

-TRANSLATED VERSION-

Opinion Report of the Independent Financial Advisor

Regarding

An Asset Disposition Investment Transaction in Neo Corporate Public Company Limited

For

The Shareholders of FNS Holdings Public Company Limited



FNS HOLDINGS PLC.

บริษัท เอฟเอ็นเอส โฮลดิ้งส์ จำกัด (มหาชน)

Prepared by



I V Global Securities Public Company Limited

25 October 2023

The English Translation of the Opinion Report of the Independent Financial Advisor on The Disposition of Asset of FNS Holdings Public Company Limited has been prepared solely for the convenience of foreign shareholders of FNS Holdings Public Company Limited and should not be relied upon as the definitive and official document.

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

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GLOSSARY

Glossary used in this report have not been sorted by alphabet but sorted by category for convenient in reading

Abbreviation	Meaning
SEC	The Securities and Exchange Commission
SET	The Stock Exchange of Thailand
Notification on Acquisition or Disposal of Assets	Notification of the Capital Market Supervisory Board No. ThorJor. 20/ 2551 Re: Rules on Entering into Material Transactions Deemed as Acquisition or Disposal of Assets, and the Notification of the Stock Exchange of Thailand Re: Disclosure and Guideline for Listed Company on Acquisition or Disposal of Assets B.E. 2547 and its amendments
“Initial Public Offering” or “IPO	Issuing newly issued ordinary shares to the general public for the first time
Independent Financial Advisor or “I V Global” or “IFA”	I V Global Securities Public Company Limited
“the Company” or “FNS”	FNS Holdings Public Company Limited
“FFM”	Finansa Fund Management Limited
“NEO”	NEO Corporate Public Company Limited
“NEO-F”	NEO Factory Co., Ltd.
Discounted Cash Flows (DCF)	Discounted Cash Flows
Free Cash Flow to Firm (FCFF)	Free Cash Flow to Firm
Free Cash Flow to Equity (FCFE)	Free Cash Flow to Equity
WACC	Weighted Average Cost of Capital
Ke	Cost of Equity
Sensitivity Analysis	Technique used to determine how different values of an independent variable impact a particular dependent variable under given assumption

Ref: IB 39/2566

October 25, 2023

Subject: Opinion of the Independent Financial Advisor regarding the asset disposition transaction of FNS Holdings Public Company Limited

To: Audit Committee and Shareholders of FNS Holdings Public Company Limited

Attachment: 1) Company Information and Operating Results of FNS Holdings Public Company Limited
2) Company Information and Operating Results of NEO Corporate Public Company Limited
3) Company Information and Operating Results of NEO Factory Company Limited
4) Overview of market share of NEO Corporate Public Company Limited

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

11) Information from an interview of the executive and officer of NEO Corporate Public Company Limited.

Disclaimers:

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

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

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

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

Executive Summary

FNS Holdings Public Company Limited (the “Company” or “FNS”) has arranged the Board of Directors’ meeting of the Company No. 8/2023 dated September 29, 2023 at 345 Surawong Road 6th Fl., 345 Surawong Building Suriyawong, Bangrak Bangkok 10500. The Board of Directors’ meeting No. 8/2023 has resolved to dispose ordinary shares, held in Neo Corporate Public Company Limited (“NEO”), in the amount not exceeding 9,500,000 shares, with par value of 1.00 Baht per share, along with NEO’s issuance and offering of newly issued ordinary shares (Initial Public Offering or “IPO”), at the IPO price since NEO’s ordinary shares will be listed in the Stock Exchange of Thailand (“SET”) (collectively, the “Plan for Listing on the SET”). The Company’s shareholding percentage in NEO directly and indirectly will decrease from 12.78 percent of paid-up capital of NEO (before the IPO of NEO) to 6.29 percent of paid-up capital of NEO (after the IPO of NEO) (collectively called “Disposition of NEO Investment”). The Transaction is deemed as the disposition of assets transaction of the Company under the Notification of the Capital Market Supervisory Board No. TorChor. 20/2551 Re: Rules on Entering into Material Transactions Deemed as Acquisition or Disposal of Assets, dated August 31, 2008 (as amended), and the Notification of the Board of Governors of the Stock Exchange of Thailand Re: Disclosure of Information and Other Acts of Listed Companies Concerning the Acquisition and Disposition of Assets B.E. 2547, dated October 29, 2004 (as amended) (collectively, the “Notifications on Acquisition or Disposition of Assets”).

The transaction size of disposition of investment in NEO Transaction is calculated based on the audited company’s consolidated financial statements ending on June 30, 2023. The highest transaction size is 65.40 percent based on the net operating profits basis. the Company has not entered into any disposition of assets transactions in the previous 6-month period before the date of Board of Directors Meeting. Therefore, the transaction size is equal to or more than 50 percent but lower than 100 percent which is classified as a Class 1 Transaction under the Notifications on Acquisition or Disposition of Assets. Therefore, the Company is obliged to disclose the Company’s transaction information to the Stock Exchange of Thailand. The Company shall also conduct a shareholders’ meeting to approve the transaction of disposal of assets, for which the Company shall appoint an independent financial advisor to give an opinion on such transaction to the Stock Exchange of Thailand. The shareholders’ meeting must approve the transaction with a vote of not less than three-fourths of the total number of votes of the shareholders attending the meeting and having the right to vote. and by not counting the vote of shareholders who have conflict of interest

Therefore, the Company is obliged to disclose the information relating to the entering into the disposition of assets transaction as follows:

- (1) To disclose information to the SET related to the disposal of assets for the investment in NEO Transaction according to the Notifications on Acquisition or Disposition of Assets;

- (2) To arrange for a shareholder meeting to approve the disposal of assets transaction which the resolution of the shareholder meeting must be approved by a majority of not less than three-fourths of the votes of the present shareholders who are eligible to vote and by not counting the vote of shareholders who have conflict of interest;
- (3) To appoint the independent financial advisor to express the opinion related to the disposal of assets for the investment in NEO Transaction to the Securities and Exchange Commission (the "SEC"), SET and the Company's shareholders.

The Board of Directors Meeting of the Company no. 8/2023, held on 29 September 2023, resolved to propose to the Extraordinary Shareholders' Meeting no. 2/2023, held on 20 November 2023 to approve the Transaction.

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

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

Opinion of the Independent Financial Advisor on the Asset Disposal Transaction

The independent financial advisor holds the view that the disposal of investments in NEO aligns with the Company's investment strategy. The Company has held convertible bonds in Neo Corporate Public Company Limited ("NEO"), formerly known as Neo Corporate Company Limited, since 2016. The primary aim of this investment is to yield returns and profits from NEO's business operations, in accordance with NEO's business plan to go public by 2024. Given these circumstances, the Company deems it opportune to reduce its investment stake amounting to the sale of 9,500,000 ordinary shares. The concurrent issuance of new ordinary shares to the public through an Initial Public Offering (IPO) is anticipated to fortify the Company's financial position by augmenting cash flow and enhancing liquidity.

Given the Company's non-involvement in the management of NEO's business operations, considering the proposed investment disposal in NEO in conjunction with the initial public offering of ordinary shares (IPO) as strategically sound. This move is anticipated to yield benefits to the Company in terms of increased profits, fortified working capital, and diversified funding sources for forthcoming investment projects.

The independent financial advisor is of the opinion that this investment disposal in NEO will yield increased cash inflows, thereby bolstering the Company's financial standing. This enhancement is particularly significant in terms of augmenting financial liquidity and shoring up working capital. This financial robustness will empower the Company to pursue additional ventures, while also establishing a solid financial foundation for future business expansions. Following the completion of this transaction, the Company will receive cash proceeds from the NEO investment disposal, affording the opportunity to reduce outstanding loan obligations. This, in turn, will lead to diminished interest expenses, exerting a positive and sustained influence on the Company's financial standing and bolstering operational outcomes. Additionally, the cash flow derived from the NEO investment disposal can be strategically reinvested to further fortify the Company's operations, culminating in a more resilient and stable financial position in the long term.

However, in contemplating the potential success of a single transaction involving the disposal of the entire 9,500,000 shares, alongside the offering of the Company's existing ordinary shares in NEO and the issuance of new ordinary shares at the same price through an initial public offering ("IPO") for NEO, the Company is confident in attaining the full proceeds from this disposal of shares. This confidence stems from NEO's engagement of an underwriter for the IPO and for listing on the Stock Exchange. The underwriter will serve as a guarantor for the offering and will play a pivotal role in establishing the offering price. Furthermore, the underwriter will be responsible for seeking approval from the regulatory authorities involved in NEO's IPO, contributing to the mitigation of potential stock price fluctuations following NEO's listing on the Stock Exchange of Thailand.

NEO operates as a company engaged in the manufacturing and sale of household and personal hygiene products, constituting a consumer-driven market. This encompasses a diverse array of brands, including Fineline for laundry detergent, Smart for general household items, BeNice for shower cream, Tomi for bathroom floor cleaners, Eversense for women's fragrance and deodorant, Tros for men's personal care, and D-Nee for baby and kids' products, among others. However, the business of producing and distributing consumer goods is not without its inherent risks. These encompass various facets of operational activities, including but not limited to the potential challenge of managing excess inventory resulting from production, fluctuations in consumer preferences leading to a shift towards alternative brand choices, and the dynamic nature of consumer behavior in today's rapidly evolving market landscape. These factors collectively constitute significant risk elements in this domain. These identified risk factors are poised to introduce a degree of uncertainty into the business operations associated with the production and distribution of consumer products. This uncertainty may, in turn, have a direct impact on the anticipated revenue streams for the operator. If the Company disposes of this part of investment, the risks associated with investment in this unpredictable sector may be reduced.

Furthermore, Mr. Vorasit Pokachaiyapat has been appointed as one of the directors of NEO, representing the Company. However, the Company is not directly involved in the day-to-day management of NEO's operations. Given the current circumstances, particularly in light of the contemplated divestment of investments in NEO and the prospective issuance of newly offered ordinary shares through an Initial Public Offering (IPO), this juncture presents

an opportune moment even subsequent to the partial sale of NEO investments. Mr. Vorasit Pokachaiyapat, as the Company's representative director, will continue to hold voting rights in his capacity as a director of NEO.

In assessing the returns that will accrue to the Company's shareholders post-transaction, it is anticipated that the Company will experience an augmented cash inflow as a result of the disposal of NEO investment disposal. This influx will serve as the basis for the Company's planned working capital debt repayment investment and dividend disbursement to its shareholders, derived from the proceeds of the NEO investment sale. However, such use of proceeds plan is still uncertain as the Board of Directors will consider allocating the proceeds from sale of investment again after completion of issuing and offering newly issued common shares (Initial Public Offering or "IPO") of NEO

Nevertheless, considering the potential repercussions of the disposal of investment in NEO, the Company may forego the opportunity to partake in augmented profits from the investment. If, in the future, NEO's production and sale of household and personal hygiene care products achieves profitable and expanding operations and yields reduced dividends from investments in NEO due to the partial divestment in NEO and if NEO's stock price and the valuation of its business experience enhanced growth post-listing on the stock exchange, the Company might lose the opportunities to receive additional gains proportionate to the shares sold.

The transaction of the disposal of investments in NEO carries certain associated risks as follows:

- 1) Risk stemming from the uncertainty of the IPO share offering price (IPO share offering price).

The determination of the IPO share offering price remains pending, pending an assessment of investor demand (Book Building) and other valuation methods for NEO. Consequently, the Company may face the risk of the ordinary share offering price falling short of expectations, potentially leading to a shortfall in desired cash flow from the NEO investment sale. This may also impact the returns from the sale of said investments.

- 2) Risk associated with potential extensions to NEO's listing timeline on the Stock Exchange.

The success of NEO's listing on the Stock Exchange hinges on the decisions of various pertinent authorities, including the Office of the Securities and Exchange Commission, the Stock Exchange of Thailand, and NEO's Board of Directors and shareholders. Additionally, numerous other factors, such as NEO's future performance, economic conditions, and market volatility in Thailand, may influence the listing plan. Should significant alterations occur in these factors, NEO may need to extend its listing period, potentially impacting the Company's ability to realize the intended proceeds from the NEO investment sale. There may be a delay from the Company's plan to receive the proceeds from the disposal of this investment in 2024. It does not have a significant impact on the Company's core business.

3) Risk of Inability to Sell the Required Number of NEO Shares.

Failure to secure approval from the Company's shareholder meeting would necessitate the cancellation of this transaction. This could deprive the Company of the opportunity to invest or expand into projects within its domain of expertise. It might also hinder investments in units offering substantial returns, such as debt instruments and/or equity instruments, which present potential for long-term financial gains. In the event the Company is unable to proceed with the planned transaction, alternative avenues for divesting its NEO holdings, such as trading on the stock exchange or offering to interested investors, may not yield the desired volume or estimated value.

The independent financial advisor has thoroughly evaluated the rationale behind the proposed transaction involving the disposal of investments in NEO. The independent financial advisor is of the opinion that the disposal of NEO's ordinary shares at the IPO price is an appropriate decision. This is due to the fact that it aligns with the offering price extended to the general public, a process which involves underwriting securities and assessing public demand through Book Building. Therefore, engaging in this transaction at this price point is considered appropriate. However, when contemplating such a transaction, it is important to take into account the suitability of the transaction's conditions.

Furthermore, to facilitate shareholders' comprehensive understanding of NEO and its current fair value, the independent financial advisor is of the view that the fair value of NEO's ordinary shares can be valued through two methods, as outlined below:

Valuation Methods	Fair Value (Thai baht per share) ^{1/}	IPO Fair Value discounted at 20.00 percent ^{2/} (Thai baht per share)
(1) Price to Earnings Ratio Approach: P/E Ratio	62.74 - 70.51	50.19 - 56.41
(2) Discounted Cash Flow Approach	40.36 - 49.11	32.29 - 39.29

Remarks:

1/ The independent financial advisor cannot ensure that NEO's IPO share offering price will align precisely with the fair value presented in this independent financial advisor's report. The determination of NEO's IPO price necessitates further exploration of investor demand (Book Building) and other valuation methods. The offering price for NEO's newly issued ordinary shares, as presented by NEO, will mirror that of the original ordinary shares offered by the company.

2/ For contextual reference, the Independent Financial Advisor posits that the IPO share offering price carries a 20 percent discount. This is attributed to the characteristic nature of issuing newly issued ordinary shares to the general public for the first time (Initial Public Offering "IPO"), which entails a substantial issuance of shares in one go. These shares are then allocated to Cornerstone Investors, institutional investors, individuals with connections to or vested interests in NEO and/or NEO's subsidiaries, as well as investors in the form of individuals or other legal entities, along with any Over-Allotment Agents, subject to legal compliance and the discretion of the NEO Board of Directors or their designated representatives.

3/ The Independent Financial Advisor has determined the IPO discount rate for fundraising to be set at 20 percent. This assessment is grounded in the principles of Marketability Discounts, as delineated in the work of Bajaj, Denis, Ferris, and Sarin (2001) pertaining to "Firm Value and Marketability Discounts." There exist several additional factors influencing the discount applied to IPO share

prices related to each individual business. These encompass prevailing market conditions during the IPO period, as well as the response of potential investors, among other pertinent considerations.

The Independent Financial Advisor maintains that, in assessing the fair value of NEO's ordinary shares, which is presently engaged in its inaugural issuance of ordinary shares through an Initial Public Offering (IPO), the price to earnings ratio approach (P/E Ratio) stands as a pertinent criterion. This approach is widely acknowledged as a key investment evaluation method for IPO securities. The Independent Financial Advisor asserts that this method is appropriate for appraising the value of NEO's ordinary shares in the current context. Moreover, considering NEO's consistent cash flow performance and well-defined future business strategy, the Independent Financial Advisor is of the view that the discounted cash flow approach is also an appropriate approach for valuation at this juncture. The underlying rationale for this dual-method recommendation can be summarized as follows:

- Price to Earnings Ratio Approach: P/E Ratio

This approach factors in business profitability by comparing it to the average ratio of a reference group of companies. It is a commonly used valuation approach for businesses engaging in initial public offerings (IPO), as it reflects investor or shareholder expectations regarding business profitability. Therefore, the Independent Financial Advisor deems this approach appropriate for estimating the value of this transaction.

- Discounted Cash Flow Approach

The discounted cash flow approach is an evaluative approach that utilizes past performance data to project the future capabilities and performance of the business. This is accomplished by formulating financial projections based on assumptions and information obtained from the business, taking into account current economic conditions. It is important to note that any future changes that significantly impact these assumptions may lead to deviations from anticipated business performance. Such alterations could also affect the various variables employed in the valuation process, consequently influencing the assessed value of ordinary shares under this approach. In light of this, the shareholder's advisor has conducted a sensitivity analysis to evaluate the reasonableness of the fair business price based on the base case. This analysis encompasses a range of expected impacts resulting from alterations in two key factors: changes in income and the weighted average financial cost of the business (WACC). It aims to accurately reflect the fair value of the business. Ultimately, this approach provides insight into the business's capacity to generate profits and cash flows in the future, with the sensitivity analysis corroborating these findings. Therefore, this approach is the most appropriate for assessing the value of the business.

In light of this, the IFA holds the view that the most suitable approaches for valuing NEO's shares are the price-to-earnings ratio approach (P/E Ratio) and the discounted cash flow approach. These approaches yield a fair

value range for NEO, ranging from 40.36 - 70.51 baht per share. In the event of an IPO discount set at 20.00 percent, the fair value range adjusts to 32.29 - 56.41 baht per share.

The IPO price may deviate from the current fair value, as the current fair value is subject to periodic fluctuations. Nonetheless, the Independent Financial Advisor maintains the position that engaging in this transaction at this juncture represents a reasonable pricing strategy.

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

The independent financial advisor maintains the view that both approaches employed to determine the fair value of NEO's ordinary shares are appropriate. This assessment is substantiated by the following rationale.

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

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

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

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Part 1: General Characteristics of the Transaction

1.1 Characteristics and Details of the Transaction

1.1.1 The Objective and Necessity of the Transaction

The Board of Directors' meeting of FNS Holdings Public Company Limited (the "Company") no. 8/2023 has resolved to dispose ordinary shares, held in Neo Corporate Public Company Limited ("NEO"), in the amount not exceeding 9,500,000 shares, with par value of 1.00 Baht per share, along with NEO's issuance and offering of newly issued ordinary shares (Initial Public Offering or "IPO"), at the IPO price since NEO's ordinary shares will be listed in the Stock Exchange of Thailand ("SET") (collectively, the "Plan for Listing on the SET"). The Company's shareholding percentage in NEO directly and indirectly will decrease from 12.78 percent of paid-up capital of NEO (before the IPO of NEO) to 6.29 percent of paid-up capital of NEO (after the IPO of NEO) (collectively called "Disposition of NEO Investment"). The Transaction is deemed as the disposition of assets transaction of the Company under the Notification of the Capital Market Supervisory Board No. TorChor. 20/2551 Re: Rules on Entering into Material Transactions Deemed as Acquisition or Disposal of Assets, dated August 31, 2008 (as amended), and the Notification of the Board of Governors of the Stock Exchange of Thailand Re: Disclosure of Information and Other Acts of Listed Companies Concerning the Acquisition and Disposition of Assets B.E. 2547, dated October 29, 2004 (as amended) (collectively, the "Notifications on Acquisition or Disposition of Assets"). The transaction must be approved by the shareholder meeting.

The disposition of NEO Investment transaction had the highest transaction size is 65.40 percent based on the net operating profits basis. Based on consolidated financial statements of the fiscal year ended June 30, 2023 of the Company and NEO, the Company has not entered into any disposition of assets transactions in the previous 6-month period before the date of Board of Directors Meeting. Therefore, the transaction size is equal to or more than 50 percent but lower than 100 percent which is classified as a Class 1 Transaction under the Notifications on Acquisition or Disposition of Assets. Therefore, the Company is obliged to disclose the information relating to the entering into the disposal of assets transaction as follows:

- (1) To disclose information to the SET related to the disposal of assets for the investment in NEO Transaction according to the Notifications on Acquisition or Disposition of Assets;
- (2) To arrange for a shareholder meeting to approve the disposal of assets transaction which the resolution of the shareholder meeting must be approved by a majority of not less than three-fourths of the votes of the present shareholders who are eligible to vote and by not counting the vote of shareholders who have conflict of interest;

- (3) To appoint the independent financial advisor to express the opinion related to the disposal of assets for the investment in NEO Transaction to the Securities and Exchange Commission (the "SEC"), SET and the Company's shareholders.

The Board of Directors Meeting of the Company no. 8/2023, held on 29 September 2023, resolved to propose to the Extraordinary Shareholders' Meeting no. 2/2023, held on 20 November 2023 to approve the Transaction.

1.1.2 General Characteristics of the Transaction

Since 2016, the Company has invested in Neo Corporate Public Company Limited ("NEO"), or formerly known as Neo Corporate Company Limited, in the form of convertible bonds, with the objective of gaining return and profit from NEO's business operation. Currently, according to NEO's business plan, NEO is preparing to list the securities on the Stock Exchange of Thailand with the target of Initial Public Offering (IPO) within 2024. The Company, therefore, views that it is an appropriate time for the Company to reduce investment proportion by approximately 33.48% of total investment in NEO, by disposing 9,500,000 NEO ordinary shares from a total of 28,371,600 shares along with NEO's issuance and offering of newly issued ordinary shares ("IPO"). As a result, the Company will realize profit from sale of investment, which will improve cashflow and financial liquidity.

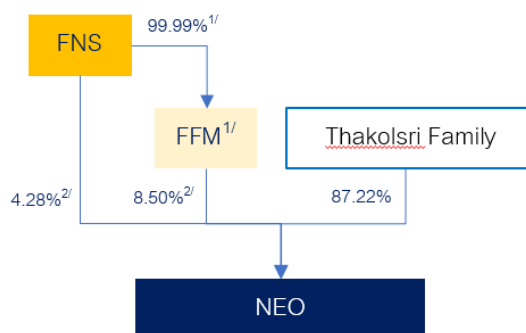
Since the Company is not involved in NEO's business management, the sale of NEO investment along with NEO's issuance and offering of newly issued common shares ("IPO") is deemed appropriate. The investment disposition will enhance the Company's profit, working capital, and source of funds for future projects. However, for the remaining portion of NEO investment, representing 18,871,600 shares or 66.52% of total investment in NEO (approximately 6.29% of the registered capital after NEO's Initial Public Offering), the Company will continue to hold the remaining shares in NEO as there is still no plan to sell this portion. Regarding NEO's business nature and financial performance, NEO is a manufacturer and distributor of consumer products, for which the consumer demand is stable. Additionally, the business performance of NEO has grown continuously with stable dividend payment.

After divesting NEO shares along with NEO's issuance and offering of newly issued common shares ("IPO"), the proportion of shares, both direct and indirect holding, will reduce from 12.78% of NEO's paid-up and registered capital (before IPO) to 6.29% of NEO's paid-up and registered capital (after IPO), causing the diluted shareholding amount of 6.49% (Dilution Effect). In this regard, the company still holds remaining portion of investment, representing 18,871,600 shares or approximately 6.29% of the registered capital after NEO's IPO

Furthermore, Mr. Vorasit Pokachaiyapat has been appointed as one of the directors of NEO, representing the Company. This juncture presents an opportune moment even subsequent to the partial sale of NEO investments. Mr. Vorasit Pokachaiyapat, as the Company's representative director, will continue to hold voting rights in his capacity as a director of NEO.

The Shareholding structure of NEO before and after entering into such Transaction are as follows:

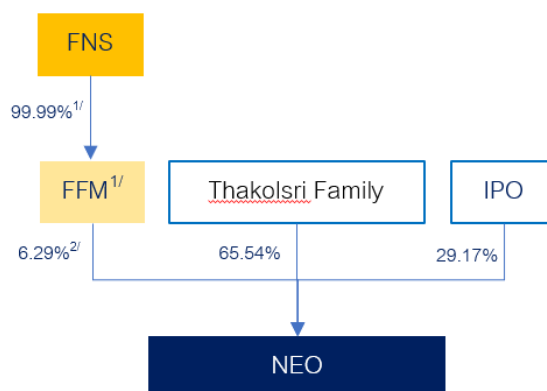
Shareholding structure before the IPO of NEO (as of August 25, 2023)



Remarks: 1/ FFM a subsidiary of FNS, the Company held in proportion of 99.99 percent of paid-up capital share of FFM.

2/ FNS directly and indirectly held through NEO in 12.78 percent of its paid-up capital (before the issuance and offering of the IPO Shares NEO)

Shareholding structure after the Transaction



Remarks: 1/ FFM a subsidiary of FNS, the Company held in proportion of 99.99 percent of paid-up capital share of FFM.

2/ FNS indirectly held in NEO through FFM in 6.29 percent of its paid-up capital (after the issuance and offering of the IPO Shares NEO)

1.1.3 The Date of Transaction

The Company expects that it shall be able to complete the transactions within 2024 according to the Plan for Listing on the SET of NEO, it will be take place after NEO obtained an approval from the Office of the Securities and Exchange Commission (the "SEC") for the issuance and offering of NEO's newly issued ordinary shares in the IPO, and the registration statement for securities offering and the draft prospectus for the offering of the IPO shares have become effective, and the SET has approved the listing application of the ordinary shares of NEO as listed securities on the SET, as well as the conditions have been fulfilled.

1.1.4 Parties involved and their relationship with the Company

Offerors of the Securities	:	FNS Holdings Public Company Limited
Offerees of the Securities	:	General public, the cornerstone investors, institutional investors, related persons, and/or patrons of NEO and/or subsidiaries of NEO, and/or individual investors or other juristic persons, and the over-allotment agent (if any), as permitted by law and as the Board of Directors of NEO and/or the person assigned by the Board of Directors of NEO deem appropriate. Including but not limited to the eligible shareholders of NEO who are entitled to the share allocation (if any), which will be further determined by the Board of Directors of NEO and/or the person assigned by the Board of Directors of NEO, unless it is changed as deem appropriate at the discretion of the Board of Directors of NEO and/or the person assigned by the Board of Directors of NEO, and as permitted by law.

1.1.5 Details of the Assets to be Disposed

Existing NEO ordinary shares in amount of 9,500,000 shares, THB 1.00 par value per share. from a total of 28,371,600 shares along with NEO's issuance and offering of newly issued ordinary shares ("IPO")

1.1.5.1 Details of the IPO of NEO

Issuer and Offeror	:	Neo Corporate Public Company Limited
Offerors of the Securities	:	(1) Newly issued ordinary shares of NEO offered by NEO (2) Existing NEO ordinary shares offered FNS
No. of Offered Shares	:	(1) Newly issued ordinary shares of NEO in an amount not exceeding 78,000,000 shares representing not exceeding 26 per cent of the paid-up capital of NEO (after the IPO of NEO) for the initial public offering to general public, including but not limited to directors, management, employees of NEO and its subsidiaries, related persons and patrons in accordance with the laws and as the Board of Directors of NEO deems appropriate. (2) Existing NEO ordinary shares held by the Company in an amount not exceeding 9,500,000 shares, to be offered as part of the IPO of NEO in item (1).
Par Value	:	THB 1.00 per share
Offering Price	:	NEO has yet to determine the offering price as the offering price is subject to book building.

However, the offering price of newly issued ordinary shares of NEO to be offered by NEO will be the same price as the existing NEO ordinary shares to be offered by the Company.

Offering Period : After the SEC grants the approval to NEO for the offering of newly issued ordinary shares of NEO in the initial public offering (IPO), the registration statement for securities offering and the prospectus of NEO and the Company become effective, and the SET grants the approval for the listing of the ordinary shares of NEO on the SET on the condition that NEO shall fulfill the free-float requirement.

Other Details : The Company will further inform material details and progress relating the IPO of NEO to the Company's shareholders accordingly.

Remark: The aforementioned details may be subject to change depending on the resolutions of the Board of Directors and/or the shareholders of NEO and/or their authorized person in related matters.

1.1.5.2 General information of Neo Corporate Public Company Limited ("NEO")

(1) General information

Company Name : Neo Corporate Public Company Limited (Formerly, Neo Corporate Company Limited)

Head Office Address : 888 Soi Sukhumvit 54, Phra Khanong Tai Subdistrict, Phra Khanong District, Bangkok

Branch no. 1 : 168/1 Moo 5 Bueng Kho Hai Subdistrict, Lum luk ka District, Pathum Thani

Branch no. 2 : 115 Romkao road, Sanseap Subdistrict, Minburi District, Bangkok

Branch no. 3 : 168/3 Moo 5 Bueng Kho Hai Subdistrict, Lum luk ka District, Pathum Thani

Business Description : Leading local manufacturer of branded household and personal care products. Principal brands include Finline, BeNice and D'nee

Established : August 29, 2023

Register Capital and Paid-up Capital before the IPO of NEO : As of the date of this Information Memorandum NEO has a registered capital and paid-up capital are as follow:
 Register capital of Baht 300,000,000 with a par value THB 1.00 per share, divided into 300,000,000 ordinary shares with a par value THB 1.00 per share
 : Paid-up capital of Baht 222,000,000 with a par value THB 1.00 per share, divided into 222,000,000 ordinary shares with a par value THB 1.00 per share

Register Capital and Paid-up Capital after the IPO of NEO Paid-up capital of Baht 300,000,000 with a par value THB 1.00 per share, divided into 300,000,000 ordinary shares with a par value THB 1.00 per share

Source: Certificate from the Ministry of Commerce and list of shareholders

(2) The shareholding structures before and after the IPO of NEO with the following details:

No.	Name	Structure before the IPO ^{1/}		Structure after the IPO	
		No. of shares (Share)	Portion (%)	No. of shares (Share)	Portion (%)
1.	Mr. Suthidej Thakolsri	49,328,400	22.22	49,328,400	16.44
2.	Mrs. Patama Thakolsri	11,100,000	5.00	11,100,000	3.70
3.	Miss. Nichamon Thakolsri	66,600,000	30.00	66,600,000	22.20
4.	Miss. Nissara Thakolsri	66,600,000	30.00	66,600,000	22.20
5.	Finansa Fund Management Limited ^{2/}	18,871,600	8.50	18,871,600	6.29
6.	FNS Holdings Public Company Limited ^{3/}	9,500,000	4.28	-	-
7.	Public	-	-	87,000,000	29.17
Total		222,000,000	100.00	300,000,000	100.00

Remarks: 1/ Shareholder list of NEO as of September 21, 2023, before entering the transaction

2/ FFM a subsidiary of FNS, the Company held in proportion of 99.99 percent of paid-up capital share of FFM.

3/ FNS indirectly held in NEO through FFM in 6.29 percent of its paid-up capital (after the issuance and offering of the IPO Shares NEO)

(3) List of Directors

No.	Director Name	Position
1	Mr. Virapan Pulges	Chairman of the Board of Directors / Independent Director
2	Mr. Suthidej Thakolsri	Vice Chairman of the Board of Directors
3	Mrs. Patama Thakolsri	Director
4	Miss. Nichamon Thakolsri	Director
5	Miss. Nissara Thakolsri	Director
6	Mr. Vorasit Pokachaiyapat	Director
7	Mr. Wutthichai Tankuranand	Director / Independent Director
8	Mr. Amornsak Pimarnthip	Director / Independent Director
9	Mr. Udomdej Phiromsawat	Director / Independent Director

Authorized Director: Mr. Suthidej Thakolsri, Mrs. Patama Thakolsri, Miss. Nichamon Thakolsri and Miss. Nissara Thakolsri two of four persons jointly signed and affixed the company's seal.

Source: Certificate from the Ministry of Commerce

Remark: ^{1/} Furthermore, Mr. Vorasit Pokachaiyapat has been appointed as one of the directors of NEO, representing the Company. This juncture presents an opportune moment even subsequent to the partial sale of NEO

investments. Mr. Vorasit Pokachaiyapat, as the Company's representative director, will continue to hold voting rights in his capacity as a director of NEO.

(The shareholders of the Company can find further information of NEO in attachment 2 of the IFA report)

1.1.6 Type and Transaction Size

Disposition of NEO Investment constitutes an asset disposal transaction of a listed company pursuant to the Notifications on Acquisition or Disposition of Assets. The calculation of the size of the transaction as specified in the Notifications on Acquisition or Disposal of Assets will be calculated based on the Company's consolidated financial statements that have been audited by a certified auditor. Details of calculation of the transaction size are as follows:

Financial Information (Unit: THB Million)	NEO	FNS
	Consolidated Financial Statement ^{1/}	Consolidated Financial Statement ^{1/}
As of	June 30, 2023	June 30, 2023
Total Assets	6,653.58	3,713.39
Less Total Liabilities	4,472.10	1,150.06
Less Intangible Assets	182.32 ^{2/}	55.41 ^{3/}
Less Non-Controlling Interest	271.20	-
Net Tangible Assets (NTA)	1,727.96	2,507.92
Net profit ^{4/}	734.98	72.93

Remarks: 1/ Latest Financial statements, reviewed by the certified public accountant.

2/ Intangible assets of THB 182.32 million including with deferred tax asset for THB 117.73 million, right-of-use assets for THB 26.89 million and computer software for THB 37.67 million

3/ Intangible assets of THB 55.41 million including with good will for THB 45.36 million, right-of-use assets for THB 8.32 million and other intangible assets without goodwill for THB 1.74 million

4/ Net profit for 12-month period

The details of transaction size calculation according to Notifications on Acquisition or Disposition of Assets are as follows:

Basis of Calculation	Calculation
1. Net Tangible Assets (NTA) Basis	= $\frac{(\text{NTA}^{1/} \text{ of the investment in company x disposed portion}) \times 100}{\text{NTA of the listed company}^{2/}}$
2. Net Operating Profit Basis	= $\frac{(\text{Net operating profit of the investment in company x selling portion}) \times 100}{\text{Net operating profit of the listed company}^{2/}}$
3. Total Value of Consideration Basis	= $\frac{\text{Book value of shareholders' equity to be disposed of proportionately} \times 100}{\text{Total assets of the listed company}^{2/}}$

Basis of Calculation	Calculation
4. Value of Securities Issued as Consideration for the Assets Basis	= $\frac{\text{Number of shares issued as consideration for assets} \times 100}{\text{Number of paid-up shares of company}}$

Remarks: 1/ Net Tangible Assets (NTA) = Total Assets - Intangible Assets - Total Liabilities - Non-Controlling Interest

2/ Based on the consolidated financial statements of the Company

3/ As the total value of consideration will be in accordance with the offering price of NEO ordinary shares to be offered in the IPO, which currently has not yet been determined. Therefore, the Company considers calculating book value of shareholders' equity of NEO based on consolidated financial statements of the period ended June 30, 2023 of NEO, reviewed by the certified public accountant

The Transaction Size Calculation of Disposition of NEO Investment

The Transaction Size Calculation of Disposition of NEO Investment are as follows:

Basis of Calculation	Calculation	Transaction Size
1. Net Tangible Assets (NTA) Basis	= $\frac{(1,727.96 \times 6.49\%) \times 100}{2,507.92}$	4.47%
2. Net Operating Profit Basis	= $\frac{(734.98 \times 6.49\%) \times 100}{72.93}$	65.40%
3. Total Value of Consideration Basis	= $\frac{(2,181.48^{1/}) \times 6.49\% \times 100}{3,713.39}$	3.81%
4. Value of Securities Issued as Consideration for the Assets Basis	= Not applicable as there is no issuance of new securities.	Not applicable

Remark: 1/ Book value of shareholders' equity of NEO base on based on consolidated financial statements of the period ended June 30, 2023 of NEO, reviewed by the certified public accountant.

From the calculation set out above, the highest transaction size is 65.40 percent based on the net operating profits basis. Based on consolidated financial statements of the fiscal year ended June 30, 2023 of the Company and NEO. the Company has not entered into any disposition of assets transactions in the previous 6-month period before the date of Board of Directors Meeting. Therefore, the transaction size is equal to or more than 50 percent but lower than 100 percent which is classified as a Class 1 Transaction under the Notifications on Acquisition or Disposition of Assets. Therefore, the Company is obliged to disclose the information relating to the entering into the disposition of assets transaction as follows:

(1) To disclose information to the SET related to the disposal of assets for the investment in NEO Transaction according to the Notifications on Acquisition or Disposition of Assets;

(2) To arrange for a shareholder meeting to approve the disposal of assets transaction which the resolution of the shareholder meeting must be approved by a majority of not less than three-fourths of

the votes of the present shareholders who are eligible to vote and by not counting the vote of shareholders who have conflict of interest;

(3) To appoint the independent financial advisor to express the opinion related to the disposal of assets for the investment in NEO Transaction to the Securities and Exchange Commission (the "SEC"), SET and the Company's shareholders.

1.1.7 Total Value of Consideration

Total value of consideration from the IPO of NEO depends on the offering price of newly issued ordinary shares of NEO and the existing NEO shares held by the Company which are the same offering price. At present, the offering price has not yet been determined and is subject to book building.

1.1.8 Basis Used for Determination of Consideration Value

the Company uses the book value of NEO based on the consolidated financial statements of NEO for the period ended on June 30, 2023 which has been audited by the auditor in calculation of the total value of consideration

1.1.9 Plan for the Utilization of Proceeds from Entering into the Transactions

The Company plans to use the proceeds from sale of investment in NEO, as follows:

- (1) Dividend payment to the Company's shareholder
- (2) The company will use working capital.
- (3) Investment in various projects in accordance with business plan
- (4) Reserve fund for future debt repayment

However, such use of proceeds plan is still uncertain as the Board of Directors will consider allocating the proceeds from sale of investment again after completion of issuing and offering newly issued common shares (Initial Public Offering or "IPO") of NEO

1.1.10 Conditions of the Transaction

- (1) The Company's shareholder meeting resolved to approve the offering of existing ordinary shares held by the Company in Neo Corporate Public Company Limited ("NEO"), totaling no more than 9,500,000 shares, each with a par value of 1.00 baht per share. This also encompasses the issuance and offering of newly issued ordinary shares to the general public in the Initial Public Offering ("IPO") of NEO.
- (2) The Board of Directors and the shareholder meeting of NEO have both resolved to approve the plan for listing on the Stock Exchange, along with other pertinent agenda items.

- (3) NEO has secured approval from the SEC for the Initial Public Offering (IPO), with the securities offering registration statement and draft prospectus now in effect.
- (4) The Stock Exchange has granted permission for NEO's ordinary shares to be accepted as listed securities on the Exchange, contingent upon complete distribution of shareholding among minor shareholders.
- (5) NEO has duly registered the alteration in paid-up registered capital, subsequent to the public offering of NEO shares to the general public.
- (6) Other pivotal factors, which may sway the decision to proceed with the transaction, including market conditions and the level of demand for investment in NEO's shares, shall be assessed and deemed appropriate by the NEO board of directors' meeting.

1.1.11 Opinions of the Board of Directors regarding the Entering into the Transaction

The Company's Board of Directors Meeting No. 8/2023 convened on September 29, 2023, has considered the details of the transaction, benefits, risks, and other related information and the Company's Board of Directors Meeting has unanimous resolution to approve the transaction. The Board of Directors considered that the said transaction is reasonable transaction for which appropriate and helpful in creating best benefits for the Company and shareholders and it is also consistent with the Company's business plan and business objectives. The Company initially made its investment in NEO through convertible bonds, with the intention of yielding returns and profits from NEO's operational endeavors, as well as its aspiration to go public on the Stock Exchange. In light of these circumstances, the Board of Directors is of the considered opinion that the current juncture presents a suitable opportunity to contemplate divesting from this investment. This strategic move serves to optimize the management of the Company's investments, thereby enhancing cash flow and fortifying its overall financial standing. It further establishes a reserve of funds for loan repayment and ensures an ample resource pool for various operational activities. Given alignment with the Company's business strategy, engaging in this transaction is viewed as both appropriate and reasonable.

1.1.12 Opinion of the Company's Audit Committee and/or the Company's Directors which is Different from the Opinion of the Board of Directors

The Audit Committee has carefully considered the disposal of the assets. Therefore, it should be proposed to the Board of Directors for consideration. The opinion of the Audit Committee is not different from that of the Board of Directors.

1.2 Information of FNS Holdings Public Company Limited

Please refer to Attachment 1 of this IFA report

1.3 Information of NEO Corporate Public Company Limited

Please refer to Attachment 2 of this IFA report

1.4 Information of NEO Factory Company Limited

Please refer to Attachment 3 of this IFA report

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Part 2: Opinion of the Independent Financial Advisor Regarding the Reasonableness of the Asset Disposition Transaction

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

2.1 The Objective of Entering into the Transaction

At the Board of Directors' meeting of FNS Holdings Public Company Limited (the "Company") No. 8/2023, held on 29 September 2023, a resolution was passed for the Company to offer for disposal of its existing ordinary shares in Neo Corporate Public Company Limited ("NEO"). The offering comprises up to 9,500,000 shares with a par value of 1.00 baht per share. Additionally, the Company will issue and offer newly issued ordinary shares to the general public for NEO's Initial Public Offering (IPO) at the same offering price as the general public offering. NEO intends to list its ordinary shares on the Stock Exchange of Thailand (the "Stock Exchange") (collectively, the "Stock Exchange Listing Plan"). As a result of this transaction, the Company's direct and indirect shareholding in NEO will decrease from the original 12.78 percent of NEO's paid-up registered capital (prior to NEO's IPO) to 6.29 percent of NEO's paid-up registered capital (following NEO's IPO) (hereinafter referred to as the "NEO Investment Disposal Transaction").

The decision to enter into this transaction aligns with the Company's investment strategy in which the Company has been invested in Neo Corporate Public Company Limited or formerly Neo Corporate Company Limited since 2016 through convertible bonds. The primary goal of this investment has been to generate returns and profits from NEO's business operations, driven by NEO's plan to list the company on the market and conduct its Initial Public Offering (IPO) in 2024. Therefore, the Company believes that now is an opportune time to adjust its investment portfolio by reducing its investment proportion by approximately 33.48 percent of the total investment in NEO, the Company intends to sell 9,500,000 ordinary shares of NEO out of a total of 28,371,600 shares. Simultaneously, the Company will issue and offer newly issued ordinary shares to the general public during the IPO. This strategic move is expected to yield profits from the disposal of investments, enhance cash flow, and improve the Company's financial liquidity.

Additionally, the Company has assigned Mr. Vorasit Pokachaiyapat to serve as one of NEO's directors in his capacity as a representative director of the Company. However, it's essential to clarify that the Company is not directly involved in the management of NEO's business operations. Given this context, the Company believes that the timing is suitable to consider divesting its investments in NEO, coupled with the issuance and offering of newly issued ordinary shares to the general public during NEO's Initial Public Offering (IPO). This strategic move is expected to yield several benefits for the Company, including increased profits, enhanced working capital, and

additional sources of funds for the Company's future investment projects. However, the Company does not intend to divest the remaining investment in NEO, which comprises 18,871,600 shares, or approximately 6.29% of the registered capital following NEO's IPO, in the near term. The decision to retain this investment is based on the fact that NEO is a manufacturing company specializing in essential consumer products. The demand for such products in the market remains consistent. Furthermore, NEO has demonstrated continuous growth in its operational results and a track record of paying dividends to the Company regularly. Even after the partial divestment of the NEO investment, the Company will still maintain a representative director, Mr. Vorasit Pokachaiyapat, who serves as one of NEO's directors and holds voting rights as a representative director on behalf of the Company.

Following the initial offering of 9,500,000 ordinary shares and the issuance of newly issued ordinary shares during NEO's Initial Public Offering (IPO), the Company's shareholding in NEO, both direct and indirect, will be significantly reduced from the original 12.78 percent of NEO's paid-up registered capital (prior to NEO's IPO) to 6.29 percent of NEO's paid-up registered capital (following NEO's IPO). This reduction has implications for various rights of the Company as a NEO shareholder (Dilution Effect) accounting for 6.49%. However, the Company will continue to retain investments in NEO, amounting to 18,871,600 shares, which represent approximately 66.52% of the total investment in NEO (or 6.29% of the registered capital following NEO's IPO).

2.2 Transaction benefits and drawbacks of Pursuing the Transaction

2.2.1 Transaction benefits

(1) Obtain a source of funds to expand the business and enhance liquidity.

The disposal of 9,500,000 shares of NEO, accompanied by the issuance and offering of newly issued ordinary shares to the public through NEO's Initial Public Offering (IPO), has resulted in additional cash inflows for the Company, yielding several advantages as follows:

- Improved financial liquidity.
- Enhanced working capital to optimize internal management.
- A source of funds for potential investments in the Company's future projects.
- Capital for potential business expansion in the future.

(2) Strengthening the financial position and enhancing stability.

After entering into this transaction, the Company will receive cash from the disposal of its NEO investment. The proceeds can be used to repay loan debt, leading to a reduction in loan debt and lower interest expenses. This will have a continuous positive impact on the Company's financial position and result in stronger operating results. Furthermore, the cash flow generated from the disposal of NEO investments can be reinvested to further strengthen the Company's business, contributing to a stronger and more stable financial position.

(3) The Company can sell ordinary shares in NEO in the required amount.

Due to NEO has underwriters for offering newly issued ordinary shares to the general public during its Initial Public Offering (IPO) for listing on the Stock Exchange. These underwriters will serve as guarantors for the offering and play a crucial role in determining the offering price, as well as facilitating the approval process with relevant IPO-related agencies. Simultaneously selling investments in NEO while issuing and offering newly issued ordinary shares to the public during the IPO gives the Company confidence that it will successfully sell the necessary number of NEO ordinary shares in full.

(4) Mitigate the risk of stock price fluctuations after NEO is listed on the Stock Exchange of Thailand.

Entering into this transaction carries the potential risk of price fluctuations if the Company sells NEO's ordinary shares after they have been listed on the Stock Exchange. These fluctuations could result from information that impacts NEO's securities price and potentially disrupt the Company's expected returns. To minimize this risk, the Company will sell its ordinary shares in NEO simultaneously with the issuance and offering of newly issued ordinary shares to the general public during NEO's Initial Public Offering (IPO), at the same offering price extended to the general public. This strategy aims to reduce the impact of price fluctuations influenced by investors' expectations following NEO's stock exchange listing, thereby ensuring that the Company receives an anticipated and appropriate return from the disposal of its ordinary shares in NEO, in line with the established plan.

(5) Mitigate risks associated with uncertain business ventures.

While the business operates in the consumer products sector, dealing with household and personal items in demand for daily use, it can typically forecast future income with precision. However, the production and distribution of consumer goods expose the business to various operational risks, including the possibility of excessive unsold inventory, shifting consumer preferences towards other brands, and the rapidly changing consumer behavior prevalent in today's market. These factors contribute to the inherent uncertainties in the consumer products business and can potentially lead to unexpected income fluctuations. Selling the investment in this sector will help the Company mitigate risks associated with uncertain business ventures.

(6) The disposal of assets that do not constitute the Company's primary line of business.

The Company, functioning as a holding company, conducts its operations primarily through its subsidiaries and associated companies. These activities are categorized into two main types: (1) real estate development and investment business, and (2) direct investment business, with a focus on ventures such as Neo Corporate Public Company Limited, a leading Thai producer of household and personal hygiene products, and Kanom Cafe Company Limited (Kanom), which operates a bakery and food shop under the name Kanom Café. Additionally, the Company serves as the main investor in the Prospect Logistics and Industrial Freehold and Leasehold REIT (PROSPECT REIT).

The Company's investment in NEO aims to generate returns and profits from NEO's business operations. However, NEO is not the Company's principal business. As a result, the disposal of the investment in NEO at this

time will enable the Company to access its working capital, derived from the NEO investment disposal, to further develop and expand its core business.

(7) Enhance the Potential for Distributing Dividends to Shareholders.

Upon entering into this transaction, the Company will acquire a significant cash inflow from the disposal of its NEO investment. The Company intends to allocate these funds for dividend payments to its shareholders. As of 30 June 2023, the Company possesses unallocated retained earnings amounting to 807.16 million baht. The cash flow generated from this investment disposal will further enhance the Company's capacity to provide dividends to its shareholders.

The dividend payments made by the Company from 2018 to 2023 are summarized as follows.

Dividend Payment Date	Dividend Payment (Baht per share)	Operating Results Period
24 May 2018	0.15	1 January 2018 - 31 December 2018
21 May 2019	0.15	1 January 2019 - 31 December 2019
14 October 2020	0.15	1 January 2020 - 30 June 2020
22 March 2021	0.35	1 January 2020 - 31 December 2020
27 May 2021	0.15	1 January 2020 - 31 December 2020
27 May 2022	0.50	1 January 2021 - 31 December 2021
24 May 2023	0.20	1 January 2022 - 31 December 2022

Source: Stock Exchange of Thailand

Based on an analysis of the Company's historical dividend payments, it becomes evident that the Company has a consistent track record of distributing dividends. The cash inflow resulting from the disposal of NEO investments could potentially enhance the Company's capacity to provide increased dividends to its shareholders. The Company follows a dividend policy that typically allocates around 30 percent of net profits after taxes, or as deemed appropriate. This approach is applied unless other significant circumstances necessitate a different course of action, and dividend payouts do not adversely impact the Company's regular operations.

2.2.2 Drawbacks of Pursuing the Transaction

(1) Loss of Profit-Sharing Opportunities in the Business of Producing and Distributing Consumer Products

The disposal of 9,500,000 shares of NEO investment will result in the Company's direct and indirect ownership in NEO decreasing from the original 12.78 percent of NEO's paid-up registered capital (before NEO's IPO) to 6.29 percent of NEO's paid-up capital (after NEO's IPO). This transaction involves the divestment of a portion of the Company's investment in NEO, which operates in the consumer products sector, specifically in the production and distribution of household and personal hygiene care products. These consumer goods are essential in consumers' daily lives. With the disposal of this NEO investment, the Company might miss the opportunity to benefit

from an increased share of profits if NEO's business in household and personal hygiene products continues to thrive and generate substantial profits in the future.

(2) Loss of Opportunity to Benefit from a Strong and Growing Business

Currently, the Company is one of the top six major shareholders, holding 12.78 percent of NEO's paid-up registered capital (prior to NEO's IPO), as detailed below:

No.	List of shareholders ^{1/}	Number of Shares (Share)	Ratio (Percentage)
1.	Mr. Suthidej Thakolsri	49,328,400	22.22
2.	Mrs. Patama Thakolsri	11,100,000	5.00
3.	Miss Nitchamon Thakolsri	66,600,000	30.00
4.	Miss Nissara Thkolsri	66,600,000	30.00
5.	Finansa Fund Management Limited ^{2/}	18,871,600	8.50
6.	FNS Holdings Public Company Limited ^{3/}	9,500,000	4.28
Total		222,000,000	100.00

Remark: 1/ List of NEO's shareholders as of 21 September 2023, before the asset disposal transaction.

2/ Finansa Fund Management Limited ("FFM"), a subsidiary of FNS, is 99.99% owned by the Company in terms of FFM's paid-up registered capital.

3/ FNS holds shares in NEO, both directly and indirectly, representing 12.78 percent of NEO's paid-up registered capital prior to NEO's IPO.

However, selling the Company's investment in NEO will reduce its ownership in NEO from the original 12.78 percent of NEO's paid-up registered capital (before NEO's IPO) to 6.29 percent (following NEO's IPO). This reduction may lead to a missed opportunity to benefit from NEO's thriving household and personal hygiene product business, which plays a significant role in consumers' daily lives and exhibits strong growth potential.

(3) Reduced Dividend Receipt from NEO Investments

Historically, NEO has been a reliable source of dividends for its shareholders, as Neo always has a robust financial position and strong operational performance continuously. As of 30 June 2023, NEO reported unallocated retained earnings of 1,479.74 million baht in its consolidated financial statements and 647.19 million baht in separate financial statements. Therefore, NEO is well-positioned to continue paying dividends to its shareholders on a regular basis. A summary of NEO's dividend payments from 2019 to the present is provided below.

Year of Dividend Payment	Dividend Payment (Baht per Share) ^{1/}	Operating Results Period
2019	67.57	For the Year 2018
2019	18.45	Interim of the Year 2019
2019	52.00	Interim of the Year 2019
2019	59.74	Interim of the Year 2019
2020	17.67	For the Year 2019
2020	45.05	Interim of the Year 2020

Year of Dividend Payment	Dividend Payment (Baht per Share) ^{1/}	Operating Results Period
2021	95.25	For the Year 2020
2022	121.00	For the Year 2021
2023	256.10	For the Year 2022
2023	90.10	Interim of the Year 2023

Source: Financial statements audited or reviewed by a certified public accountant.

Remark: ^{1/}Dividend per share is calculated based on the par value of 100 baht per share. Currently, NEO has since changed its par value to 1.00 baht per share.

Considering NEO's past dividend payments, it is evident that NEO has a consistent record of continuously distributing dividends to shareholders. Should the Company proceed with the disposal of its 9,500,000 shares of NEO investment, it would result in a decreased portion of dividends received from NEO. This potential reduction in dividend income could lead to a loss of benefits for the Company.

(4) Selling these investments will hinder the Company's ability to diversify its business risks into the consumer products sector, a sector essential to customers in their daily lives.

The Company's primary source of income currently originates from its real estate and investment-related operations, accounting for approximately 80.00 percent of the total income. The Company's existing investment in NEO consists of 28,371,600 shares, equivalent to 12.78 percent of NEO's paid-up registered capital (before NEO's IPO). Consequently, the disposal of a portion of this investment will result in a reduced stake in the consumer products sector.

(5) Potential Loss of Investment Value from Selling Investments at a Higher Price after NEO Lists on the Stock Exchange

The disposal of NEO investments coincides with the issuance and offering of newly issued ordinary shares to the general public during NEO's Initial Public Offering (IPO). These shares will be priced the same as the IPO share offering price. The decision to go public aligns with the current economic recovery, particularly in sectors like tourism where an increasing number of tourists are visiting Thailand. This boost in consumer activity may lead to higher usage of personal care products. However, a stronger economic recovery could potentially result in the Company missing the opportunity for price increases in line with investors' expectations of NEO's securities.

2.3 Benefits and Drawbacks of Opting Out of the Transaction

2.3.1 Benefits of Opting Out of the Transaction

(1) The Company will maintain a stake in NEO, a business with significant growth potential, a robust financial position, and strong operating results. This presence contributes to the overall value creation of the group company.

NEO offers a comprehensive range of household and personal care products catering to diverse customer needs. NEO's product portfolio spans various brands, encompassing laundry detergents from Fineline and Smart, Benice brand shower cream products, Tomi brand bathroom floor cleaning products, women's perfume and deodorant products under the Eversense brand, Tros brand men's personal care products, and children's items under the D-Nee brand, among others. This extensive product range, coupled with NEO's robust financial standing, positions NEO for continual future growth. Furthermore, NEO boasts a strong financial position, a history of strong operational performance, and a track record of regular dividend payments.

Additionally, a retrospective review of NEO's income structure from 2020, 2021, 2022, and the 6-month periods ending 30 June 2022, and 2023 reveals a diverse income structure with a consistent growth trend. The breakdown is detailed as follows:

Lists	For the fiscal year ending 31 December						For the 6-month period ending 30 June			
	2020		2021		2022		2022		2023	
	Million Baht	Percentage	Million Baht	Percentage	Million Baht	Percentage	Million Baht	Percentage	Million Baht	Percentage
Income from the sale of household products										
Fabric care products	2,488.69	36.77	2,751.92	36.96	3,292.51	39.66	1,497.80	38.61	1,925.76	42.12
Cleaning products	163.26	2.41	189.85	2.55	205.54	2.48	94.12	2.42	103.00	2.25
Total income from the sale of household products	2,651.95	39.18	2,941.77	39.51	3,498.05	42.14	1,591.92	41.03	2,028.76	44.37
Income from the sale of personal care products										
Skin care and cleansing products	1,016.29	15.02	1,198.31	16.10	1,321.97	15.93	659.11	16.99	664.08	14.53
Fragrance and deodorant products	638.23	9.43	639.79	8.59	709.29	8.54	325.44	8.39	433.57	9.48
Hair styling products	43.84	0.65	36.62	0.49	39.89	0.48	19.24	0.49	20.68	0.45
Total income from the sale of personal care products	1,698.36	25.10	1,874.72	25.18	2,071.15	24.95	1,003.79	25.87	1,118.33	24.46
Income from the sale of products for baby and kids										
Fabric care products	1,438.10	21.25	1,498.37	20.13	1,548.01	18.65	723.77	18.66	795.56	17.40
Skin care and cleansing products	209.81	3.10	247.10	3.32	246.81	2.97	118.64	3.06	131.28	2.87
Container cleaning products	763.49	11.28	881.82	11.84	936.24	11.28	441.19	11.37	498.73	10.90
Other baby and kids' products	5.83	0.09	1.45	0.02	0.43	0.01	0.25	0.01	0.04	0.00
Total income from the sale of products for baby and kids	2,417.23	35.72	2,628.74	35.31	2,731.49	32.91	1,283.85	33.10	1,425.61	31.17
Total sales income	6,767.54	100.00	7,445.23	100.00	8,300.69	100.00	3,879.56	100.00	4,572.70	100.00

Source: NEO Information

Therefore, if the Company refrains from entering into the transaction at this time, it will retain a 9.46 percent shareholding in NEO's paid-up registered capital (following NEO's IPO), known for its growth potential, strong financial position, and favorable operating results, has the capacity to fortify the Company's value in the future.

(2) The Company has the Right to Receive Dividends from Being a Shareholder in NEO in the Same Proportion

NEO, being a company renowned for its regular dividend payments, strong competitive edge, and robust financial standing, ensures that the Company, as a shareholder, will continue to receive dividends in the same proportion as before if it abstains from the current investment transaction. This reliable dividend income will contribute to a steady cash flow for the Company.

However, the Company acknowledges that the investment disposal would be advantageous overall. The Company anticipates realizing profits from this divestment and expects an increase in cash flow upon the completion of NEO's Initial Public Offering (IPO) for the issuance and offering of newly issued ordinary shares to the general public.

(3) Risk Diversification into Complementary Businesses apart from the Main Business.

NEO excels as a manufacturer and distributor of a comprehensive range of household and personal hygiene products with a consistent growth progression. NEO boasts a range of popular product brands, including Fineline, BeNice, and D-Nee, among others. Nonetheless, if the Company decides against the present transaction, it will enhance opportunities for risk diversification into the consumer products business, which stands apart from the Company's primary real estate-related operations. This diversification strategy will help mitigate the impact of external factors, such as fluctuating domestic and international economic conditions, deceleration in the real estate sector, rising labor costs, and escalating raw material prices, among others.

2.3.2 Drawbacks of Opting Out of the Transaction

(1) Missed Opportunity for Investment Utilizing Proceeds from NEO Investment Disposal into Future Projects Benefiting the group company.

The disposal of 9,500,000 shares of NEO investment, coinciding with NEO's Initial Public Offering (IPO) involving the issuance and offering of newly issued ordinary shares to the general public, will generate cash flow for the Company. If the Company opts not to proceed with this transaction, it may miss the opportunity to acquire additional funding sources for potential investments in promising projects. This decision could result in a missed chance to invest in new ventures capable of generating returns and adding value, thus contributing to the Company's future growth.

2.4 Risks Associated with the Transaction**(1) Risk of Uncertain of the Share Offering Price together with the Initial Public Offering (IPO Share Offering Price).**

As of the Company's Board of Directors' Meeting No. 8/2023 on 29 September 2023, it was decided to offer a maximum of 9,500,000 existing ordinary shares held in NEO, each with a par value of 1.00 baht per share, in conjunction with the issuance and offering of newly issued ordinary shares to the general public during NEO's Initial Public Offering (IPO).

However, as the IPO share offering price has not yet been determined, as it depends on factors like investor demand (Book Building) and other assessment approaches. Consequently, there's a risk that the offering price for these ordinary shares may not align with expectations, potentially resulting in a shortfall in expected cash flow from the disposal of NEO investment and impacting the associated profits.

(2) Risk of NEO Extending the Listing Period on the Stock Exchange.

The Company's Board of Directors resolved to offer a maximum of 9,500,000 existing ordinary shares held in NEO, in conjunction with NEO's Initial Public Offering (IPO) of newly issued ordinary shares to the general public. The success of NEO's Stock Exchange Listing Plan is contingent upon the evaluations of various relevant agencies, including the The Securities and Exchange Commission, the Stock Exchange of Thailand, the NEO's Board of Directors, and NEO's shareholders. Additionally, there are other dynamic factors that could impact the Stock Exchange Listing Plan, such as NEO's operational performance, economic conditions, and stock market volatility in Thailand.

However, any significant changes in these factors might lead to a delay in NEO's listing on the Stock Exchange. Such a delay could potentially postpone the Company's anticipated receipt of funds from the investment disposal in 2024. Nevertheless, these risk factors are not likely to significantly impact the Company's core business operations.

However, The Company's decision to proceed with the disposal of its NEO investment alongside the initial public offering (IPO) of newly issued ordinary shares to the public at this time is based on the expectation of increased cash flow and profits from the investment disposal. This additional capital can be utilized for the Company's benefit and the benefit of future shareholders, regardless of whether NEO extends its listing period or not.

(3) Risk of Inability to Sell the Required Number of NEO Shares.

The transaction for asset disposal includes substantial conditions precedent, notably the requirement for approval from the Company's shareholders. This approval mandates a vote from attending shareholders with voting

rights, demanding a minimum of three-fourths of the total votes, excluding those held by shareholders with vested interests.

As a result, this transaction carries the risk that shareholder approval for the disposal of NEO investments may not be secured, potentially leading to the cancellation of this transaction. Such an outcome could result in the Company missing the opportunity to invest in other projects within its area of expertise or in investment units offering substantial returns on investment, including investments in debt and equity instruments. These opportunities are instrumental in generating income and augmenting long-term returns for the Company. If the Company cannot execute this transaction as planned, it may need to explore alternate avenues, such as selling its NEO investment through Stock Exchange trading or offering it to other interested investors. These alternatives might not yield the desired number of shares or the anticipated value.

Part 3: Opinion of the Independent Financial Advisor regarding the Study of the Reasonableness of the Asset Disposal transaction and the Appropriateness of the Conditions of the Transaction

In evaluating the appropriateness of engaging in a transaction involving the disposal of investment in NEO Corporate Public Company Limited (“NEO”), in the amount of not exceeding 9,500,000 shares with a par value of 1.00 baht per share, along with the initial public offering (“IPO”) by NEO at the price identical to the IPO offering price through NEO listing its ordinary shares on the Stock Exchange of Thailand (the “Stock Exchange”):

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

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

This section of the report encompasses: (1) an examination of the appropriateness in pursuing the transaction to dispose of investments in NEO, and (2) an assessment of the appropriateness of the transaction’s conditions.

3.1 An Examination of the Appropriateness in Pursuing the Transaction to Dispose of Investments in NEO

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

1. Book Value Approach
2. Adjusted Book Value Approach
3. Market Comparable Approach
 - 3.1 Price to Earnings Ratio Approach: P/E Ratio
 - 3.2 Price to Book Value Ratio Approach: P/BV Ratio
 - 3.3 Enterprise Value to EBITDA Approach: EV/EBITDA Ratio
4. Discounted Cash Flow Approach: DCF
5. Market Value Approach

3.1.1 Book Value Approach

The valuation of NEO's fair value through the book value approach provides an assessment of NEO's worth to its shareholders based on the figures reported in the financial records at a specific point in time. This evaluation is grounded in the book value as per NEO's financial statements for the period ending 30 June 2023, which has been audited by a certified public accountant approved by the Office of the Securities and Exchange Commission.

The valuation of ordinary shares using the book value approach derives from the shareholders' equity of the parent company according to NEO's financial statements. This figure is then divided by the number of NEO shares issued and fully paid as of 30 June 2023, totaling 222,000,000 shares, each with a par value of 1.00 baht per share (following the par value adjustment from 100.00 baht to 1.00 baht per share). This calculation can be expressed as follows:

Book value	Unit	Amount
Registered share capital	THB Million	222.00
Par value	THB/Share	1.00
Issued and paid-up share capital	THB Million	222.00
Capital surplus on share-based payments	THB Million	26.93
Capital surplus on business combination under common control	THB Million	159.42
Appropriated-statutory reserve	THB Million	22.20
Unappropriated retained earnings	THB Million	1,479.74
Equity attributable to owners of the parent as of 30 June 2023	THB Million	1,910.28
Number of issued and paid-up shares as of 30 June 2023	Million shares	222.00
Book value per share	THB/Share	8.60

Source: NEO's audited financial statements, reviewed by a certified public accountant approved by the SEC Office.

Remark: 1/ During NEO's Extraordinary General Meeting of Shareholders on 25 August 2023, NEO approved the modification of the par value of its ordinary shares, adjusting it from the initial 100.00 baht per share to 1.00 baht per share. Consequently, the number of ordinary shares increased from 2,220,000 shares to 222,000,000 shares.

The valuation derived from the book value approach places NEO's value at 8.60 baht per share.

However, when factoring in the IPO discount of 20.00 percent, the value of NEO, according to the book value approach, amounts to 6.88 baht per share.

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

3.1.2 Adjusted Book Value Approach

The valuation of NEO's fair value through the adjusted book value approach involves deducting all liabilities, including potential future commitments and contingent liabilities (if applicable), from NEO's total assets as of 30 June 2023. This date represents the most recent financial statement, which has undergone rigorous review by an auditor and has received approval from the SEC Office. The statement is further updated to incorporate any post-statement occurrences or factors that would influence a more accurate representation of the true value, such as adjustments in property appraisals not yet reflected in the financial records, potential tax-saving from losses carried forward (if applicable), and dividend payments. This process aims to align the market value of the assets more closely with their present or actual value after considering these adjustments. Consequently, the adjusted book value is determined and subsequently divided by the total number of issued and fully paid NEO shares. This calculation incorporates the number of newly issued ordinary shares offered through the IPO, not exceeding 78,000,000 shares, taking into account various pertinent factors as follows:

Based on the information from NEO's consolidated financial statements ending on 30 June 2023, NEO total assets were valued at 6,653.58 million baht. The primary current assets, encompassing cash equivalents, trade receivables, other receivables, and inventories, collectively amount to 2,878.42 million baht, representing 43.26 percent of total assets. Most of these current assets hold high liquidity or financial nature, thus closely aligning their book value with their fair value. Furthermore, the majority of non-current assets consist of land, buildings, equipment, and deferred tax assets. Their combined book value totals 3,621.50 million baht, equivalent to 54.43 percent of total assets. Notably, deferred tax assets are accounting items, and their book value mirrors their fair value closely. However, NEO has not conducted an appraisal of its land, buildings, and equipment value within the last 12 months, commencing from 30 June 2023. Conversely, NEO's total liabilities amount to 4,472.10 million baht. Among these, the principal current liabilities include short-term loans from banks, trade and other payables, and a portion of a long-term loan maturing within one year. These liabilities aggregate to 2,987.40 million baht, or 44.90 percent of

total assets. Notably, both current and non-current liabilities closely align their book value with their fair value. NEO does not carry any other liabilities that might arise post the financial statement date. Therefore, the Independent Financial Advisor has not made any adjustments to these items.

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

1) Property Valuation

The Independent Financial Advisor acknowledges the substantial impact of property, plant, and equipment on NEO's financials and views that the book value of these assets may not accurately reflect their fair value. However, due to the absence of an independent appraisal for property, plant, equipment, and other assets within the past 12 months, the Independent Financial Advisor did not make adjustments to these items.

2) Dividends

NEO distributed dividends subsequent to the date of the most recent financial statement. In the Board of Directors' Meeting No. 5/2023 held on 9 August 2023, NEO resolved to declare interim dividends sourced from the first-half 2023 operating results, amounting to 90.10 baht per share for 2,220,000 ordinary shares. These shares were originally valued at a par value of 100.00 baht per share (prior to the par value split to 1.00 baht per share), totalling 200.02 million baht. The payment was duly distributed in August 2023. Consequently, the Independent Financial Advisor adjusted NEO's shareholders' equity as of 30 June 2023.

3) Commitments, Potential Liabilities, and Litigations:

NEO is encumbered by certain obligations, potential liabilities, and pending legal matters, as per NEO's financial statements dated 30 June 2023, outlined as follows:

3.1) Capital Expenditure Commitments

As of 30 June 2023, NEO is bound by capital expenditure commitments pertaining to building construction, renovation, the acquisition of machinery, office equipment, and the development of a computer program system, totaling approximately 152 million baht. The Independent Financial Advisor deems that adjustments for these obligations are unnecessary as in the event of future payments, assets will be received in return at an equivalent value. Consequently, there is no requirement to adjust the book value.

3.2) Long-Term Contract Obligations

A subsidiary of NEO has entered into a long-term power purchase agreement with a private entity. The Independent Financial Advisor does not find it necessary to make adjustments for this long-term contract obligation. Such agreements entail future payments for goods or services, and it can be reasonably inferred that the value of the future goods or services is commensurate with the contractual payments. Hence, there is no need for a book

value adjustment. Additionally, NEO has not obtained an independent appraisal for this agreement within the last 12 months. Furthermore, the Independent Financial Advisor opines that the payments made in accordance with the preceding agreement were not of significant magnitude. For the six-month period concluding on 30 June 2023, there was an electricity cost pursuant to this agreement totaling approximately 4.1 million baht.

3.3) Litigation Cases

In 2020, a subsidiary of NEO became embroiled in a legal dispute with an unrelated company, which sought compensation for damages related to a construction contract. In March 2022, the Civil Court ruled that NEO's subsidiary was liable to pay damages totaling 24.5 million baht, alongside interest at a rate ranging from approximately 5.00 to 7.50 percent per annum. The subsidiary of NEO has duly recorded this debt in line with the court's decision. However, the case is presently under consideration by the Court of Appeal. Given that the aforementioned lawsuit has been fully accounted for as a liability in the financial statements, the Independent Financial Advisor sees no need to revisit this matter at this time.

4) Summary of Book Value Adjustments Calculation

Having considered the aforementioned factors, the Independent Financial Advisor has computed the adjustments to the book value. The total number of shares employed in determining the business value at this juncture stands at 300,000,000 shares (which accounts for the ordinary shares subsequent to the public offering of additional ordinary shares), each with a par value of 1.00 baht per share. The calculation process is illustrated below:

Book value	Unit	Amount
Registered share capital	THB Million	222.00
Par value ^{1/}	THB/Share	1.00
Issued and paid-up share capital	THB Million	222.00
Capital surplus on share-based payments	THB Million	26.93
Capital surplus on business combination under common control	THB Million	159.42
Appropriated-statutory reserve	THB Million	22.20
Unappropriated retained earnings	THB Million	1,479.74
Equity attributable to owners of the parent as of 30 June 2023	THB Million	1,910.28
Non-controlling interests	THB Million	271.20
Total equity as of 30 June 2023	THB Million	2,181.48
Adjustments:		
<u>Deduct:</u> Dividend Payment	THB Million	(200.02)
<u>Add:</u> Capital Increase - at par value 1.00 per share ^{2/}	THB Million	78.00
Adjusted equity attributable to owners of the parent	THB Million	2,059.46
<u>Deduct:</u> Non-controlling interests as of 30 June 2023	THB Million	(271.20)
Total equity after adjustment as of 28 september 2023	THB Million	1,788.26
Number of issued and paid-up shares	Million shares	222.00

Book value	Unit	Amount
Add: New issued paid-up shares ^{2/}	Million shares	78.00
Total number of issued and paid-up shares after IPO	Million shares	300.00
Adjusted book value per share	THB per share	5.96

Source: NEO's financial statements, duly audited by a certified public accountant approved by the SEC Office.

Remark: 1/ During the Extraordinary General Meeting of Shareholders held on 25 August 2023, NEO sanctioned the modification of the par value of its ordinary shares, reducing it from the original 100.00 baht per share to 1.00 baht per share. Consequently, the number of new ordinary shares escalated from the initial 2,220,000 shares to 222,000,000 shares.

2/ The Extraordinary General Meeting of Shareholders of NEO, on 25 August 2023, authorized the issuance of 78,000,000 new ordinary shares, each with a par value of 1.00 baht per share, in support of the initial public offering of shares.

Following the valuation of the adjusted book value approach, NEO's value is calculated to be 5.96 baht per share.

However, when factoring in the IPO discount of 20.00 percent, the value of NEO, according to the adjusted book value approach, amounts to 4.77 baht per share.

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

3.1.3 Market Comparable Approach

The market comparable approach involves valuing a company by comparing its price ratios traded on the Stock Exchange with those of listed companies in the same industry. This is based on the assumption that companies in the same industry and similar market conditions should have comparable market value ratios. The Independent Financial Advisor, therefore, seeks to identify comparable companies from those listed on the Stock Exchange that share similar business operations with NEO. Specifically, companies listed on the Stock Exchange of Thailand (SET) within the consumer products industry group (CONSUMP) under the personal care and medical supplies business category (PERSON), or within the service industry group (SERVICE) categorized under commercial business (COMM). These companies should predominantly generate income from the sale of household consumer products and/or personal hygiene care products, and they must have a trading history on the Stock Exchange of at least 3 years.

Upon analysis, the Independent Financial Advisor discovered that most of NEO's direct competitors are major international corporations. Since NEO primarily generates its income within Thailand and has plans to list on the Stock Exchange of Thailand, the selection of comparable companies necessitates special consideration. Thus,

the Independent Financial Advisor will primarily focus on companies listed on the Stock Exchange of Thailand (SET). While it is challenging to find exact matches to NEO's business operations, companies within similar industry categories can still provide valuable insights into market conditions and offer an appropriate market value ratio for NEO. The Independent Financial Advisor has scrutinized and identified a total of 8 companies for comparison, which is deemed a suitable comparable for statistical calculation. These selections have been made from the industry group (Industry) and business category (Sector) that closely align with NEO.

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

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

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

No.	Listed Company	Code	Nature of business
1	Do Day Dreaan Public Company Limited	DDD	Produces, researches and develops, markets, and distributes consumer goods in the categories of skin care, oral care, hair equipment, beauty equipment, health care, home and kitchen appliances, and lifestyle goods under company's own brands.
2	O.C.C. Public Company Limited	OCC	The Company distributes 3 major products namely cosmetics, clothes, and medical supplies under well-known brand-named such as Covermark, KMA, KMA Professional, Sungrace, BSC Hair Care, Guy Laroche, Gunze, G&G, Paon, Iris Ohyama, Smileyhound, Paul&Joe.
3	S & J International Enterprises Public Company Limited	S&J	The Company has been producing fine quality beauty care products for independent and major brands around the world. Its expertise is in supplying competitive logistic support and enhancing brand value.
4	Beauty Community Public Company Limited	BEAUTY	The Company is engaged in the retail distribution of cosmetics and skincare. Currently, BEAUTY's products are separated in 9 categories: 1.Make-up 2.Facial care 3.Body Hygiene 4. Body Care 5. Hair Care 6. Perfume 7. Beauty Drink &Food Supplement 8. Beauty Accessories and 9. Men?s Care , under the following 6 concepts: (1) Beauty Buffet, (2) Beauty Cottage and (3) Made in Nature , to meet the needs of all client segments. Each concept has differences in field of product design, distribution channel and market positioning in order to meet the different demand of target customer and to build a range customer base covering all beauty products.

No.	Listed Company	Code	Nature of business
5	Berli Jucker Public Company Limited	BJC	1.Modern Retail Supply Chain - Operates the management of modern retail stores as well as online stores. Using the merge format, all the channels of the business together. The Omni-Channel Model includes retail businesses. Rental and service area (Dual Retail Property Model) for those who are interested in renting the area. 2.Packaging Supply Chain - Manufacturing, marketing, and distributing ex. packaging products, including glass containers, aluminium cans and rigid plastic containers.3.Consumer Supply Chain - Manufacturing, marketing and distributor of consumer goods in the food and personal belongings branded by the Company and contracted to produce goods under contracts with other companies.4. Healthcare & Technical Supply Chain - Distributes products and services related to pharmaceuticals and pharmaceuticals.5. Other Business group - Operates on retail business in Southeast Asia and seek the opportunity to merge and acquisitions also Including new business development.
6	I.C.C. International Public Company Limited	ICC	The Company operates in import and distribution of products from upcountries . The products are cosmetics and fragrances, hair care products, skin care products, underwears, outfits, sport wears, washing and clothing care products, fashion and leather products.
7	Karmarts Public Company Limited	KAMART	The Company is enterprising and distributing imported cosmetics, skin care products, toiletries, dietary supplement etc
8	Saha Pathaphubul Public Company Limited	SPC	The leading Thai distributor of consumer goods, with a modern logistics network covering every corner of the country and an impressive range products and name brands.

Source: SETSMART

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

1) Price to Earnings Ratio Approach: P/E Ratio

The fair value assessment using this approach incorporates a valuation based on NEO's profitability by comparing the market price with the net profit of companies in similar industries, offering insights into NEO's

potential market value. This calculation involves taking NEO's parent company's net profit for the 12-month period ending 30 June 2023 (as per the audited financial statement) and multiplying it by the average price to earnings ratio (P/E Ratio) of the 11 companies chosen for comparison. These 11 companies are assessed using historical averages over varying business days, ranging from 7, 15, 30, 60, 90, 120, 180, to 360. These calculations are based on data from 13 May 2022, to 28 September 2023, which were the days before the Board of Directors' resolution to approve the transaction. The price-to-earnings ratio (P/E Ratio) details of the compared companies are as follows:

Code	Historical PE Ratio (Times)							
	7 Business days	15 Business days	30 Business days	60 Business days	90 Business days	120 Business days	180 Business days	360 Business days
DDD	56.31	56.95	57.42	57.60	67.63	73.80	68.99	345.15 ^{1/}
OCC	43.95	43.95	43.95	43.95	43.95	43.95	43.95	53.89
S&J	12.17	12.18	12.20	11.06	11.09	11.08	11.00	10.62
BEAUTY ^{2/}	-	-	-	-	-	-	-	-
BJC	24.96	25.65	26.62	27.11	27.66	28.48	29.10	30.11
ICC	9.59	9.68	9.79	9.68	9.54	9.19	11.16	26.82
KAMART	22.67	22.78	23.44	24.21	24.75	23.71	22.66	19.85
SPC	10.70	10.73	10.72	10.83	11.07	11.25	11.70	12.36
Median	25.76	25.99	26.31	26.35	27.96	28.78	28.37	25.61^{1/}

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

Remark: 1/ To mitigate the influence of outliers, the Independent Financial Advisor will exclude companies with market capitalization ratios exceeding the normal range from the calculation. For the average P/E Ratio over the last 360 days, which stands at 23.89 times, the average P/E Ratio over the same period for DDD is omitted due to an unusually high P/E Ratio.

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

Based on the aforementioned data, the price-to-earnings ratio (P/E Ratio) within the group of companies has ranged between 25.61 and 28.78 times over the past 7 to 360 business days. This is an average calculated from 13 May 2022, to 28 September 2023, with any outliers excluded from the calculation.

NEO has reported net profits attributable to NEO shareholders for the past 12 months, totaling 734.98 million baht, derived from NEO's financial statements for both 30 June 2023, and 31 December 2022, which have undergone either an audit or review process by a certified public accountant accredited by the SEC. This translates to earnings per share of 2.45 baht for 300 million ordinary shares (reflecting the number of ordinary shares after the capital increase from the offering).

Consequently, valuing the shares using the price to earnings ratio (P/E Ratio) approach yields a NEO valuation ranging from 18,820.50 to 21,152.12 million baht, or 62.74 to 70.51 baht per share.

However, when factoring in the IPO discount of 20.00 percent, the value of NEO, according to the price-to-earnings ratio approach (P/E Ratio), amounts to 50.19 to 56.41 baht per share.

This approach factors in business profitability by comparing it to the average ratio of a reference group of companies. It is a commonly used valuation approach for businesses engaging in initial public offerings (IPO), as it reflects investor or shareholder expectations regarding business profitability. Therefore, the Independent Financial Advisor deems this approach appropriate for estimating the value of this transaction.

2) Price to Book Value Ratio Approach: P/BV Ratio

The fair value assessment through this approach entails considering NEO's book value by comparing its market price with the book value of companies in similar industries, providing a basis for estimating NEO's likely market price. The calculation involves taking the adjusted shareholders' equity of NEO's parent company and multiplying it by the average price to book value ratio (P/BV Ratio) of the companies used in the comparison. 11 companies have been assessed to compare utilizing historical averages over various business days (7, 15, 30, 60, 90, 120, 180, and 360 days) spanning from 13 May 2022 to 28 September 2023—the days prior to the date the Board of Directors resolved to approve the transaction. The Price to Book Value Ratio (P/BV Ratio) of these comparable companies is sourced from Bloomberg data and calculated by an Independent Financial Advisor.

Code	Historical P/BV Ratio (Times)							
	7 Business days	15 Business days	30 Business days	60 Business days	90 Business days	120 Business days	180 Business days	360 Business days
DDD	0.80	0.81	0.82	0.82	0.85	0.87	0.94	1.01
OCC	0.59	0.59	0.59	0.57	0.57	0.57	0.59	0.51
S&J	1.74	1.74	1.75	1.58	1.50	1.45	1.37	1.22
BEAUTY	2.46	2.54	2.54	2.40	2.52	3.07	3.93	4.67
BJC	1.05	1.08	1.12	1.15	1.17	1.20	1.22	1.19
ICC	0.43	0.44	0.44	0.44	0.43	0.41	0.40	0.36
KAMART	7.76	7.79	8.02	8.28	8.05	7.50	6.75	5.52
SPC	0.80	0.80	0.80	0.81	0.82	0.83	0.84	0.87
Median	1.95	1.97	2.01	2.00	1.99	1.99	2.00	1.92

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

Based on the information provided above, the price to book value ratio (P/BV Ratio) for the group of companies under comparison ranges from 2.04 to 2.20 times over the past 7 to 360 business days, averaging between 13 May 2022 and 28 September 2023.

The adjusted shareholders' equity of NEO's parent company stands at 1,788.26 million baht, based on NEO's financial statements as of 30 June 2023. These statements have been reviewed by a certified public accountant approved by the Office of the Securities and Exchange Commission (SEC) and have been updated with various post-statement events and items that more accurately reflect the true value. This equates to an adjusted

book value per share of 5.96 baht for 300 million ordinary shares (which is the total after the public offering of additional ordinary shares).

Thus, evaluating the shares using the price to book value ratio approach (P/BV Ratio) yields a value for NEO ranging from 3,429.12 to 3,592.33 million baht, or 11.43 to 11.97 baht per share.

If we consider the IPO Discount of 20.00 percent, the value of NEO according to the price to book value ratio approach (P/BV Ratio) would be in the range of 9.14 to 9.58 baht per share.

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

3) Enterprise Value to EBITDA Approach: EV/EBITDA Ratio

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

- (1) Evaluate the enterprise value (EV) by taking the profit before deducting financial costs, taxes, depreciation, and amortization (EBITDA) over the past 12 months and multiplying it by the average enterprise value to profit ratio (EV/EBITDA Ratio) of the companies used for comparison. This utilizes historical averages for varying business days, ranging from 7, 15, 30, 60, 90, 120, 180, to 360, covering the period between 13 May 2022, and 28 September 2023 (the business day preceding the Board of Directors' approval of the transaction).
- (2) Subtract interest-bearing debt, lease liabilities (since the compared EVs include lease liabilities), non-controlling interests, and add cash and cash equivalents from the estimated business value (EV) to determine the enterprise value (EV) of NEO.

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

Code	Historical EV/EBITDA Ratio (Times)							
	7	15	30	60	90	120	180	360
	Business days	Business days	Business days	Business days	Business days	Business days	Business days	Business days
DDD	17.41	17.73	17.97	18.06	18.96	19.43	18.35	22.68
OCC ^{1/}	468.65 ^{1/}	468.65 ^{1/}	468.65 ^{1/}	468.65 ^{1/}	468.65 ^{1/}	468.65 ^{1/}	468.65 ^{1/}	359.10 ^{1/}

Code	Historical EV/EBITDA Ratio (Times)							
	7 Business days	15 Business days	30 Business days	60 Business days	90 Business days	120 Business days	180 Business days	360 Business days
S&J	8.15	8.16	8.17	7.45	7.21	7.03	6.78	6.49
BEAUTY ^{1/}	36.84 ^{1/}	38.11 ^{1/}	38.11 ^{1/}	35.93 ^{1/}	56.59 ^{1/}	88.94 ^{1/}	129.57 ^{1/}	130.85 ^{1/}
BJC	14.49	14.66	14.90	15.02	15.19	15.41	15.59	15.41
ICC	12.12	12.26	12.43	12.26	12.04	11.50	10.91	15.10
KAMART	17.54	17.62	18.11	18.69	19.06	18.25	17.22	14.98
SPC	9.52	9.54	9.52	9.62	9.81	9.96	10.26	10.20

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

Remark: 1/ In order to mitigate the influence of outliers, the Independent Financial Advisor will exclude companies with market capitalization ratios that exceed the typical range from the calculation.

Therefore, the detail of valuation based on EV to EBITDA Ratio Approach is shown as follows:

Code	Historical EV/EBITDA Ratio (Times)							
	7 Business days	15 Business days	30 Business days	60 Business days	90 Business days	120 Business days	180 Business days	360 Business days
DDD	17.41	17.73	17.97	18.06	18.96	19.43	18.35	22.68
S&J	8.15	8.16	8.17	7.45	7.21	7.03	6.78	6.49
BJC	14.49	14.66	14.90	15.02	15.19	15.41	15.59	15.41
ICC	12.12	12.26	12.43	12.26	12.04	11.50	10.91	15.10
KAMART	17.54	17.62	18.11	18.69	19.06	18.25	17.22	14.98
SPC	9.52	9.54	9.52	9.62	9.81	9.96	10.26	10.20
Median	13.20	13.33	13.52	13.51	13.71	13.60	13.18	14.15

Source: Bloomberg and calculated by IFA

Considering the information provided above, the enterprise value to earnings before interest, taxes, depreciation, and amortization (EV/EBITDA) ratio for the group of compared companies ranges between 13.18 and 14.15 times over the past 7 to 360 business days, with an average for the period spanning from 13 May 2022 to 28 September 2023, excluding any data outliers.

The Independent Financial Advisor has derived the enterprise value (EV) by taking EBITDA for the last 12 months, as per NEO's audited or reviewed financial statements up to 30 June 2023 and 31 December 2022. This amounts to 1,302.53 million baht, or 4.34 baht per share. Multiplying this by the EV/EBITDA ratio, which ranges from 13.80 to 14.84 times, results in a business value (EV) ranging between 17,172.11 and 18,424.43 million baht, equivalent to 57.24 - 61.41 baht per share. Subtracting the interest-bearing debt, including lease debt of 1,678.62 million baht (5.60 baht per share), deducting non-controlling interests amounting to 271.20 million baht (0.90 baht per share), and adding cash or cash equivalents of 286.65 million baht (0.96 baht per share), yields the value of

NEO according to the EV/EBITDA ratio approach. This results in a valuation ranging from 15,508.94 to 16,761.27 million baht, or 51.70 - 55.87 baht per share.

However, considering an IPO discount of 20.00 percent, the value of NEO, according to the EV/EBITDA ratio approach, would range from 41.36 to 44.70 baht per share.

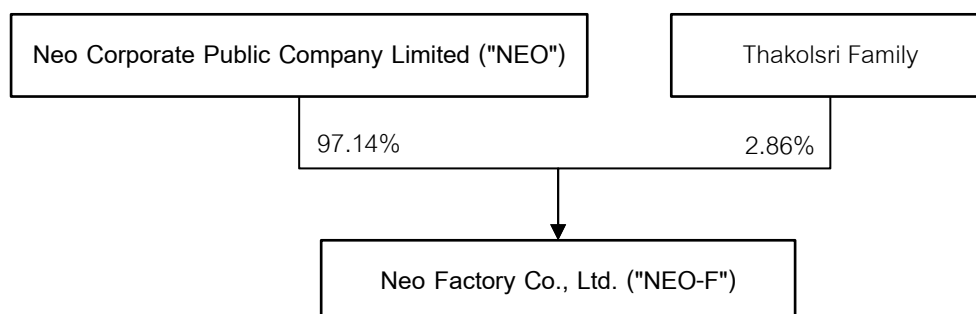
This evaluation approach reflects the ability to generate operational cash flow while accounting for differences in businesses' capital structures. Nevertheless, it relies on historical cash flows alone and does not account for future business profitability and performance. As such, share valuation using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

3.1.4 Discounted Cash Flow Approach

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

NEO's Company Structure

Details of NEO's investment structure in subsidiaries and associated companies are as follows:



Company Name	Code	Nature of business
Neo Corporate Public Company Limited	NEO	Marketing and distribution of own brands consumer products
Neo Factory Co., Ltd.	NEO-F	Manufacturing of own brands consumer products

Source: NEO's Company information

2) Key Assumption

The Independent Financial Advisor has evaluated NEO's shares value by evaluating from operating performance, business plan, and cash flow of each company under NEO. The Independent Financial Advisor has prepared financial projections of the Company from received information, as well as interviews with the management

of the Company based on a conservative basis in order to obtain key assumptions. Details of assumptions and sum-of-the-parts valuation are as follows:

Company	Business Operation
NEO	Holding Company which operation focus on marketing and distribution of own brands consumer products
NEO-F	Manufacturing consumer products under its own brands and sell to NEO.

Source: NEO's Company information

2.1) Neo Corporate Public Company Limited ("NEO")

1. Revenue from Sales

NEO main business consists of production, marketing, and distribution of consumer products standing as one of the leading companies in Thailand. Its product offerings span three groups: (1) household products (2) personal care products (3) baby and kids products, of which product brands include Fineline, Benice, D-Nee, and others which contribute to revenue from sale as follows:

(Unit: Million Baht)	2020	2021	2022	1H2023
Household Products				
Domestic	2,092.82	2,532.88	2,999.23	1,814.45
Export	559.13	408.89	498.82	214.31
Total Revenue from Household Products	2,651.95	2,941.77	3,498.05	2,028.76
Growth (%)	-	10.93%	18.91%	27.44%
Personal Care Products				
Domestic	1,647.06	1,825.15	2,036.20	1,099.42
Export	51.30	49.57	34.95	18.91
Total Revenue from Personal Care Products	1,698.36	1,874.72	2,071.15	1,118.33
Growth (%)	-	10.38%	10.48%	11.41%
Baby and Kids Products				
Domestic	1,752.83	1,981.19	2,108.98	1,086.19
Export	664.40	647.55	622.51	339.42
Total Revenue from Baby and Kids Products	2,417.23	2,628.74	2,731.49	1,425.61
Growth (%)	-	8.75%	3.91%	11.41%
Total Revenue from Sales	6,767.54	7,445.23	8,300.69	4,572.70
Domestic	5,492.71	6,339.22	7,144.41	4,000.06
Export	1,274.83	1,106.01	1,156.28	572.64
Growth (%)	9.93%	10.01%	11.49%	17.87%

Note: Growth Rate in 1H2023 is based on 1H2022

Revenue by Products Groups	2563	2564	2565	1H2566
Household Products	39.19%	39.51%	42.14%	44.37%
Personal Care Products	25.10%	25.18%	24.95%	24.46%
Baby and Kids Products	35.72%	35.31%	32.91%	31.18%

Total Revenue from Sales	100.00%	100.00%	100.00%	100.00%
Domestic	81.16%	85.14%	86.07%	87.47%
Export	18.84%	14.86%	13.93%	12.53%

Source: NEO's Company information

In 2021, NEO sale has significantly increase especially in household products due to improve in domestic demand due to following factors (1) NEO products has gain more popularity hence market shares due to product quality and product varieties with right price point as well as continuous development in in improving product cleanliness performance which consumers has paid more attention to Post Covid-19 pandemic. (2) Post Covid-19 government policies such as Shop-dee-mee-kern and state welfare programs also help boost consumption hence more demand for consumer products. (3) NEO continuous investment in sales and marketing promotion through all its distribution channels also help boost brand awareness at point of sale. However, export sales in 2021 has no recover due to covid-19 and inflated freight cost due to pandemic.

In 2022, NEO revenue from sales continue to grow mainly from increase in domestic sales and increase in product price. The growth in sales is from existing products and new products which aim to align with more customer segmentations and customer's behavior post pandemic where more attention is paid to cleanliness. Also, in 2022, the economy starts to recover from pandemic, hence demand recovery for consumer products which continue into 2023 where first half of 2023 NEO revenue from sales has increased by 17.87% from previous year. Household products especially gain 27.44% increase from increase in domestic sales and increase in product price in first quarter of 2023. Exports also gain some recovery and is expected to contribute to future growth of the company in the near future.

Looking forward, IFA has conduct interviews with NEO management and analyzed its market share and outlooks in order to forecast NEO future's sales where in 2023, IFA expected sales growth at 15.16% year on year due to strong growth contribution in the first half. And assumed growth between 2024-6 at 13.29%-13.39% due to following factors: (1) NEO product pipeline which try to focus more in customer segmentation especially in house hold products and personal care products where NEO's product brands are among the top brands in their own market with improving market shares (refers to Attachment 4: Overview of market share of NEO). (2) NEO expects export sales to improve from pandemic recovery as well as new overseas market channel opportunities. (3) NEO investment in improvement of warehouse and production line where improve automated warehouse will be completed in 2024 and product line investment will be fully utilized in 2026. (4) NEO company is expected to be listed in Stock Exchange of Thailand (SET) next year which will not only bring in new capital but also help increase company and products exposure through public, medias, retail investors, institutional investors, and foreign investors.

In 2027, IFA assumed NEO growth to slowdown to 9.32 due to above mentioned drivers had been realized, while the new household production line (which is expected to finish in 2026) will continue to contribute to growth

in household sale into 2027. As for the final valuation year of 2028, IFA assumed sale growth of 3.00% based on Thailand's average 10 years GDP growth (excluding year 2020-21 due to Covid-19 pandemic) which reflects consumers purchasing power and hence consumption growth in consumer product.

(Unit: Million Baht)	2023	2024	2025	2026	2027	2028
Household Products	4,177.11	4,792.37	5,498.79	6,309.93	7,226.32	7,443.11
Growth (%)	19.41%	14.73%	14.74%	14.75%	14.52%	3.00%
Personal Care Products	2,379.83	2,734.61	3,142.39	3,611.09	3,791.64	3,905.39
Growth (%)	14.90%	14.91%	14.91%	14.92%	5.00%	3.00%
Baby and Kids Products	3,004.62	3,305.06	3,635.54	3,999.07	4,199.02	4,324.99
Growth (%)	10.00%	10.00%	10.00%	10.00%	5.00%	3.00%
Total Revenue from Sales	9,561.55	10,832.03	12,276.71	13,920.08	15,216.99	15,673.50
Growth (%)	15.19%	13.29%	13.34%	13.39%	9.32%	3.00%

Source: Company information and a projection prepared by the IFA based on Company's projection and management interviews.

2. Cost of Goods Sold

In calculating cost of goods sold, the Independent Financial Advisor used assumptions to compare historical data with details as follows:

Cost of Goods Sold	Due to the nature of NEO operation, most of NEO cost of goods sold is related to marketing/promotion cost, distribution cost, and product cost (from NEO-F) which accounted for 96.30%-97.96%. IFA assumed COGs of NEO to be mostly variable cost where in the past 3 years the cost is around 68.59% - 72.36% to Sales where in 2022 the cost of product has increase significantly due to drastic increase in inflation and weaken of Thai Baht. The COGs in first half of 2023 have recovered to 70.74% which is inline with 2021, thus IFA assumed COGs looking forward to be at 70.74% to Sales base on NEO first half performance.
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(Unit: Million Baht)	2022	2023	2024	2025	2026	2027	2028
Total Cost of Goods Sold	6,006.67	6,763.60	7,662.30	8,684.23	9,846.71	10,764.11	11,087.03
Percent to Sales (%)	72.36%	70.74%	70.74%	70.74%	70.74%	70.74%	70.74%

Source: Company information and a projection prepared by the IFA based on Company's projection and management interviews

3. Interest Income and Other Income

In calculating interest income and other income, the Independent Financial Advisor used assumptions to compare historical data with details as follows:

Interest Income	NEO currently has no interest income other than from saving account, however, after IPO, NEO plan to lend portion of it proceed to NEO-F for
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	investment in product line and warehouse. IFA assumed lending amount to be 2,500 million baht with interest rate of THOR+2% based on company existing rate from bank and expect Bank of Thailand to increase its policy rate in the near future by 0.50% which result in assumed interest rate of 4.99%
Other Income	Other income consists of gain/loss from currency, interest from saving, and interest from money market. IFA assumed no future income from above mentioned.

(Unit: Million Baht)	2022	2023	2024	2025	2026	2027	2028
Interest Income	-	-	5.04	61.13	106.58	95.36	84.14
Other Income	12.41	6.72	-	-	-	-	-

Source: Company information and a projection prepared by the IFA based on Company's projection and management interviews

4. Selling Expense

In calculating Selling Expense, the Independent Financial Advisor used assumptions to compare historical data with details as follows:

Variable Selling Expense	<p>Variable selling expense consist of (1) promotion expense through media and distribution channels, advertising cost through traditional and online channel, as well as VDO advertisement and brand ambassador expense (2) distribution expense from online (new) distribution channel such as Shopee and Lazada. Variable Expense ratio to Revenue from Sales in the past 3 years is around 13.08% - 14.61% with first half of 2023 ratio of 15.07%</p> <p>IFA assumed Variable selling expense looking forward at 15.07% based on first half of 2023 to be inline with current marketing channels and media channels especially online segment which has become more significant in the past years.</p>
Fixed Selling Expense	<p>Fixed selling expense consist of marketing research expense, public relation campaign relates to NEO company where IFA assumed this portion of expense to increase at 1.50% growth base on Thailand's average 10 years inflation (excluding year 2020-2021 due to Covid-19 pandemic).</p>

(Unit: Million Baht)	2022	2023	2024	2025	2026	2027	2028
Variable Selling Expense	1,085.64	1,440.64	1,632.06	1,849.73	2,097.34	2,292.74	2,361.53
Fixed Selling Expense	60.52	61.43	62.35	63.29	64.24	65.20	66.18

(Unit: Million Baht)	2022	2023	2024	2025	2026	2027	2028
Total Selling Expense	1,146.17	1,502.07	1,694.42	1,913.02	2,161.58	2,357.95	2,427.71
Percent to Sale (%)	13.81%	15.71%	15.64%	15.58%	15.53%	15.50%	15.49%

Source: Company information and a projection prepared by the IFA based on Company's projection and management interviews

5. Administrative Expense

In calculating administrative expense, the Independent Financial Advisor used assumptions to compare historical data with details as follows:

Salary Expense	IFA has analyzed future manpower and company sale growth and assumed salary and management expense related to administrative expense to increase at 5.00% per year base on target salary increase from management. However, in 2023-24 NEO is expected to see 15.00% and 10.00% increase in salary and management expense in order to support company sales growth in the coming years.
Other Administrative Expense	Other Administrative Expense includes utilities, rent, travel expense, consultant fee, and other such as IT related expense. IFA assumed increased with reference to the inflation rate, equal to 1.5 percent per year, which is close to the historical average of inflation rates for the previous 10 years, excluding the years of the COVID-19 pandemic.
Depreciation and Amortization	NEO depreciation and amortization expense will be shown in section 6. Capital Expenditure and Depreciation and Amortization, with addition of right of use expense as show in table below.

(Unit: Million Baht)	2022	2023	2024	2025	2026	2027	2028
Salary Expense	448.10	515.31	566.84	595.19	624.95	656.19	689.00
Other Admin Expense	71.15	72.22	73.30	74.40	75.52	76.65	77.80
Depreciation and Amortization	104.60	125.93	168.17	167.53	164.73	161.30	146.67
Total Administrative Expense	623.85	713.47	808.32	837.11	865.20	894.15	913.47
Percent to Sale (%)	7.52%	7.46%	7.46%	6.82%	6.22%	5.88%	5.83%

Source: Company information and a projection prepared by the IFA based on Company's projection and management interviews

6. Capital Expenditure and Depreciation and Amortization

NEO is currently investing in warehouse automated system improvement which started in 2022 and is expected to be completed by early 2024. IFA also assumed an additional 20 million baht CAPEX in office supplies and IT related investment from year 2025 onward based on NEO historical investment and management interview. NEO CAPEX and depreciation and amortization from 2023-28 are as follows:

(Unit: Million Baht)	2023	2024	2025	2026	2027	2028
Capital Expenditure	645.47	85.68	20.00	20.00	20.00	20.00
Depreciation and Amortization	87.19	129.43	128.78	125.99	122.56	107.92

Source: Company information and a projection prepared by the IFA based on Company's projection and management interviews

7. Working Capital

IFA analyzed NEO account receivable and assumed 80.95 days of account receivable throughout the valuation base on average between year 2021 to half year 2023 which range between 75.45 - 83.69 days.

IFA analyzed NEO account payable and assumed 130.63 days of account payable throughout the valuation base on average between year 2021 to half year 2023 which range between 125.70-138.19 days.

IFA analyzed NEO inventory and assumed 31.18 days of inventory throughout the valuation base on average between year 2021 to half year 2023 which range between 29.98 - 32.25 days.

(Unit: Million Baht)	2023	2024	2025	2026	2027	2028
Account Receivable	2,120.47	2,402.22	2,722.61	3,087.06	3,374.67	3,475.91
Account Payable	2,436.87	2,760.67	3,128.86	3,547.69	3,878.22	3,994.57
Inventory	577.85	654.64	741.94	841.26	919.64	947.23
Total Working Capital	261.45	296.19	335.69	380.63	416.09	428.57

Source: Company information and a projection prepared by the IFA based on Company's projection and management interviews

8. Loan

NEO has outstanding loan from financial institution in form of short-term loan, long-term loan, Promissory Note: P/N, and Trust Receipt: T/R for the purpose of operation and investment. IFA assumed interest expense base on existing loan sheet with assumption of interest rate increase in the amount of 0.50% in 2024 due to expected increase in policy rate from Bank of Thailand. NEO outstanding loan and interest expense are summarized as follows:

(Unit: Million Baht)	2023	2024	2025	2026	2027	2028
Outstanding Loan	993.13	1,000.96	823.24	645.52	468.20	319.96
Interest Expenses	24.72	49.30	45.09	36.29	27.51	19.46

Source: Company information and a projection prepared by the IFA based on Company's projection and management interviews

9. Profit and Loss Statement of NEO (Not including NEO-F)

The Independent Financial Advisor has constructed a profit and loss statement base of separate financial statement of NEO (not include NEO-F) on above assumptions which can be summarized as follows.

(Unit: Million Baht)	2022	2023	2024	2025	2026	2027	2028
Revenue from Sales and Services	8,313.11	9,568.27	10,837.07	12,337.84	14,026.66	15,312.35	15,757.64

(Unit: Million Baht)	2022	2023	2024	2025	2026	2027	2028
Cost of Goods Sold	(6,006.67)	(6,763.60)	(7,662.30)	(8,684.23)	(9,846.71)	(10,764.11)	(11,087.03)
Gross Margin	2,294.03	1,338.09	1,459.87	2,797.96	3,169.73	3,592.48	4,073.37
Other Income	12.41	6.72	5.04	61.13	106.58	95.36	84.14
SG&A Expenses	(1,769.73)	(2,215.54)	(2,502.73)	(2,750.14)	(3,026.78)	(3,252.09)	(3,341.18)
EBIT	536.71	589.14	672.03	903.48	1,153.18	1,296.15	1,329.43
Interest Expense	(13.73)	(24.72)	(49.30)	(45.09)	(36.29)	(27.51)	(19.46)
Profit Before Tax	522.98	564.41	622.73	858.39	1,116.88	1,268.64	1,309.97
Tax Expense	(107.66)	(112.88)	(124.55)	(171.68)	(223.38)	(253.73)	(261.99)
Net Income	415.32	451.53	498.18	686.71	893.50	1,014.91	1,047.98

Source: Company information and a projection prepared by the IFA based on Company's projection and management interviews

2.2) Neo Factory Co., Ltd. ("NEO-F")

1. Revenue from Sales

Neo Factory Co., Ltd. ("NEO-F") is subsidiary of NEO which operates in manufacturing of consumer products which consist of (1) Household Products under brands Fineline, Smart, Tomi (2) Personal Care Products under brands BeNice, TROS, Eversense, and Vivite and (3) Baby and Kids Products under brands D-nee which contribute to production as follows:

	2020	2021	2022	1H2023
Household Products				
Production Capacity (TON)	87,856	153,680	153,680	75,710
Utilization (TON)	107,618	113,968	122,041	69,443
Utilization Rate (%)	122.49% ^{2/}	74.16%	79.41%	91.72%
Personal Care Products				
Production Capacity (TON)	23,773	32,020	33,383	16,446
Utilization (TON)	18,624	21,244	24,251	11,393
Utilization Rate (%)	78.34%	66.35%	72.64%	69.28%
Baby and Kids Products				
Production Capacity (TON)	31,172	37,526	42,233	20,806
Utilization (TON)	29,769	30,437	32,597	17,273
Utilization Rate (%)	95.50%	81.11%	77.18%	83.02%
Total				
Production Capacity (TON)	142,800	223,226	229,296	112,962
Utilization (TON)	156,011	165,648	178,889	98,109
Utilization Rate (%)	109.25% ^{2/}	74.21%	78.02%	86.85%

Note: 1/ Source: Company information

2/ Utilization Rate which exceeds 100% in 2020 is due to extra shift overtime.

NEO-F manufacturing productions are exclusively distributed by NEO, hence NEO-F revenue from sales is directly related to NEO direct cost of goods sold and change in NEO finishing goods inventory. From 2021 to first half of 2023, the relationship between NEO-F Sale revenue above mentioned is around 97.84 - 98.23%. Hence IFA had analyzed and assumed NEO-F revenue from sales as follows:

(Unit: Million Baht)	2022	2023	2024	2025	2026	2027	2028
Revenue from Sales	5,929.36	6,627.50	7,508.12	8,509.49	9,648.57	10,547.51	10,863.93
Growth (%)	13.84%	11.77%	13.29%	13.34%	13.39%	9.32%	3.00%

Source: Company information and a projection prepared by the IFA based on Company's projection and management interviews

2. Cost of Goods Sold

The Independent Financial Advisor used assumptions to compare historical data with details as follows:

Cost of Goods Sold	
Manufacturing Cost	Manufacturing cost includes raw materials and cost associate to manufacturing of products where some of the raw materials are imported which is subject to currency fluctuation and regional unrest (such as Russia-Ukraine conflict). The average manufacturing cost of NEO-F between 2020 to first half of 2023 is around 67.16% to 73.75% to sales where in 2022 Manufacturing cost has risen to 73.75% due to above mentioned factors. IFA assumed looking forward manufacturing cost to be at 69.85% to sales base on first half of 2023 performance which is in line with past ratio and best reflect cost structure of the manufacturing cost in the future.
Wage / Salary Cost	IFA analyzed wage and salary cost related to manufacturing between 2020 to first half of 2023 to be around 9.64% to 10.88% to sales hence IFA assumed looking forward wage and salary cost to be at 10.17% to sales base on first half of 2023 performance which is in line with past ratio and best reflect cost structure in the future.
Depreciation and Amortization	NEO-F depreciation and amortization expense will be shown in section 6. Capital Expenditure and Depreciation and Amortization, with addition of right of use expense as show in table below.

Cost of Goods Sold of NEO-F							
(Unit: Million Baht)	2022	2023	2024	2025	2026	2027	2028
Manufacturing cost	4,373.16	4,629.08	5,244.16	5,943.58	6,739.19	7,367.07	7,588.08
Wage and salary cost	573.40	673.74	763.27	865.06	980.86	1,072.25	1,104.41
Total Cost (ex. Dep)	4,946.55	5,302.82	6,007.43	6,808.64	7,720.06	8,439.32	8,692.50
Depreciation & Amortization	177.28	191.36	274.66	376.96	640.80	665.07	673.16
Total Cost of Goods Sold	5,123.84	5,494.18	6,282.08	7,185.61	8,360.85	9,104.39	9,365.65

Cost of Goods Sold of NEO-F							
(Unit: Million Baht)	2022	2023	2024	2025	2026	2027	2028
Cost to Sales (%)	86.41%	82.90%	83.67%	84.44%	86.65%	86.32%	86.21%

Source: Company information and a projection prepared by the IFA based on Company's projection and management interviews

3. Other Income

In calculating rent income and other income, the Independent Financial Advisor used assumptions to compare historical data with details as follows:

Rental Income	NEO-F has rental income from NEO in the past and will continue with increase in rental income of 5.00% every 3 years.
Other Income	<p>Consist of (1) future income from gain/loss from currency, interest from saving, interest from money market, (2) and income from selling of scrap and other manufacturing related materials.</p> <p>IFA assumed no future income from gain/loss from currency, interest from saving, and interest from money market base on conservative analysis.</p> <p>Income from selling of scrap and other manufacturing related materials between 2020 to first half of 2023 is 0.54% to 0.58% to sale thus IFA assumed 0.56% to sale base on average income ratio to sales between 2020 to first half of 2023.</p>

(Unit: Million Baht)	2022	2023	2024	2025	2026	2027	2028
Other Income	56.10	60.05	65.14	71.90	78.27	83.29	86.28
Growth (%)	7.47%	7.03%	8.49%	10.37%	8.86%	6.42%	3.58%

Source: Company information and a projection prepared by the IFA based on Company's projection and management interviews

4. Selling Expense

In calculating Selling Expense, the Independent Financial Advisor used assumptions to compare historical data with details as follows:

Selling Expense	Selling expenses consist of discount and rebate related to marketing and promotion which is around 6.71% to 6.85% to sales base on selling expense between 2020 to first half of 2023. IFA assumed 6.78% selling expense to sales base on average between 2020 to first half of 202.
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(Unit: Million Baht)	2022	2023	2024	2025	2026	2027	2028
Selling Expense	405.87	449.27	508.96	576.85	654.06	715.00	736.45
Percent to sales (%)	6.85%	6.78%	6.78%	6.78%	6.78%	6.78%	6.78%

Source: Company information and a projection prepared by the IFA based on Company's projection and management interviews

5. Administrative Expense

In calculating administrative expense, the Independent Financial Advisor used assumptions to compare historical data with details as follows:

Salary Expense	IFA has analyzed future manpower and company sale growth and assumed salary and management expense related to administrative expense to increase at 5.00% per year base on target salary increase from management. However, in 2023-24 NEO-F is expected to see 30.00% and 20.00% increase in salary and management expense to support company sales growth in the coming years.
Other Administrative Expense	Other Administrative Expense includes utilities, rent, travel expense, consultant fee, and other such as IT related expense. IFA assumed increased with reference to the inflation rate, equal to 1.5 percent per year, which is close to the historical average of inflation rates for the previous 10 years, excluding the years of the COVID-19 pandemic. However, in 2023-24 NEO-F is expected to see 10.00% increase in other administrative expense to support company sales growth in the coming years.
Depreciation and Amortization	NEO-F depreciation and amortization expense will be shown in section 6. Capital Expenditure and Depreciation and Amortization, with addition of right of use expense as show in table below.

(Unit: Million Baht)	2022	2023	2024	2025	2026	2027	2028
Salary Expense	127.03	165.14	198.16	208.07	218.48	229.40	240.87
Other Admin Expense	71.20	78.32	86.15	87.44	88.75	90.08	91.43
Depreciation and Amortization	62.20	63.27	56.18	56.56	57.51	54.06	51.08
Total Administrative Expense	260.42	306.72	340.50	352.07	364.74	373.54	383.39
Percent to Sale (%)	4.39%	4.63%	4.54%	4.14%	3.78%	3.54%	3.53%

Source: Company information and a projection prepared by the IFA based on Company's projection and management interviews

6. Capital Expenditure and Depreciation and Amortization

NEO-F is currently investing in new manufacturing lines in personal care products which is expected to be completed by 2024 and will continue to in household products manufacturing lines and raw materials warehouse which is expected to be completed by 2026. In addition, NEO-F will be required to re-invest in machinery and manufacturing related equipment in the future base on NEO-F historical investment and management interview. NEO-F CAPEX and depreciation and amortization from 2023-28 are as follows:

(Unit: Million Baht)	2023	2024	2025	2026	2027	2028
Capital Expenditure	834.50	2,087.00	3,420.40	524.20	402.00	617.00
Depreciation and Amortization	254.63	330.84	433.53	698.31	719.13	724.24

Source: Company information and a projection prepared by the IFA based on Company's projection and management interviews

7. Working Capital

IFA analyzed NEO-F account receivable and assumed 66.06 days of account receivable throughout the valuation base on average between year 2021 to half year 2023 which range between 62.89 - 71.06 days.

IFA analyzed NEO-F account payable and assumed 80.88 days of account payable throughout the valuation base on average between year 2021 to year 2022 at 80.79 - 80.97 days. This is because in the first half of 2023, account payable of NEO-F has risen to 98.02 due pending payable such as advertising payable and construction payable which may not reflect future NEO-F account payable looking forward.

IFA analyzed NEO-F inventory and assumed 20.36 days of inventory throughout the valuation base on average between year 2021 to half year 2023 which range between 17.99 - 24.36 days.

(Unit: Million Baht)	2023	2024	2025	2026	2027	2028
Account Receivable	1,199.46	1,358.84	1,540.07	1,746.22	1,908.91	1,966.18
Account Payable	1,175.02	1,331.15	1,508.69	1,710.64	1,870.02	1,926.12
Inventory	295.79	335.10	379.79	430.63	470.75	484.87
Total Working Capital	320.23	362.78	411.17	466.20	509.64	524.93

Source: Company information and a projection prepared by the IFA based on Company's projection and management interviews

8. Loan

NEO-F has outstanding loans from financial institutions in form of short-term loan, long-term loan, Promissory Note: P/N, and Trust Receipt: T/R for the purpose of operation and investment. IFA assumed interest expense base on existing loan sheet with assumption of interest rate increase in the amount of 0.50% in 2024 due to expected increase in policy rate from Bank of Thailand. In addition, NEO plans to lend a portion of its proceeds to NEO-F for investment in product line and warehouse. IFA assumed lending amount to be 2,500 million baht with interest rate of THOR+2% based on company existing rate from bank and expect Bank of Thailand to increase its policy rate by 0.50% which result in assumed interest rate of 4.99%. NEO-F outstanding loan and interest expense are summarized as follows:

(Unit: Million Baht)	2023	2024	2025	2026	2027	2028
Outstanding Loan	1,153.23	2,701.33	5,417.80	4,656.86	3,895.93	3,187.58
Interest Expense	33.46	96.91	198.01	241.79	204.69	168.91

Source: Company information and a projection prepared by the IFA based on Company's projection and management interviews

9. Profit and Loss Statement of NEO-F

The Independent Financial Advisor has constructed a profit and loss statement base of separate financial statement of NEO-F on above assumptions which can be summarized as follows.

(Unit: Million Baht)	2022	2023	2024	2025	2026	2027	2028
Revenue from Sales and Services	5,929.36	6,627.50	7,508.12	8,509.49	9,648.57	10,547.51	10,863.93
Cost of Goods Sold	(5,123.84)	(5,494.18)	(6,282.08)	(7,185.61)	(8,360.85)	(9,104.39)	(9,365.65)
Gross Margin	805.52	1,133.32	1,226.04	1,323.88	1,287.72	1,443.12	1,498.28
Other Income	56.10	60.05	65.14	71.90	78.27	83.29	86.28
SG&A Expenses	(666.29)	(755.99)	(849.46)	(928.92)	(1,018.80)	(1,088.54)	(1,119.84)
EBIT	195.34	437.37	441.72	466.86	347.19	437.87	464.72
Interest Expense	(27.69)	(33.46)	(96.91)	(198.01)	(241.79)	(204.69)	(168.91)
Profit Before Tax	167.64	403.91	344.81	268.84	105.39	233.18	295.82
Tax Expense	(34.03)	(80.78)	(68.96)	(53.77)	(21.08)	(46.64)	(59.16)
Net Income	133.61	323.13	275.85	215.08	84.31	186.54	236.65

Source: Company information and a projection prepared by the IFA based on Company's projection and management interviews

3) The Calculation of Discounted Cash Flow Approach

1. Present Value of Cash Flow of NEO and NEO-F

Valuation using Discounted Cash Flow Approach is computed by considering the expected risk and return.

2. Discount Rate

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

The calculation of WACC is as follows:

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

$$K_e = \text{Cost of equity (calculation referred below)} = 14.92\%$$

$$K_d = \text{Cost of interest-bearing debt} = 4.98\% \quad (\text{Estimated to increase 0.50\%})$$

$$t = \text{Corporate income tax} = 20\%$$

$$V = D + E \text{ whereas } D \text{ is debt and } E \text{ is equity} = 100\%$$

$$\left(\frac{E}{V} \right) = \text{Equity to value ratio} = 56.93\%$$

$$\left(\frac{D}{V} \right) = \text{Debt to value ratio} = 43.07\%$$

The calculation of K_e is as follows:

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

Whereas:

Risk Free Rate: R_f	=	Risk-free rate is at 2.21% per year (as of 28 September 2023), calculated from historical 3-year ^{1/} average of daily risk-free return from investment in 10-year Thai government bond ^{2/} .
Levered Beta: β_l	=	Beta 1.09
Market Return: R_m	=	Market return is at 14.52% per year (as of 28 September 2023), calculated from historical 3-year ^{1/} average of daily return from stock exchange of Thailand.
Market Premium: $R_m - R_f$	=	Market premium is at 12.31% (as of 28 September 2023), calculated from historical 3-year ^{1/} average of the difference between daily market return and risk-free return.

Source: Bloomberg as of 28 September 2023

Note: 1/ The Independent Financial Advisor has assumptions based on the historical period of 3 years because the period is considered to be appropriate to reflect the current investor's expected return and the view of investors on the specific characteristics of the market, as well as also reflect the risks of the current business conditions relatively well.

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

The Calculation of Levered Beta of NEO

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

The calculation of Levered Beta is as follows:

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

Whereas:

β_u	=	Average of unlevered beta of the Stock Exchange of Thailand, compared to listed companies in the Stock Exchange of Thailand which derive their revenues from similar business as ABICO and calculated based on 3-year average figure. The average unlevered beta is 0.62.
t	=	Corporate income tax is 20%
D/E	=	Debt to equity ratio is 0.76

Based on the above calculation, the Levered Beta is equal to 0.99.

Table of Average Unlevered Beta

Average of Unlevered Beta is calculated by using listed companies in the Stock Exchange of Thailand which derive their revenues from similar business as NEO's as follows:

No.	Listed Company	Code	Unlevered Beta ^{1/}
1	Do Day Drean Public Company Limited	DDD	1.07
2	O.C.C. Public Company Limited	OCC	0.62
3	S & J International Enterprises Public Company Limited	S&J	0.47
4	Beauty Community Public Company Limited	BEAUTY	1.16
5	Berli Jucker Public Company Limited	BJC	0.49

No.	Listed Company	Code	Unlevered Beta ^{1/}
6	I.C.C. International Public Company Limited	ICC	0.48
7	Karmarts Public Company Limited	KAMART	0.75
8	Saha Pathaphubul Public Company Limited	SPC	0.39
Average			0.62

Source: Bloomberg as of 28 September 2023

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

3. Terminal Value

The IFA calculates the Terminal Value of cash flow from operation of the Company based on the assumption that the Company has continuing business operation with terminal growth of 3.00% based on Thailand's average 10 years GDP growth (excluding year 2020-21 due to Covid-19 pandemic) which reflects consumers purchasing power and hence consumption growth in consumer product.

Profit and Loss Statement and Present Value of Cash Flow of NEO

Profit and Loss Statement of NEO

The Independent Financial Advisor has constructed profit and loss statement base on above assumptions which can be summarized as follows:

(Unit: Million Baht)	2022	2023	2024	2025	2026	2027	2028
Revenue from Sales and Services	8,313.11	9,568.27	10,837.07	12,337.84	14,026.66	15,312.35	15,757.64
Cost of Goods Sold	(6,006.67)	(6,763.60)	(7,662.30)	(8,684.23)	(9,846.71)	(10,764.11)	(11,087.03)
Gross Margin	2,294.03	1,338.09	1,459.87	2,797.96	3,169.73	3,592.48	4,073.37
Other Income	12.41	6.72	5.04	61.13	106.58	95.36	84.14
SG&A Expenses	(1,145.88)	(1,502.07)	(1,694.42)	(1,913.02)	(2,161.58)	(2,357.95)	(2,427.71)
EBIT	536.71	589.14	672.03	903.48	1,153.18	1,296.15	1,329.43
Interest Expense	(13.73)	(24.72)	(49.30)	(45.09)	(36.29)	(27.51)	(19.46)
Profit Before Tax	522.98	564.41	622.73	858.39	1,116.88	1,268.64	1,309.97
Tax Expense	(107.66)	(112.88)	(124.55)	(171.68)	(223.38)	(253.73)	(261.99)
Net Income	415.32	451.53	498.18	686.71	893.50	1,014.91	1,047.98

Source: Company information and a projection prepared by the IFA based on Company's projection and management interviews

Present Value of Cash Flow of NEO

The Independent Financial Advisor has estimated the NEO's cash flow by using the assumption to calculate the net cash flow of the Company expected to receive in the future and discounted by the weighted average cost of capital (WACC) which can be summarized as follows:

(Unit: Million Baht)	2H2023	2024	2025	2026	2027	2028
Revenue from Sales	4,988.86	10,832.03	12,276.71	13,920.08	15,216.99	15,673.50
Other Income	-	-	-	-	-	-
Cost of Goods Sold	(3,528.99)	(7,662.30)	(8,684.23)	(9,846.71)	(10,764.11)	(11,087.03)
Selling Expenses	(781.41)	(1,694.42)	(1,913.02)	(2,161.58)	(2,357.95)	(2,427.71)
Administrative Expenses	(372.38)	(808.32)	(837.11)	(865.20)	(894.15)	(913.47)
Profit (Loss) Before Tax	306.07	667.00	842.35	1,046.60	1,200.79	1,245.29
Tax	(54.04)	(124.55)	(171.68)	(223.38)	(253.73)	(261.99)
Profit After Tax	252.03	542.45	670.67	823.22	947.06	983.30
Add: Depreciation and Amortization	52.86	87.19	129.43	128.78	125.99	122.56
Deduct: Capital Expenditure	(209.37)	(85.68)	(20.00)	(20.00)	(20.00)	(20.00)
Deduct: Change in Working Capital	(180.22)	(34.74)	(39.50)	(44.94)	(35.46)	(12.48)
Free Cash Flow to Firm	(84.70)	509.22	740.59	887.07	1,017.59	1,073.37
Year	0.26	1.26	2.26	3.26	4.26	5.26
WACC Discount	10.88%	10.88%	10.88%	10.88%	10.88%	10.88%
Discount Factor	0.974	0.878	0.792	0.714	0.644	0.581

Source: Company information and a projection prepared by the IFA based on Company's projection and management interviews

Note 1/ Discount factor as of September 28th 2023

Summary of Base Case NEO Fair Value

The Independent Financial Advisor has assessed the reasonableness of the NEO's fair valuation by considering the cash flow discounted by the weighted average cost of capital (WACC) of the NEO which can be summarized as follows:

Summary of Fair Value from DCF Method	Value	Assumption
Present Value of Cash Flow	2,864.18	
Terminal Value	8,155.18	
Total Enterprise Value of NEO (Excluding NEO-F)	11,019.36	Million Baht

Profit and Loss Statement of NEO-F

The Independent Financial Advisor has constructed profit and loss statement base on above assumptions which can be summarized as follows:

(Unit: Million Baht)	2022	2023	2024	2025	2026	2027	2028
Revenue from Sales and Services	5,929.36	6,627.50	7,508.12	8,509.49	9,648.57	10,547.51	10,863.93
Cost of Goods Sold	(5,123.84)	(5,494.18)	(6,282.08)	(7,185.61)	(8,360.85)	(9,104.39)	(9,365.65)
Gross Margin	805.52	1,133.32	1,226.04	1,323.88	1,287.72	1,443.12	1,498.28
Other Income	56.10	60.05	65.14	71.90	78.27	83.29	86.28
SG&A Expenses	(666.29)	(755.99)	(849.46)	(928.92)	(1,018.80)	(1,088.54)	(1,119.84)
EBIT	195.34	437.37	441.72	466.86	347.19	437.87	464.72
Interest Expense	(27.69)	(33.46)	(96.91)	(198.01)	(241.79)	(204.69)	(168.91)

(Unit: Million Baht)	2022	2023	2024	2025	2026	2027	2028
Profit Before Tax	167.64	403.91	344.81	268.84	105.39	233.18	295.82
Tax Expense	(34.03)	(80.78)	(68.96)	(53.77)	(21.08)	(46.64)	(59.16)
Net Income	133.61	323.13	275.85	215.08	84.31	186.54	236.65

Source: Company information and a projection prepared by the IFA based on Company's projection and management interviews

Present Value of Cash Flow of NEO

The Independent Financial Advisor has estimated the NEO-F's cash flow by using the assumption to calculate the net cash flow of the Company expected to receive in the future and discounted by the weighted average cost of capital (WACC) which can be summarized as follows:

(Unit: Million Baht)	2H2023	2024	2025	2026	2027	2028
Revenue from Sales	3,471.41	7,508.12	8,509.49	9,648.57	10,547.51	10,863.93
Other Income	29.87	65.14	71.90	78.27	83.29	86.28
Cost of Goods Sold	(2,876.53)	(6,282.08)	(7,185.61)	(8,360.85)	(9,104.39)	(9,365.65)
Selling Expenses	(235.26)	(508.96)	(576.85)	(654.06)	(715.00)	(736.45)
Administrative Expenses	(164.48)	(340.50)	(352.07)	(364.74)	(373.54)	(383.39)
Profit (Loss) Before Tax	225.00	441.72	466.86	347.19	437.87	464.72
Tax	(39.24)	(68.96)	(53.77)	(21.08)	(46.64)	(59.16)
Profit After Tax	185.77	372.76	413.09	326.11	391.24	405.56
Add: Depreciation and Amortization	129.69	330.84	433.53	698.31	719.13	724.24
Deduct: Capital Expenditure	(715.46)	(2,087.00)	(3,420.40)	(524.20)	(402.00)	(617.00)
Deduct: Change in Working Capital	(90.77)	(42.55)	(48.38)	(55.04)	(43.44)	(15.29)
Free Cash Flow to Firm	(490.77)	(1,425.96)	(2,622.17)	445.18	664.93	497.51
Year	0.26	1.26	2.26	3.26	4.26	5.26
WACC Discount	10.88%	10.88%	10.88%	10.88%	10.88%	10.88%
Discount Factor	0.974	0.878	0.792	0.714	0.644	0.581

Source: Company information and a projection prepared by the IFA based on Company's projection and management interviews

Note 1/ Discount factor as of September 28th 2023

Summary of Base Case NEO-F Fair Value

The Independent Financial Advisor has assessed the reasonableness of the NEO-F's fair valuation by considering the cash flow discounted by the weighted average cost of capital (WACC) of the NEO-F which can be summarized as follows:

Summary of Fair Value from DCF Method	Value	Assumption
Present Value of Cash Flow	(2,771.45)	
Terminal Value	3,779.94	
Total Enterprise Value of NEO-F	1,008.49	Million Baht

Summary of Value NEO (SUM of Parts)

The Independent Financial Advisor has assessed the reasonableness of the Company's fair valuation by Sum-of-the-Parts) of NEO and its subsidiaries as follows:

Summary of Fair Value from DCF Method	Value	Assumption
Enterprise Value of NEO	11,019.36	
Enterprise Value of NEO-F	979.68	Investment portion 97.14%
Total Enterprise Value	11,999.04	Million Baht
Deduct: Interest bearing debt	(1,650.22)	As of June 30 th 2023
Add: Proceed from IPO	3,000.00	Actual proceed depend on final pricing of IPO
Equity Value of NEO	13,348.82	Million Baht

Expected total Shares NEO after IPO	300	Million Shares
Fair Value per share	44.50	Baht per Share
Marketability discount for IPO ^{1/}	20.00%	
Fair Value of NEO after discount	35.60	Baht per Share

Note 1/ IFA assumed marketability discount at 20.00% bae on 'Firm Value and Marketability Discounts (Bajaj, Denis, Ferris and Sarin (2001)).' However, NEO IPO discount can be subject to various factors such as market condition, reception of investors, management decision, and etc.

4) Sensitivity Analysis

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

- (1) Changes in revenue to calculate the fair values that cover fluctuations in revenues, the Independent Financial Advisor assumed the increase and decrease in revenue by 0.25 percent from the base case. Therefore, changes in revenue rate will be -0.50 percent to +0.50 percent. In order to get the NEO's fair value that reflects the possibilities in completely various cases.
- (2) The discount rate from financial costs by using the WACC in order to calculate the fair values of the NEO that reflect all possibilities in which the Independent Financial Advisor used WACC of the base case at 10.21 percent and assumed the increase and decrease range of 10.38 to 11.38 percent.

Sensitivity Analysis of NEO share price**Summary fair value of NEO**

Unit: Baht		Chage in Weighted Average Cost of Capital (WACC)				
		10.38%	10.63%	10.88%	11.13%	11.38%
Change in Revenue	-1.00%	47.50	45.53	43.69	41.97	40.36
	-0.50%	47.90	45.93	44.10	42.37	40.76
	0.00%	48.30	46.34	44.50	42.77	41.16
	0.50%	48.71	46.74	44.90	43.17	41.56
	1.00%	49.11	47.14	45.30	43.57	41.96

Summary fair value of NEO after IPO discount (20%)

Unit: Baht		Change in Weighted Average Cost of Capital (WACC)				
		10.38%	10.63%	10.88%	11.13%	11.38%
Change in Revenue	-1.00%	38.00	36.43	34.96	33.58	32.29
	-0.50%	38.32	36.75	35.28	33.90	32.61
	0.00%	38.64	37.07	35.60	34.22	32.93
	0.50%	38.96	37.39	35.92	34.54	33.25
	1.00%	39.29	37.71	36.24	34.86	33.56

This is assessed using the discounted cashflow approach is a valuation approach. There are significant fluctuations due to changes in NEO's earnings and changes in the weighted average cost of capital discount (WACC) rate. That resulting to fair value of NEO in ranging from 40.36 - 70.51 baht per share. In the event of an IPO discount set at 20.00 percent, the fair value range adjusts to 32.29 - 56.41 baht per share.

The discounted cashflow approach is a valuation approach which brings into consideration, the future operating performance of NEO through expected free cash flow to firm (FCFF) by using assumptions based on given information and interviews with the management, discounted by Weighted Average Cost of Capital (WACC) of NEO to calculate the future net cash flow from a financial projection. IFA also perform sensitivity analysis of the evaluation of reasonableness of the NEO's fair value on the base case to cover all ranges of impacts that are expected to arise from changes in 2 factors: (1) change in revenue and (2) change in discount rate from financial costs by using the WACC to determine fair value of NEO. IFA concluded that this method is suitable in determining the fair value of NEO share price.

3.1.5 Market Value Approach

The valuation of shares using the market value approach relies on the prevailing market prices of ordinary shares traded on the Stock Exchange. This approach takes into consideration both the value and trading volume of ordinary shares on the Stock Exchange. However, given that NEO is currently in the process of filing for securities offering and listing on the Stock Exchange, there is no current market price available for NEO. As a result, the Independent Financial Advisor is unable to assess the share value using the Market Value Approach.

3.1.6 Summary of the valuation results of NEO's fair value range

The Summary of the valuation results of NEO's fair value range in order to show the range of fair value and clearly comparison for each approach as the following:

Valuation Approaches	Fair Value (THB / Share)	Fair Value of IPO discount of 20.00 percent ^{2/3/} (THB / Share)	Valuation results
1) Book Value Approach	8.60	6.88	Inappropriate

Valuation Approaches	Fair Value (THB / Share)	Fair Value of IPO discount of 20.00 percent ^{2/ 3/} (THB / Share)	Valuation results
2) Adjusted Book Value Approach	5.96	4.77	Inappropriate
3) Market Comparable Approach			
3.1) Price to book value ratio	62.74 - 70.51	50.19 - 56.41	Appropriate
3.2) Price to earnings ratio	11.43 - 11.97	9.14 - 9.58	Inappropriate
3.3) Enterprise Value to Earnings before interest, tax, and depreciation	51.70 - 55.87	41.36 - 44.70	Inappropriate
4) Discounted Cash Flow Approach	40.36 - 49.11	32.29 - 39.29	Appropriate

Source: Valuated by IFA

Remarks:

- 1/ The independent financial advisor cannot ensure that NEO's IPO share offering price will align precisely with the fair value presented in this independent financial advisor's report. The determination of NEO's IPO price necessitates further exploration of investor demand (Book Building) and other valuation methods. The offering price for NEO's newly issued ordinary shares, as presented by NEO, will mirror that of the original ordinary shares offered by the company.
- 2/ For contextual reference, the Independent Financial Advisor posits that the IPO share offering price carries a 20 percent discount. This is attributed to the characteristic nature of issuing newly issued ordinary shares to the general public for the first time (Initial Public Offering "IPO"), which entails a substantial issuance of shares in one go. These shares are then allocated to Cornerstone Investors, institutional investors, individuals with connections to or vested interests in NEO and/or NEO's subsidiaries, as well as investors in the form of individuals or other legal entities, along with any Over-Allotment Agents, subject to legal compliance and the discretion of the NEO Board of Directors or their designated representatives.
- 3/ The Independent Financial Advisor has determined the IPO discount rate for fundraising to be set at 20 percent. This assessment is grounded in the principles of Marketability Discounts, as delineated in the work of Bajaj, Denis, Ferris, and Sarin (2001) pertaining to "Firm Value and Marketability Discounts." There exist several additional factors influencing the discount applied to IPO share prices related to each individual business. These encompass prevailing market conditions during the IPO period, as well as the response of potential investors, among other pertinent considerations.

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

1) Book Value Approach

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

2) Adjusted Book Value Approach

This approach provides a better reflection of the net asset value compared to the standard book value approach because it adjusts key items in the assessment mentioned in 1) and then divides it by the number of shares. Nevertheless, it still does not account for future business profitability and performance. Therefore, the shareholder's advisor is of the opinion that this valuation approach may not reflect the true price of the business's shareholders' equity.

3) Market Comparable Approach

3.1) Price to Earnings Ratio Approach: P/E Ratio

This approach factors in business profitability by comparing it to the average ratio of a reference group of companies. It is a commonly used valuation approach for businesses engaging in initial public offerings (IPO), as it reflects investor or shareholder expectations regarding business profitability. Therefore, the Independent Financial Advisor deems this approach appropriate for estimating the value of this transaction.

3.2) Price to Book Value Ratio Approach: P/BV Ratio

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

3.3) Enterprise Value to EBITDA Approach: EV/EBITDA Ratio

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

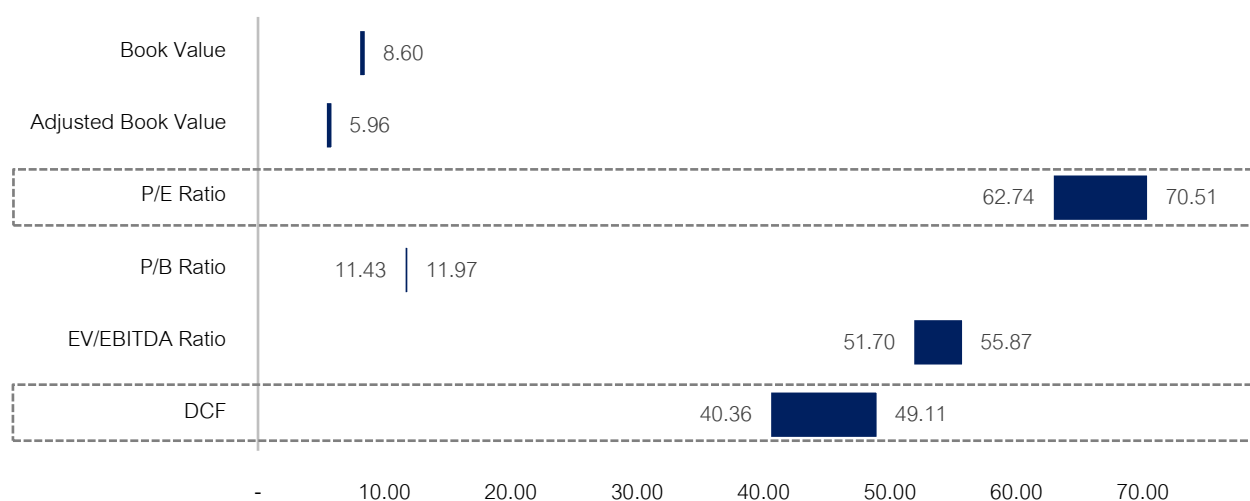
4) Discounted Cash Flow Approach

The discounted cash flow approach is an evaluative approach that utilizes past performance data to project the future capabilities and performance of the business. This is accomplished by formulating financial projections based on assumptions and information obtained from the business, taking into account current economic conditions. It is important to note that any future changes that significantly impact these assumptions may lead to deviations from anticipated business performance. Such alterations could also affect the various variables employed in the valuation process, consequently influencing the assessed value of ordinary shares under this approach. In light of this, the shareholder's advisor has

conducted a sensitivity analysis to evaluate the reasonableness of the fair business price based on the base case. This analysis encompasses a range of expected impacts resulting from alterations in two key factors: changes in income and the weighted average financial cost of the business (WACC). It aims to accurately reflect the fair value of the business. Ultimately, this approach provides insight into the business's capacity to generate profits and cash flows in the future, with the sensitivity analysis corroborating these findings. Therefore, this approach is the most appropriate for assessing the value of the business.

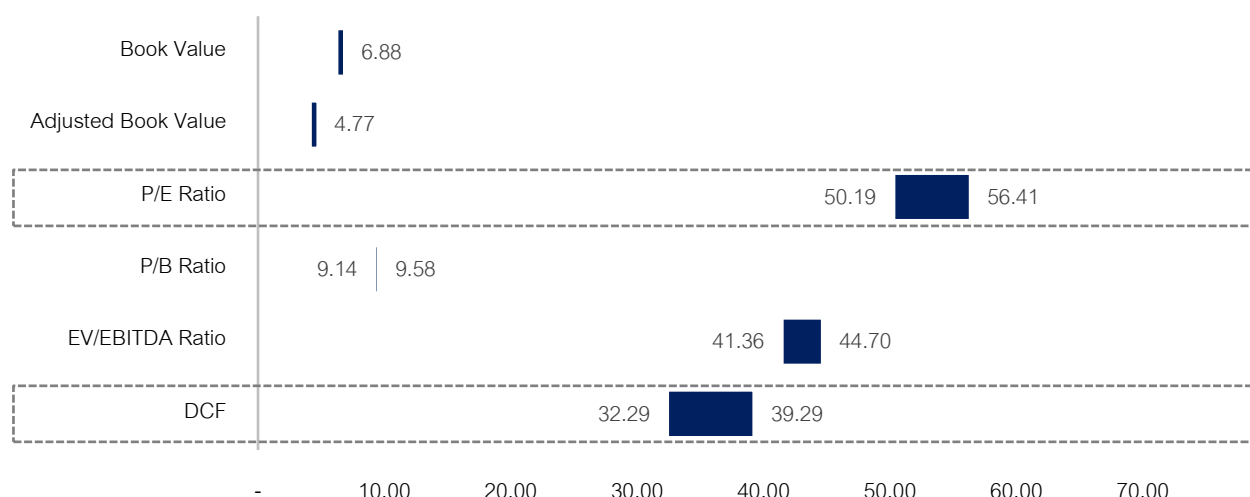
Summary of IFA's opinion about fair value of NEO

Unit: THB / Share



In the event of an IPO discount set at 20.00 percent

Unit: THB / Share



Upon examining the aforementioned analysis for determining NEO's fair value range, each valuation approach exhibits its respective strengths and weaknesses, as delineated earlier. In light of this, the shareholder's advisor holds the view that the most suitable approaches for valuing NEO's shares are the price-to-earnings ratio

approach (P/E Ratio) and the discounted cash flow approach. These approaches yield a fair value range for NEO, ranging from 40.36 to 70.51 baht per share. In the event of an IPO discount set at 20.00 percent, the fair value range adjusts to 32.29 to 56.41 baht per share.

The Independent Financial Advisor maintains that, in assessing the fair value of NEO's ordinary shares, which is presently engaged in its inaugural issuance of ordinary shares through an Initial Public Offering (IPO), the price to earnings ratio approach (P/E Ratio) stands as a pertinent criterion. This approach is widely acknowledged as a key investment evaluation method for IPO securities. The Independent Financial Advisor asserts that this method is appropriate for appraising the value of NEO's ordinary shares in the current context. Moreover, considering NEO's consistent cash flow performance and well-defined future business strategy, the Independent Financial Advisor is of the view that the discounted cash flow approach is also an appropriate approach for valuation at this juncture.

3.2 Summary of the Appropriateness for Engaging in the NEO Investment Disposal Transaction

This transaction encompasses the divestment of investments in NEO, coupled with the initial public offering (IPO) of NEO's newly issued ordinary shares to the general public at the same offering price. However, the IPO price will be determined subsequent to obtaining the requisite approvals from relevant authorities for NEO's initial public offering. This determination will also factor in the underwriting process to be undertaken in the future.

The Independent Financial Advisor holds the view that entering into this transaction by selling NEO's ordinary shares at the IPO price is appropriate. This is because it aligns with the offering price to the general public, which will undergo meticulous underwriting and public demand assessment (Book Building). Consequently, the transaction is being undertaken at an appropriate price point. Nevertheless, prudence dictates an evaluation of the transaction's terms and conditions, as outlined in section 3.2 of this report.

Furthermore, to provide shareholders with a comprehensive understanding of NEO and its present fair value, the Independent Financial Advisor has conducted a valuation, as detailed in section 3.1 above. The IPO price may deviate from the current fair value, as the current fair value is subject to periodic fluctuations. Nonetheless, the Independent Financial Advisor maintains the position that engaging in this transaction at this juncture represents a reasonable pricing strategy.

3.3 Appropriateness of Transaction Conditions:

This transaction, involving the divestment of investments in NEO, constitutes a Type 1 transaction, wherein the transaction size is equal to or exceeds 50 percent but falls short of 100 percent, as per the asset acquisition or disposal notification. Consequently, the Company is required to: engage an independent financial advisor, disclose details about the Company's transactions to the Stock Exchange of Thailand, and seek approval from a shareholder meeting with no less than three-fourths of the aggregate votes from attending shareholders entitled to vote. This

excludes shareholders with vested interests. The Company shall deliver a notice of the shareholder meeting, accompanied by the Independent Financial Advisor's opinions, a minimum of 14 days prior to the meeting date.

In light of these conditions, the initiation of this transaction is subject to certain prerequisites and significant conditions precedent as detailed below:

Conditions for Transaction Entry and Conditions Precedent	Opinion of the Independent Financial Advisor
<p>1. The Company's shareholder meeting resolved to approve the offering of existing ordinary shares held by the Company in Neo Corporate Public Company Limited ("NEO"), totaling no more than 9,500,000 shares, each with a par value of 1.00 baht per share. This also encompasses the issuance and offering of newly issued ordinary shares to the general public in the Initial Public Offering ("IPO") of NEO.</p>	<p>The magnitude of the investment disposal transaction in NEO is significant, falling within the classification of a Type 1 transaction for asset acquisition or disposition. With the transaction size ranging from 50 percent to just under 100 percent, specific protocols detailed in the notification concerning asset acquisition or disposal must be strictly followed by the Company.</p>
<p>2. The Board of Directors and the shareholder meeting of NEO have both resolved to approve the plan for listing on the Stock Exchange, along with other pertinent agenda items.</p>	<p>The stated procedure aligns with NEO's procedures for seeking listing on the Stock Exchange.</p>
<p>3. NEO has secured approval from the SEC for the Initial Public Offering (IPO), with the securities offering registration statement and draft prospectus now in effect.</p>	<p>As of the date of this Independent Financial Advisor's opinion report, NEO is in the process of submitting an application for an Initial Public Offering (IPO) of newly issued ordinary shares to the SEC Office.</p> <p>However, NEO's listing plan on the Stock Exchange is still subject to the results of the SEC Office's consideration.</p>
<p>4. The Stock Exchange has granted permission for NEO's ordinary shares to be accepted as listed securities on the Exchange, contingent upon complete distribution of shareholding among minor shareholders.</p>	<p>As of the date of this Independent Financial Advisor's opinion report, NEO is in the process of submitting an application for an Initial Public Offering (IPO) of newly issued ordinary shares to the Stock Exchange.</p> <p>However, NEO's listing plan on the Stock Exchange is still subject to the results of the Stock Exchange's consideration.</p>
<p>5. NEO has duly registered the alteration in paid-up registered capital, subsequent to the public offering of NEO shares to the general public.</p>	<p>Following the public offering of NEO's IPO shares, NEO will proceed accordingly.</p>
<p>6. Other pivotal factors, which may sway the decision to proceed with the transaction, including market conditions and the level of demand for investment in NEO's shares, shall be assessed and deemed appropriate by the NEO board of directors' meeting.</p>	<p>The success of NEO's listing plan on the Stock Exchange is subject to several critical factors, including approval from relevant regulatory bodies, NEO's future performance, and potential external influences.</p>

Conditions for Transaction Entry and Conditions Precedent	Opinion of the Independent Financial Advisor
	However, given that the Company has one director representing the Company and sitting in the board of NEO, the Company will be aware of any alterations or impacts on NEO's listing plan on the Stock Exchange and will be able to conduct risk assessments accordingly.

Upon careful examination of the Company's conditions precedent to entering into the transaction and the prerequisites for such a transaction, the Independent Financial Advisor deems them to be appropriate. They align with the stipulated criteria for asset acquisition or disposal notifications, with no conditions identified that would lead to any detriment to the Company or its shareholders.

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Part 4: Conclusion of Opinion of Independent Financial Advisor

The Board of Directors' meeting No. 8/2023 has resolved to dispose ordinary shares, held in Neo Corporate Public Company Limited ("NEO"), in the amount not exceeding 9,500,000 shares, with par value of 1.00 Baht per share, along with NEO's issuance and offering of newly issued ordinary shares (Initial Public Offering or "IPO"), at the IPO price since NEO's ordinary shares will be listed in the Stock Exchange of Thailand ("SET") (collectively, the "Plan for Listing on the SET"). The Company's shareholding percentage in NEO directly and indirectly will decrease from 12.78 percent of paid-up capital of NEO (before the IPO of NEO) to 6.29 percent of paid-up capital of NEO (after the IPO of NEO) (collectively called "Disposition of NEO Investment"). The Transaction is deemed as the disposition of assets transaction of the Company under the Notification of the Capital Market Supervisory Board No. TorChor. 20/2551 Re: Rules on Entering into Material Transactions Deemed as Acquisition or Disposal of Assets, dated August 31, 2008 (as amended), and the Notification of the Board of Governors of the Stock Exchange of Thailand Re: Disclosure of Information and Other Acts of Listed Companies Concerning the Acquisition and Disposition of Assets B.E. 2547, dated October 29, 2004 (as amended) (collectively, the "Notifications on Acquisition or Disposition of Assets").

The transaction size of disposition of investment in NEO Transaction is calculated based on the audited company's consolidated financial statements ending on June 30, 2023. The highest transaction size is 65.40 percent based on the net operating profits basis. the Company has not entered into any disposition of assets transactions in the previous 6-month period before the date of Board of Directors Meeting. Therefore, the transaction size is equal to or more than 50 percent but lower than 100 percent which is classified as a Class 1 Transaction under the Notifications on Acquisition or Disposition of Assets. Therefore, the Company is obliged to disclose the Company's transaction information to the Stock Exchange of Thailand. The Company shall also conduct a shareholders' meeting to approve the transaction of disposal of assets, for which the Company shall appoint an independent financial advisor to give an opinion on such transaction to the Stock Exchange of Thailand. The shareholders' meeting must approve the transaction with a vote of not less than three-fourths of the total number of votes of the shareholders attending the meeting and having the right to vote. and by not counting the vote of shareholders who have conflict of interest.

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

Reasonableness of the transaction**Objectives and necessity of transaction**

Since 2016, the Company has invested in Neo Corporate Public Company Limited ("NEO"), or formerly known as Neo Corporate Company Limited, in the form of convertible bonds, with the objective of gaining return and profit from NEO's business operation. Currently, according to NEO's business plan, NEO is preparing to list the securities on the Stock Exchange of Thailand with the target of Initial Public Offering (IPO) within 2024. The Company, therefore, views that it is an appropriate time for the Company to reduce investment proportion by approximately 33.48% of total

investment in NEO, by disposing 9,500,000 NEO ordinary shares from a total of 28,371,600 shares along with NEO's issuance and offering of newly issued ordinary shares ("IPO"). As a result, the Company will realize profit from sale of investment, which will improve cashflow and financial liquidity.

Since the Company is not involved in NEO's business management, the sale of NEO investment along with NEO's issuance and offering of newly issued common shares ("IPO") is deemed appropriate. The investment disposition will enhance the Company's profit, working capital, and source of funds for future projects. However, for the remaining portion of NEO investment, representing 18,871,600 shares or approximately 6.29% of the registered capital after NEO's Initial Public Offering, the Company will continue to hold the remaining shares in NEO as there is still no plan to sell this portion. Regarding NEO's business nature and financial performance, NEO is a manufacturer and distributor of consumer products, for which the consumer demand is stable. Additionally, the business performance of NEO has grown continuously with stable dividend payment.

After divesting NEO shares along with NEO's issuance and offering of newly issued common shares ("IPO"), the proportion of shares, both direct and indirect holding, will reduce from 12.78% of NEO's paid-up and registered capital (before IPO) to 6.29% of NEO's paid-up and registered capital (after IPO), causing the diluted shareholding amount of 6.49% (Dilution Effect). In this regard, the company still holds remaining portion of investment, representing 18,871,600 shares or approximately 6.29% of the registered capital after NEO's IPO

Furthermore, Mr. Vorasit Pokachaiyapat has been appointed as one of the directors of NEO, representing the Company. This juncture presents an opportune moment even subsequent to the partial sale of NEO investments. Mr. Vorasit Pokachaiyapat, as the Company's representative director, will continue to hold voting rights in his capacity as a director of NEO.

Advantages and Disadvantages of entry into the transaction

Advantages of entry into the transaction

- Obtain a source of funds to expand the business and enhance liquidity.
- Strengthening the financial position and enhancing stability.
- The Company can sell ordinary shares in NEO in the required amount.
- Mitigate the risk of stock price fluctuations after NEO is listed on the Stock Exchange of Thailand.
- Mitigate risks associated with uncertain business ventures.
- The disposal of assets that do not constitute the Company's primary line of business.
- Enhance the Potential for Distributing Dividends to Shareholders.

Drawbacks of Pursuing the Transaction

- Loss of Profit-Sharing Opportunities in the Business of Producing and Distributing Consumer Products
- Loss of Opportunity to Benefit from a Strong and Growing Business
- Reduced Dividend Receipt from NEO Investments

- Selling these investments will hinder the Company's ability to diversify its business risks into the consumer products sector, a sector essential to customers in their daily lives.
- Potential Loss of Investment Value from Selling Investments at a Higher Price after NEO Lists on the Stock Exchange

Benefits and Drawbacks of Opting Out of the Transaction

Benefits of Opting Out of the Transaction

- The Company will maintain a stake in NEO, a business with significant growth potential, a robust financial position, and strong operating results. This presence contributes to the overall value creation of the group company.
- The Company has the Right to Receive Dividends from Being a Shareholder in NEO in the Same Proportion
- Risk Diversification into Complementary Businesses apart from the Main Business.

Drawbacks of Opting Out of the Transaction

- Risk of Uncertain of the Share Offering Price together with the Initial Public Offering (IPO Share Offering Price).

Risks Associated with the Transaction

- Risk of Uncertain of the Share Offering Price together with the Initial Public Offering (IPO Share Offering Price).
- Risk of NEO Extending the Listing Period on the Stock Exchange.
- Risk of Inability to Sell the Required Number of NEO Shares.

The Reasonableness of Fair Value of NEO

In evaluating the appropriateness of engaging in a transaction involving the disposal of investment in NEO Corporate Public Company Limited ("NEO"), in the amount of not exceeding 9,500,000 shares with a par value of 1.00 baht per share, along with the initial public offering ("IPO") by NEO at the price identical to the IPO offering price through NEO listing its ordinary shares on the Stock Exchange of Thailand (the "**Stock Exchange**"). This transaction encompasses the divestment of investments in NEO, coupled with the initial public offering (IPO) of NEO's newly issued ordinary shares to the general public at the same offering price. However, the IPO price will be determined subsequent to obtaining the requisite approvals from relevant authorities for NEO's initial public offering. This determination will also factor in the underwriting process to be undertaken in the future.

The independent financial advisor is of the opinion that the disposal of NEO's ordinary shares at the IPO price is an appropriate decision. This is due to the fact that it aligns with the offering price extended to the general public, a process which involves underwriting securities and assessing public demand through Book Building. Therefore,

engaging in this transaction at this price point is considered appropriate. However, when contemplating such a transaction, it is important to take into account the suitability of the transaction's conditions.

Furthermore, to facilitate shareholders' comprehensive understanding of NEO and its current fair value, the independent financial advisor is of the view that the fair value of NEO's ordinary shares can be summarized, as outlined below:

Valuation Approaches	Fair Value (THB / Share)	Fair Value of IPO discount of 20.00 percent ^{2/ 3/} (THB / Share)	Valuation results
1) Book Value Approach	8.60	6.88	Inappropriate
2) Adjusted Book Value Approach	5.96	4.77	Inappropriate
3) Market Comparable Approach			
3.1) Price to book value ratio	62.74 - 70.51	50.19 - 56.41	Appropriate
3.2) Price to earnings ratio	11.43 - 11.97	9.14 - 9.58	Inappropriate
3.3) Enterprise Value to Earnings before interest, tax, and depreciation	51.70 - 55.87	41.36 - 44.70	Inappropriate
4) Discounted Cash Flow Approach	40.36 - 49.11	32.29 - 39.29	Appropriate

Source: Valuated by IFA

Remarks:

- 1/ The independent financial advisor cannot ensure that NEO's IPO share offering price will align precisely with the fair value presented in this independent financial advisor's report. The determination of NEO's IPO price necessitates further exploration of investor demand (Book Building) and other valuation methods. The offering price for NEO's newly issued ordinary shares, as presented by NEO, will mirror that of the original ordinary shares offered by the company.
- 2/ For contextual reference, the Independent Financial Advisor posits that the IPO share offering price carries a 20 percent discount. This is attributed to the characteristic nature of issuing newly issued ordinary shares to the general public for the first time (Initial Public Offering "IPO"), which entails a substantial issuance of shares in one go. These shares are then allocated to Cornerstone Investors, institutional investors, individuals with connections to or vested interests in NEO and/or NEO's subsidiaries, as well as investors in the form of individuals or other legal entities, along with any Over-Allotment Agents, subject to legal compliance and the discretion of the NEO Board of Directors or their designated representatives.
- 3/ The Independent Financial Advisor has determined the IPO discount rate for fundraising to be set at 20 percent. This assessment is grounded in the principles of Marketability Discounts, as delineated in the work of Bajaj, Denis, Ferris, and Sarin (2001) pertaining to "Firm Value and Marketability Discounts." There exist several additional factors influencing the discount applied to IPO share prices related to each individual business. These encompass prevailing market conditions during the IPO period, as well as the response of potential investors, among other pertinent considerations.

The Independent Financial Advisor maintains that, in assessing the fair value of NEO's ordinary shares, which is presently engaged in its inaugural issuance of ordinary shares through an Initial Public Offering (IPO), the price to earnings ratio approach (P/E Ratio) stands as a pertinent criterion. This approach is widely acknowledged as a key investment evaluation method for IPO securities. The Independent Financial Advisor asserts that this method is

appropriate for appraising the value of NEO's ordinary shares in the current context. Moreover, considering NEO's consistent cash flow performance and well-defined future business strategy, the Independent Financial Advisor is of the view that the discounted cash flow approach is also an appropriate approach for valuation at this juncture.

Upon examining the aforementioned analysis for determining NEO's fair value range, each valuation approach exhibits its respective strengths and weaknesses, as delineated earlier. In light of this, the shareholder's advisor holds the view that the most suitable approaches for valuing NEO's shares are the price-to-earnings ratio approach (P/E Ratio) and the discounted cash flow approach. These approaches yield a fair value range for NEO, ranging from 40.36 to 70.51 baht per share. In the event of an IPO discount set at 20.00 percent, the fair value range adjusts to 32.29 to 56.41 baht per share.

The IPO price may deviate from the current fair value, as the current fair value is subject to periodic fluctuations. Nonetheless, the Independent Financial Advisor maintains the position that engaging in this transaction at this juncture represents **a reasonable pricing strategy**.

The Independent Financial Advisor holds the view that entering into this transaction by selling NEO's ordinary shares at the IPO price is appropriate. This is because it aligns with the offering price to the general public, which will undergo meticulous underwriting and public demand assessment (Book Building). Consequently, the transaction is being undertaken at an appropriate price point.

Appropriateness of Transaction Conditions

This transaction, involving the divestment of investments in NEO, constitutes a Type 1 transaction, wherein the transaction size is equal to or exceeds 50 percent but falls short of 100 percent, as per the asset acquisition or disposal notification. Consequently, the Company is required to: engage an independent financial advisor, disclose details about the Company's transactions to the Stock Exchange of Thailand, and seek approval from a shareholder meeting with no less than three-fourths of the aggregate votes from attending shareholders entitled to vote. This excludes shareholders with vested interests. The Company shall deliver a notice of the shareholder meeting, accompanied by the Independent Financial Advisor's opinions, a minimum of 14 days prior to the meeting date.

In light of these conditions, the initiation of this transaction is subject to certain prerequisites and significant conditions precedent as detailed below:

Conditions for Transaction Entry and Conditions Precedent	Opinion of the Independent Financial Advisor
1. The Company's shareholder meeting resolved to approve the offering of existing ordinary shares held by the Company in Neo Corporate Public Company Limited ("NEO"), totaling no more than 9,500,000 shares, each with a par value of 1.00 baht per share. This also encompasses the issuance and offering of newly issued	The magnitude of the investment disposal transaction in NEO is significant, falling within the classification of a Type 1 transaction for asset acquisition or disposition. With the transaction size ranging from 50 percent to just under 100 percent, specific protocols detailed in the notification

Conditions for Transaction Entry and Conditions Precedent	Opinion of the Independent Financial Advisor
ordinary shares to the general public in the Initial Public Offering (“IPO”) of NEO.	concerning asset acquisition or disposal must be strictly followed by the Company.
2. The Board of Directors and the shareholder meeting of NEO have both resolved to approve the plan for listing on the Stock Exchange, along with other pertinent agenda items.	The stated procedure aligns with NEO's procedures for seeking listing on the Stock Exchange.
3. NEO has secured approval from the SEC for the Initial Public Offering (IPO), with the securities offering registration statement and draft prospectus now in effect.	As of the date of this Independent Financial Advisor's opinion report, NEO is in the process of submitting an application for an Initial Public Offering (IPO) of newly issued ordinary shares to the SEC Office. However, NEO's listing plan on the Stock Exchange is still subject to the results of the SEC Office's consideration.
4. The Stock Exchange has granted permission for NEO's ordinary shares to be accepted as listed securities on the Exchange, contingent upon complete distribution of shareholding among minor shareholders.	As of the date of this Independent Financial Advisor's opinion report, NEO is in the process of submitting an application for an Initial Public Offering (IPO) of newly issued ordinary shares to the Stock Exchange. However, NEO's listing plan on the Stock Exchange is still subject to the results of the Stock Exchange's consideration.
5. NEO has duly registered the alteration in paid-up registered capital, subsequent to the public offering of NEO shares to the general public.	Following the public offering of NEO's IPO shares, NEO will proceed accordingly.
6. Other pivotal factors, which may sway the decision to proceed with the transaction, including market conditions and the level of demand for investment in NEO's shares, shall be assessed and deemed appropriate by the NEO board of directors' meeting.	The success of NEO's listing plan on the Stock Exchange is subject to several critical factors, including approval from relevant regulatory bodies, NEO's future performance, and potential external influences. However, given that the Company has one director representing the Company and sitting in the board of NEO, the Company will be aware of any alterations or impacts on NEO's listing plan on the Stock Exchange and will be able to conduct risk assessments accordingly.

Upon careful examination of the Company's conditions precedent to entering into the transaction and the prerequisites for such a transaction, the Independent Financial Advisor deems them to be **appropriate**. They align with the stipulated criteria for asset acquisition or disposal notifications, with no conditions identified that would lead to any detriment to the Company or its shareholders.

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

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

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

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

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

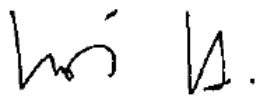
I V Global Securities Public Company Limited as the Independent Financial Advisor of the Company hereby certifies that we have study and analyze the data that provided by the professional standard and on the opinion fairly using independent professional judgments, by placing the interest of the shareholders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

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

Yours Faithfully,

Independent Financial Advisor

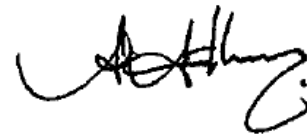
I V Global Securities Public Company Limited



(Miss Krisaporn Kunchan)

Vice President

Supervisor Financial Advisory



(Mrs. Sriporn Sudthipongse)

President and CEO

Attachment 1

Company Information and Operating Results of

of

FNS Holdings Public Company Limited

1. General Information

Company name	:	FNS Holdings Public Company Limited (the "Company" or "FNS")
Type of business	:	The Company is an investment holding company with a portfolio of interests that can be categorized under three main headings : (1) Real Estate Development and Investment (2) Direct Investment (3) Financial Services
Registration Number	:	0107545000080
Website	:	www.fnsplc.com
Head Office Address	:	345 Surawong Road 6th Fl., 345 Surawong Building Suriyawong, Bangrak Bangkok 10500
Telephone number	:	0-2697-3700
Fax	:	0-2697-3779
Register Capital	:	THB 3,458,554,400
(As of 27 July 2023)		Divided into 691,710,880 common shares with a par value of THB 5.00
Paid-up Capital	:	THB 2,503,255,325
(As of 27 July 2023)		Divided into 500,651,065 common shares with a par value of THB 5.00

2. Business Overview

2.1 Primary Business History and Development

FNS Holdings Public Company Limited (FNS), formerly Finansa Public Company Limited, was incorporated in 1989 under the name “Red Bluff Advisors Limited”. The Company’s name was changed to Finansa Thai Ltd. in 1991 and again to Finansa Ltd. in 1996. On 19 June 2002, the Company converted into a public limited company and increased its registered capital from Baht 320 million to Baht 500 million by issuing 36 million new ordinary shares with a par value of Baht 5 through an offer to the public. FNS was listed in the Stock Exchange of Thailand on 25 September 2002. In 2003 and 2004 FNS increased its registered capital to Baht 1,100 million and Baht 1,500 million respectively. In 2009 FNS decreased its registered capital to Baht 1,492.5 million by a write-off of treasury stock and in 2012 the registered capital was decreased to Baht 1,235.2 million by a write-off of unpaid- up share capital. Finally, in 2018 FNS increased its registered capital again to Baht 1,729.3 million. The fully paid-up capital was also increased to the same amount through an offering of additional ordinary shares to the existing shareholders. The name of the Company was changed to FNS Holdings Public Company Limited in May 2022.

With their backgrounds and experiences in fund management and investment banking, Mr. Eugene S. Davis and Mr. Vorasit Pokachaiyapat, the co-founders, together with a team of professional personnel established FNS’ reputation as a leading, independent Bangkok based merchant banking firm focusing primarily on corporate finance and fund management in Thailand and the Southeast Asia Region. The Company provided a full range of financial and investment advisory services including investment banking services, debt and equity fund raising, and securities brokerage services, as well as being active in Private Equity investment.

Since 2014, FNS has made significant investment in Real Estate Development and Private Equity, while gradually reducing its exposure to Financial Services. In May 2022, FNS disposed of its 100% owned subsidiary, Finansa Securities Limited, completing the group’s exit from financial services.

FNS is currently positioned as an investment holding company operating its businesses through subsidiary and associated companies. The Company’s major businesses today are Direct Investment, primarily Private Equity and Real Estate Development and Investment.

Principal changes and developments in the previous 3 years

Year	Event
2020	<ol style="list-style-type: none">1. In August, FNS sold its leasehold rights of warehouses and factories in Bangkok Free Trade Zone to the Prospect Logistics and Industrial Freehold and Leasehold Real Estate Investment Fund.(PROSPEC REIT)2. In August, FNS invested Baht 563.2 million in PROSPECT REIT equivalent to a shareholding of 22.99% in PROSPECT REIT.

Year	Event
	<p>3. In December, FNS made a voluntary tender offer to buy shares of MK which is an associated company. In the event, a number of MK shares were sold by shareholders to FNS resulting in a shareholding of 26.54% in MK at the year-end 2020.</p> <p>4. In December, FNS disposed of investment in a subsidiary company, Finansa Capital Ltd., which had not been in operation for a period of time.</p>
2564	<p>1. In May, FNS invested Bt. 2.5 million in BFTZ Wangnoi Co.,Ltd. which is a 50:50 joint venture company with Prospect.</p> <p>2. In June, FNS exercised the rights to convert the convertible loan into ordinary shares of Kanom resulting in the Company holding 30% of Kanom's shares, equivalent to Bt. 60 million.</p> <p>3. In December 2021, FNS sold its 29.29% stake in Finansia Syrus Securities Plc.</p>
2565	<p>1. In May, FNS completed the sale of its 100% stake in Finansa Securities Limited.</p> <p>2. In May, the company's name was changed from Finansa Plc. to FNS Holdings Plc.</p>
2566	<p>1. On 25 April 2023, during the Annual General Meeting of Shareholders, a resolution was passed to authorize the payment of dividends, sourced from the operating results of 2022, at a rate of 0.20 baht per share. This totals 69.2 million baht, and these dividends were disbursed to shareholders on 24 May 2023.</p> <p>2. On 25 April 2023, during a Board of Directors' meeting, approval was granted for the Company to secure a loan of 500 million baht from an unrelated business entity. This funding is designated as a capital investment source, and as collateral, the Company pledged 288.8 million shares of an affiliated company.</p> <p>3. From 14 July 2023 to 20 July 2023, the Company received reservations for and paid full payments for 154.8 million ordinary shares, valued at 5 baht per share, amounting to 774.0 million baht in total. The Company received full share payment on 20 July 2023.</p> <p>4. On 9 August 2023, the Company executed a purchase of its own ordinary shares from M.K. Real Estate Development Public Company Limited ("MK"). This acquisition involved 196,311,160 ordinary shares, valued at 883.4 million baht. Consequently, the Company's stake in MK increased from 31.5 percent to 49.5 percent of MK's issued and paid-up capital. The management has determined that the Group exercises control over MK due to the substantial voting power held by other shareholders. This is further supported by the fact that the remaining voting rights are distributed among numerous small shareholders, with no indication that any individual shareholder will consolidate voting rights. Therefore, following this acquisition, the Group transitioned from an affiliate to a subsidiary of MK, effective from the date of acquisition.</p>

2.2 Nature of Business

2.2.1 Revenue structure

Revenue structures classified by business group during 3 years and for 6 months period ended of 30 June 2023 are details as follow:

Revenue (Unit: Thousand Baht)	2020	2021	2022	Q2-2022	Q2-2023
Revenue from investment, advisory and management business	78,009	43,271	82,646	55,441	100,179
Net gain on investments measured at fair value through profit or loss	-	445	5,917	7,715	-
Revenues from securities business	349,417	-	-	-	-
Revenues from warehouse and factory leasing business	124,624	-	-	-	-
Gain on disposal of investment in a subsidiary	3,181	-	-	-	-
Compensation fee from termination of sublease agreement	198,136	-	-	-	-
Other income	10,267	8,388	1,205	1,169	859
Total income	763,634	52,104	89,768	64,325	101,038

Source : The Company's financial Statement

2.2.2 Nature of business and operations

FNS is currently positioned as holding company an investment holding company with a portfolio of interests that can be categorized under two main headings:

- (1) Real Estate Development and Investment
- (2) Direct Investment

In addition to being an investor, FNS provides support to its affiliates and subsidiaries in areas such as strategic planning and organizational administration (including Human Resources, IT support and Accounting).

Business Overview

(1) Real Estate Development and Investment

M.K. Real Estate Development Plc. (MK), is a associate company. The company is listed on the Stock Exchange of Thailand. In recent years, and under FNS guidance, MK has expanded into building a portfolio of income producing real estate assets with a view to improving the quality and predictability of MK's earnings.

In mid-2021, FNS established a 50:50 joint venture with Prospect Development Co., Ltd.,(Prospect) called BFTZ Wangnoi Co.,Ltd. (BFTZ WN). BFTZ WN, which subsequently signed a MOU with Siam Makro Plc. to lease land and a new 88,000 sqm distribution centre located on Km67 of Phaholyothin Road. Prospect is a wholly owned subsidiary of MK. The site will also provide 20,994 sq.m of ready built warehousing. Siam Makro Plc. will sign a 28 year lease. Construction is underway and the handover will be in three phases between Q2 2023 and Q2 2024.

(2) Direct Investment

FNS started making Private Equity investments in Thailand on its own balance sheet from 2016. The first significant investment was a minority stake in NEO Corporation Co., Ltd.(NEO), a leading Thai household and personal care products company with well-known brands which include Fineline and D'nee. FNS has since taken a minority stake in Kanom Café Co., Ltd.(Kanom), the operator of the Bangkok chain of Kanom cafes and restaurants. FNS is also the single largest investor in the SET-listed Prospect Logistics and Industrial Freehold and Leasehold Real Estate Investment Trust (PROSPECT REIT). The REIT is managed by Prospect REIT Management Co., Ltd, a wholly owned subsidiary of MK. Private Equity investments are made on a three to five years' investment horizon.

Business Strategy

As indicated in the above, FNS is currently positioning itself as an investment holding company with strategic investments in (i) Real Estate Development and Investment and (ii) Direct Investment.

Strategic objectives over the next three years can be summarized as follows:

- 1) Support the management of each of FNS's strategic holdings in planning and meeting their respective strategic goals. To this end we would highlight:
 - M.K.Real Estate Development Plc. MK has made significant progress over the past five years in building a portfolio of income producing real estate assets, to both supplement its real estate development activities and improve its overall quality of earnings. MK has had particular success with its wholly owned subsidiary, Prospect, a developer of industrial estate projects which include the 1,000 rais Bangkok Free Trade Zone (BFTZ) on Bangna Trad. A recent major initiative is the development and launch of the RAKxa Health and Wellness Retreat on Chao Phraya River. While 2021 and 2022 proved exceptionally challenging for this project, given the impact of Covid on international tourist arrivals, management remains very confident in the underlying potential of the health and wellness business in Thailand and sees this business becoming a significant growth driver on a three year view.

- 2) Monetizing the Private Equity investments by steering them towards a liquidity event, such as 19 56-1 One Report / ANNUAL REPORT 2022 as a listing on the Stock Exchange of Thailand. This will enable FNS to realise capital gains and pursue further investment opportunities
- 3) Identify additional Private Equity / Direct Investment opportunities. To this end, the FNS's Direct Investment team has been exploring opportunities to invest in businesses and assets that can be developed to provide sustainable flows of income. This focus reflects FNS's success in building a portfolio of leasehold warehousing that was sold in 2020 into the PROSPECT REIT and FNS becoming the largest single investor in the REIT.

Business Characteristics

Most of the investments held by FNS are minority stakes. In the cases of the key, strategic investments that are categorized as Associated Companies, MK and the PROSPECT REIT are significant minority stakes and FNS is the largest single investor. The exceptions, in relation to ownership, are Finansa Fund Management Ltd. (FFM), the offshore investment holding vehicle, which is a wholly owned subsidiary, and BFTZ WN which is a 50:50 Joint Venture.

In terms of management of the subsidiary company, FFM is a holding vehicle under the responsibility of its Board of Directors appointed by FNS.

In the cases of the key Associated Companies, MK and PROSPECT REIT, these are both independent businesses. FNS provides strategic input and support to MK and is represented on its Board of Directors. In the case of MK, Mr. Vorasit Pokachaiyapat, the Managing Director of FNS, is also the Managing Director of MK. In the case of PROSPECT REIT, the REIT manager is a wholly owned subsidiary of MK. In the case of BFTZ WN, day to day management is with Prospect, while FNS has two representatives on the Board of Directors.

In terms of "Business Characteristics", each of the investments under the FNS umbrella has a distinct profile, market position and strategy and is at a varying stage of development. The following is a summary of the business characteristics of each of the principal holdings within FNS, categorized by their principal activity

Real Estate Development and Investment

M.K. Real Estate Development Co., Ltd. (MK)

MK is a leading property development and construction company. The original focus of the business was the development low-rise residential projects for sale (under the "Chuan Chuen" and "Serene House" brands). Over the past five years, under new ownership and management, it has shifted its business away from developing housing for sale towards developing income producing real estate assets to improve both the sustainability and quality of its earnings. A key success to date has been the development of the

Bangkok Free Trade Zone on the outskirts of Bangkok. This project was carried out by Prospect Development Co., Ltd., a 100% owned subsidiary of MK. Prospect currently has a pipeline of six projects and has now completed over 400,000sqm of warehousing for lease. MK also initiated the launch of the PROSPECT REIT in August 2020. The REIT, which is managed by a wholly owned subsidiary of MK, acquired assets developed by Prospect. MK has also developed and launched the RAKxa Health and Wellness Retreat located on the Chao Phraya River. While 2021 proved exceptionally challenging for a project of this nature, given the impact of Covid on international tourist arrivals, management remains very confident in the underlying potential of the health and wellness business and sees this becoming a significant growth driver in the future.

BFTZ Wangnoi Co., Ltd. (BFTZ WN)

In 2021, BFTZ WN was incorporated as a 50:50 Joint Venture between FNS and Prospect Development Co., Ltd, a wholly owned subsidiary of MK. The Joint Venture signed a MOU to provide a new 88,401sqm Distribution Centre for Siam Makro Plc. on Km67 of Phaholyothin Road. Siam Makro will sign a 28 year lease. The project is divided into three phases with the first phase due to be handed over in Q2 2023. Financing for the project is in place. FNS's projected contribution of c. THB 350 million will be primarily in the form of a shareholder loan.

Direct Investment

Finansa Fund Management Ltd.(FFM)

FFM is a company incorporated in the Cayman Islands and a wholly owned subsidiary of FNS. In the past, FFM managed and sponsored Private Equity funds investing in Thailand, Vietnam and Cambodia on behalf of international institutional investors, however since 2016 it has been focused on investing its own capital in Private Equity opportunities in Thailand.

Prospect Logistics and Industrial Freehold and Leasehold Real Estate Investment Trust (PROSPECT REIT)

PROSPECT REIT is a trust listed on the Stock Exchange of Thailand that invests in the sub-leasehold rights of parts of land and buildings, principally located in the Bangkok Free Trade Zone ("BFTZ") on Km 23 of the Bangna Trad highway. The BFTZ covers approximately 1,000 rais, it is the nearest Free Trade Zone to Bangkok and offers warehousing suitable for both logistics operations and light industrial purposes. The REIT has invested in c.82,600 sqm of warehousing and c.51,700 sqm of factory space within BFTZ. The REIT's assets have been valued at c.THB 3,500 million (on acquisition date). FNS invested THB 563 million in PROSPECT REIT, representing a 22.99% shareholding. For further information, go to <https://www.prospectreit.com/th/home>

Private Equity

NEO Corporate Co., Ltd (NEO)

In 2016 FFM invested a total of THB 242.8 million in an Exchangeable Loan in NEO. This was later converted into equity. NEO is an established and successful manufacturer and distributor in Thailand of household and personal care products. Its brands, which are typically Top 3 in their respective segments, include Finline, BeNice and D-nee. FFM's investment was to help fund the Company's new manufacturing facility at Lamlukka. This new facility was opened in 2018 and its impact on the Company's performance from both the increased capacity and improvements in overall productivity has been material. NEO had an especially strong year in 2020 as demand for the company's cleaning products was boosted by the impact of the Covid pandemic.

While earnings dipped through 2021 and 2022 on supply chain constraints, rising material costs and higher logistics costs, the business remains fundamentally solid with strong brand recognition. It is encouraging that sales growth started to recover in 2H 2022 in line with a general improvement in the Thai economy. NEO is expected to list on the Stock Exchange of Thailand in 2024.

FB Food Service (2017) Co., Ltd. (FBF)

In 2017 FNS invested THB 21 million in an equity stake in FBF. FBF is a leading Bangkok-based food service company. FNS invested in FBF alongside the large Japanese trading company, Sojitz Corporation, which took a significant minority stake. The funds raised were invested in a central kitchen to provide value added food services. In the event, the central kitchen was completed in 2018, however the subsequent operating performance of the business has disappointed in terms of both sales and margins. The company reported a significant loss in 2018 and while losses reduced in 2019, its core client base (chain restaurants) were severely impacted by Covid 19 in 2020 and 2021. The company generated a small profit after tax in 2021 with a modest improvement in 2022. Further gains are expected in 2023. The focus for 2023 will continue to be on growing the "HORECA" business and building on the momentum established in 2022 in the Wakame, Ready-to-Eat and Ready-to-Cook lines.

Kanom Café Co., Ltd. (Kanom)

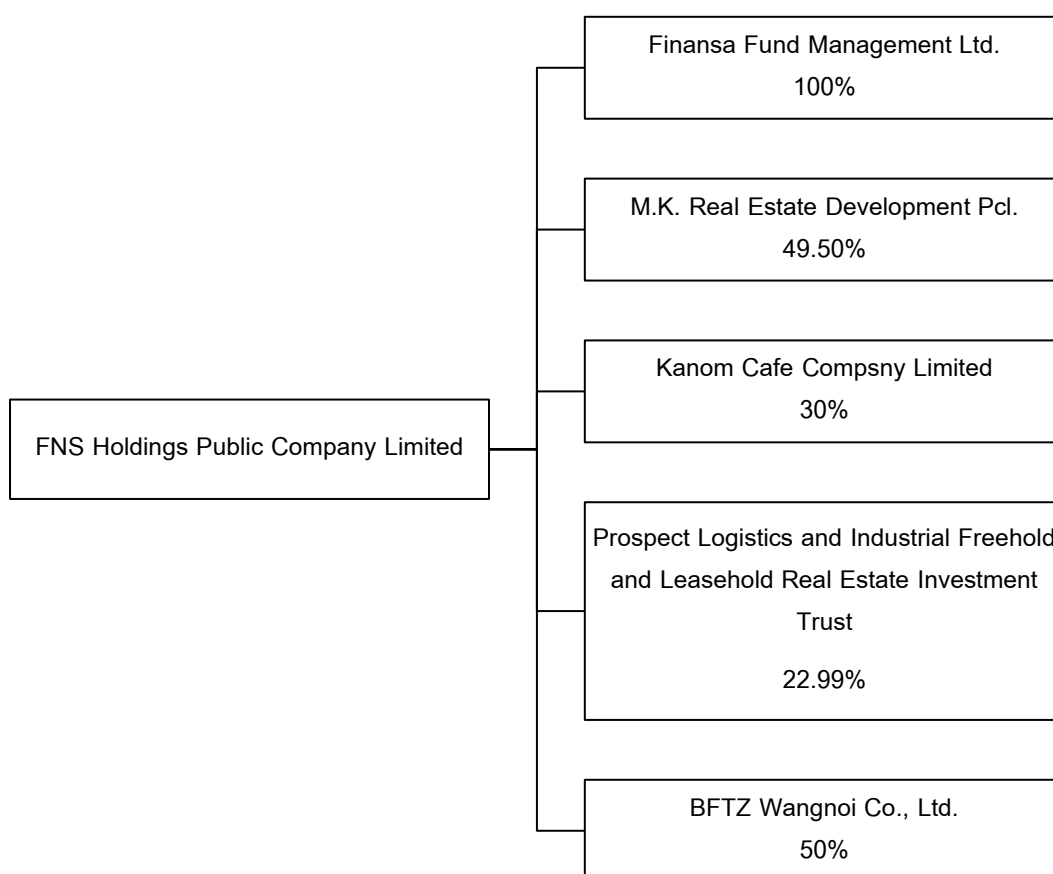
In 2018, FNS committed to investing THB120 million in Kanom, the operator of the Kanom café, bakery and restaurant chain. This investment was initially in the form of a Convertible Loan, however is now in the form of equity and straight debt. The investment from FNS has been used to expand the number of outlets, refurbish existing outlets and establish a new central kitchen. Kanom's sales were impacted dramatically in Q2 2020 as a result of a government-imposed lockdown of restaurant 25 56-1 One Report / ANNUAL REPORT 2022 outlets in response to the Covid outbreak and again by a second lockdown in mid-2021, however there has been a steady sales recovery through 2022 and monthly sales hit a record high in December 2022. While 2022 recorded a Net Loss, Kanom is projected to generate a small profit in 2023.

HUGS Insurance Broker Ltd.

(HUGS) In 2020, FNS invested in a 7.5% stake in HUGS, a start-up insurance brokerage that will initially focus on Health and Accident Insurance within Personal Insurance Lines. HUGS holds General Insurance, Life and Reinsurance Licenses. A small team is in place and the aim is to expand through both E-sales and Tele-sales. Business is being generated through the networks of the core, initial shareholders which include a major real estate developer and auto distributor.

3. Shareholding structure

FNS's Shareholding structure as of 10 August 2023 are as follow



4. Board of directors

The board of directors of the Company consists of 7 persons, including:

No,	Name	Position
1	Mr. AKARAT NA RANONG	CHAIRMAN, INDEPENDENT DIRECTOR, AUDIT COMMITTEE
2	Mr. VORASIT POKACHAIYAPAT	MANAGING DIRECTOR, DIRECTOR
3	Mr. JAMES MARSHALL	DIRECTOR
4	Mr. CHANMANU SUMAWONG	INDEPENDENT DIRECTOR, CHAIRMAN OF THE AUDIT COMMITTEE
5	Mr. NUTTAWUT PHOWBOROM	INDEPENDENT DIRECTOR, AUDIT COMMITTEE

Source: SET

5. Shareholder

List of shareholders as of October 16, 2023 which is the latest record date are as follows:

No.	Shareholder name	No. of Shares (Shares)	Portion (%)
1	Mr. VORASIT POKACHAIYAPAT	247,587,922	49.45
2	M.L. SUDDHIMAN POKACHAIYAPAT	42,000,000	8.39
3	MR. WATSHIRA TAYANARAPORN	16,000,000	3.20
4	MR. VICHAIN SRIMUNINNIMIT	13,558,300	2.71
5	The Viriyah Insurance Public Company limited	10,000,000	2.00
6	MISS YASINEE APITANOTAI	8,527,200	1.70
7	MR. WUTTHAKARN JIRA-ALONGKORN	6,505,700	1.32
8	MRS. PRAKAIKAM BAIKAEW	6,302,000	1.26
9	MR. RATIAN SRIMONGKOL	3,500,000	0.70
10	MR. KIET SRICHOMKWAN	3,410,000	0.68
	Total top 10 shareholders	357,491,122	71.41
	Other shareholders	143,159,943	28.59
	Total	500,651,065	100.00

Source: SET and list of shareholder of FNS

6. Dividend policy

Policy of the Company

FNS has a policy to pay dividends of 30% of the net profit after taxes, or as it may deem appropriate, except in cases where there are other necessities and such payments would significantly affect the normal operations of the Company.

Policy of the subsidiaries company

The subsidiaries of FNS have a policy to pay dividends of 30% of the net profit after taxes, or as it may deem appropriate, except in cases where there are other necessities and such payments would significantly affect the normal operations of the company

7. Financial Positions and Operating Performance

7.1 Statement of Financial Position

Statement of Financial Position for the year ended 31 December 2020, 2021, 2022 and as of 30 June 2023, as follows.

Unit: THB million)

Statement of financial position (Unit: Thousand Baht)	Consolidated			
	Dec 31, 2020	Dec 31, 2021	Dec 31, 2022	June 20, 2023
Assets				
Current assets				
Cash and cash equivalents	72,635	197,259	13,072	24,040
Service income receivables				
Related parties	7,535	1,503	220	365
Other parties	40,016	6,515	-	-
Total service income receivables	47,551	8,018	220	365
Other receivables	37,500	32,184	28,261	36,623
Short-term loans and advance to related parties	-	395,028	467,485	972,095
Loans to others	199,054	100,000	73,800	94,000
Other current financial assets	647,732	363,226	361,006	36,896
Digital tokens	-	475,000	-	-
Other current assets	38,963	33,676	16,023	16,324
Total current assets	1,043,435	1,604,391	959,867	1,180,343
Non-current assets				
Other non-current financial assets	286,061	316,328	373,167	373,469
Investment in subsidiaries	-	-	-	-
Investment in associates and joint venture	2,478,859	1,943,642	1,896,250	2,095,159
Building and equipment	87,502	86,715	9,200	8,249
Right-of-use assets	4,388	8,804	5,658	8,316
Goodwill	156,920	156,920	45,356	45,356
Other intangible assets other than goodwill	2,523	2,134	1,148	1,741
Deferred tax assets	7,297	7,886	-	-
Other non-current assets	1,313	1,658	759	758
Total non-current assets	3,024,863	2,524,087	2,331,538	2,533,048
Total assets	4,068,298	4,128,478	3,291,405	3,713,391
Liabilities and equity				
Current liabilities				
Current portion of short-term loan form financial institution	-	-	-	34,666
Short-term debentures	-	300,000	-	-
Current portion of long-term debentures	400,000	340,000	300,000	-
Current portion of lease liabilities	1,557	4,310	2,941	3,009
Short-term loans and advance from related parties	-	-	-	-
Short-term loans from related parties	-	-	-	405,000
Income tax payable	-	7	-	-
Other current liabilities	153,887	126,580	21,607	15,443
Total current liabilities	555,444	770,897	324,548	458,118

Statement of financial position (Unit: Thousand Baht)	Consolidated			
	Dec 31, 2020	Dec 31, 2021	Dec 31, 2022	June 20, 2023
Non-current liabilities				
Long-term loan form financial institution	-	-	-	292,002
Long-term debentures	640,000	666,800	366,800	366,800
Lease liabilities	2,985	4,759	2,872	5,350
Non-current provisions for employee benefits	63,479	68,755	26,835	27,789
Total non-current liabilities	706,464	740,314	396,507	691,941
Total liabilities	1,261,908	1,511,211	721,055	1,150,059
Equity				
Share capital				
Authorised share capital				
(691,710,880 ordinary shares, par value at Baht 5 per share)	-	-	-	3,458,554
(345,855,440 ordinary shares, par value at Baht 5 per share)	1,729,277	1,729,277	1,729,277	
Issued and paid-up share capital				
(345,855,440 ordinary shares, par value at Baht 5 per share)	1,729,277	1,729,277	1,729,277	1,729,277
Share premium on ordinary shares	208,455	208,455	208,455	208,455
Retained earnings				
Appropriated				
Legal reserve	61,000	65,000	82,000	82,000
Unappropriated	1,164,954	936,011	838,486	807,160
Other components of equity	(357,296)	(321,476)	(287,868)	(263,560)
Total equity	2,806,390	2,617,267	2,570,350	2,563,332
Total liabilities and equity	4,068,298	4,128,478	3,291,405	3,713,391

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

7.2 Statement of comprehensive income

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

(Unit: THB million)

Statement of comprehensive income (Unit: Thousand Baht)	Consolidated			
	Dec 31, 2020	Dec 31, 2021	Dec 31, 2022	June 20, 2023
Income				
Revenue from investment, advisory and management business	78,009	43,271	82,646	100,179
Net gain on investments measured at fair value through profit or loss	-	445	5,917	-
Revenues from securities business	349,417	-	-	-
Revenues from warehouse and factory leasing business	124,624	-	-	-

Statement of comprehensive income (Unit: Thousand Baht)	Consolidated			
	Dec 31, 2020	Dec 31, 2021	Dec 31, 2022	June 20, 2023
Gain on disposal of investment in a subsidiary	3,181	-	-	-
Compensation fee from termination of sublease agreement	198,136	-	-	-
Other income	10,267	8,388	1,205	859
Total income	763,634	52,104	89,768	101,038
Expenses				
Investment, advisory and management business expenses	72,829	63,454	73,859	30,427
Investment, advisory and management business cost and expenses	211,237	-	-	-
Warehouse and factory leasing business costs and expenses	69,684	-	-	-
Servicing and administrative expenses	59,857	43,653	30,692	13,352
Loss on disposal of investment in an associate	-	56,056	-	-
Net loss on investments measured at fair value through profit or loss	-	-	-	1,673
Loss on exchange rate	-	14,432	10,762	7,752
Total expenses	413,607	177,595	115,313	53,204
(Loss) profit from operating activities	350,027	(125,491)	(25,545)	47,834
Finance costs	(72,732)	(58,535)	(48,991)	(26,851)
Reversal of impairment of investment	-	-	-	-
Reversal of expected credit loss	(61,755)	32,896	-	-
Share of profit (loss) of associates and joint venture	30,780	50,864	6,237	16,861
Gain on disposal of building and equipment	-	11	298,806	-
Profit (loss) before income tax expense	246,320	(100,255)	230,507	37,844
Income tax expense	(23,057)	-	-	-
Profit (loss) for the year from continuing operations	223,263	(100,255)	230,507	37,844
(Loss) profit for the year from discontinued operation, net of tax	-	58,066	(125,590)	-
Profit (loss) for the year	223,263	(42,189)	104,917	37,844

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

7.3 Operating Performance and Financial Position Analysis

Operating Performance

For the year ended December 31, 2022, the consolidated financial results of the Company and its subsidiaries showed a net profit of THB 104.92 million or a net profit of THB 0.30 per share, representing an increase in its financial performance of THB 147.11 million compared with a net loss of THB 42.19 million or THB 0.12 per share recorded in 2021.

The Company and its subsidiaries had an operating revenue of THB 89.77 million compared to THB 52.10 million in 2021, representing an increase in revenue of THB 37.67 million or an increase of 72.3%. The revenue came from Investment, Advisory and Management business of THB 88.57 million, an increase of THB 44.85 million or 102.6% from an increase in interest income. In addition, the Company also realized a gain on disposal of building and equipment totaled THB 298.81 million.

Total costs and expenses were THB 164.30 million, a decrease of THB 38.93 million or 19.2 % compared to THB 203.23 million in 2021. The major changes in costs and expenses were as follow;

1. Finance costs of THB 48.99 million, a decrease of THB 9.50 million or 16.3% from the outstanding balance of long-term debentures that gradually matured.
2. Service and administrative expenses amounted to THB 30.69 million, a decrease of THB 12.96 million or 29.7% from fewer transactions compared to last year.
3. In 2021, there was a loss on sale of investment in an associate of THB 56.06 million and,
4. In 2021, there was a reversal of the expected credit loss of THB 32.90 million because the debtor has made repayment according to the agreement.

The Company and its subsidiaries also recognized a share of profit of associates and joint venture accounted for using equity method of THB 6.24 million, a decreased of THB 44.62 million or 87.7% compared to THB 50.86 million in 2021 following the performance of associates and joint venture.

For the six-month period ended 30 June 2023, the consolidated statement of profit or loss and other comprehensive income showed a net profit of THB 37.84 million or a net profit of THB 0.11 per share, a decrease in a net profit of THB 31.99 million or 45.81% from a net profit of THB 69.83 million or a net profit THB 0.21 per share recorded in 1H 2022.

Total revenues in 1H 2023 were THB 101.04 million, compared to THB 64.33 million recorded in 1H 2022, an increase in total revenues of THB 36.71 million or 57.07%. Revenue from the investment, advisory and management business totaled THB 100.18 million, an increase from H1 2022.

Total expenses in 1H 2023 were THB 53.20 million, compared to THB 80.18 million recorded in 1H 2022, representing a decrease of THB 26.98 million or 33.64%. The major changes were: The investment, advisory and management business expenses were THB 30.43 million, a decrease of THB 10.33 million, as in the previous period there was a loss on sold of investment in foreign equity securities and the servicing and administrative expense were THB 13.35 million, a decrease if THB 3.76 million, as in the previous period there were was the property tax from the sale of building and loss on exchange rate was THB 7.75 million. A decrease of 14.53 million due to unrealized gains on currency exchange of assets and liabilities of the Company and of subsidiary.

In addition, the Company and its subsidiaries also recognized a share of gain from investment in associates and joint venture of THB 16.86 million, compared with a share of loss of THB 59.49 million recorded in 1H 2022, representing an increase of THB 76.35 million.

Profitability Ratios

In 2022, FNS recorded a net profit of THB 104.92 million or a basic profit per share of THB 0.30, compared with a net loss of THB 42.19 million or a basic loss per share of THB 0.12 in 2021. Net profit to total income of the group was 116.88%, compared to (15.86%) in 2021. The return on average assets was 2.83% and return on average equity was 4.04% compared to those of 2021 which were (1.03%) and (1.56%), respectively.

In the periods of 6 months ended 30 June 2023, the Company and its subsidiaries have net profit of THB 37.84 million or a basic loss per share of THB 0.11, compared with a net profit of THB 69.83 million or a basic loss per share of THB 0.21 in H1 2022.

Financial Position

As of 31 December 2022, the Company and its subsidiaries had total assets of THB 3,291.41 million, a decrease of THB 837.07 million or 20.3% from year-end 2021. The main components of these assets were THB 959.87 million of current assets and THB 2,331.54 million of non-current assets representing 29.2% and 70.8% of total assets, respectively. The main items and/or items showing significant changes from those of year-end 2021 were as follows.

- Cash and cash equivalents stood at THB 13.07 million (0.4% of total assets), a decrease of THB 184.18 million or 93.4% from 2021.
- Other financial assets; other current financial assets totaled THB 361 million or 11% of total assets, which were investments in domestic money market fund with high liquidity and low investment risk, a decrease of THB 2.22 million or 0.6% from 2021. Other non-current financial assets, consisting of investments in debt instrument, investments in government bonds and investments in equity were THB 373.17million or 11.3% of total assets, an increase of THB 56.85 million or 18%.
- Loans to others stood at THB 73.80 million or 2.2% of total assets, a decrease of THB 26.20 million or 26.2% from loan repayment.
- Short-term loans and advance to related parties amounted to THB 467.49 million or 14.2% of total assets. The total amount increased THB 72.46 million or 18.3% from the end of 2021 following loans to associates and joint venture.
- Total investment in Digital tokens in amount of 475 million baht were sold to other investor.

- Investments in associates stood at THB 1,896.25 million or 57.6% of total assets, a decrease of THB 47.39 million or 2.4%. The change came from recorded a share of profit/loss and received dividends from associates and a joint venture.

As of 30 June 2023, the Company and its subsidiaries had total assets of THB 3,713.39 million, an increase of THB 421.99 million or 12.82% from year-end 2022. The main components of these assets were increased from investment in associates and joint-venture, short-term loans and advances from related parties.

Liquidity

Cash and cash equivalents of the Company and its subsidiaries as at year-end 2022 totaled THB 13.07 million, a decrease of THB 184.19 million or 93.4% from year-end 2021 with the following movements.

- Net cash used in operating activities totaled THB 287.54 million, reflecting a loss from operating activities after adjustments of THB 62.90 million and changes in key operating assets and liabilities, i.e. financial assets (+THB 106.28 million), short-term loans and advances to related parties (+THB 72.46 million), other current liabilities (-THB 77.05 million), interest received (+THB 16.66 million) and interest paid (-THB 54.77 million).
- Net cash provided by investing activities totaled THB 904.37 million, comprising mainly cash received and paid from proceeds from disposal of discontinued operation (+THB 455.27 million), cash paid for investment in other non-current financial assets (-THB 107.87 million), proceeds from disposal of Digital Tokens (+THB 482.32 million) and cash received for dividends (+THB 73.84 million).
- Net cash used in financing activities totaled THB 814.94 million, resulting from cash paid for short-term and long-term debentures (-THB 640 million) and cash paid for dividends (-THB 172.93 million).

In 1H 2023, Cash and cash equivalents of the Company and its subsidiaries was THB 24.04 million increasing from 13.07 at the year-end 2022 (by 83.90%). This came from the following activities i.e. Net cash used in operating activities totaled THB 176.52 million, Net cash provided by investing activities totaled THB 182.09 million and Net cash used in financing activities totaled in THB 360.83 million.

The Group has applied a collective liquidity management policy with regard to intercompany loans and borrowings. Under the management of the Group Risk Management Committee, the liquidity gap is calculated to assess its capital and liquidity adequacy. The Board of Directors assigned the Managing Director to set an internal policy to control debt securities issuance and to report the issued amount and outstanding amount to the Board of Directors in the quarterly meeting.

Liabilities

As of 31 December 2022, the total liabilities of the Group were THB 721.06 million, a decrease of THB 790.16 million or 52.3% from the year-end 2021, of which 45% were current liabilities. Significant liabilities and/or significant changes from the end of 2021 were as follows:

- Short-term debentures amounted to THB 300 million at the beginning of the year was paid in full.
- Long-term debentures totaled THB 666.80 million or 92.5% of total liabilities. The current portion of long-term debentures was THB 300 million, a decrease of THB 40 million from year-end 2021. The current portion debentures were due at the beginning of 2023 and FNS repaid in full.

Other current liabilities totaled THB 21.61 million or 3% of total liabilities, fell by THB 104.91 million or 82.9%. Mainly due to a drop in accrued bonus and deposit received.

Long-term debentures pay interest on a quarterly basis. The Company always complies with the terms and conditions of these debentures.

As of 30 June 2023, the total liabilities of the Group were THB 1,150.06 million, an increase of THB 429.00 million or 59.50% from the year-end 2022, of which 39.83% were current liabilities and 60.17% were non-current liabilities.

Shareholders' Equity

As of 31 December 2022, the Company's equity in the consolidated financial statements was THB 2,570.33 million, a decrease of THB 46.92 million or 1.8% from 2021. Changes in equity came from the net profit operating result of the year of THB 104.92 million and dividend payment totaling THB 172.93 million. Other components of shareholders' equity increased by THB 33.61 million. The book value was THB 7.43 per share, compared to THB 7.57 per share at the year-end 2021.

Registered capital and paid-up capital of the Company as of 31 December 2022 stood at THB 1,729.28 million while legal reserve was THB 82 million or 4.7% of its registered capital.

As of 30 June 2022, the Company's equity in the consolidated financial statements was THB 2,563.33 million, a decrease of THB 7.02 million or 0.27%. Changes in equity came from a decrease in retain earnings due to dividend payments.

Commitments and contingent liabilities

From the financial statements of the Company and its subsidiaries, there were no commitments or contingent liabilities as at December 31, 2022 and June 30, 2023.

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Attachment 2

Company Information and Operating Results of

of

Neo Corporate Public Company Limited

The following definitions shall apply only in this Attachment 2 of this Independent Financial Advisor (IFA) report:

'Company' means Neo Corporate Public Company Limited or NEO.

'Subsidiary' means Neo Factory Company Limited or NEO-F.

1. Basic Information

Name of the Company	:	Neo Corporate Public Company Limited ("NEO")
Nature of Business	:	Production, marketing, and distribution of consumer products standing as one of the leading companies in Thailand. Its product offerings span three groups: (1) household products (2) personal care products (3) baby and kids products, of which product brands include Fineline, Benice, D-Nee, and others.
Company's Registration No.	:	0107566000496
Website	:	www.neo-corporate.com/
Address of Head Office	:	No. 888, Sukhumvit 54, South Phra Khanong Sub-district, Phra Khanong District, Bangkok
Branch No. 1	:	No. 168/1, Moo 5, Bueng Kho Hai Sub-district, Lam Luk Ka District, Pathumtani Province
Branch No. 2	:	No. 115, Rom Klao Road, Saen Saep Sub-district, Min Buri District, Bangkok
Branch No. 3	:	No. 168/3 Moo 5, Bueng Kho Hai Sub-district, Lam Luk Ka District, Pathumtani Province
Head Office's Telephon Number	:	0-2017-8900
Fascimile	:	0-2017-8902
Registered Capital	:	300,000,000 baht
(As of 29 September 2023)		Divided into 300,000,000 ordinary shares, with a par value of 1.00 baht per share
Paid-up capital	:	222,000,000 baht
(As of 29 September 2023)		Divided into 222,000,000 ordinary shares, with a par value of 1.00 baht per share

2. Overview of Business Operations

Neo Corporate Public Company Limited (the “Company” or “NEO”) is one of the country’s leading manufacturers, marketers, and distributors of consumer products. Its primary product groups encompass household products, personal care products, and baby and kids products. The Company boasts several successful product brands, including Finline, D-nee, BeNice, Eversense, TROS, Vivite, Smart, and Tomi.

2.1 Historical Background and Key Developments

November	1989	:	The Company and its subsidiaries were registered on 7 November 2532, with a registered capital of 1.00 million baht each. The Company commenced its operations by initially distributing personal consumer products under the “Eversense” brand.
November	1990	:	The Company has initiated the sale of personal care products under the “TROS” brand.
September	1991	:	The Company has commenced the sale of household products under the “Finline” brand.
June	1992	:	The registered capital and paid-up capital of the Company were increased from 1.00 million baht to 10.00 million baht.
December	1992	:	The registered capital and paid-up capital of the subsidiary company were increased from 1.00 million Baht to 10.00 million baht.
August	1995	:	The registered capital and paid-up capital of the Company were increased from 10.00 million baht to 22.00 million baht.
May	1997	:	The Company has commenced selling household products for baby and kids under the “D-nee” brand.
January	1999	:	The Company has commenced the sale of personal consumer products under the “Vivite” brand.
February	2002	:	The Company has commenced marketing personal consumer products under the “BeNice” brand.
January	2003	:	The Company has initiated the use of the SAP Enterprise Resource Planning (ERP) system to manage its operations, in order to accommodate the increased operational activities and sales volume.
January	2005	:	The Company has commenced selling household products under the “Smart” brand.
September	2008	:	The Company expanded its operations into the export market to meet the growing demand for consumer products in the CLMV countries.
June	2008	:	The Company commenced the sale of personal consumer products for baby and kids under the “D-nee” brand.
February	2010	:	The Company commenced marketing household products under the “Tomi” brand.
April	2016	:	The Company implemented the cutting-edge SAP HANA system, the most contemporary ERP system at the time, known for its swift data processing capabilities. This adoption has significantly enhanced data management efficiency.
October	2016	:	The Company has commenced the construction of a new production facility and warehouse in the Khlong 13 area of Lam Luk Ka district, Pathum Thani province. This expansion is aimed at increasing production capacity to support the growth in sales volume. Additionally, investments are being made in an Automated Storage and Retrieval System (ASRS) to expand storage capabilities and enhance inventory management efficiency for the Company.
December	2016	:	<ul style="list-style-type: none">▪ New Chic, as the majority shareholder of the Company with a 100.00 percent ownership held by Mr. Suthidej Thakolsri, has entered into a loan agreement with FFM. The primary objective of this agreement is to increase the capital of the Company. Pursuant to the terms of this agreement, FFM

is entitled to repayment of the loan in cash or in shares of the Company, held by New Chic, in proportions agreed upon as per the loan agreement.

- Mr. Suthidet Thakolsri, in collaboration with his family and New Chic, restructured their group company. They contributed an additional capital of 200.00 million baht into the Company. This capital was further allocated to its subsidiaries, primarily for constructing a new production factory. As a result, the registered capital for both the Company and its subsidiaries increased to 222.00 million baht and 210.00 million baht, respectively.

September	2018	:	The new production factory and warehouse located in Khlong 13, Lam Luk Ka District, Pathum Thani Province commenced its business operations.
May	2019	:	The Company's production factory has been certified with Good Manufacturing Practices (GMP) standards by the Food and Drug Administration (FDA).
August	2019	:	The Company was honored with the 'Thailand's Best Companies to Work for in Asia 2019' award by HR Asia magazine, recognizing it as one of the top organizations to work for in Thailand.
July	2020	:	FFM executed its right to receive repayment of its loan from New Chic by obtaining 283,716 shares of the Company with a par value of 100.00 baht, amounting to 12.78 percent of the total issued and fully paid-up capital of the Company.
September	2020	:	The Company was honored with the 'Thailand Trust Mark Award 2020', under the supervision of the Department of International Trade Promotion, Ministry of Commerce
October	2020	:	The Company was awarded the 'Green Office Standard 2020' (Green Office) at the 'Excellent Level (G Gold)' by the Thai Environment Institute.
September	2021	:	<ul style="list-style-type: none"> ▪ The Company was honored with the '2021 FDA Quality Award' in the category of general cosmetic establishments, presented by the Food and Drug Administration, Ministry of Public Health. ▪ The Company received the 'Thailand Labor Management Excellence Award 2021' or the 'Thai Labor Standards Award TLS 8001-2020', awarded by the Department of Labor Protection and Welfare, Ministry of Labor.
November	2021	:	The Company was honored with the 'Thailand's Best Companies to Work for in Asia 2021' award by HR Asia magazine, marking its second recognition as one of the top organizations to work for in Thailand.
December	2021	:	The Company was recognized with the 'MEA ENERGY Award 2021' as a model establishment for its commitment to promoting enhanced energy efficiency in buildings.
June	2022	:	The Company was honored with the 'MEA ENERGY Award 2022' as a benchmark building for its efforts in advancing energy efficiency improvements in structures.
September	2022	:	The Company was once again honored with the 'Thailand's Best Companies to Work for in Asia 2022' award by HR Asia magazine, marking its third recognition as one of the premier organizations to work for in Thailand.
June	2023	:	The Company was awarded the 'Eco Factory Standard Certificate 2023' by the Federation of Thai Industries.
August	2023	:	<ul style="list-style-type: none"> ▪ On 25 August 2023, during the Company's Extraordinary General Meeting of Shareholders No. 2/2023, a resolution was passed to convert to a public limited company and change the Company's name to Neo Corporate Public Company Limited. This conversion from a limited company to a public limited company was officially registered on 29 August 2023.

- Additionally, during the same Extraordinary General Meeting, shareholders approved an increase in the registered capital from 222.00 million baht to 300.00 million baht. This involved altering the par value of the shares from the original 100.00 baht per share to 1.00 baht per share. Consequently, 78.00 million additional ordinary shares, with a par value of 1.00 baht, will be issued and offered for the initial public offering. Furthermore, the Company's ordinary shares will be listed on the Stock Exchange of Thailand.

September 2023 : The Company was distinguished with the 'Thailand's Best Companies to Work for in Asia 2023' award by HR Asia magazine, marking its fourth consecutive recognition as one of the foremost organizations to work for in Thailand.

2.2 Nature of Business Operations

2.2.1 Revenue Structure

The revenue structure of the Company, segmented by product group for the years 2020, 2021, and 2022, as well as for the 6-month periods ending on 30 June 2022 and 2023, can be summarized as follows:


Lists	For the fiscal year ending 31 December						For the 6-month period ending 30 June			
	2020		2021		2022		2022		2023	
	Million Baht	Percentage (%)	Million Baht	Percentage (%)	Million Baht	Percentage (%)	Million Baht	Percentage (%)	Million Baht	Percentage (%)
Revenue from the sale of households products										
Fabric care products	2,488.69	36.77	2,751.92	36.96	3,292.51	39.66	1,497.80	38.61	1,925.76	42.12
Cleaning products	163.26	2.41	189.85	2.55	205.54	2.48	94.12	2.42	103.00	2.25
Total revenue from sales of household products	2,651.95	39.18	2,941.77	39.51	3,498.05	42.14	1,591.92	41.03	2,028.76	44.37
Revenue from the sale of personal care products										
Skin cleansing and nourishing products	1,016.29	15.02	1,198.31	16.10	1,321.97	15.93	659.11	16.99	664.08	14.53
Fragrance and deodorant products	638.23	9.43	639.79	8.59	709.29	8.54	325.44	8.39	433.57	9.48
Hair styling products	43.84	0.65	36.62	0.49	39.89	0.48	19.24	0.49	20.68	0.45
Total revenue from sales of personal care products	1,698.36	25.10	1,874.72	25.18	2,071.15	24.95	1,003.79	25.87	1,118.33	24.46
Revenue from the sale of baby and kids products										
Baby and kids' fabric care products	1,438.10	21.25	1,498.37	20.13	1,548.01	18.65	723.77	18.66	795.56	17.40
Skin care and cleaning products for baby and kids	209.81	3.10	247.10	3.32	246.81	2.97	118.64	3.06	131.28	2.87

Baby and kids' utensil cleaning products	763.49	11.28	881.82	11.84	936.24	11.28	441.19	11.37	498.73	10.90
Other baby and kids' products	5.83	0.09	1.45	0.02	0.43	0.01	0.25	0.01	0.04	0.00
Total revenue from sales of baby and kids products	2,417.23	35.72	2,628.74	35.31	2,731.49	32.91	1,283.85	33.10	1,425.61	31.17
Total sales revenue	6,767.54	100.00	7,445.23	100.00	8,300.69	100.00	3,879.56	100.00	4,572.70	100.00

2.2.2 Product and Service Characteristics





The Company specializes in the production, marketing, and distribution of consumer products. These are categorized into three main product groups: (1) household products (2) personal care products and (3) baby and kids products. Currently, the Company markets and distributes its products under a total of eight distinct brands, categorized according to product groups as follows:

- (1) **Household Products**, consisting of two product categories: fabric care products under the brands “Fineline” and “Smart”, and cleaning products under the brand “Tomi”.


Brand	Overview
Fineline 	A fabric care brand that covers every stage of fabric care, including washing, softening, ironing, and pressing. It excels in eliminating root causes of musty odors and offers a distinctive fragrance that distinguishes it from competitors.
Smart 	A fabric care brand that emphasizes antibacterial properties, comprising both laundry and fabric softener products.
Tomi 	The brand specializes in home surface cleaning products that not only offer exceptional cleaning performance, saving energy and time, but also prioritize user safety. It features a distinct fragrance and includes products for floor cleaning, bathroom cleaning, and cleaning sprays.

- (2) **Personal Care Products** encompass three product categories: skin care and cleansing products, fragrance and deodorant products, and hair styling products. These products are marketed under the BeNice, TROS, Eversense, and Vivite brands.

Brand	Overview
BeNice	A brand dedicated to skin cleansing, distinguished by its ingredients that are rich in concentrated fruit extracts. It excels in

	<p>skin nourishment and boasts a distinct fruit aroma. A particular emphasis is given to natural extract ingredients.</p>
<p>TROS</p> 	<p>A premier brand offering a comprehensive range of men's personal care items, including colognes, roll-ons, cooling powders, perfumes, and hair gels. These products are specifically formulated considering the climate and the skin needs of Thai men.</p>
<p>Eversense</p> 	<p>A fragrance and deodorant brand crafted for women, exuding a distinctive scent that aims to bolster the confidence of young women transitioning into early professional life.</p>
<p>Vivite</p> 	<p>A fragrance and deodorant brand for women that prioritizes the utilization of natural extracts. The brand accentuates its efficacy in enhancing skin whiteness and radiance, complemented by the scents derived from natural essential flower oils.</p>

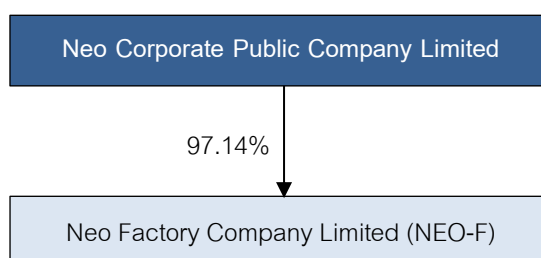
- (3) **Baby and Kids Products** comprises 4 distinct product categories: baby and kids' fabric care products, baby and kids' skin care and cleansing products, baby and kids' utensil cleaning products, and other baby and kids' products. All of these are marketed under the D-nee brand.

Brand	Overview
<p>D-nee</p> 	<p>Products under this brand are suitable for baby and kids of all ages and uphold international standards of quality. They undergo testing to ensure they do not cause allergic reactions or irritation. A hallmark of these products is their gentleness on the delicate skin of babies and kids, complemented by a diverse range of pleasant fragrances.</p>

3. Shareholding Structure of the Group Company

Currently, the Company has only one subsidiary, namely, Neo Factory Company Limited.

Current shareholding structure of the company group (as of 30 September 2023)



Details of Subsidiary

Name of the Subsidiary	Neo Factory Company Limited (NEO-F)
Nature of the Business	Engaging in producing consumer products in household products, personal care products, and baby and kids' products. These are developed under its own brand and then sold to the Company for marketing and distribution.
Address of Head Office	No. 168, Moo 5, Bueng Kho Hai Sub-district, Lam Luk Ka District, Pathumtani
Telephone Number	02 014 9999
Paid-Up Capital	210.00 million baht
Total Number and Issued Share Types	2,100,000 ordinary shares, with a par value of 100.00 baht per share
Shareholding Proportion and Voting Rights of the Company	97.14 percentage ¹

Remark: ¹ The remaining percentage of NEO-F shares is held by Miss Nitchamon Thakolsri and Miss Nisara Thakolsri, both members of the Mr. Suthidej family. Each holds 1.43 percent of NEO-F's total issued and paid-up shares. Additionally, both of them own 30.00 percent of the Company's total issued and paid-up shares.

4. Board of Directors

As of 30 September 2023, the Board of Directors comprises 9 directors as follows:

No.	Name of Directors	Position
1	Mr. Virapan Pulges	Chairman of the Board of Directors / Independent Director / Chairman of Nomination and Remuneration Committee
2	Mr. Wutthichai Tankuranand	Independent Director / Chairman of Audit Committee / Member of Nomination and Remuneration Committee
3	Mr. Amornsak Pimarnthip	Independent Director / Member of Audit Committee
4	Mr. Udomdej Phiromsawat	Independent Director / Member of Audit Committee
5	Mr. Vorasit Pokachaiyapat	Director
6	Mr. Suthidej Thakolsri	Director / Chairman of the Executive Committee
7	Mrs. Patama Thakolsri	Director / Vice Chairman of the Executive Committee / Member of Nomination and Remuneration Committee
8	Miss Nitchamon Thakolsri	Director / Member of Executive Committee
9	Miss Nissara Thkolsri	Director / Member of Executive Committee

The directors authorized to sign and bind the Company are vested in the following directors (1) Mr. Suthidej Thakolsri (2) Mrs. Patama Thakolsri (3) Miss Nitchamon Thakolsri (4) Miss Nissara Thkolsri, two of these four directors sign jointly and affix the company seal.

5. Shareholders

The Company's shareholder structure as of 30 September 2023, and following the offering of additional ordinary shares, is outlined as follows:

Shareholders	Before the offering of the additional ordinary shares		After the offering of the additional ordinary shares	
	Number of Share (share)	Percentage (%)	Number of Share (share)	Percentage (%)
1. Family group of Mr. Suthidej¹				
1.1 Miss Nitchamon Thakolsri	66,600,000	30.00	66,600,000	22.20
1.2 Miss Nissara Thkolsri	66,600,000	30.00	66,600,000	22.20
1.3 Mr. Suthidej Thakolsri	49,328,400	22.22	49,328,400	16.44
1.4 Mrs. Patama Thakolsri	11,100,000	5.00	11,100,000	3.70
Total for the family group of Mr. Suthidej	193,628,400	87.22	193,628,400	64.54
2. Group of FNS Holdings Public Company Limited				
2.1 Finansa Fund Management Limited ("FFM") ²	18,871,600	8.50	18,871,600	6.29
2.2 FNS Holdings Public Company Limited ("FNS") ³	9,500,000	4.28	-	-
Total for FNS Group	28,371,600	12.78	28,371,600	6.29
3. General Public	-	-	87,000,000	29.17
Total	222,000,000	100.00	300,000,000	100.00

Remark: ¹ Family group of Mr. Suthidej Thakolsri comprises four members : (1) Mr. Suthidej Thakolsri and (2) Mrs. Patama Thakolsri, who are the parents of (3) Miss Nitchamon Thakolsri and (4) Miss Nissara Thkolsri For clarity, it should be noted that Miss Nitchamon Thakolsri and Miss Nisara Thakolsri are included based on blood relation. This categorization is purely for informational purposes and should not be interpreted as a designation regarding the nature of their relationships or behaviors, as described in 'Acting in Concert' per Section 2 of the Capital Market Supervisory Board Announcement No. Tor.Jor. 7/2009 Re: Acting in concert as a result of the nature of a relationship or behaviour and requirements under sections 246 and 247.

² Shareholders of FFM as of 30 September 2023

Shareholders	Number of Shares	Percentage (%)
1. FNS	128,368.66	100.00
Total	128,368.66	100.00

³ FNS is a company listed on the Stock Exchange of Thailand. For a detailed shareholder structure and additional information about FNS, please refer to www.set.or.th.

The top 10 shareholders of FNS, based on the shareholder list as of 16 October 2023, are as follows:

No.	Shareholder name	No. of Shares (Shares)	Portion (%)
1	Mr. VORASIT POKACHAIYAPAT	247,587,922	49.45
2	M.L. SUDDHIMAN POKACHAIYAPAT	42,000,000	8.39

No.	Shareholder name	No. of Shares (Shares)	Portion (%)
3	MR. WATSHIRA TAYANARAPORN	16,000,000	3.20
4	MR. VICHAIN SRIMUNINNIMIT	13,558,300	2.71
5	The Viriyah Insurance Public Company limited	10,000,000	2.00
6	MISS YASINEE APITANOTAI	8,527,200	1.70
7	MR. WUTTHAKARN JIRA-ALONGKORN	6,505,700	1.32
8	MRS. PRAKAIKAM BAIKAEW	6,302,000	1.26
9	MR. RATIAN SRIMONGKOL	3,500,000	0.70
10	MR. KIET SRICHOMKWAN	3,410,000	0.68
	Total top 10 shareholders	357,491,122	71.41
	Other shareholders	143,159,943	28.59
	Total	500,651,065	100.00

6. Dividend Policy

Dividend Policy of NEO

The Company adheres to a dividend policy aimed at distributing a minimum of 40 percent of the net profits from its separate financial statements to shareholders. This distribution is made after accounting for corporate income tax, allocations to various reserve funds as stipulated by relevant laws and articles of association, and any obligations as per the terms of financial contracts (if applicable). The dividend payment will not exceed the retained earnings as reported in the company's separate financial statements. In cases where the company requires funds for investment or working capital in a given year, the Board of Directors may propose alternative methods of dividend payment to the shareholders' meeting. However, such dividend payment may be subject to change based on factors including operating results, cash flow, financial liquidity, financial status, investment plans, and reserves allocated for loan repayments. Additionally, it may depend on the necessity of utilizing working capital for business management and expansion, taking into consideration economic conditions and other relevant factors as deemed appropriate by the Board of Directors.

The annual dividend payment requires approval by the shareholder meeting, except in the case of interim dividend payments. The Board of Directors has the authority to approve interim dividend payments as and when they believe that the Company has accumulated sufficient profits to do so. These interim dividend payments will be reported to the subsequent shareholder meeting for transparency and record-keeping.

Dividend Payment Policy of Subsidiary NEO-F

The Company maintains a rigorous approach to overseeing its subsidiaries' dividend payment procedures, which are contingent on net profits as per the respective separate financial statements. Following the deduction of corporate income tax, allocations to various reserve funds, as mandated by the subsidiary's relevant legal

framework and regulations, and any obligations specified within financial contracts (if applicable), the dividend payment rate will be determined based on a comprehensive assessment. This evaluation takes into account various factors, including operating results, cash flow, financial liquidity, financial position, investment plans, reserves allocated for loan repayments, and the imperative need for utilizing working capital in the context of subsidiary business management and expansion. Moreover, economic conditions and other pertinent factors are considered, as deemed fit by the board meeting and/or shareholder meeting of the subsidiary.

The Approval of annual dividends necessitates the endorsement of the subsidiary's shareholder meeting, except in cases of interim dividend payments. The subsidiary's board of directors retains the authority to authorize interim dividend payments when the subsidiary has generated sufficient profits for such disbursements. Any interim dividend payments will be duly reported to the subsidiary's shareholder meeting at the next available opportunity.

7. Financial Position and Operating Results

7.1 Statement of Financial Position

The statement of financial position provides a snapshot of the Company's financial health at various key points in time. The following summarizes the statement of financial position for the years ending 31 December 2020 to 2022 and for the 6-month period ending on 30 June 2023:

Statement of Financial Position	As at 31 December						As at 30 June	
	2020		2021		2022		2023	
Unit	Million baht	Percentage (%)	Million baht	Percentage (%)	Million baht	Percentage (%)	Million baht	Percentage (%)
Cash and cash equivalents	534.77	9.57	478.53	8.11	223.64	3.53	286.65	4.31
Trade and other receivables	1,375.67	24.62	1,740.12	29.51	1,928.77	30.44	1,746.77	26.25
Inventories	574.33	10.28	714.29	12.11	863.89	13.64	845.00	12.70
Prepaid expenses	23.38	0.42	10.61	0.18	12.52	0.20	34.89	0.53
Other current assets	19.34	0.35	17.40	0.30	32.50	0.51	44.62	0.67
Total current assets	2,527.49	45.24	2,960.95	50.21	3,061.32	48.32	2,957.93	44.46
Prepaid construction costs	3.76	0.07	3.76	0.06	3.76	0.06	3.76	0.06
Investment properties	8.01	0.14	7.87	0.13	7.73	0.12	5.64	0.08
Land, buildings, and equipment	2,809.91	50.29	2,732.11	46.32	3,085.41	48.70	3,503.77	52.66
Intangible assets	58.63	1.05	46.97	0.80	33.33	0.53	26.89	0.40
Computer software	52.06	0.93	48.34	0.82	35.29	0.56	37.70	0.57
Deferred income tax assets	97.87	1.75	97.58	1.66	108.09	1.71	117.73	1.77
Income tax receivables	29.34	0.53	-	-	-	-	-	-
Other non-current assets	0.03	0.00	0.13	0.00	0.13	0.00	0.16	0.00
Total non-current assets	3,059.61	54.76	2,936.76	49.79	3,273.74	51.68	3,695.65	55.54
Total assets	5,587.10	100.00	5,897.71	100.00	6,335.06	100.00	6,653.58	100.00
Short-term loans from banks	413.60	7.40	70.00	1.19	141.59	2.24	425.00	6.39

Statement of Financial Position	As at 31 December						As at 30 June	
	2020		2021		2022		2023	
Unit	Million baht	Percentage (%)	Million baht	Percentage (%)	Million baht	Percentage (%)	Million baht	Percentage (%)
Trade payables and other payables	1,686.10	30.18	2,088.13	35.40	2,333.52	36.83	2,279.79	34.26
Long-term loans due within one year	250.38	4.48	203.40	3.45	203.40	3.21	203.20	3.05
Lease liabilities due within one year	21.24	0.38	17.28	0.29	18.63	0.29	15.38	0.23
Deferred income tax liabilities	101.49	1.82	92.35	1.57	73.30	1.16	79.41	1.19
Income tax payables	26.32	0.47	29.21	0.49	31.37	0.50	17.69	0.27
Other current financial liabilities	11.12	0.20	4.68	0.08	0.17	0.00	-	-
Other non-current liabilities	13.20	0.23	34.21	0.58	13.77	0.22	20.00	0.30
Total non-current liabilities	2,523.46	45.16	2,539.26	43.05	2,815.75	44.45	3,040.47	45.69
Long-term loans	1,098.18	19.66	873.25	14.81	709.15	11.19	1,022.02	15.36
Lease liabilities	34.26	0.61	31.33	0.53	16.48	0.26	13.02	0.20
Long-term employee benefit obligations	297.22	5.32	304.20	5.16	382.76	6.04	396.59	5.96
Total non-current liabilities	1,429.66	25.59	1,208.78	20.50	1,108.39	17.49	1,431.63	21.52
Total liabilities	3,953.12	70.75	3,748.04	63.55	3,924.14	61.94	4,472.10	67.21
Registered Capital 2,220,000 ordinary shares Par value per share: 100 baht ^{1/}	222.00	3.98	222.00	3.76	222.00	3.50	222.00	3.34
Fully issued and paid-up capital 2,220,000 ordinary shares Par value per share: 100 baht ^{1/}	222.00	3.98	222.00	3.76	222.00	3.50	222.00	3.34
Excess of capital from payment using shares as criteria	26.93	0.48	26.93	0.46	26.93	0.43	26.93	0.40
Excess of capital from business combination under common control	159.42	2.85	159.42	2.70	159.42	2.52	159.42	2.40
Retained earnings allocated - Statutory reserved	22.20	0.40	22.20	0.38	22.20	0.35	22.20	0.33
Unallocated retained earnings	945.45	16.92	1,456.03	24.69	1,713.24	27.04	1,479.73	22.24
Equity holders of the Company	1,376.00	24.63	1,886.58	31.99	2,143.79	33.84	1,910.28	28.71
Non-controlling interests of the subsidiaries	257.98	4.62	263.09	4.46	267.13	4.22	271.20	4.08
Total equity	1,633.98	29.25	2,149.67	36.45	2,410.92	38.06	2,181.48	32.79
Total liabilities and equity	5,587.10	100.00	5,897.71	100.00	6,335.06	100.00	6,653.58	100.00

Remark: ^{1/} At the Annual General Meeting of Shareholders No. 1/2566, held on 25 August 2023, a resolution was passed to approve the change in the par value of ordinary shares of the Company. The previous par value per share was 100.00 Baht, and it has been changed to a par value of 1.00 Baht per share. Following the change in the par value (before the increase in registered capital), the number of new ordinary shares has increased from the original 2.22 million shares to 222.00 million shares.

7.2 Summary of Profit and Loss Statements

The profit and loss statements for the year ending 31 December 2020 to 2022, and for the 6-month period ending on 30 June 2023, can be summarized as follows:

Unit	For the fiscal year ending 31 December						For the 6-month period ending 30 June			
	2020		2021		2022		2022		2023	
	Million Baht	Percentage (%)	Million Baht	Percentage (%)	Million Baht	Percentage (%)	Million Baht	Percentage (%)	Million Baht	Percentage (%)
Sales income	6,767.54	99.77	7,445.23	99.70	8,300.69	99.73	3,879.56	99.62	4,572.70	99.70
Other income	15.74	0.23	22.45	0.30	22.10	0.27	14.99	0.38	13.57	0.30
Total income	6,783.28	100.00	7,467.68	100.00	8,322.79	100.00	3,894.55	100.00	4,586.27	100.00
Cost of goods sold	(3,815.02)	(56.24)	(4,309.78)	(57.71)	(5,180.88)	(62.25)	(2,444.58)	(62.77)	(2,713.72)	(59.17)
Selling and distribution expenses	(1,321.70)	(19.49)	(1,467.24)	(19.65)	(1,545.98)	(18.57)	(801.55)	(20.58)	(931.77)	(20.32)
Administrative expenses	(825.02)	(12.16)	(744.42)	(9.97)	(849.51)	(10.21)	(424.29)	(10.89)	(491.33)	(10.71)
Other losses	(15.14)	(0.22)	-	-	-	-	-	-	(2.36)	(0.05)
Total expenses	(5,976.88)	(88.11)	(6,521.44)	(87.33)	(7,576.37)	(91.03)	(3,670.42)	(94.24)	(4,139.18)	(90.25)
Operating profit	806.40	11.89	946.24	12.67	746.42	8.97	224.13	5.76	447.09	9.75
Financial costs	(54.30)	(0.80)	(37.34)	(0.50)	(36.16)	(0.44)	(16.45)	(0.42)	(19.21)	(0.42)
Profit before income tax	752.10	11.09	908.90	12.17	710.26	8.53	207.68	5.34	427.88	9.33
Income tax expenses	(149.62)	(2.21)	(179.87)	(2.41)	(141.58)	(1.70)	(40.73)	(1.05)	(88.78)	(1.94)
Profit for the period	602.47	8.88	729.03	9.76	568.68	6.83	166.95	4.29	339.10	7.39
Profit distribution										
Equity holders of the Company	595.56	8.78	719.50	9.63	564.55	6.78	164.60	4.23	335.03	7.30
Non-controlling interests of the subsidiaries	6.91	0.10	9.53	0.13	4.13	0.05	2.35	0.06	4.07	0.09
	602.47	8.88	729.03	9.76	568.68	6.83	166.95	4.29	339.10	7.39

Source: financial statements have been audited or examined by authorized accountants.

7.3 Analysis of Financial Position and Operating Results.

7.3.1 Analysis for the year ending 31 December 2022

7.3.1.1 Operating Results

In the year 2022, the Company had total sales revenue of 8,300.69 million baht, an increase of 855.46 million baht compared to 7,445.23 million baht in 2021, representing an increase of 11.49 percent. This increase in sales revenue came from all product groups, especially household products. However, the Company's operating profit was 746.42 million baht, a decrease of 199.82 million baht from 946.24 million baht in 2021, representing a decrease of 21.12 percent. This was due to higher average unit selling costs and increased selling and distribution

expenses. As a result, the Company's net profit for 2022 was 568.68 million baht, a decrease of 160.35 million baht from 729.03 million baht in 2021, representing an increase of 22.00 percent.

(1) Sales Income

Sales income from products in the year 2020 to 2022 can be analyzed by product type as shown in the table below:

Lists	For the fiscal year ending 31 December					
	2020		2021		2022	
	Million Baht	Percentage (%)	Million Baht	Percentage (%)	Million Baht	Percentage (%)
<u>Income from the sale of household products</u>						
Domestic	2,092.82	30.92	2,532.88	34.02	2,999.23	36.13
International	559.13	8.26	408.89	5.49	498.82	6.01
Total income from the sale of household products	2,651.95	39.18	2,941.77	39.51	3,498.05	42.14
<u>Income from the sale of personal care products</u>						
Domestic	1,647.06	24.34	1,825.15	24.51	2,036.20	24.53
International	51.30	0.76	49.57	0.67	34.95	0.42
Total income from the sale of personal care products	1,698.36	25.10	1,874.72	25.18	2,071.15	24.95
<u>Income from the sale of products for baby and kids</u>						
Domestic	1,752.83	25.90	1,981.19	26.61	2,108.98	25.41
International	664.40	9.82	647.55	8.70	622.51	7.50
Total income from the sale of products for baby and kids	2,417.23	35.72	2,628.74	35.31	2,731.49	32.91
<u>Income from the sales of other products</u>						
Domestic	5,492.71	81.16	6,339.22	85.14	7,144.41	86.07
International	1,274.83	18.84	1,106.01	14.86	1,156.28	13.93
Total sales income	6,767.54	100.00	7,445.23	100.00	8,300.69	100.00

In 2022, the Company's domestic product sales income amounted to 7,144.41 million baht, representing an increase of 805.19 million baht from the 6,339.22 million baht recorded in 2021. This rise in income was driven by higher sales volumes and increased selling prices, particularly in the household product group, which includes items like liquid laundry detergent. The Company's overall product sales volume showed continuous growth compared to the previous year. This growth encompassed both the Company's existing products and the introduction of new products designed to meet evolving market needs and changing consumer behavior, which has placed greater emphasis on hygiene since the onset of the COVID-19 pandemic. Consequently, cleaning product categories continued to expand, particularly in the liquid laundry and shower cream segments. Concurrently, economic activities within the country commenced recovery and returned to a state of normalcy,

leading to increased purchasing power among consumers. To address rising production costs, the Company initiated a gradual increase in selling prices across all product categories and sales channels starting from early 2022, reflecting the ongoing impact of the COVID-19 outbreak situation.

Regarding income from the sale of products abroad in 2022, the Company achieved 1,156.28 million baht, marking an increase of 50.27 million baht from the 1,106.01 million baht recorded in 2021. This increase can primarily be attributed to the relaxation of lockdown measures in destination countries, resulting from the easing of the COVID-19 pandemic situation. This, in turn, facilitated the return of economic activities to a state of normalcy. The Company adjusted its marketing and promotional plans, particularly with overseas distributors, organizing more collaborative activities to stimulate sales which yielded favorable feedback.

(2) Cost of Sales and Operating Expenses

Cost of Sales

In 2022, the Company's cost of goods sold amounted to 5,180.88 million baht, marking an increase of 871.10 million baht compared to 4,309.78 million baht in 2021. This increase represents a growth of 20.21 percent, which is a greater proportional increase compared to the rise in sales income. The primary reason for this lies in the continued rise in the average cost of sales per unit since the previous year. This increase is primarily attributed to higher costs of raw materials and packaging. Specifically, the increased cost of surfactants can be traced back to a decrease in the supply of palm oil, a crucial raw material for surfactant production. This reduction in supply is due to changes in the country's climate, restrictions on palm oil exports by the world's largest palm oil producer, and labor shortages in palm oil harvesting, all of which are extensions of the ongoing COVID-19 outbreak situation. Additionally, increasing freight rates due to the Russia-Ukraine conflict have contributed to the rising costs. Furthermore, the cost of perfume, another essential raw material, has also increased. Despite the increase in sales income, the average cost of sales per unit experienced a greater proportional rise than the increase in the selling price per unit of the product. Consequently, in 2022, the Company reported a gross profit of 3,119.81 million baht, a decrease of 15.64 million baht from the 3,135.45 million baht in 2021, marking a decrease of 0.50 percent. As a result, the Company's gross profit margin in 2022 stood at 37.58 percent, down from 42.11 percent in 2021.

Selling and Distribution Expenses

In 2022, the Company's sales and distribution expenses amounted to 1,545.98 million baht. This marked an increase of 78.74 million baht compared to the 1,467.24 million baht reported in 2021, reflecting a growth rate of 5.37 percent, which aligns with the increase in income. The proportion of sales and distribution expenses to total sales revenue in 2022 was 18.62 percent, slightly down from 19.71 percent in the previous year. The increase in sales and distribution expenses in 2022 was primarily attributed to higher spending on advertising and promotional activities. This was a result of the revival of marketing efforts that had slowed down in the previous year. The Company intensified its product promotion through various modern retail channels, in sync with the growth in income from sales through these channels, and increased advertising through online media, aligning with today's

consumer trends. Additionally, expenses related to the transportation of goods rose as products were distributed from distribution centers to various branches, in tandem with increased sales through modern retail channels.

Administrative Expenses

The Company's administrative expenses in 2022 totaled 849.51 million baht, marking a 105.09 million baht increase from 744.42 million baht in 2021. This represents a growth rate of 14.12 percent and was primarily due to increased compensation and benefits for employees. This increase was driven by annual salary increments, adjustments to employee positions, and the expansion of the workforce to support business growth.

(3) Operating Profit and Net Profit

In 2022, the Company reported an operating profit of 746.42 million baht, marking a decrease of 199.82 million baht compared to 946.24 million baht in 2021, which represents a decline of 21.12 percent. This decline occurred despite an increase in income from the Company's product sales. The primary reason for this decline is the significant increase in the average cost of sales per unit compared to the previous year. The cost of key raw materials continuously rose from 2021, leading to a decrease in the Company's gross profit margin from the previous year. This reduction is attributed to the increased sales and distribution expenses due to higher costs associated with product promotion through modern retail store media and the distribution of products from distribution centers to various branches. This corresponds to the rise in income from sales through these channels and an increase in advertising expenses through online media, aligning with modern consumer lifestyles. Additionally, administrative expenses increased due to salary raises and a growing workforce. The ratio of sales and distribution expenses, as well as administrative expenses, to total sales revenue remained at a similar level to the previous year. Consequently, the Company's operating profit margin in 2022 stood at 8.99 percent, a decrease from 12.71 percent in 2021. Taking into account these significant factors, the Company's net profit in 2022 amounted to 568.68 million baht, representing a decrease of 160.35 million baht from 729.03 million baht in 2021, which equates to a reduction of 22.00 percent. The Company's net profit margin in 2022 was 6.83 percent, down from 9.76 percent in 2021.

7.3.1.2 Financial Status

(1) Total Assets

As of 31 December 2022, the Company's total assets increased compared to 31 December 2021. This increase is primarily attributed to the growth of trade and other receivables, in line with the Company's rising sales income. Additionally, the Company's total assets expanded due to the acquisition of land, buildings, and equipment, as well as increased assets under construction and installation. These expansions were driven by the investment in a project aimed at expanding the automated prefabricated warehouse. This project involves the implementation of advanced structural and operational systems designed for the automatic storage and retrieval of goods stored in small boxes, known as Mini-Load Automated Storage and Retrieval Systems (Mini-Load ASRS). Furthermore, the

company invested in automated machinery used for product packaging. In contrast, the Company's cash and cash equivalents decreased primarily as a result of investments made in the aforementioned project.

(2) Total Liabilities

As of 31 December 2022, the Company's total liabilities increased compared to 31 December 2021. This increase is primarily attributed to a rise in other creditors. The increment can be chiefly attributed to higher expenses related to construction costs and asset purchases for the automated prefabricated warehouse expansion project. It also includes investments in various machinery. In contrast, long-term loans from banks decreased due to scheduled repayments.

(3) Total Shareholders' Equity

As of 31 December 2022, the Company's shareholders' equity amounted to 2,410.92 million baht. This reflects an increase of 261.25 million baht compared to 31 December 2021. The Company's total comprehensive income for its shareholders during the year amounted to 525.83 million baht. In addition, the Company announced a dividend payment from the 2021 operating results, totaling 268.62 million baht or 121.00 baht per share. This decision was in accordance with the resolution made during the 2022 Annual General Meeting of Shareholders on 29 April 2022. Consequently, the unallocated portion of the Company's accumulated profits as of 31 December 2022, stands at 1,713.24 million baht.

7.3.1.3 Cash Flow

As of 31 December 2022, the Company's cash and cash equivalents totaled 223.64 million baht. This figure represents a decrease of 254.89 million baht compared to 31 December 2021. During the year, the Company had net cash inflows from operating activities amounting to 632.67 million baht. However, the Company experienced cash outflows from financing activities amounting to 379.35 million baht. This was primarily due to 2 significant factors: (1) the repayment of scheduled long-term loans totaling 164.10 million baht and (2) the distribution of dividends from operating results in 2021, which amounted to 268.62 million baht. Additionally, the Company had cash outflows from investing activities totaling 508.20 million baht. This was primarily attributed to land purchases and investments in expanding the automated prefabricated warehouse project. The expansion involves enhancing the structural and operational systems used for automatic storage and retrieval of goods in small boxes, known as Mini-Load Automated Storage and Retrieval Systems (Mini-Load ASRS). Furthermore, investments were made in additional machinery and equipment to increase production capacity in support of the Company's growth.

7.3.1.4 Factors or Events that May Affect the Financial Position or Future Operations

The Public Offering of Ordinary Shares

During the Extraordinary General Meeting of Shareholders No. 2/2023 held on 25 August 2023, it was resolved to approve the issuance of additional ordinary shares for public offering, marking the Company's first

offering of shares to the public. The Company's ordinary shares will also be listed on the Stock Exchange of Thailand. Following the public offering, the number of issued and paid-up shares of the Company will increase to no more than 78.00 million shares, each with a par value of 1.00 baht per share. This will be in addition to the original 222.00 million shares, bringing the total to 300.00 million shares, equivalent to 26.00 percent of the issued and paid-up capital after the increase. The issuance of these shares will result in various ratios that are likely to change compared to the shareholders' equity or the number of shares of the Company, as this event will trigger an increase in the basis for these calculations (known as the Dilution Effect). Key ratios affected may include net earnings per share (Earnings per Share) and the rate of return on shareholders' equity (Return on Equity), among others. However, the Company anticipates that the public offering and listing on the stock exchange will yield positive long-term results. The proceeds from the Initial Public Offering (IPO) will be utilized for various purposes, including investments in projects aimed at expanding production capacity for household products, such as the expansion of raw material and packaging inventory and inventory management systems. The funds may also be used for loan repayments with financial institutions, working capital for business operations, or investments in businesses related to the Company's core operations. In addition to these financial considerations, the Company stands to gain other benefits from being a listed entity on the stock exchange. These include enhanced flexibility in sourcing funding, a favorable corporate image associated with being a publicly traded company that supports good governance and transparency, and more. These potential benefits may contribute to the Company's future growth in terms of income and net profits, helping to offset the impact of the increased number of shares.

7.3.2 Analysis for the 6-Month Period Ending 30 June 2023

7.3.2.1 Operating Results

For the 6-month period ending on 30 June 2023, the Company achieved total sales income of 4,572.70 million baht. This marks an increase of 693.14 million baht compared to 3,879.56 million baht in the 6-month period ending on 30 June 2022, reflecting a notable increase of 17.87 percent. This surge aligns with the growth in domestic sales revenue across all product groups, particularly in the household product category. During this period, the Company's operating profit reached 447.09 million baht. This figure exhibits substantial growth, with an increase of 222.96 million baht compared to 224.13 million baht in the 6-month period ending on 30 June 2022, representing an impressive rise of 99.47 percent. This robust performance can be attributed to the increase in income derived from the Company's sales. Additionally, the average cost of sales per unit decreased from the previous year, largely due to an overall reduction in raw material and packaging costs. As a result of these positive developments, the Company's net profit for the 6-month period ending on 30 June 2023, amounted to 339.10 million baht. This reflects a substantial increase of 172.15 million baht compared to 166.95 million baht in the same period of the previous year, marking an outstanding growth rate of 103.12 percent.

(1) Sales Income

Income from product sales for the 6-month periods ending on 30 June 2022 and 2023 can be analyzed by product type as presented in the table below.

Lists	For the 6-month period ending 30 June			
	2022		2023	
	Million Baht	Percentage (%)	Million Baht	Percentage (%)
Income from the sales of household products				
Domestic	1,352.20	34.85	1,814.45	39.68
International	239.72	6.18	214.31	4.69
Total income from the sales of household products	1,591.92	41.03	2,028.76	44.37
Income from the sales of personal care products				
Domestic	986.64	25.43	1,099.42	24.04
International	17.15	0.44	18.91	0.42
Total income from the sales of personal care products	1,003.79	25.87	1,118.33	24.46
Income from the sales of products for baby and kids				
Domestic	987.31	25.45	1,086.19	23.75
International	296.54	7.65	339.42	7.42
Total income from the sales of products for baby and kids	1,283.85	33.10	1,425.61	31.17
Income from the sales of all products				
Domestic	3,326.15	85.73	4,000.06	87.47
International	553.41	14.27	572.64	12.53
Total sales income	3,879.56	100.00	4,572.70	100.00

For the 6-month period ending 30 June 2023, the Company reported income from domestic product sales amounting to 4,000.06 million baht. This figure reflects an increase of 673.91 million baht compared to the same period in the previous year, during which the Company earned 3,326.15 million baht. The increase is in line with the growth in domestic sales revenue across all product groups, particularly within the household product group, which includes items such as liquid laundry detergent and fabric softener. This boost in revenue is a result of both increased product sales volume and higher selling prices. The Company's overall sales volume has continued to grow, maintaining the upward trend seen in the previous year. This growth is attributed to both established products and the continuous introduction of new products aligned with consumer preferences. The Company has also organized various promotional activities, such as price discounts and giveaways, which have received positive responses. Furthermore, the Company has been gradually raising the selling prices of all product types across various sales channels since the first quarter of 2023.

Regarding income from the sale of products abroad for the 6-month period ending 30 June 2023, the Company reported revenue of 572.64 million baht. This represents an increase of 19.23 million baht compared to the same period in the previous year, during which the income was 553.41 million baht. The main driver behind this

increase is the expansion of distribution channels by foreign product distributors. This expansion has made the Company's products more accessible to consumers. Additionally, the Company has increased its marketing activities in collaboration with foreign distributors to foster the growth of other product categories alongside its core export products.

(2) Cost of Sales and Operating Expenses

Cost of Sales

For the 6-month period ending on 30 June 2023, the Company's cost of goods sold amounted to 2,713.72 million baht. This marks an increase of 269.14 million baht compared to the 2,444.58 million baht recorded for the same period in 2022, representing a growth rate of 11.01 percent. Notably, this increase in costs is proportionally lower than the increase in sales revenue. The average cost of sales per unit decreased in 2023, primarily due to reduced raw material and packaging expenses. Specifically, the cost of surfactants decreased due to a greater supply of palm oil, resulting in an increase in sales volume and a higher selling price per unit. While sales income increased, the average cost of sales per unit decreased, leading to a gross profit of 1,858.98 million baht for the 6-month period ending 30 June 2023. This represents an increase of 424.00 million baht from the 1,434.98 million baht recorded in the same period the previous year, marking a substantial increase of 29.55 percent. The Company's gross profit margin for the 6-month period ending 30 June 2023, stands at 40.65 percent, showing an increase from the 36.99 percent reported in the same period of the previous year.

Selling and distribution expenses

During the 6-month period ending on 30 June 2023, the Company incurred sales and distribution expenses totaling 931.77 million baht. This amount reflects an increase of 130.22 million baht compared to the 801.55 million baht reported for the same period in the previous year. The increase corresponds to a growth rate of 16.25 percent, which aligns with the growth in income. The proportion of sales and distribution expenses to total sales revenue for the 6-month period ending June 30, 2023, stood at 20.38 percent, similar to the same period in the previous year, where it accounted for 20.66 percent. The surge in sales and distribution expenses for the 6-month period ending 30 June 2023, was primarily driven by an increase in advertising and sales promotion costs. This rise in expenses is attributed to the Company's heightened product promotion through various modern retail stores and increased advertising through outdoor media such as billboards and digital advertising on LED screens. Furthermore, the Company conducted new product launch events during this period, including new products under the D-Nee brand, specifically the Smile Booster Series products, and the introduction of new cologne and roll-on products under the Eversense brand. Additionally, the Company's transportation expenses increased in line with its growing sales revenue.

Administrative Expenses

In the 6-month period ending 30 June 2023, the Company's administrative expenses amounted to 491.33 million baht. This figure reflects an increase of 67.04 million baht compared to the 424.29 million baht recorded in

the same period of the previous year, representing a growth rate of 15.80 percent. The increase in administrative expenses is primarily attributed to higher employee compensation and welfare costs. Additionally, the Company's administrative expenses increased due to accounting for the value of damages resulting from a storm incident at its manufacturing plants in April 2023. The total damage value was 25.28 million baht, but the Company holds an insurance policy that covers such damage. In September 2023, the Company received compensation totaling 22.33 million baht. The Company will offset this compensation against administrative expenses incurred in the third quarter of 2023.

(3) Operating profit and net profit

For the 6-month period ending on 30 June 2023, the Company reported an operating profit of 447.09 million baht. This reflects a significant increase of 222.96 million baht compared to the 224.13 million baht reported in the same period in 2022, representing a remarkable growth of 99.47 percent. The main driver behind this substantial increase is the Company's enhanced sales income during this period. Meanwhile, the average cost of sales per unit decreased in comparison to the same period in the previous year due to an overall reduction in raw material and packaging costs. Consequently, the Company's gross profit margin experienced an uptick compared to the same period of the previous year. Sales and distribution expenses saw an increase in line with higher expenses related to promoting products through various modern retail stores and increased transportation costs, which were in sync with the growth in sales revenue. The Company also incurred greater advertising expenses through out-of-home media. Furthermore, administrative expenses escalated due to higher employee compensation and welfare costs. Additionally, administrative expenses increased due to accounting for the value of damages stemming from a storm event at the Company's production plants. The ratio of sales and distribution expenses and administrative expenses to total sales revenue was consistent with the same period in the previous year. The increased gross profit margin contributed to a higher operating profit margin, which stood at 9.78 percent for the 6-month period ending 30 June 2023. This represented an increase from the 5.78 percent reported in the same period of the previous year. Given these significant factors, the Company's net profit for the 6-month period ending 30 June 2023, amounted to 339.10 million baht. This figure denotes an impressive increase of 172.15 million baht when compared to the 166.95 million baht reported in the same period of the previous year. This represents a substantial growth of 103.12 percent. The Company's net profit margin for the 6-month period ending 30 June 2023, reached 7.39 percent, up from the 4.29 percent reported in the same period of the previous year.

7.3.2.2 Financial Position

(1) Total Assets

As of 30 June 2023, the Company's total assets increased compared to 31 December 2022. This increase is primarily attributed to the growth in land, buildings, and equipment. These assets have expanded due to ongoing construction and installation activities related to the automated prefabricated warehouse expansion project. The expansion includes structural enhancements carried forward from the previous period, improvements to the utility

systems within the automated prefabricated warehouse, and the integration of automated systems for product storage and distribution, including Automated Storage and Retrieval Systems (ASRS). Furthermore, there has been additional investment in automated machinery used in the product packaging process.

(2) Total Liabilities

As of 30 June 2023, the Company's total liabilities have risen compared to 31 December 2022. This increase is primarily a result of a rise in short-term loans from banks, intended for use as working capital in the Company's day-to-day operations. Additionally, long-term loans from banks have increased to support the investment in the expansion of the automated prefabricated warehouse.

(3) Total Shareholders' Equity

As of 30 June 2023, the Company's shareholders' equity amounted to 2,181.48 million baht, showing a decrease of 229.44 million baht from the 2,410.92 million baht reported on 31 December 2022. The total comprehensive income for the Company's shareholders during the 6-month period ending on 30 June 2023 was 335.03 million baht. The Company also declared a dividend payment of 568.54 million baht, equivalent to 256.10 baht per share, in accordance with the resolution of the 2023 Annual General Meeting of Shareholders held on 20 April 2023. This dividend payment includes 415.32 million baht from the 2022 operating results and 153.22 million baht from retained earnings, resulting in unallocated retained earnings of 1,479.73 million baht as of 30 June 2023.

7.3.2.3 Cash Flow

As of 30 June 2023, the Company's cash and cash equivalents totaled 286.65 million baht, reflecting an increase of 63.01 million baht from 31 December 2022. The Company experienced net cash inflows from operating activities amounting to 573.47 million baht. Additionally, cash flows from financing activities were 17.84 million baht, primarily due to (1) an increase in net short-term loans from banks totaling 283.41 million baht, (2) an increase in long-term loans from banks totaling 312.67 million baht, and (3) dividend payments from operating results in 2022 and retained earnings amounting to 568.54 million baht. Furthermore, the Company had cash flows used in investing activities totaling 528.30 million baht. This was primarily attributed to investments in expanding the automated prefabricated warehouse, the utility system, and the automated machinery used for storage and retrieval systems (ASRS), as well as investments in various machinery and equipment to enhance production capacity for business growth, which had been ongoing since 2022.

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Attachment 3

Company Information and Operating Results of

of

Neo Factory Company Limited

1. Basic Information

Name of the Company : Neo Factory Company Limited (“NEO-F”)
Nature of Business : Its produce consumer products in group of household products ,personal care products and baby and kids products
Company’s Registration : 0105532106346
No.
Address of Head Office : No. 168, Moo 5, Bueng Kho Hai Sub-district, Lam Luk Ka District, Pathumtani Province
Head Office’s Telephon : 02-014-9999
Number
Registered Capital : THB 210,000,000
Divided into 2,100,000 ordinary shares, with a par value of 100 baht per share
Paid-up capital : THB 210,000,000
Divided into 2,100,000 ordinary shares, with a par value of 100 baht per share

2. Overview of Business Operations

Neo Factory Company Limited (“NEO-F”) is a manufacturer of consumer products encompassing household items, personal care essentials, and products tailored for babies and kids under its own brand, which are subsequently marketed and distributed by Neo Corporate Public Company Limited (“NEO”). NEO stands as a prominent figure in the realm of consumer product manufacturing, marketing, and distribution within the country, with a track record of numerous successful products, including renowned brands such as Fineline, D-nee, BeNice, Eversense, TROS, V, Vivite, Smart, and Tomi.

2.1 History and Key Milestones

NEO Corporate Public Company Limited (formerly, Bio Consumer Company Limited) was founded in conjunction with NEO Factory Company Limited (formerly, Bio Manufacturing Company Limited) on 7 November 1989. Each company commenced operations with a registered and paid-up capital of 1.00 million baht. The primary objective was the production, marketing, and distribution of consumer products bearing the company’s proprietary brands.

In 1991, the Group embarked on an expansion initiative in the realm of household products, initiating with the introduction of the Fineline brand in ironing products. This choice proved to be fitting for consumers seeking simplified clothing maintenance routines, aiming to streamline their lifestyles. The pioneering introduction of refillable bag packaging (pouch bags) marked a significant milestone, distinguishing the company as an industry trailblazer. This innovative approach not only curtailed packaging expenses but also economized on storage space. Consequently, within a mere span of two years, the Company ascended to a position of prominence in the flat ironing and pressing product market.

The Group discerned a significant market gap in the realm of baby and kids household products, particularly in the dearth of high-quality offerings suitable for newborns and young children. Moreover, the absence of products that minimally trigger allergic reactions or irritate children’s delicate skin further underscored this opportunity. This realization culminated in the establishment of the D-nee brand in 1997, providing mothers with a premium alternative. D-Nee’s line of baby washing products swiftly gained favor among discerning consumers, especially mothers with children ranging from birth to 3 years old. This commendable reception propelled the brand to secure the second-largest market share within its first year.

Buoyed by the triumphs and positive reception in each product category, the Group pivoted towards an expansive brand and product strategy. This strategic shift aimed to offer a diverse range of products and services, thus comprehensively addressing the varied needs of consumers and adeptly responding to emerging consumer demographics. This endeavor led to a foray into the personal care domain, commencing with the launch of women’s deodorant products under the Vivite brand in 1999, employing natural ingredients, resulting in a product distinguished by its effectiveness in brightening and revitalizing the skin, augmented by the fragrant essence of

flower extracts. Subsequently, in 2002, the Company introduced BeNice brand products, specializing in skin-cleansing solutions. The brand's hallmark is its formulation infused with potent fruit extracts, endowing it with a distinctive fruity fragrance, along with its notable efficacy in skincare.

In the domain of household products, the Group introduced fabric softener products under the Smart brand in 2005. This offering provided discerning consumers with a compelling alternative: quality fabric care solutions at a cost-effective, budget-friendly price point. Notably, within its inaugural year, the product swiftly secured the second-largest market share.

Responding astutely to the burgeoning interest in overseas markets, the Group embarked on a strategic expansion initiative, commencing with the marketing and distribution of its products through foreign distributors in Laos and Cambodia in 2007. This strategic move was underpinned by the observation that consumer behaviors and preferences in these nations mirrored those of the domestic market, and there was a prevailing trust in the quality of products originating from Thailand. Consequently, the Company's products garnered significant favor among consumers, culminating in a triumphant business expansion. Building on this success, the Company broadened its network of overseas distribution partners, encompassing CLMV countries, namely Cambodia, Laos, Myanmar, and Vietnam.

In 2010, the Group introduced a line of home cleaning products under Tomi brand. These products stand out for their exceptional cleaning efficacy, utilizing safe cleaning agents and featuring a distinctive fragrance.

In 2016, a strategic reorganization took place, consolidating NEO and NEO-F into group entities. Mr. Suthidet Thakolsri subsequently transferred 25.00% of NEO's shares to New Chic Investments Company Limited ("New Chic"), a company wholly owned by Mr. Suthidet Thakolsri. New Chic then engaged in a loan agreement with Finansa Fund Management Company Limited ("FFM"). This loan agreement specified that FFM had the option to receive loan repayment in either cash or shares of the Company held by New Chic, as per the terms outlined in the loan agreement. Mr. Suthidet Thakolsri and his family, along with New Chic, all shareholders of NEO, utilized the proceeds from the loan to bolster the capital of NEO by an amount totaling 200.00 million baht. NEO subsequently utilized this additional capital infusion to augment the capital of NEO-F. Consequently, post-restructuring, both NEO and NEO-F witnessed an increase in their issued and paid-up capital to 222.00 million baht and 210.00 million baht, respectively.

NEO-F allocated the additional capital towards an investment in the construction of a production plant, as well as the establishment of NEO's new warehouse, which incorporates an Automatic Storage and Retrieval System (ASRS) in the Khlong 13 area, Lam Luk Ka District, Pathum Thani Province. This strategic move sought to augment product storage capacity and enhance the efficiency of warehouse management. Subsequently, the production facility and warehouse commenced operations in September 2018.

2.2 Nature of Business Operations

NEO Factory Company Limited specializes in the manufacturing of consumer products, organized into three distinct product groups: (1) household products, (2) personal care products, and (3) baby and kids products. Situated in Khlong 13, Lam Luk Ka District, Pathum Thani Province, NEO-F's production facility spans an expansive area of approximately 229 Rai 3 Ngan 56.2 square Wah. The facility encompasses:

- (1) Household products factory responsible for the production of all household items except for bathroom cleaning products.
- (2) Personal products factory dedicated to the production of personal care items.
- (3) A dedicated facility for the manufacture of bathroom cleaning products.
- (4) A warehouse facility designed for the storage of finished goods.

NEO-F Production Plant



The production plant at NEO-F boasts a formidable total production capacity of 229,296 tons per annum. This capacity is further segmented into 153,680 tons per annum for household products, 33,383 tons per annum for personal care products, and an equivalent volume for baby and kids products. Notably, from 2020 to the six-month period concluding on 30 June 2023, there has been a surge in production capacity across all product categories. This increase can be primarily attributed to process refinement and targeted investments in supplementary machinery.

2.3 Revenue Structure

The revenue structure of NEO-F, segmented by product group for the years 2020, 2021, and 2022.

Revenue Structure (Unit : Million Baht)	2563		2564		2565	
	Amount	Percentage (%)	Amount	Percentage (%)	Amount	Percentage (%)
Revenue						
Revenue from sale	4,500.34	98.91	5,208.42	99.01	5,929.36	99.06

Revenue Structure (Unit : Million Baht)	2563		2564		2565	
	Amount	Percentage (%)	Amount	Percentage (%)	Amount	Percentage (%)
Other income	49.62	1.09	52.21	0.99	56.10	0.94
Total Income	4,549.96	100	5,260.62	100	5,985.46	100

Source: Audited or reviewed financial statements for the year 2020-2022 by Certified Public Accountant

3. Board of directors

As of 19 October 2023, The board of directors of NEO-F consists of 4 persons, including:

No.	Name	Position
1	Mr. Suthidej Thakolsri	Director
2	Mrs. Patama Thakolsri	Director
3	Miss Nitchamon Thakolsri	Director
4	Miss Nissara Thkolsri	Director

Source: Information of NEO-F

4. Shareholders

NEO-F's shareholder structure as of 19 October 2023 is outlined as follows:

Shareholders	Number of Share (share)	Percentage (%)
1. Neo Corporate Public Company Limited	2,040,000	97.14
2. Miss Nitchamon Thakolsri	30,000	1.43
3. Miss Nissara Thkolsri	30,000	1.43
Total	2,100,000	100.00

Source: Information of NEO-F

5. Dividend Policy

NEO-F's dividend distribution protocol strictly adheres to the net profits as delineated in the separate financial statements after the deduction of corporate income tax and the allocation of various reserve funds, all in accordance with relevant legal stipulations and company regulations, as well as any obligations outlined in the terms of financial contracts, if applicable. However, the dividend payment rate is contingent upon several pivotal factors, including operational performance, cash flow, financial liquidity, financial position, investment initiatives, provisions for loan repayment, and the imperative of maintaining working capital for both the management and expansion endeavors of NEO-F. This determination also takes into consideration prevailing economic conditions and other pertinent variables, as deemed fitting by the board and/or shareholders' meeting of NEO-F.

The annual dividend payment necessitates approval from NEO-F's shareholders' meeting. However, NEO-F's board of directors may authorize the disbursement of interim dividends as they deem NEO-F to be sufficiently profitable. Any such interim dividend payment is duly reported at the subsequent NEO-F shareholders' meeting.

6. Financial Position and Operating Results

6.1 Statement of Financial Position

The statement of financial position for the years ending 31 December 2020 to 2022

Statement of Financial Position	As at 31 December					
	2020		2021		2022	
Unit	Million baht	Unit	Million baht	Unit	Million baht	Unit
Cash and cash equivalents	215.96	6.03%	51.20	1.43%	52.86	1.36%
Trade and other receivables	963.08	26.90%	1,123.73	31.44%	1,334.06	34.24%
Inventories	207.85	5.81%	299.76	8.39%	374.51	9.61%
Income tax receivables	29.34	0.82%	-	0.00%	-	0.00%
Other current assets	7.75	0.22%	9.87	0.28%	11.87	0.30%
Total current assets	1,423.98	39.77%	1,484.55	41.53%	1,773.30	45.51%
Prepaid construction costs	3.76	0.11%	3.76	0.11%	3.76	0.10%
Investment properties	379.66	10.60%	365.18	10.22%	354.51	9.10%
Land, buildings, and equipment	1,764.97	49.30%	1,710.33	47.85%	1,755.87	45.06%
Intangible assets	7.80	0.22%	10.61	0.30%	8.82	0.23%
Other non-current assets	0.03	0.00%	0.07	0.00%	0.05	0.00%
Total non-current assets	2,156.22	60.23%	2,089.94	58.47%	2,123.02	54.49%
Total assets	3,580.20	100.00%	3,574.50	100.00%	3,896.32	100.00%
Short-term loans from banks	383.60	10.71%	70.00	1.96%	141.59	3.63%
Trade payables and other payables	956.30	26.71%	1,233.38	34.50%	1,479.12	37.96%
Long-term loans due within one year	171.18	4.78%	163.68	4.58%	163.68	4.20%
Lease liabilities due within one year	4.39	0.12%	-	0.00%	-	0.00%
Deferred income tax liabilities	50.85	1.42%	47.11	1.32%	21.08	0.54%
Other non-current liabilities	13.18	0.37%	11.81	0.33%	14.32	0.37%
Total non-current liabilities	1,579.50	44.12%	1,525.98	42.69%	1,819.78	46.71%
Long-term loans	787.12	21.99%	664.81	18.60%	540.43	13.87%
Long-term employee benefit obligations	134.35	3.75%	130.18	3.64%	148.96	3.82%
Non-current liabilities	3.02	0.08%	3.13	0.09%	3.15	0.08%

Statement of Financial Position	As at 31 December					
	2020		2021		2022	
Unit	Million baht	Unit	Million baht	Unit	Million baht	Unit
Total non-current liabilities	924.48	25.82%	798.13	22.23%	692.54	17.77%
Total liabilities	2,503.98	69.94%	2,324.11	65.02%	2,512.23	64.48%
Registered Capital	210.00	5.87%	210.00	5.87%	210.00	5.39%
Fully issued and paid-up capital	210.00	5.87%	210.00	5.87%	210.00	5.39%
Statutory reserved	21.00	0.59%	21.00	0.59%	21.00	0.54%
Unallocated retained earnings	845.22	23.61%	1,019.39	28.52%	1,153.00	29.59%
Total equity	1,076.22	30.06%	1,250.39	34.98%	1,384.00	35.52%
Total liabilities and equity	3,580.20	100.00%	3,574.50	100.00%	3,896.32	100.00%

Source: Audited or reviewed financial statements.

6.2 Summary of Profit and Loss Statements

For the year ended 31 December 2020 to 2022, the Statement of comprehensive income of the as follows.

	For the fiscal year ending 31 December					
	2020		2021		2022	
Unit	amount	%	amount	%	amount	%
Sales income	4,500.34	98.91	5,208.42	99.01	5,929.36	99.06
Other income	49.62	1.09	52.21	0.99	56.10	0.94
Total income	4,549.96	100.00	5,260.62	100.00	5,985.46	100.00
Cost of goods sold	(3,668.42)	(80.63)	(4,238.17)	(80.56)	(5,123.84)	(85.60)
Selling and distribution expenses	(310.01)	(6.81)	(349.85)	(6.65)	(405.87)	(6.78)
Administrative expenses	(224.21)	(4.93)	(229.04)	(4.35)	(260.42)	(4.35)
Total expenses	(4,202.63)	(92.37)	(4,817.06)	(91.57)	(5,790.12)	(96.74)
Operating profit	347.33	7.63	443.56	8.43	195.34	3.26
Financial costs	(39.04)	(0.86)	(29.16)	(0.55)	(27.69)	(0.46)
Profit before income tax	308.29	6.78	414.40	7.88	167.64	2.80
Income tax expenses	(63.24)	(1.39)	(79.79)	(1.52)	(34.03)	(0.57)
Profit for the period	245.05	5.39	334.61	6.36	133.61	2.23

Source: financial statements have been audited or examined by authorized accountants.

6.3 Analysis of Financial Position and Operating Results.

Analysis for the year ending 31 December 2022

Operating Results

In terms of the financial performance for the year 2022, NEO-F recorded a net profit of 133.61 million baht. This figure represents a decrease of 201.00 million baht or 60.07 percent compared to the previous year, 2021. The

net profit margin for 2022 stood at 2.23 percent, marking a decrease from the 6.36 percent net profit margin achieved in 2021. This decline can be attributed to escalated sales and distribution expenses, along with an increase in administrative costs. Specifically, sales and distribution expenses totaled 405.87 million baht, indicating a 16.01 percent increase from the preceding year. Administrative expenses also saw an uptick, totaling 260.42 million baht, representing a 13.70 percent increase from 2021.

Revenue

In terms of income, NEO-F achieved sales revenues of 4,500.34 million baht in 2020, followed by 5,208.42 million baht in 2021, and 5,929.36 million baht in 2022. This demonstrates a consistent growth of 15.73 percent in 2021, followed by 13.84 percent in 2022. Additionally, other income for the corresponding years stood at 49.62 million baht, 52.21 million baht, and 56.10 million baht, reflecting growth rates of 5.20 percent in 2021 and 7.47 percent in 2022.

Costs and Expenses

NEO-F's cost of sales amounted to 3,668.42 million baht, 4,238.17 million baht, and 5,123.84 million baht in 2020, 2021, and 2022, respectively. This represents a cost-to-sales ratio of 80.63 percent, 80.56 percent, and 85.60 percent for the respective years.

Moreover, sales and distribution expenses for NEO-F were 310.01 million baht, 349.85 million baht, and 405.87 million baht in 2020, 2021, and 2022, respectively. These expenses were equivalent to 6.81 percent, 6.65 percent, and 6.78 percent of sales in the respective years.

Administrative expenses for NEO-F in 2020, 2021, and 2022 were 224.21 million baht, 229.04 million baht, and 260.42 million baht, respectively. These expenses represented a ratio to sales of 4.93 percent, 4.35 percent, and 4.35 percent in 2020, 2021, and 2022, respectively.

Financial Position

In 2022, NEO-F's financial standing revealed total assets valued at 3,896.32 million baht, primarily comprised of holdings in land, buildings, and equipment. This marked an increase of 321.83 million baht, or 9.00 percent, compared to the previous year. Notably, trade and other receivables amounted to 1,334.06 million baht, signifying a surge of 210.34 million baht, or 18.72 percent from the 2021 figure of 1,123.73 million baht.

Turning to total liabilities, NEO-F reported an aggregate of 2,512.32 million baht at the end of 2022, encompassing trade and other creditors. This represented an increase of 188.21 million baht from the preceding year, primarily attributed to heightened obligations in the trade and other creditors category. NEO-F's trade and other creditors stood at 1,479.12 million baht, reflecting an uptick of 245.74 million baht, or 19.92 percent from the prior year's figure of 1,233.38 million baht.

In 2022, NEO-F's shareholders' equity amounts to 1,384.00 million baht, comprising of a registered capital of 210 million baht. The increase in shareholders' equity from the prior year is attributed to NEO-F's accumulation of unallocated retained earnings, leading to an augmented allocation in 2022.

Attachement 4

Overview of market share
of
NEO Corporate Public Company Limited

1. Overview of market share

NEO presents a comprehensive range of consumer products designed to cater to the diverse needs of individuals in their day-to-day lives, encompassing: (1) household products (2) personal care products; and (3) baby and kids products.

Details regarding NEO's market share are outlined as follows:

Household Products

Product	Retail Market Value of the Product (million baht)	Market Share (Percentage)	Market Share Ranking
Liquid laundry products (Fineline brand and Smart brand)	6,265	21.6	2
Fabric softener products (Fineline brand and Smart brand)	12,847	9.1	4
Fabric speed starch products (Fineline brand)	318	60.3	1
Floor cleaning products (Tomi brand)	979	12.5	2

Source: *Registration Statement for Securities Offering* (Form 69-1) of NEO.

Personal Care Products

Product	Retail Market Value of the Product (million baht)	Market Share (Percentage)	Market Share Ranking
Shower cream (BeNice brand and Tros brand)	6,297	18.5	2
Feminine cleansing products (BeNice brand)	433	37.1	2
Cologne varieties for men (Tros brand)	260	71.0	1
Men's roll-on products (Tros brand)	2,501	7.8	3
Cologne varieties for women (Eversens brand and Vivite brand)	561	26.7	2
Women's roll-on products (Tross brand) (Eversens brand and Vivite brand)	2,829	6.3	4

Source: *Registration Statement for Securities Offering* (Form 69-1) of NEO.

Baby and Kids Products

	Retail Market Value of the Product (million baht)	Market Share (Percentage)	Market Share Ranking
Fabric care product group			
Baby laundry products	823	70.6	1
Baby and kids fabric softener products	278	79.0	1
Skin care product group			
Baby and kids bath and hair products	1,386	28.4	2
Cleaning product group			
Children's utensil and equipment cleaning products	201	54.0	1

Source: Registration Statement for Securities Offering (Form 69-1) of NEO.