah)	0-0-50 (50 Square Wah)	0-0-81.4 (81.4 Square Wah)	0-0-50 (50 Square Wah)	0-0-50 (50 Square Wah)	Approximately 5 Rais
Status	-	Offer for Sale	Trading year 2019	Trading year 2020	Offer for Sale
Offering Price (THB/Square Wah)	-	12,000	15,000	14,000	18,750

	Appraised Property	Data 1	Data 2	Data 3	Data 4
Value after Adjustment (THB/Square Wah)	-	10,260	14,025	12,495	14,344
Weighted Level	-	25%	25%	25%	25%
Value after Weighting (THB/Square Wah)	13,000	2,565	3,506	3,124	3,586
Market Value of Property (THB)	650,000				

2. Machinery, Equipment and Other Fixed Assets Appraisal

The Independent Property Appraiser has assessed the value of machinery, equipment and other fixed assets by using Depreciated Replacement Cost, which considers the replacement cost new from the rebuilding price of such property with manufacturer, dealers or other published information, including considering cost of the aforesaid property in the past and price of other properties with similar conditions or using the price index if it is unable to find the replacement cost. Then, physical depreciation, utility depreciation and economic depreciation of such property shall be deducted from value of the property. There are approximately 54,000 appraised properties in which the details are as follows;

No.	Group of Property	Market Value (THB)
1.	Vehicles	5,806
2.	Office equipment	142,371
3.	Computer and equipment	5,604
4.	Dispenser, freezer, tasting machine, etc.	2,812,895
5.	Other properties such as plastic pallets, crates, packing baskets	1,713,110
	Total	4,679,786

Appendix 3
Summary of Asset Valuation Report of MCC

15 Business Advisory Limited, an Independent Property Appraiser approved by the Valuers Association of Thailand and the SEC, has appraised the assets of Malee Capital Company Limited (“MCC”), which are classified into 2 groups; (1) Land and (2) Building and Structure, according to the property appraisal report dated 8 February 2022, which can be summarized as follows;

Details (Unit: THB Million)	Book Value	Appraised Value	Value Difference
Land	17.62	17.62	-
Building and Structure	16.57	17.70	1.13
Total	34.19	35.32	1.13

Details of each property valuation group can be displayed as follows;

1. Land Appraisal

The Independent Property Appraiser has assessed value of 3 groups of land with a total area of 118 rais, 3 ngan, 79 square wah in Ban Phaeng District, Nakhon Phanom Province on 25 January 2022 as follows;

Group	Type of Land	Land Area			Land Owner	Obligation
		Rai	Ngan	Square Wah		
1	Building and Structure	103	2	54	Malee Capital Company Limited	No
2	Vacant Land	-	2	5	Malee Capital Company Limited	No
3	Building and Structure	14	3	20	Malee Capital Company Limited	No
Total Land Area		118	3	79		

The Independent Property Appraiser conducted a land survey and property appraisal on 25 January 2022 by using the Market Approach by surveying 4 plots of land in the vicinity which were considered to be potential data similar to the appraised property. The aforementioned data shall be analyzed and compared to find the value of the property by using such comparable market information to assess the potential of the land in various aspects such as location comparison, width/type of road, environment, land access and utilities. Then, adjusting the offering price of each comparable land that is compared to the price of the land that the Company has entered into the transaction by using the Weighted Quality Score approach, and calculate the value of appraised land from the weighted average of the adjusted offering price of the comparative data.

1.1 Market Comparative Data used for Land Appraisal – Group 1

	Appraised Property	Data 1	Data 2	Data 7	Data 9
Location	Adjacent to Ban Phaeng - Ban Tha Lat Road, Phon Thong Subdistrict	Adjacent to Ban Phaeng - Ban Tha Lat Road, Phon Thong Subdistrict	Separate from Ban Phaeng-Ban Tha Lat Road, Phon Thong Subdistrict	Adjacent to Ban Tha Lat - Ban Na Khe Road, Na Khe Subdistrict	Adjacent to Ban Na Dee-Hua Phu Road, Phon Thong Subdistrict
Land Area (Rai-Ngan-Square Wah)	103-2-54 (41,454 Square Wah)	9-0-0 (3,600 Square Wah)	12-0-0 (4,800 Square Wah)	45-2-60 (18,260 Square Wah)	30-0-0 (12,000 Square Wah)
Status	-	Trading year 2021	Offer for Sale	Offer for Sale	Offer for Sale
Offering Price (THB/Rai)	-	250,000	100,000	142,388	1,500,000
Value after Adjustment (THB/Rai)	-	162,500	97,750	108,927	202,500
Weighted Level	-	25%	25%	25%	25%
Value after Weighting (THB/Rai)	140,000	40,625	24,438	27,232	50,625
Market Value of Property (THB)	14,500,000				

The Independent Property Appraiser appraised the land price - Group 1 at THB 140,000 per rai, representing a total land value of THB 14.50 million.

1.2 Market Comparative Data used for Land Appraisal – Group 2

	Appraised Property	Data 1	Data 3	Data 4	Data 5
Location	Adjacent to Ban Phaeng - Ban Tha Lat Road, Phon Thong Subdistrict	Adjacent to Ban Phaeng - Ban Tha Lat Road, Phon Thong Subdistrict	Adjacent to Ban Phaeng - Ban Tha Lat Road, Phon Thong Subdistrict	Adjacent to Ban Tha Lat - Ban Na Khe Road, Na Khe Subdistrict	Adjacent to Ban Phaeng - Ban Tha Lat Road, Phon Thong Subdistrict
Land Area (Rai-Ngan-Square Wah)	0-2-5 (205 Square Wah)	9-0-0 (3,600 Square Wah)	2-3-0 (1,100 Square Wah)	1-2-0 (600 Square Wah)	4-2-0 (1,800 Square Wah)
Status	-	Trading year 2021	Offer for Sale	Offer for Sale	Trading year 2021
Offering Price (THB/Rai)	-	250,000	545,454	1,333,333	850,000
Value after Adjustment (THB/Rai)	-	400,000	695,454	1,246,666	935,000
Weighted Level	-	25%	25%	25%	25%

	Appraised Property	Data 1	Data 3	Data 4	Data 5
Value after Weighting (THB/Rai)	820,000	100,000	173,863	311,667	233,750
Market Value of Property (THB)	420,000				

The Independent Property Appraiser appraised the land price - Group 2 at THB 420,000 per rai, representing a total land value of THB 0.42 million.

1.3 Market Comparative Data used for Land Appraisal – Group 3

	Appraised Property	Data 1	Data 2	Data 6	Data 10
Location	Adjacent to Ban Phaeng - Ban Tha Lat Road, Phon Thong Subdistrict	Adjacent to Ban Phaeng - Ban Tha Lat Road, Phon Thong Subdistrict	Adjacent to Ban Phaeng - Ban Tha Lat Road, Phon Thong Subdistrict	Adjacent to Chayangkun Road, Phon Thong Subdistrict	Adjacent to Chayangkun Road, Phon Thong Subdistrict
Land Area (Rai-Ngan-Square Wah)	14-3-20 (5,900 Square Wah)	9-0-0 (3,600 Square Wah)	12-0-0 (4,800 Square Wah)	5-3-20 (2,320 Square Wah)	23-0-0 (9,200 Square Wah)
Status	-	Trading year 2021	Offer for Sale	Offer for Sale	Offer for Sale
Offering Price (THB/Rai)	-	250,000	100,000	775,795	850,000
Value after Adjustment (THB/Rai)	-	237,500	121,500	147,401	229,500
Weighted Level	-	25%	25%	25%	25%
Value after Weighting (THB/Rai)	180,000	59,375	30,375	36,850	57,375
Market Value of Property (THB)	2,700,000				

The Independent Property Appraiser appraised the land price - Group 3 at THB 180,000 per rai, representing a total land value of THB 2.70 million.

1.4 Summary of Appraised Price of Land in Total

Appraised Price	THB Million
Land Group 1: Area 103 Rais, 2 Ngans, 54 Square Wah	14.50
Land Group 2: Area 2 Ngans, 5 Square Wah	0.42
Land Group 3: Area 14 Rais, 3 Ngans, 79 Square Wah	2.70
Total	17.62

2. Building and Structure Appraisal

The Independent Property Appraiser has appraised the value of building and structure by using the Depreciated Replacement Cost approach which considers the replacement cost new based on the standard cost of construction of the Valuers Association of Thailand. Then, a depreciation of building and structure shall be deducted from the replacement cost new by estimating physical depreciation at 2% per year for approximately 16-33 years. Details are as follows;

2.1 Building and Structure Appraisal

Details of Buildings and Structures	Area (Square Meters)	Useful Life	Replacement Cost New	Depreciation	Appraised Value
<u>Buildings</u> Production building, office building, multipurpose building, warehouse building, canteen building, maintenance building, etc.	10,118	16 – 33 years	78,180,000	(60,447,330)	17,732,670
<u>Structures</u> Material receiving pond, sewage well, roads and walkways, fences and gates, etc.	4,940	_(1)	_(1)	_(1)	_(1)
Total	15,058	16 – 33 years	78,180,000	(60,447,330)	17,732,670

(1) Not have been appraised because the properties are in disrepair.

The Independent Property Appraiser appraised all buildings and structures of MCC at THB 17.70 million.

Appendix 4
Summary of Asset Valuation Report of MAS

15 Business Advisory Limited, an Independent Property Appraiser approved by the Valuers Association of Thailand and the SEC, has appraised the assets of Malee Applied Sciences Company Limited (“MAS”), comprising of machinery, equipment and other fixed assets, according to the property appraisal report dated 8 February 2022, which can be summarized as follows;

Details (Unit: THB Million)	Book Value	Appraised Value	Value Difference
Machinery, Equipment and Other Fixed Asset	3.40	9.16	5.76
Total	3.40	9.16	5.76

The Independent Property Appraiser has assessed the value of machinery, equipment and other fixed assets by using Depreciated Replacement Cost, which considers the replacement cost new from the rebuilding price of such property with manufacturer, dealers or other published information, including considering cost of the aforesaid property in the past and price of other properties with similar conditions or using the price index if it is unable to find the replacement cost. Then, physical depreciation, utility depreciation and economic depreciation of such property shall be deducted from value of the property. There are approximately 1,800 appraised properties in which the details are as follows;

No.	Group of Property	Market Value (THB)
1.	Machine and Equipment such as pure water making machine, storage tank, pretreat RO system, HICLAVE sterilization system, etc.	4,162,204
2.	Office equipment such as TV, webcam camera, refrigerator, microwave, water dispenser, monitor, etc.	385,950
3.	Improvement area such as doors, electrical system, air conditioning system, air conditioners, freeze dry, buchi machine, pipe-line-gas-line system, shelf, etc.	4,615,773
	Total	9,163,927

The Independent Property Appraiser appraised machinery, equipment and other fixed assets of MAS at THB 9.16 million.

Appendix 5
Summary of Asset Valuation Report of ADF

15 Business Advisory Limited, an Independent Property Appraiser approved by the Valuers Association of Thailand and the SEC, has appraised the assets of Abico Dairy Farm Company Limited (“ADF”), which are classified into 3 groups; (1) Land (2) Building and Structure and (3) machinery, equipment and other fixed assets, according to the property appraisal report dated 8 February 2022, which can be summarized as follows;

Details (Unit: THB Million)	Book Value	Appraised Value	Value Difference
Land	278.1	370.3	92.2
Building and Structure	126.6	221.3	94.7
Machinery, Equipment and Other Fixed Assets	486.3	711.4	225.1
Total	891.0	1,303.0	412.0

Details of each property valuation group can be displayed as follows;

1. Land Appraisal

The Independent Property Appraiser has assessed value of 3 groups of land with a total area of 864 rais, 5 ngans, 31 square wah in Nakhon Ratchasima and Bueng Kan Province on 25 January 2022 as follows;

Group	Type of Land	Land Area			Land Owner	Obligation
		Rai	Ngan	Square Wah		
1	Land located in Nakhon Ratchasima Province	55	-	19	Abico Dairy Farm Co., Ltd.	Mortgaged
2	Land located in Bueng Kan Province – Group 1	761	3	92	Abico Dairy Farm Co., Ltd.	No
3	Land located in Bueng Kan Province – Group 2	48	1	20	Abico Dairy Farm Co., Ltd.	No
Total Land Area		864	5	31		

The Independent Property Appraiser conducted a land survey and property appraisal on 25 January 2022 by using the Market Approach by surveying 4 plots of land in the vicinity which were considered to be potential data similar to the appraised property. The aforementioned data shall be analyzed and compared to find the value of the property by using such comparable market information to assess the potential of the land in various aspects. Then, adjusting the offering price of each comparable land that is compared to the price of the land that the Company has entered into the transaction by using the Weighted Quality Score approach, and calculate the value of appraised land from the weighted average of the adjusted offering price of the comparative data.

1.1 Market Comparative Data used for Factory Land Appraisal - Nakhon Ratchasima Province

	Appraised Property	Data 1	Data 2	Data 3	Data 6
Location	Adjacent to Mittraphap Road at 51-52 kilometer mark	Adjacent to Mittraphap Road at 49-50 kilometer mark	Adjacent to Mittraphap Road at 50-51 kilometer mark	Adjacent to Mittraphap Road at 50-51 kilometer mark	Adjacent to Mittraphap Road at 52-53 kilometer mark
Land Area (Rai-Ngan-Square Wah)	55-0-19 (22,019 Square Wah)	42-1-66 (16,966 Square Wah)	23-0-50 (9,250 Square Wah)	57-2-25 (23,025 Square Wah)	21-0-43 (8,443 Square Wah)
Status	-	Offer for Sale	Offer for Sale	Offer for Sale	Offer for Sale
Offering Price (THB/Rai)	-	6,900,000	7,00,000	7,000,000	6,000,000
Value after Adjustment (THB/Rai)	-	5,589,000	5,355,000	5,670,000	5,670,000
Weighted Level	-	25%	25%	25%	25%
Value after Weighting (THB/Rai)	5,600,000	1,397,250	1,338,750	1,417,500	1,417,500
Market Value of Property (THB)	308,300,000				

The Independent Property Appraiser appraised the factory land price - Nakhon Ratchasima Province at THB 5,600,000 per rai, representing a total land value of THB 308.3 million.

1.2 Market Comparative Data used for Land Appraisal – Seka District, Bueng Kan Province (Group 1)

Land Group 1 in Seka District, Bueng Kan Province, with its condition as a plain, has been currently developed and utilized in agriculture as a dairy farm.

	Appraised Property	Data 1	Data 2	Data 3	Data 4
Location	Adjacent to Ban Sang Nuea Road, Moo 13 - Ban Sang, Moo 1	At Soi Wat Segajetiyaram	Adjacent to Soi Ban Khok, Moo 4	Adjacent to Ban Sang Nuea Road, Moo 13 - Ban Sang, Moo 1	Separate from Soi Chum Chon Ban Tha Kon
Land Area (Rai-Ngan-Square Wah)	750-3-10 (300,310 Square Wah)	80-0-0 (32,000 Square Wah)	73-0-0 (29,200 Square Wah)	143-0-0 (57,200 Square Wah)	Approximately 870 rais
Status	-	Offer for Sale	Offer for Sale	Offer for Sale	Offer for Sale
Offering Price (THB/Rai)	-	112,500	100,000	100,000	100,000
Value after Adjustment (THB/Rai)	-	81,510	63,000	76,500	90,000

	Appraised Property	Data 1	Data 2	Data 3	Data 4
Weighted Level	-	25%	25%	25%	25%
Value after Weighting (THB/Rai)	80,000	20,378	15,750	19,125	22,500
Market Value of Property (THB)	60,100,000				

The Independent Property Appraiser appraised the land price in Seka District, Bueng Kan Province (Group 1) at THB 80,000 per rai, representing a total land value of THB 60.1 million.

1.3 Market Comparative Data used for Land Appraisal – Seka District, Bueng Kan Province (Group 2)

	Appraised Property	Data 1	Data 2	Data 3
Location	Adjacent to Ban Sang Nuea Road, Moo 13 - Ban Sang, Moo 1	At Soi Wat Segajetiaram	Adjacent to Soi Ban Khok Bor Ri Gaan, Moo 4	Adjacent to Ban Sang Nuea Road, Moo 13 - Ban Sang, Moo 1
Land Area (Rai-Ngan-Square Wah)	48-1-20 (19,320 Square Wah)	80-0-0 (32,000 Square Wah)	73-0-0 (29,200 Square Wah)	143-0-0 (57,200 Square Wah)
Status	-	Offer for Sale	Offer for Sale	Offer for Sale
Offering Price (THB/Rai)	-	112,500	100,000	100,000
Value after Adjustment (THB/Rai)	-	44,550	36,000	45,000
Weighted Level	-	40%	40%	20%
Value after Weighting (THB/Rai)	40,000	17,820	14,400	9,000
Market Value of Property (THB)	1,900,000			

The Independent Property Appraiser appraised the land price in Seka District, Bueng Kan Province (Group 2) at THB 40,000 per rai, representing a total land value of THB 1.9 million.

1.4 Summary of Appraised Price of Land in Total

Appraised Price	THB Million
Land in Nakhon Ratchasima Province: Area 55 Rais, 0 Ngan, 19 Square Wah	308.3
Land in Seka District, Bueng Kan Province (Group 1): Area 750 Rais, 3 Ngans, 10 Square Wah	60.1
Land in Seka District, Bueng Kan Province (Group 2): Area 48 Rais, 1 Ngan, 20 Square Wah	1.9
Total	370.3

2. Building and Structure Appraisal

The Independent Property Appraiser has appraised the value of building and structure by using the Depreciated Replacement Cost approach which considers the replacement cost new based on the standard cost of construction of the Valuers Association of Thailand. Then, a depreciation of building and structure shall be deducted from the replacement cost new by estimating physical depreciation at 2% per year for approximately 1-30 years. Details are as follows;

2.1 Building and Structure Appraisal - (Group 1) in Pak Chong District, Nakhon Ratchasima Province

Details of Buildings and Structures	Area (Square Meters)	Useful Life	Replacement Cost New	Depreciation	Appraised Value
<u>Buildings</u> Factory building, warehouse building, office building, electrical control building, canteen building, sewage treatment building, etc.	21,227	1 – 30 year(s)	303,101,500	(136,273,720)	166,827,780
<u>Structures</u> Water well, sewage treatment pond, roads and walkways, fences and gates, etc.	12,620	1 – 20 year(s)	10,928,600	(4,224,912)	6,703,688
Total	33,847	1 – 30 year(s)	314,030,100	(140,498,632)	173,531,468

2.2 Building and Structure Appraisal - (Group 2) in Seka District, Bueng Kan Province

Details of Buildings and Structures	Area (Square Meters)	Useful Life	Replacement Cost New	Depreciation	Appraised Value
<u>Buildings</u> Cattle house, straw storage house, milking building, farm office building, warehouse building, weighing building, multipurpose building, dormitory, club building, etc.		2 – 30 years	90,724,650	(54,103,830)	36,620,820
<u>Structures</u> Oil storage building, water pump house, drying food bed, corn fermentation pond, concrete patio, etc.	8,742	3 – 30 years	15,208,970	(3,990,822)	11,218,148
Total		2 – 30 years	105,933,620	(58,094,652)	47,838,968

2.3 Summary of Appraised Price of Building and Structure in Total

Appraised Price	THB Million
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Building Group 1 – Pak Chong District, Nakhon Ratchasima Province	173,500,000
Building Group 2 – Seka District, Bueng Kan Province	47,800,000
Total	221,300,00

3. Machinery, Equipment and Other Fixed Assets Appraisal

The Independent Property Appraiser has assessed the value of machinery, equipment and other fixed assets by using Depreciated Replacement Cost, which considers the replacement cost new from the rebuilding price of such property with manufacturer, dealers or other published information, including considering cost of the aforesaid property in the past and price of other properties with similar conditions or using the price index if it is unable to find the replacement cost. Then, physical depreciation, utility depreciation and economic depreciation of such property shall be deducted from value of the property. Details are as follows;

No.	Group of Property	Market Value (THB)
1.	Machinery and Equipment such as generator set Caterpillar 400 KVA, Transformer 1000 KVA, piping equipment for wind-water-milk pasteurized system, cold water system, air dryer utility system, piping system for conveying milk-water-hot water, milk producing machinery, milk filling machine, mixer, milk conveyor system, yogurt machinery equipment, etc.	679,298,599
2.	Tools such as primary air filter, medium filter, breaker of pasteurized main breaker, UWE S/N scale model GW-15K, boiler water filter, fiberglass fume hood, laboratory system, scales, refrigeration control equipment, lamp, electric oxygen generator, etc.	15,242,985
3.	Vehicles such as cars, tractors, etc.	8,585,000
4.	Office equipment such as computers, desks, chairs, lockers, TVs, etc.	8,266,127
	Total	711,392,711

Appendix 6
Summary of Asset Valuation Report of PPO

15 Business Advisory Limited, an Independent Property Appraiser approved by the Valuers Association of Thailand and the SEC, has appraised the assets of PPO Farm Company Limited (“PPO”), which are classified into 2 groups; (1) Machinery, Equipment and Other Fixed Assets and (2) Dairy Cattle, according to the property appraisal report dated 8 February 2022, which can be summarized as follows;

Details (Unit: THB Million)	Book Value	Appraised Value	Value Difference
Machinery, Equipment and Other Fixed Assets	3.76	8.89	5.13
Total	3.76	8.89	5.13

Details of each property valuation group can be displayed as follows;

1. Machinery, Equipment and Other Fixed Assets Appraisal

The Independent Property Appraiser has assessed the value of machinery, equipment and other fixed assets by using Depreciated Replacement Cost, which considers the replacement cost new from the rebuilding price of such property with manufacturer, dealers or other published information, including considering cost of the aforesaid property in the past and price of other properties with similar conditions or using the price index if it is unable to find the replacement cost. Then, physical depreciation, utility depreciation and economic depreciation of such property shall be deducted from value of the property. Details are as follows;

No.	Group of Property	Market Value (THB)
1.	Machinery and equipment such as tractors, TMR dispenser, corn harvester, refrigeration for cold water pond, mobile sprinkle, etc., totaling 77 appraised properties.	6,782,993
2.	Vehicles such as motorcycles, cars, etc., totaling 11 appraised properties.	1,747,000
3.	Office equipment and furnishings such as computers, printers, farm fans, CCTVs, air conditioners, etc., totaling 100 appraised properties.	364,276
	Total	8,894,269

The Independent Property Appraiser appraised the machinery, equipment and other fixed assets of PPO equal to THB 8.89 million.



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