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**Opinion Report of the Independent Financial Advisor  
for the Acquisition of Assets and Connected Transactions**

**of  
Ubon Bio Ethanol Public Company Limited**



**Prepared by**

**OPTASIA**  
C A P I T A L

**Optasia Capital Company Limited**

**October 8, 2024**

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Subject Opinion of the Independent Financial Advisor for the Acquisition of Assets  
and Connected Transactions of Ubon Bio Ethanol Public Company Limited

To Shareholders  
Ubon Bio Ethanol Public Company Limited

Refer to:

- 1) Resolutions of the Board of Directors of Ubon Bio Ethanol Public Company Limited No. 6/2024 held on August 27, 2024 and information memorandum related to the transaction
- 2) Annual Registration Statement (Form 56-1) and Annual Report of Ubon Bio Ethanol Public Company Limited for the year ended December 31, 2023
- 3) Financial statements reviewed by the Certified Public Accountant of Ubon Bio Ethanol Public Company Limited for the Six-month Period Ended 30 June 2024
- 4) Financial statements audited by the Certified Public Accountant of Oshinei Enterprise Company Limited for the year ended 31 December 2021 - 2023
- 5) Financial information prepared by the management of Oshinei Enterprise Co., Ltd. for the year 2021 – 2023 and for the six-month period ended June 30, 2023 and 2024
- 6) Draft Definitive Agreement
- 7) Certificates, memorandums of association, articles of association, business contracts, information and other relevant documents, as well as interviews with the Company's executives and related officers.

**Disclaimer**

In the transaction regarding the acquisition of assets and connected transactions by Ubon Bio Ethanol Public Company Limited ("**the Company**"), the Company appointed OptAsia Capital Company Limited ("**the Independent Financial Advisor**" or "**IFA**") as an independent financial advisor to provide opinions on the transaction. These opinions were presented to the Company's Board of Directors and shareholders for consideration. The Independent Financial Advisor studied the information disclosed about the acquisition of assets and connected transactions of the Company, including information gathered from interviews with the Company's management and related parties involved in the transaction. This also involved setting assumptions, interviewing management and financial advisors for preparing estimates, as well as reviewing publicly available information, such as data disclosed on the websites of the Stock Exchange of Thailand ("**the SET**") and the Securities and Exchange Commission ("**the SEC**"), along with information from various websites, among others, in order to form opinions on the transaction.

However, the Independent Financial Advisor cannot guarantee the accuracy or completeness of the information provided by the Company and/or its management. The Independent Financial Advisor has conducted this study carefully, applying professional knowledge and prudence, based on standard practices. This includes assessing the reasonableness of the acquisition of assets and connected transactions, the appropriateness of the transaction's valuation, the terms and conditions, and related factors.

The Independent Financial Advisor's opinions in this report do not guarantee the success of the transaction or the Company's future performance due to the acquisition of these assets. The opinions are based on the assumption that the provided information and documents are accurate and complete. These opinions reflect the current situation and available information as of the date of the report's preparation. Any changes or events occurring thereafter could significantly impact the Company's business operations, financial forecasts, and the Independent Financial Advisor's analysis, as well as the shareholders' decisions regarding the acquisition of assets and connected transactions.

The Independent Financial Advisor used the information available at the time of the report to prepare its preliminary opinion.

Abbreviation	Description
<b>The SET</b>	The Stock Exchange of Thailand
<b>Independent Financial Advisor or IFA</b>	OptAsia Company Capital Limited
<b>The Company or UBE</b>	Ubon Bioethanol Public Company Limited
<b>Oshinei Enterprise or OE or Oshinei</b>	Oshinei Enterprise Company Limited or the Franchisor
<b>Daiki Food</b>	Daiki Food Company Limited
<b>Oshinei Surin</b>	Oshinei Enterprise Surin Company Limited
<b>Oshinei Korat 2</b>	Oshinei Enterprise Korat Company Limited
<b>Oshinei Chiangmai</b>	Oshinei Enterprise Chiang Mai Company Limited
<b>Oshinei Ubon</b>	S.Khemrat Company Japan Food Company Limited
<b>Oshinei Korat 1</b>	S.Khemrat Inter Food Company Limited
<b>Oshinei Udon</b>	Udon Japan Food Company Limited
<b>Oshinei Yakiniku</b>	Oshinei Yakiniku and Sashimi Company Limited
<b>Miso Harmony</b>	Miso Harmony Limited (a juristic person incorporated in Hong Kong)
<b>UMP Lab</b>	UMP Lab Company Limited
<b>Supmankong</b>	Supmankong Ingress Company Limited.
<b>Mr. Tossri</b>	Mr. Tossri Khowsurat
<b>Mr. Sittichai</b>	Mr. Sittichai Khowsurat
<b>Public Limited Companies Act</b>	Public Limited Companies Act, B.E. 2535 (1992) (as amended)
<b>Notifications on Acquisition or Disposal of Assets</b>	Notification of the Capital Market Supervisory Board No. Tor.Jor. 20/2008 Re: Rules on Entering into Material Transactions Deemed as Acquisition or Disposal of Assets (as amended) dated 31 August 2008 and the Notification of the Board of Governors of the Stock Exchange of Thailand Re: Disclosure of Information and Other Acts of Listed Companies concerning the Acquisition or Disposition of Assets B.E. 2547 (2004) (as amended) dated October 29, 2004.
<b>Notifications on Connected Transactions</b>	Notification of the Capital Market Supervisory Board No. Tor.Jor. 21/2008 Re: Rules on Connected Transactions (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 Connected Transactions B.E. 2546 (2003) (as amended) dated November 19, 2003 (as amended)
<b>Acquisition of Assets</b>	Investment transaction in Oshinei Enterprise
<b>The SEC</b>	The Securities and Exchange Commission
<b>CAPM</b>	Capital Asset Pricing Model
<b>Franchisee</b>	An individual or juristic person who has received the right from the Franchisor to open and operate a restaurant under the Franchisor's brand name.
<b>Kd</b>	Cost of Debt
<b>Ke</b>	Cost of Equity
<b>NTA</b>	Net Tangible Assets
<b>RPT</b>	Related Party Transaction

<b>WACC</b>	Weighted Average Cost of Capital
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Independent Financial Advisor's Opinion on Acquisition of Asset and Connected Transactions  
of Ubon Bio Ethanol Public Company Limited

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## Executive Summary

According to Ubon Bio Ethanol Public Company Limited ("**The Company**") has a strategic plan to expand investment into potential new businesses, diversify risks and reduce the volatility of its current business, which relies solely on cassava as its primary raw material. This reliance exposes the Company to risks arising from climate change, which can affect both the supply and price of cassava. Furthermore, the Company aims to respond to the rapidly changing industrial landscape and mitigate risks associated with its existing operations, such as the ethanol and cassava starch businesses, which are upstream businesses highly dependent on cassava, a raw material subject to high volatility. As a result, the Company has adjusted its strategic plan to focus on diversifying away from its existing business and increasing investment in downstream businesses, which are less volatile and have greater growth potential. At the same time, the Company continues to operate its existing businesses, placing greater emphasis on research and development to create high-value products (HVP) that will drive sustainable growth in the future. Therefore, the Company has sought investment opportunities in the food business segment with potential for growth and profitability. It has a successful brand and an experienced team, as well as increasing the opportunity to distribute the company's products to consumers.

The Board of Directors' Meeting of the Company No.6/2024 held on August 27, 2024, the Board considered the management's proposal and passed a resolution to submit it for approval at the Extraordinary General Meeting of Shareholders No. 1/2024. The proposal seeks shareholder approval for the Company and/or its subsidiaries to proceed with the acquisition of assets and connected transactions through investment in Oshinei Enterprise Company Limited ("**Oshinei Enterprise**" or "**OE**"). OE operates three main businesses: Japanese restaurants, the distribution of Japanese food ingredients, and Japanese restaurant franchising. Oshinei Enterprise has invested in six Japanese buffet and A La Carte restaurant branches, as well as one Yakiniku restaurant branch. Additionally, it operates 21 franchise branches. The first Oshinei Japanese restaurant opened in Ubon Ratchathani Province in 2014, followed by expansions into Udon Thani and Nakhon Ratchasima Provinces. In 2019, OE expanded into Vientiane, Laos. Currently, the Oshinei Japanese restaurant chain offers a variety of Japanese cuisine, including A La Carte, Buffet, and Yakiniku, across 28 branches located in different regions of Thailand: 14 branches in the Northeastern region, 10 branches in the Central and Eastern regions, 2 branches in the Northern region, and 1 branch in the Southern region. There is also 1 branch in Laos. Currently, OE has no branches in Bangkok. Its target customer groups include government officials, businesspeople, corporate employees, and customers who prioritize value and a diverse menu selection.

Oshinei was founded by three highly skilled and experienced chefs:

1) Chef Boontham Pakpho: Born in Ubon Ratchathani Province, Chef Boontham has over 30 years of experience working at more than 10 Japanese restaurants. He is renowned as Thailand's Iron Chef in Japanese cuisine and currently owns the Honmono Sushi restaurant<sup>1/</sup>. He is also the spouse of Khun Waraporn Pakpho, a shareholder and executive of Oshinei Enterprise.

2) Chef Somporn Phosarat: With over 20 years of experience in Japanese cuisine, Chef Somporn began his career at hotel restaurants and Japanese restaurants in Europe. He later returned to work with Chef Boontham at the restaurant overseen by Chef Boontham before co-founding Oshinei's first branch in Ubon Ratchathani.

3) Chef Kittisak Leelalom: An expert in both sushi and teppanyaki, Chef Kittisak worked alongside Chef Boontham, where he was responsible for VIP clients and curated Omakase and Kaiseki menus for two years. He further honed his skills at a Japanese restaurant in Florida, USA, for another two years before co-founding Oshinei's first branch in Ubon Ratchathani.

**Remarks:** <sup>1/</sup> Honmono Sushi is a Japanese restaurant founded by Chef Boontham in 2009, specializing in high-quality sushi and sashimi. The restaurant offers a wide variety of Japanese dishes, both A La Carte and Buffet. Honmono Sushi caters to a premium customer base, with pricing and locations distinct from Oshinei. While Honmono Sushi targets premium clientele, Oshinei serves a broader market. Currently, Honmono Sushi operates nine branches, all located in Bangkok and its surrounding metropolitan areas. The first branch was established in Thonglor. It is important to note that Oshinei does not have any branches in Bangkok or its surrounding areas. Under the terms of the share purchase agreement, Chef Boontham, his spouse Khun Waraporn, and their minor children, as well as any legal entity in which Chef Boontham and Khun Waraporn hold more than 30% of shares, agree not to invest in, operate, or employ individuals to operate, or solicit executives and/or employees of OE to participate in any additional Japanese restaurant operations, except for the Honmono Sushi restaurants established before the execution of the agreement, including any future expansions of Honmono Sushi within the Bangkok area only..

In the investment in Oshinei Enterprise, the Company recognizes the importance of performance during the initial phase of the investment. As such, the investment in Oshinei Enterprise has been structured into two phases. Upon completion of both phases, the Company will hold between 70.00% and 80.00% of the total shares in Oshinei Enterprise. This approach serves as a risk management mechanism in case the net profit performance from Oshinei Enterprise's consolidated financial statements does not meet the expected projections.

The structure of the investment transaction in Oshinei Enterprise consists of the following:

1. The First tranche investment in Oshinei under Share Subscription Agreement and Share Purchase Agreement
2. The Second tranche investment in Oshinei under First and Second Call Option Agreement

### **Details of the investment structure**

#### **1. The First tranche investment in Oshinei under Share Subscription Agreement and Share Purchase Agreement**

The Company invest in newly issued ordinary shares in the amount of 67,962 shares or equal to 12.75% of the total shares in Oshinei after the capital increase in the total amount of 76,000,000 Baht and invest in the ordinary shares of Oshinei in the amount of 251,816 shares or equal to 47.25% of the total shares in Oshinei after the capital increase from the Seller Group. The details are as follows:



(1) A total of 229,680 shares, or equivalent to 49.39% of the total shares in Oshinei before the capital increase, will be purchased from Miso Harmony Limited ("**Miso Harmony**"), a legal entity established by the Founder Group and registered in Hong Kong by September 2024 for the benefit of managing investment in Oshinei. The Ultimate Shareholders are as follows:

- Mr. Tossri Khowsurat, the shareholder and indirect major shareholder of the Company ("**Mr. Tossri**"), holds 11.80% of total shares. Mr. Tossri is a connected person of the Company.
- Mr. Sittichai Khowsurat ("**Mr. Sittichai**"), the father of Mr. Tossri, the shareholder and indirect major shareholder of the Company and Miss Sureeyot Khowsurat ("**Miss. Sureeyot**"), the Chief Executive Officer and Director and indirect major shareholder of the Company, holds 30.37% of the total shares. Mr. Sittichai is a connected person of the Company.
- Mrs. Waraporn Phakpho, Mr. Kittisak Leelom, Mr. Somporn Posarach, and Ms. Achara Phakarat hold the remaining 57.83% of the total shares.

(2) A total of 11,068 shares, or 2.38% of the total shares in Oshinei before the capital increase, will be purchased from UMP Lab Company Limited ("**UMP Lab**"), a legal entity established by the Founder Group and registered in Thailand on 10 June 2019. Mr. Na-pajra Umpudh holds 99.60% of the total shares in UMP Lab Company Limited

(3) A total of 11,068 shares, or 2.38% of the total shares in Oshinei before the capital increase, will be purchased from Supmankong Ingress Company Limited ("**Supmankong**"), a legal entity established by the Founder Group and registered in Thailand by October 2024. Mr. Panot Kittiparsart will hold 99.99% of the total shares in Supmankong Ingress Company Limited

For the first tranche investment, the Company will pay cash compensation of Baht 281,600,796.48. After the completion of first tranche investment, the Company will hold a total of 319,778 shares or 60% of the total shares of Oshinei ("**The First tranche investment**")

After the completion of the first tranche investment, the seller will undertake a shareholding restructuring by transferring the shares of Oshinei Enterprise held by the seller to the seller's holding companies, namely (1) Miso Harmony, (2) UMP Lab, and (3) Supmankong. This restructuring is for the purpose of facilitating the seller's asset management and ensuring compliance with the First and Second Call Option Agreements ("**The Shareholding Restructuring after the First Investment Phase**").

## 2. The Second tranche investment in Oshinei under First and Second Call Option Agreement

The Company has right to purchase ordinary shares from (1) Miso Harmony (2) UMP Lab and (3) Supmankong. The Investment divided as follows;

## 2.1 First Call Option Agreement

In the event that the consolidated operating results of Oshinei Enterprise for the years 2024 and 2025<sup>1/</sup>, as reflected in the consolidated financial statements audited by a certified public accountant of Oshinei Enterprise, are less than THB 97,000,000, the Company shall have the right to purchase additional ordinary shares of Oshinei Enterprise at a price equivalent to the par value of the shares (THB 100 per share). This purchase may involve up to 53,296 shares, representing no less than 5% but no more than 10% of the total shares, according to the ratio agreed upon by the contracting parties. The Company may exercise this right in 2026, and if the Company exercises this right in the first phase of the investment, it will hold no more than 70% of the total shares in Oshinei Enterprise.

Conversely, if the consolidated operating results of Oshinei Enterprise for the years 2024 and 2025, as reflected in the consolidated financial statements audited by a certified public accountant of Oshinei Enterprise, exceed THB 97,000,000, the Company will not have the right to purchase additional ordinary shares of Oshinei Enterprise.

**Remark:** <sup>1/</sup> The net operating profit of Oshinei Enterprise's consolidated financial statements for the years 2024 and 2025 is calculated from the net operating profit of Oshinei Enterprise's consolidated financial statements after deducting non-controlling interests of subsidiaries for the years 2024 and 2025. The net operating profit of Oshinei Enterprise's consolidated financial statements excludes the following: 1) income and/or expenses from special items, 2) income and/or expenses from one-time transactions, and 3) other income and/or expenses as mutually agreed upon by the contracting parties.

## 2.2 Second Call Option Agreement

In 2027, the Company has the right to purchase up to 53,296 shares, representing no more than 10.00% of the total shares. The transaction price details are as follows::

Transaction Price = Price-to-earning ratio at 11.5<sup>1/</sup> x Net Profit from Oshinei's Consolidated Financial Statements for 2026<sup>2/</sup> x 10% - Transaction Price under the First Call Option Agreement (if any)

Remark: <sup>1/</sup> The price-to-earnings (P/E) ratio of 11.5 times is derived from the estimated net profit used in evaluating the discounted cash flow (DCF) value of Oshinei. The Company has determined this ratio by dividing the transaction price for the purchase of Oshinei's common shares by the projected net profit from the consolidated financial statements of Oshinei and its subsidiaries for the year 2024.

<sup>2/</sup> The net operating profit of Oshinei Enterprise's consolidated financial statements for the year 2026 is calculated from the net operating profit of Oshinei Enterprise's consolidated financial statements after deducting non-controlling interests of subsidiaries for the year 2026. This net operating profit excludes the following: 1) income and/or expenses from special items, 2) income and/or expenses from one-time transactions, and 3) other income and/or expenses as mutually agreed upon by the contracting parties.

Based on this price range under the Second Call Option Agreement, the transaction price can be calculated under the following three scenarios:

- (1) Net operating profit of the consolidated financial statements was less than or equal to Baht 45.22 million. The net profit from the consolidated financial statements was used to calculate the fixed transaction price of Baht 45.22 million.
- (2) Net profit from operations of the total financial statements was more than Baht 45.22 million but less than Baht 75.22 million. Use the net profit according to the consolidated financial statements of Oshinei Enterprise to calculate the transaction entry price.
- (3) Net operating profit of the consolidated financial statements was greater than or equal to Baht 75.22 million. The net profit from the consolidated financial statements was used to calculate the fixed transaction price of Baht 75.22 million.

Based on these scenarios, the transaction price under the Second Call Option Agreement will range between THB 52.00 million and THB 86.50 million. After exercising both the First and Second Call Option Agreements, the Company will hold up to 80% of the total shares in Oshinei Enterprise.

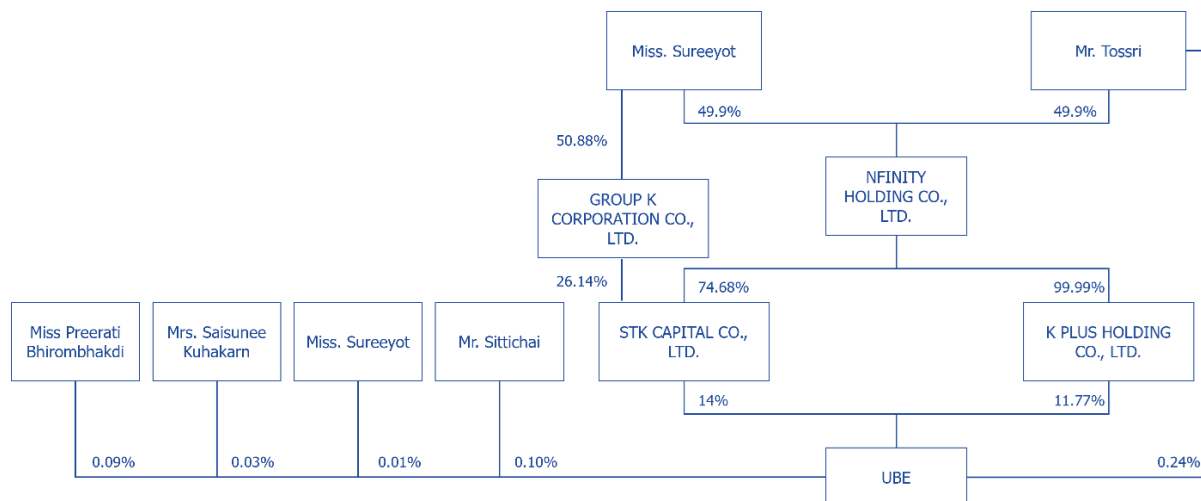
The Company recognizes the importance of Oshinei Enterprise's performance during the initial phase of the investment and has set the investment proportion at 70.00% - 80.00% as a risk management mechanism in case the net operating profit from Oshinei Enterprise's consolidated financial statements does not meet the expected projections.

However, the completion of all the above transactions will only occur if the Company receives approval from the shareholders' meeting for the proposed transactions and if the other conditions specified in the relevant agreements are fulfilled or waived before completing the transaction.

In the event that the Company does not exercise its rights under the First and Second Call Option Agreements, there will be no impact on the Company. The Company will still hold a 60.00% shareholding from the first tranche investment.

In this regard, acquisition of Oshinei from Miso Harmony is, therefore, considered as a connected transaction since major shareholders of Miso Harmony Limited (holding more than 10% of the total share) include Mr. Tossri, the shareholder and indirect major shareholder of the Company, and Mr. Sittichai, the indirect major shareholder of the Company and the father of Mr. Tossri and Miss Sureeyot Khowsurat, the Chief Executive Officer and Director and indirect major shareholder of the Company Limited under the Notification of the Capital Market Supervisory Board No. TorJor. 21/2008 Re: Rules on Connected Transactions (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 Connected Transactions B.E. 2546 (2003) (as amended) (Collectively referred to as "**The Notifications on Connected Transactions**").

**Shareholding Structure of the Company as of August 27, 2024**



UMP Lab and Supmankong, as well as other shareholders of Miso Harmony (other than Mr. Tassasi and Mr. Sittichai) mentioned above are not considered as a connected person of the Company according to the Notifications on Connected Transactions.

When calculating the value of the connected transactions, it was found that the transaction size was 7.38% compared to the value of the Company's net tangible assets according to the Company's financial statements as of June 30, 2024, which were reviewed by an Certified Public Accountant assigned by the Company. There have been no connected transactions with the Company in the past six months, which have not been approved by the shareholders' meeting. The value of the connected transactions has exceeded 3% of the Company's net tangible asset value. Therefore, the Company is obliged to comply with the Notice of Connected Transactions, which requires the Company to be responsible for the following actions

- (1) To report and disclose the information memorandum on such acquisition of assets to the Stock Exchange of Thailand ("**The SET**") immediately, which must at least contain the information as listed in type (1) of the Notifications on Acquisition or Disposal of Assets and the Notifications on Connected Transactions.
- (2) To appoint an independent financial advisor to carry out the relevant functions, including providing its opinions as required by the Notifications on Acquisition or Disposal of Assets and the Notifications on Connected Transactions, whereby the independent financial advisor's report shall be delivered to the shareholders for consideration along with the invitation letter for the Shareholders' Meeting.

In this regard, the Company has appointed Optasia Capital Co.,Ltd. which is a financial advisor on the list approved by the Securities and Exchange Commission of Thailand (the "SEC Office"),

as the independent financial advisor to provide the shareholders with its opinion on the execution of the Share Acquisition Transaction which is the transaction on acquisition of share as a connected transaction; and

- (3) To convene a Shareholders' Meeting of the Company to approve such Share Acquisition and Capital Increase Share Transaction as a connected transaction by delivering the invitation letter for the Shareholders' Meeting to the shareholders at least fourteen days prior to the date of the Shareholders' Meeting, in order to obtain approval from the Shareholders' Meeting with not less than three-fourths of all votes of the shareholders present at the Meeting and entitled to vote, excluding shareholders with a beneficial interest which are (1) Mr. Tossri (2) Mr. Sittichai (3) STK Capital Company Limited and (4) K Plus Holding Company Limited (5) Ms. Sureeyot Khowsurat (6) Mrs. Saisunee Kuhakarn and (7) Miss Preerati Bhirombhakdi.

In addition, Share Acquisition and Capital Increase Share Transaction has given the Company control over Oshinei Enterprise, so this is considered to be the purchase or transfer of the business of another Company or a private Company to the Company, which must be approved by the meeting of the shareholders with the votes of not less than three-fourths of the total number of votes of the shareholders who attend the meeting and have the right to vote in accordance of the Constitutional Rights Act. 107 Paragraph 2 (b) of the Public Limited Companies Act B.E. 2535 (as amended) ("**The Public Companies Act**"), and is also classified as an acquisition or disposal of assets under the Notification of the Capital Market Supervisory Board No. TorJor. 20/2008 Re: Rules on Entering into Material Transactions Deemed as Acquisition or Disposal of Assets (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 or Disposition of Assets B.E. 2547 (2004) (as amended) (Collectively referred to as "**The Notifications on Acquisition or Disposal of Assets**"), which has the maximum transaction size according to the notifications on the acquisition or disposal of assets when calculating the transaction size based on the Net Income from Oshinei's operations in proportion to the Company's investment in proportion to the Company's Net Income from operations according to the Company's financial statements for the period ended June 30, 2024, which has been reviewed by the Company's Certified Public Accountant, will be equal to 10.86% according to the Net Operating Profit's criteria and the Company has not engaged in any asset acquisition transactions in the past six months that have not been approved by the shareholders' meeting. Therefore, the total value of the Company's asset acquisition transactions equals 10.86% based on the Net Operating Profit's criteria, which is below the 15% threshold as stipulated by the Notifications on Acquisition or Disposal of Assets. As a result, the Company is not required to take any action under the Notifications on Acquisition or Disposal of Assets. However, since this transaction requires approval from the shareholders' meeting in accordance with the Notifications on Connected Transactions and the Public Limited Companies Act, as previously mentioned. The Company proposes that the shareholders' meeting approve the acquisition of assets transaction and appoints OptAsia Capital Company Limited as the independent financial advisor to provide an opinion on the acquisition of asset transaction, ensuring compliance with the Notifications on Acquisition or Disposal of Assets.

However, the execution of this transaction is subject to the fulfillment of certain key conditions precedent (including any other conditions precedent that the contracting parties may agree to specify in the agreement). For example, the Company must hold a meeting of its Board of Directors and/or shareholders to consider and approve the execution of this transaction and obtain the necessary approval to proceed with the transaction.

As a result of the transaction, the Company is obliged to appoint an independent financial advisor. Capital Co., Ltd. is an independent financial advisor to provide opinions to the shareholders of the Company and discloses information on the acquisition of assets and connected transactions to the Stock Exchange of Thailand and proposes to the Company's shareholders' meeting to consider and approve the transaction. The Independent Financial Advisor has studied the information on the Company's acquisition of assets and connected transactions and has carried out the due diligence procedures for documents received from the Company related to the transaction. OE's financial statements include the formulation of assumptions and interviews with executives for the preparation of estimates, as well as publicly available information and financial information from various websites, etc., in order to consider and give opinions on such transactions.

Based on the above information and transaction characteristics. An independent financial advisor has analyzed the advantages and benefits and the disadvantages and risks of the acquisition of asset transaction and the advantages and disadvantages of the connected transaction are detailed in Part 1, Section 1.2 Reasonableness of the Transaction, which can be summarized as follows:

**Summary of the Advantages and Benefits of Acquisition of Assets:**

1. Expand investments into new businesses with strong potential and opportunities to generate substantial returns for the Company.
2. Acquiring ownership of a successful Japanese food business brand allows for further expansion into other business.
3. Invest in business that has economies of scale.
4. Expand into new profitable businesses more efficiently than starting a greenfield investment from scratch. (Green Field).
5. Having control power over strategic planning and operations.
6. There are executives and an Executive Chef from Oshinei Enterprise with extensive knowledge, skills, and experience in the food industry.
7. Reduce reliance on the ethanol business by diversifying into new business that has potential.
8. There is an opportunity to increase the Company's distribution channels.
9. It is an investment that provides a reasonable return, which exceeds the cost of capital, generates consistent revenue, and demonstrates a high level of profitability.

**Summary of Disadvantages of Acquisition of Assets**

1. Lack of expertise and experience in restaurant business operations.

2. Loss of opportunities to invest in other businesses.
3. Increase in financial costs

#### **Summary of Risks of the Acquisition of Assets**

1. Risk of intense competition in the Japanese restaurant business.
2. Risk that OE's operational performance may not meet expectations.
3. Risk of reputational damage due to the company's franchise services
4. Risk of raw material price volatility
5. Risk of franchisees not renewing their contracts.
6. Risk of being unable to maintain the quality of ingredients and food menu in accordance with the established standards.
7. Risk of the seller failing to comply with terms or representations in the share purchase agreement.

#### **Summary of Advantages of Transactions with Connected Persons**

1. The Company can negotiate and alleviate the conditions in the share purchase agreement more easily and swiftly than when conducting transactions with external parties.
2. The Company is able to utilize the knowledge, expertise, and experience of connected persons to its advantage.

#### **Summary of Disadvantages of Transactions with Connected Persons**

1. There may be a transfer of benefits, or it may hinder the ability to fully negotiate prices and various terms due to conflicts of interest.
2. The Company has a duty to comply with regulations, which results in additional expenses associated with the transaction.

#### **Summary of Transaction Conditions**

In the share acquisition transaction of Oshinei Enterprise, the shareholders of Oshinei Enterprise have entered into a Share Purchase Agreement, a Share Subscription Agreement, an Executive Employment Agreement, the First Call Option Agreement, and the Second Call Option Agreement, specifying key conditions for the transaction, including:

1. The net operating profit of Oshinei Enterprise and its subsidiaries, after deducting non-controlling interest, for the period from January 2024 to June 2024, must not be less than THB 20,000,000. This net profit is prepared by the management (management account) and audited by a professional practitioner in accordance with the agreed-upon procedures between the practitioner and the Company.
2. The sellers, including Khun Waraporn Phakpho, Khun Kittisak Leelalom, Khun Somporn Phosarat, and Khun Boontham Phakpho, as well as their spouses, minor children, or any legal entity in which they hold more than 30% of shares, agree not to invest in, operate, employ, or solicit the

management and/or employees of the Company to participate in any additional Japanese restaurant operations, "except for Japanese restaurants established prior to the execution of the agreement, including the expansion of such restaurants within the Bangkok area only." This restriction will be in effect from the date of completion of the share purchase for a period of three years after the individuals cease to be shareholders.

Khun Panot Kittiparsart, Khun Atchara Pakarat, and Khun Na-pajr umpuch, along with their spouses, minor children, or any legal entity in which they hold more than 30% of shares, also agree not to invest in, operate, employ, or solicit the management and/or employees of the Company to participate in any additional Japanese restaurant operations. This restriction will be in effect for three years from the date of completion of the share purchase.

3. The employment agreements stipulate that Khun Waraporn, Khun Kittisak, Khun Somporn, and Khun Boontham will work with Oshinei Enterprise for a period of five years.
4. The First Call Option Agreement includes a Performance Guarantee clause, giving the Company the right to purchase additional common shares of Oshinei Enterprise if the performance does not meet expectations.
5. The Second Call Option Agreement includes an Incentive Price Mechanism, wherein the buyer is entitled to purchase additional shares, and the seller is entitled to sell additional shares based on actual profits, multiplied by a price-to-earnings ratio (P/E) of 11.5.
6. The sellers, including Khun Waraporn Pakpho, Khun Totsihee Kowsurat, Khun Sittichai Kowsurat, Khun Kittisak Leelalom, Khun Somporn Phosarat, Khun Panot Kittiparsart, Khun Atchara Pakarat, and Khun Na-pajr umpuch, agree to be liable for any damages to the buyer without limitation. The sellers' liability will be subject to the statute of limitations for each case of liability arising from breaches related to compensation and compliance with business and tax laws, including the preparation of historical financial statements.
7. Approval must be obtained from the shareholders' meeting before the transaction can proceed, as it qualifies as a Type 1 asset acquisition transaction under the regulations on asset acquisition or disposal and a major connected transaction under the related party transaction regulations of listed companies. The Company is therefore required to appoint an independent financial advisor, disclose the transaction's information to the Stock Exchange of Thailand, and seek approval from the shareholders' meeting with a vote of no less than three-fourths of the total votes of shareholders attending the meeting and eligible to vote, excluding any shareholders with a conflict of interest. The Company must send a notice of the shareholders' meeting, along with the independent financial advisor's opinion, to shareholders at least 14 days prior to the meeting date.

Upon considering the transaction terms and the sufficiency of the funding sources for the transaction, the Independent Financial Advisor (IFA) is of the opinion that the terms of this transaction are fair. This is because the conditions are in line with normal business practices, similar to those typically applied in transactions with external parties, and they provide appropriate benefits to the Company and its shareholders.



Furthermore, when assessing the reasonableness of the price, the IFA has chosen to use the Net Present Value (NPV) of cash flows as the primary method for determining the transaction price. This method is considered appropriate as it reflects the value of future cash flows expected to be generated by Oshinei Enterprise. For the first tranche investment, under the Share Subscription Agreement and the Share Purchase Agreement, the Company will pay a total compensation of THB 282 million for the acquisition, and an additional THB 76 million for the subscription of newly issued common shares, amounting to a total of THB 358 million. The following outlines the details regarding the total shareholding proportion in Oshinei Enterprise (OE):

Investment in OE by the Company	Value of Considerations (Million Baht)	Shareholding (Fully-Diluted) of total paid-up shares after the capital increase
New shares	76	12.75%
Original stock	282	47.25%
<b>Total</b>	<b>358</b>	<b>60.00%</b>

The compensation for the acquisition of 60% of the total paid-up shares of OE can be used to calculate the value of 100% of OE's equity (pre-money, before the capital increase of THB 76 million). This equates to a total value of THB 520 million.

The valuation using the Net Present Value (NPV) of cash flows method (pre-money)<sup>1</sup> estimates the fair value of 100% of OE's equity to be in the range of **THB 633.36 million to THB 954.85 million, with the base case value being THB 818.35 million. This value exceeds the transaction price of THB 520 million by THB 113 million to THB 435 million, or 22% to 84%.**

Remarks: <sup>1</sup>The Net Present Value (NPV) valuation of cash flows was conducted without taking into account the capital increase that the Company will inject into OE following the first phase of the investment (pre-money).

**Comparison Table of Transaction Prices and Fair Value for the First and Second Tranche Investments**

Shareholding in OE (percent)	Post Money (After the capital increase of 76 million baht)			
	Total remuneration for entering the transaction	Fair Value Range (Million Baht)	Fair value in the base case (million baht)	Compare Entry Prices
<b>1st Investment</b>				
60%	357.60	425.62 - 618.51	536.61	The fair value is higher than the transaction price, accounting for 19 - 73 percent.
<b>2nd Investment</b>				
80%	444.101/	567.49 - 824.68	715.48	The fair value is higher than the transaction price, accounting for 28 - 86 percent.

Remark: <sup>1</sup>The total consideration of THB 444,100,796 is calculated as follows: (1) cash for the subscription of newly issued common shares amounting to THB 76,000,000, (2) cash for the payment of the first investment phase amounting to THB

281,600,796, and (3) the maximum cash payment for the second investment phase amounting to THB 86,500,000, as detailed in the transaction information disclosure.

**In the First Tranche Investment: The transaction fee is 357.60. Million Baht for shares in the proportion of 60% with a fair value of Baht 536.61 million. For shares, the proportion is 60%. The fair value is 50% higher than the transaction price.**

**In the Second Tranche Investment: The total transaction fee is Baht 444.10 million for 80% of the shares, with a fair value of Baht 715.48 million. For shares, the proportion is 80%. The fair value was higher than the transaction price, accounting for 61 percent.**

Upon considering the analysis of the advantages and benefits, disadvantages and risks of the acquisition of asset, as well as the pros and cons of the connected transaction, and evaluating the appropriateness of the transaction price and terms, it is clear that the Company and its shareholders will gain long-term benefits from this transaction. **The Independent Financial Advisor is of the opinion that the acquisition of assets and connected transactions are reasonable.**

Therefore, the Independent Financial Advisor recommends that the Company's shareholders vote to **approve** the acquisition of assets and connected transaction. However, the decision to approve the transaction ultimately lies at the discretion of the shareholders. The role of the Independent Financial Advisor is to provide an opinion to the shareholders, based on the information received from the Company as well as from interviews with the Company's management and relevant departments. Shareholders are encouraged to review the information in the Independent Financial Advisor's report and the documents attached to the meeting invitation in order to make an informed decision and cast their vote with appropriate judgment. The final decision rests with the shareholders. The Independent Financial Advisor certifies that this opinion has been given with careful consideration, in accordance with professional standards, and with the best interests of the shareholders as the primary concern

## Part 1 Acquisition of Assets and Connected Transactions

### 1.1 Characteristics and Details of the Transaction

#### 1.1.1 Objective and Background of the Transaction

According to Ubon Bio Ethanol Public Company Limited ("**The Company**") has a strategic plan to expand investment into potential new businesses, diversify risks and reduce the volatility of its current business, which relies solely on cassava as its primary raw material. This reliance exposes the Company to risks arising from climate change, which can affect both the supply and price of cassava. Furthermore, the Company aims to respond to the rapidly changing industrial landscape and mitigate risks associated with its existing operations, such as the ethanol and cassava starch businesses, which are upstream businesses highly dependent on cassava, a raw material subject to high volatility. As a result, the Company has adjusted its strategic plan to focus on diversifying away from its existing business and increasing investment in downstream businesses, which are less volatile and have greater growth potential. At the same time, the Company continues to operate its existing businesses, placing greater emphasis on research and development to create high-value products (HVP) that will drive sustainable growth in the future. Therefore, the Company has sought investment opportunities in the food business segment with potential for growth and profitability. It has a successful brand and an experienced team, as well as increasing the opportunity to distribute the company's products to consumers.

The Board of Directors' Meeting of the Company No.6/2024 held on August 27, 2024, the Board considered the management's proposal and passed a resolution to submit it for approval at the Extraordinary General Meeting of Shareholders No. 1/2024. The proposal seeks shareholder approval for the Company and/or its subsidiaries to proceed with the acquisition of assets and connected transactions through investment in Oshinei Enterprise Company Limited ("**Oshinei Enterprise**" or "**OE**"). OE operates three main businesses: Japanese restaurants, the distribution of Japanese food ingredients, and Japanese restaurant franchising. Oshinei Enterprise has invested in six Japanese buffet and A La Carte restaurant branches, as well as one Yakiniku restaurant branch. Additionally, it operates 21 franchise branches. The first Oshinei Japanese restaurant opened in Ubon Ratchathani Province in 2014, followed by expansions into Udon Thani and Nakhon Ratchasima Provinces. In 2019, OE expanded into Vientiane, Laos. Currently, the Oshinei Japanese restaurant chain offers a variety of Japanese cuisine, including A La Carte, Buffet, and Yakiniku, across 28 branches located in different regions of Thailand: 14 branches in the Northeastern region, 10 branches in the Central and Eastern regions, 2 branches in the Northern region, and 1 branch in the Southern region. There is also 1 branch in Laos. Currently, OE has no branches in Bangkok. Its target customer groups include government officials, businesspeople, corporate employees, and customers who prioritize value and a diverse menu selection.

In the investment in Oshinei Enterprise, the Company recognizes the importance of the initial performance during the early phase of the investment. Therefore, the Company has structured the investment in Oshinei Enterprise into two phases. Upon completion of both phases, the Company will hold 70.00% to 80.00% of the total shares in Oshinei Enterprise. This structure serves as a risk management mechanism in

case the net profit performance from Oshinei Enterprise's consolidated financial statements does not meet the expected projections.

The structure of the investment transaction in Oshinei Enterprise consists of the following:

1. The First tranche investment in Oshinei under Share Subscription Agreement and Share Purchase Agreement
2. The Second tranche investment in Oshinei under First and Second Call Option Agreement

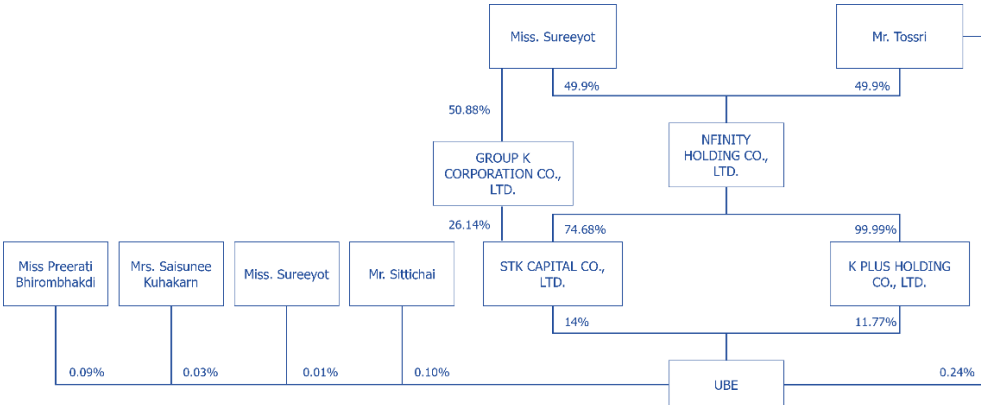
#### 1.1.2 Date of the Transaction

The Company expects to sign all related agreements by September 2024. The first tranche of investment in Oshinei Enterprise is expected to be completed within the fourth quarter of 2024, and the second tranche of the investment is anticipated to be completed within the second quarter of 2027.

The timeline for the transaction is presented in detail in the following table:

No.	Procedures	Total Value of Consideration	Estimated Schedule for Consideration Payment
1.	The First tranche investment in Oshinei under Share Subscription Agreement and Share Purchase Agreement	Baht 444,100,796	November 2024
2.	Shareholding Restructuring after the First tranche investment	-	November 2024
3.	The Second tranche investment under the First Call Option Agreement	Baht 2,664,800 - Baht 5,329,600	June 2026
4.	The Second tranche investment under the Second Call Option Agreement	Baht 52,000,000 - Baht 86,500,000	June 2027

**1.1.3 Relevant Parties and Their Relationships with the Company**

<b>Transferee</b>	The Company or its subsidiary
<b>Transferor</b>	<p>1. Miso Harmony Limited (“<b>Miso Harmony</b>”) is a legal entity that will be registered in September 2024 in Hong Kong for the purpose of managing the investment in Oshinei. It will be a company established by the group of co-founders and will serve as a holding company for the management of the seller's assets. The ultimate shareholders will be as follows.</p> <ul style="list-style-type: none"> <li>● Mr. Tossri Khowsurat, the shareholder and indirect major shareholder of the Company (“<b>Mr. Tossri</b>”), holds 11.80% of total shares. Mr. Tossri is a connected person of the Company.</li> <li>● Mr. Sittichai Khowsurat (“<b>Mr. Sittichai</b>”), the father of Mr. Tossri, the shareholder and indirect major shareholder of the Company and Miss Sureeyot Khowsurat (“<b>Miss. Sureeyot</b>”), the Chief Executive Officer and Director and indirect major shareholder of the Company, holds 30.37% of the total shares. Mr. Sittichai is a connected person of the Company.</li> <li>● Mrs. Waraporn Phakpho, Mr. Kittisak Leelom, Mr. Somporn Posarach, and Ms. Achara Phakarat hold the remaining 57.83% of the total shares.</li> </ul> <p>2. UMP Lab Company Limited (“<b>UMP Lab</b>”), which is held by Mr. Na-pajra Ampuch in the proportion of 99.60% of the total shares in UMP Lab Co., Ltd., is not classified as a connected person of the Company according to the Notifications on the Connected Transaction.</p> <p>3. Supmankong Ingress Company Limited (“<b>Supmankong</b>”), which is established and 99.99% owned by Mr. Panot Kittiparsart. Supmankong Ingress Company Limited does not qualify as a connected person to the Company under the Notifications on the Connected Transaction.</p>
<b>Relationship</b>	<p>Miso Harmony Limited is considered a connected person of the Company under the Notifications of Connected Transactions since Mr. Tossri, the shareholder and indirect major shareholder of the Company, and Mr. Sittichai, the father of Mr. Tossri, the shareholder and indirect major shareholder of the Company, and Miss Sureeyot Khowsurat as the Chief Executive Officer and Director of the Company, as well as the indirect majority shareholder of the Company are major and ultimate shareholder of Miso Harmony Limited (holding more than 10% of the total share). Details of Mr. Tossri and Miss Sureeyot's shareholding in the Company are as follows:</p> 

#### 1.1.4 General Characteristics and Size of Transaction

##### General Characteristics of the Transaction

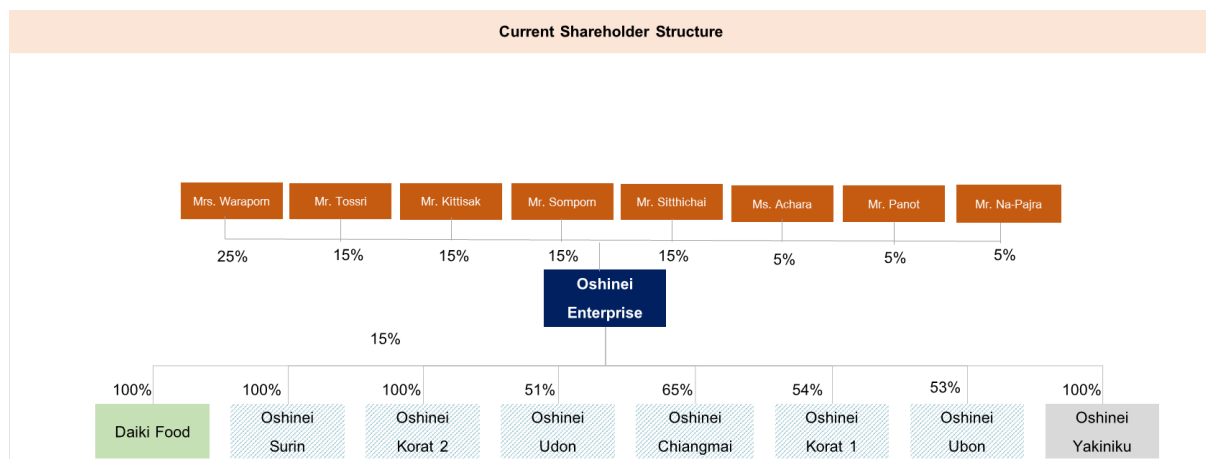
Oshinei Enterprise operates three main businesses, divided into:

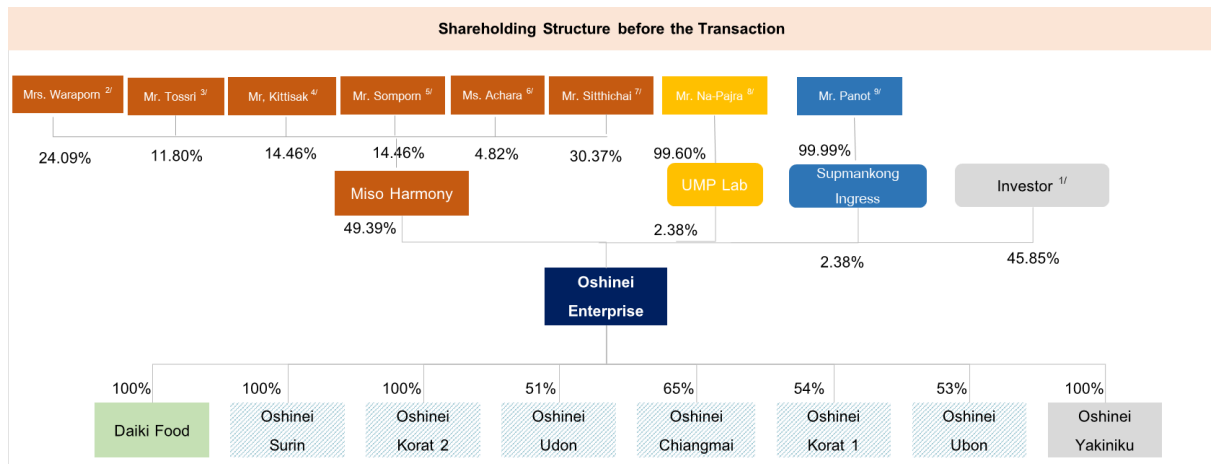
- 1) Franchise business for Japanese restaurants under the name "Oshinei."
- 2) Japanese restaurant business which has six branches of Japanese restaurant and one Yakiniku restaurant branch, consisting of:
  - S.Khemrat Company Japan Food Company Limited ("**Oshinei Ubon**")
  - Udon Japan Food Company Limited ("**Oshinei Udon**")
  - S.Khemrat Inter Food Company Limited ("**Oshinei Korat 1**")
  - Oshinei Enterprise Chiang Mai Company Limited ("**Oshinei Chiangmai**")
  - Oshinei Enterprise Surin Company Limited ("**Oshinei Surin**")
  - Oshinei Enterprise Korat Company Limited ("**Oshinei Korat 2**")
  - Oshinei Yakiniku and Sashimi Company Limited ("**Yakiniku**")
- 3) Distribution of supplying raw materials business to Oshinei's group of Japanese restaurants.

The structure of the investment transaction in Oshinei Enterprise consists of the following:

1. The First tranche investment in Oshinei under Share Subscription Agreement and Share Purchase Agreement
2. The Second tranche investment in Oshinei under First and Second Call Option Agreement

The details of the current shareholding structure, the shareholding structure before the transaction, the shareholding structure after the first tranche of investment, the shareholding structure after the restructuring following the first tranche of investment, the shareholding structure after the second tranche of investment under the First Call Option Agreement, and the shareholding structure after the second tranche of investment under the Second Call Option Agreement, along with the timeline for each investment tranche, can be summarized as follows:





**Remarks:** <sup>1/</sup> The group of investors consists of the following shareholders: Mrs. Waraporn held share percentage of 13.10, Mr. Tossri held share percentage of 9.17, Mr. Kittisak held share percentage of 7.86, Mr. Somporn held share percentage of 7.86, Mr. Na-Pajra held share percentage of 2.92, Ms. Achara held share percentage of 2.92, Mr. Panot held share percentage of 2.92.

<sup>2/</sup> Mrs. Waraporn serves as an executive responsible for accounting and finance and is the spouse of Chef Boontham, who holds the position of consulting chef for OE. Khun Waraporn is not considered as a connected person of the Company.

<sup>3/</sup> Mr. Tossri is a shareholder and an indirect major shareholder of the Company, and is considered as a connected person to the Company.

<sup>4/</sup> Mr. Kittisak serves as the Executive Chef of OE and is not considered as a connected person of the Company.

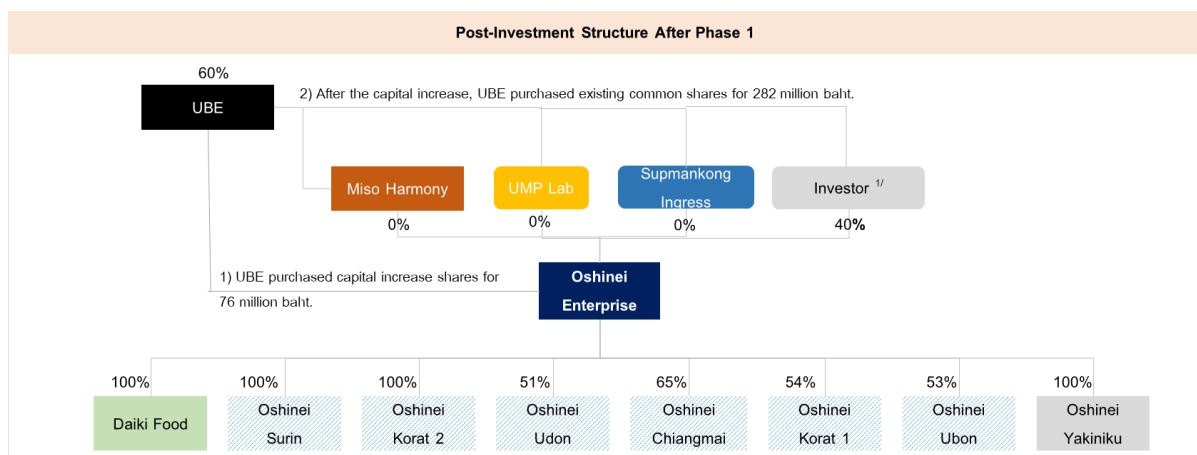
<sup>5/</sup> Mr. Somporn serves as the Head Chef (Executive Chef) of OE This is not considered as a connected person of the Company.

<sup>6/</sup> Ms. Achara is is an investor in Miso Harmony and is not considered as a connected person of the Company.

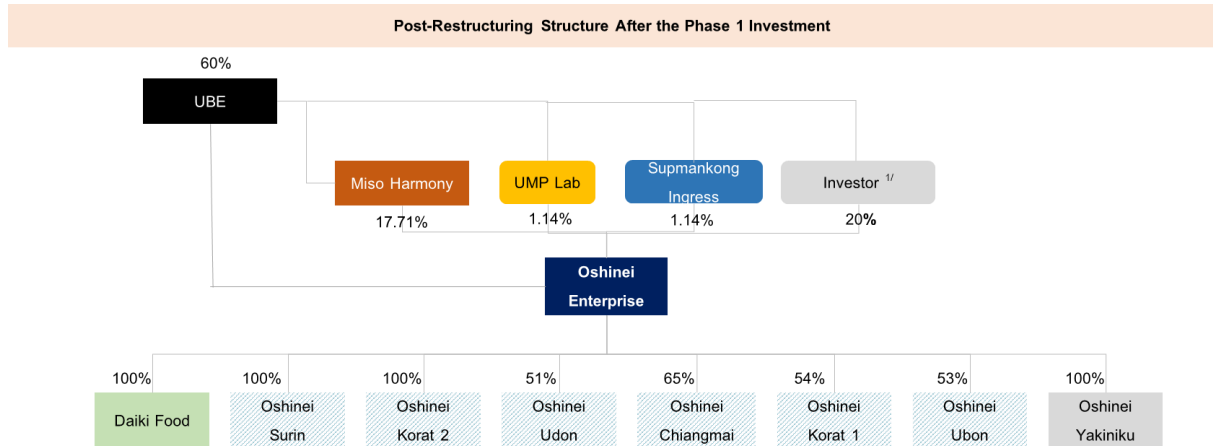
<sup>7/</sup> Mr. Sittichai is a shareholder of the Company and the father of Mr. Tossri, making him an indirect major shareholder of the Company. Khun Sureeyot, a director, Chief Executive Officer, and President, is also an indirect major shareholder of the Company. Both are considered as connected persons of the Company.

<sup>8/</sup> Mr. Na-pajra is the major shareholder of UMP Lab and is not considered as a connected person of the Company.

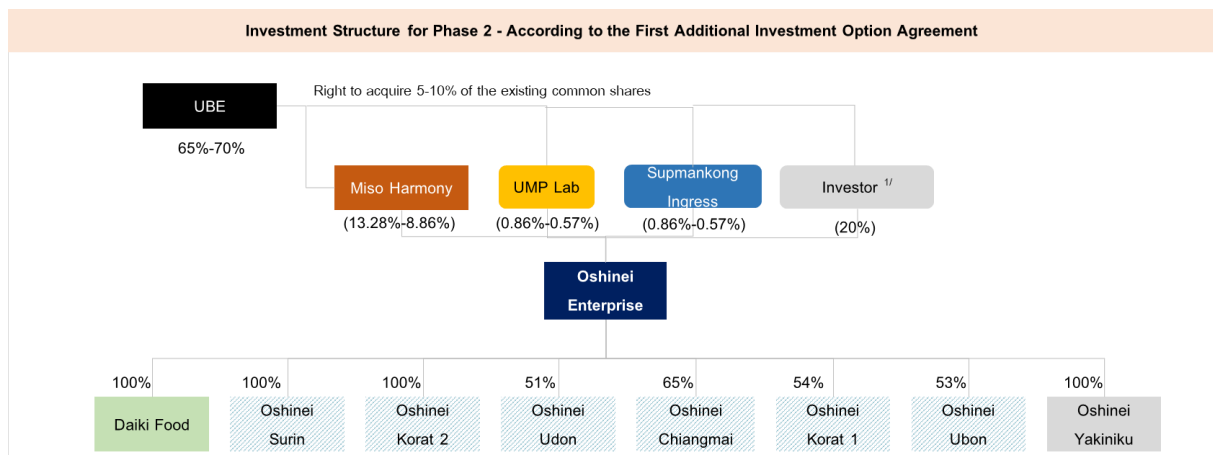
<sup>9/</sup> Mr. Panot is the General Manager of OE and the major shareholder of Supmankong. He is not considered as a connected person of the Company.



**Remarks:** <sup>1/</sup> Investors include Mrs. Waraporn held share percentage of 11.43, Mr. Tossri held share percentage of 8.00, Mr. Kittisak held share percentage of 6.86, Mr. Somporn held share percentage of 6.86, Mr. Na-Pajra held share percentage of 2.29, Ms. Achara held share percentage of 2.29, Mr. Panot held share percentage of 2.29.

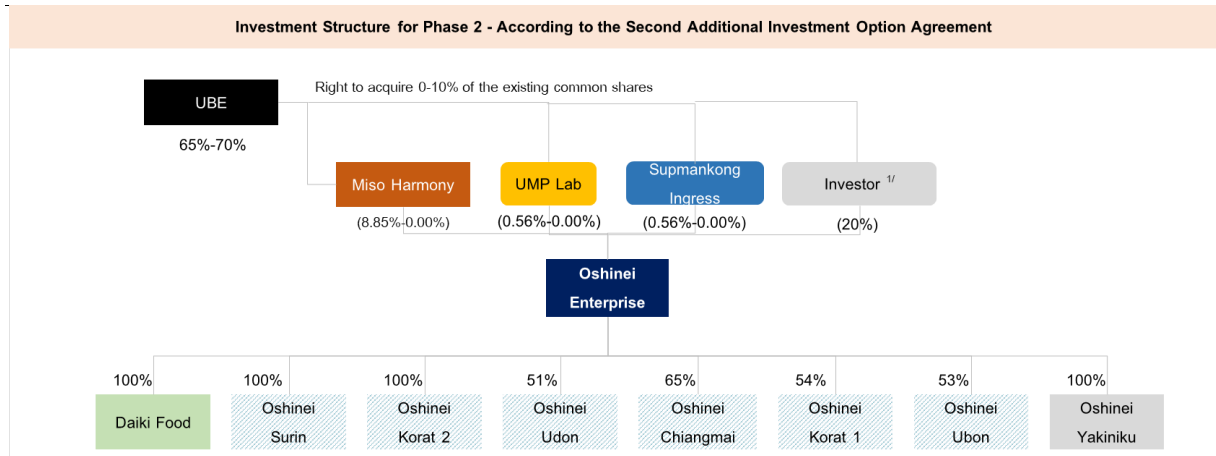


**Remarks:** <sup>1/</sup> Investor consists of Mrs. Waraporn holding 5.71% of the shares, Mr. Tossri holding 4.00% of the shares, Mr. Kittisak holding 3.43% of the shares, Mr. Somporn holding 3.43% of the shares, Mr. Na-Pajra holding 1.14% of the shares, Ms. Achara holding 1.14% of the shares, and Mr. Panot holding 1.14% of the shares.



**Remarks:** <sup>1/</sup> Investor consists of Mrs. Waraporn holding 5.71% of the shares, Mr. Tossri holding 4.00% of the shares, Mr. Kittisak holding 3.43% of the shares, Mr. Somporn holding 3.43% of the shares, Mr. Na-Pajra holding 1.14% of the shares, Ms. Achara holding 1.14% of the shares, and Mr. Panot holding 1.14% of the shares.





**Remarks:** <sup>1/</sup> Investor consists of Mrs. Waraporn holding 5.71% of the shares, Mr. Tossri holding 4.00% of the shares, Mr. Kittisak holding 3.43% of the shares, Mr. Somporn holding 3.43% of the shares, Mr. Na-Pajra holding 1.14% of the shares, Ms. Achara holding 1.14% of the shares, and Mr. Panot holding 1.14% of the shares.

The shareholding in Oshinei Enterprise from each transaction can be summarized as follows:

List of Shareholders in Oshinei Enterprise	Current Shareholding	Shareholding before the Transaction <sup>1/</sup>	Shareholding after the First Tranche Investment	Shareholding from Restructuring after the First Tranche Investment <sup>2/</sup>	Shareholding after the Second Tranche Investment after Exercise the First Call Option Agreement (5-10% Additional Share Purchase Rights <sup>3/</sup> )	Shareholding after the Second Tranche Investment after Exercise the Second Call Option Agreement (10% Additional Share Purchase Rights <sup>4/</sup> )
<b>Holding Company of Founders</b>						
Miso Harmony Limited <sup>5/</sup> (Holding Company of OE Founders Group)	0.00%	49.39%	0.00%	17.71% <sup>5/</sup>	13.28%-8.86%	8.85%-0.00%
UMP Lab Company Limited <sup>6/</sup> (Holding Company of Mr. Na-pajra, Founder of OE)	0.00%	2.38%	0.00%	1.14% <sup>5/</sup>	0.86%-0.57%	0.56%-0.00%
Supmankong Ingress Company Limited <sup>7/</sup> (Holding Company of Mr. Panot, Founder of OE)	0.00%	2.38%	0.00%	1.14% <sup>5/</sup>	0.86%-0.57%	0.56%-0.00%
<b>OE Founders</b>						
Mrs. Waraporn Phakpho	25.00%	13.10%	11.43%	5.71%	5.71%	5.71%
Mr. Tossri Khowsurat	15.00%	9.17%	8.00%	4.00%	4.00%	4.00%
Mr. Kittisak Leelom	15.00%	7.86%	6.86%	3.43%	3.43%	3.43%
Mr. Somporn Posarach	15.00%	7.86%	6.86%	3.43%	3.43%	3.43%
Mr. Na-pajra Umpudh	5.00%	2.62%	2.29%	1.14%	1.14%	1.14%
Ms. Achara Phakarat	5.00%	2.62%	2.29%	1.14%	1.14%	1.14%
Mr. Panot Kittiparsart	5.00%	2.62%	2.29%	1.14%	1.14%	1.14%
Mr. Sittichai Khowsurat	15.00%	0.00%	0.00%	0.00%	0.00%	0.00%
The Company	0.00%	0.00%	60.00%	60.00%	65.00% - 70.00%	70.00% -80.00%
<b>Total</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>

**Remarks:** <sup>1/</sup> Prior to the first tranche of the investment, Oshinei Enterprise will undergo a restructuring process by establishing holding companies, including (1) Miso Harmony Limited (“**Miso Harmony**”), (2) UMP Lab Company Limited (“**UMP Lab**”), and (3) Supmankong Ingress Company Limited (“**Supmankong**”). These entities will be shareholders in Oshinei Enterprise for the purpose of managing the seller's assets more efficiently.

<sup>2/</sup> The restructuring of Miso Harmony, UMP Lab, and Supmankong following the first tranche of the investment is intended to allow these companies to hold shares in Oshinei Enterprise (OE) in accordance with the terms of the First and Second Call Option Agreements.

<sup>3/</sup> Under the assumption that the Company exercises its right to purchase an additional 5% - 10% of shares following the restructuring after the first phase of the investment.

<sup>4/</sup> Under the assumption that the Company exercises its right to purchase an additional 0% - 10% of shares following the exercise of the first call option agreement.

<sup>5/</sup> Miso Harmony Limited is a company registered in Hong Kong, with the following shareholders: Khun Waraporn holding 24.09%, Khun Tossri holding 11.80%, Khun Kittisak holding 14.46%, Khun Somporn holding 14.46%, Khun Achara holding 4.82%, and Khun Sittichai holding 30.37%. Miso Harmony will hold shares in OE before UBE's acquisition of shares. Miso Harmony was established for the purpose of managing the founders' assets and due to the foreign shareholding restrictions of OE under the Foreign Business Act B.E. 2542 (1999). As such, Miso Harmony will hold no more than 50% of OE's shares before UBE's first tranche of investment. It will increase its shareholding in OE after UBE's investment as part of the shareholding restructuring plan, and before UBE exercises its rights under the first call option agreement.

<sup>6/</sup> UMP Lab Co., Ltd. is a registered company in Thailand with 99.60% of the shares held by Mr. Na-pajra and will acquire shares in OE before UBE acquires shares for the management of Mr. Na-pajra's assets.

<sup>7/</sup> Supmankong Ingress Company Limited is a company registered in Thailand, with Khun Panot holding 99.99% of the shares. Supmankong will acquire shares in OE before UBE's share acquisition, for the purpose of managing Khun Panot's assets.

The Company intends to invest in up to 426,370 shares of Oshinei Enterprise, equivalent to a maximum of 80.00% of the total shares in Oshinei Enterprise. The investment will be divided into two tranches as follows:

#### **1. The first tranche of the investment in Oshinei, under the Share Subscription agreement and the Share Purchase agreement**

The Company subscribes to 67,962 newly issued ordinary shares, which is equivalent to 12.75% of the total shares in Oshinei after the capital increase. The total capital increase amount equivalent to Baht 76,000,000. Additionally, the Company will purchase 251,816 existing ordinary shares of Oshinei, which is equivalent to 47.25% of the total shares of Oshinei after the capital increase, from the selling group, with the following details:

(1) A total of 229,680, or equivalent to 49.39% of the total shares in Oshinei before the capital increase, will be purchased from Miso Harmony Limited ("**Miso Harmony**"), a legal entity established by the Founder Group and registered in Hong Kong by September 2024 for the benefit of managing investment in Oshinei. The Ultimate Shareholders are as follows:

- Mr. Tossri Khowsurat, the shareholder and indirect major shareholder of the Company ("**Mr. Tossri**"), holds 11.80% of total shares. Mr. Tossri is a connected person of the Company.
- Mr. Sittichai Khowsurat ("**Mr. Sittichai**"), the father of Mr. Tossri, the shareholder and indirect major shareholder of the Company and Miss Sureeyot Khowsurat ("**Miss. Sureeyot**"), the Chief Executive Officer and Director and indirect major shareholder of the Company, holds 30.37% of the total shares. Mr. Sittichai is a connected person of the Company.
- Mrs. Waraporn Phakpho, Mr. Kittisak Leelom, Mr. Somporn Posarach, and Ms. Achara Phakarat hold the remaining 57.83% of the total shares.

(2) A total of 11,068 shares, or 2.38% of the total shares in Oshinei before the capital increase, will be purchased from UMP Lab Company Limited ("**UMP Lab**"), a legal entity established by the Founder Group and

registered in Thailand on 10 June 2019. Mr. Na-pajra Umpudh holds 99.60% of the total shares in UMP Lab Company Limited

(3) A total of 11,068 shares, or 2.38% of the total shares in Oshinei before the capital increase, will be purchased from Supmankong Ingress Company Limited ("**Supmankong**"), a legal entity established by the Founder Group and registered in Thailand by October 2024. Mr. Panot Kittiparsart will hold 99.99% of the total shares in Supmankong Ingress Company Limited

For the first tranche investment, the Company will pay cash compensation of Baht 281,600,796.48. After the completion of first tranche investment, the Company will hold a total of 319,778 shares or 60% of the total shares of Oshinei ("**The First tranche investment**")

After the completion of the first tranche investment, the seller will undertake a shareholding restructuring by transferring the shares of Oshinei Enterprise held by the seller to the seller's holding companies, namely (1) Miso Harmony, (2) UMP Lab, and (3) Supmankong. This restructuring is for the purpose of facilitating the seller's asset management and ensuring compliance with the First and Second Call Option Agreements ("**The Shareholding Restructuring after the First Investment Phase**").

## **2. The second tranche of the investment in Oshinei, under the First Call Option agreement and Second Call Oprion Agreement**

The Company has the right to purchase common shares from (1) Miso Harmony, (2) UMP Lab, and (3) Supmankong. The details of the investment are as follows:

### **2.1 First Call Option Agreement**

In the event that the consolidated operating results of Oshinei Enterprise for the years 2024 and 2025<sup>1/</sup>, as reflected in the consolidated financial statements audited by a certified public accountant of Oshinei Enterprise, are less than THB 97,000,000, the Company shall have the right to purchase additional ordinary shares of Oshinei Enterprise at a price equivalent to the par value of the shares (THB 100 per share). This purchase may involve up to 53,296 shares, representing no less than 5% but no more than 10% of the total shares, according to the ratio agreed upon by the contracting parties. The Company may exercise this right in 2026, and if the Company exercises this right in the first phase of the investment, it will hold no more than 70% of the total shares in Oshinei Enterprise.

Conversely, if the consolidated operating results of Oshinei Enterprise for the years 2024 and 2025, as reflected in the consolidated financial statements audited by a certified public accountant of Oshinei Enterprise, exceed THB 97,000,000, the Company will not have the right to purchase additional ordinary shares of Oshinei Enterprise.

**Remark:** <sup>1/</sup> The net operating profit of Oshinei Enterprise's consolidated financial statements for the years 2024 and 2025 is calculated from the net operating profit of Oshinei Enterprise's consolidated financial statements after deducting non-controlling interests of subsidiaries for the years 2024 and 2025. The net operating profit of Oshinei Enterprise's consolidated financial

statements excludes the following: 1) income and/or expenses from special items, 2) income and/or expenses from one-time transactions, and 3) other income and/or expenses as mutually agreed upon by the contracting parties.

## 2.2 Second Call Option Agreement

In 2027, the Company has the right to purchase up to 53,296 shares, representing no more than 10.00% of the total shares. The transaction price details are as follows::

Transaction Price = Price-to-earning ratio at 11.5<sup>1/</sup> x Net Profit from Oshinei's Consolidated Financial Statements for 2026<sup>2/</sup> x 10% - Transaction Price under the First Call Option Agreement (if any)

Remark: <sup>1/</sup> The price-to-earnings (P/E) ratio of 11.5 times is derived from the estimated net profit used in evaluating the discounted cash flow (DCF) value of Oshinei. The Company has determined this ratio by dividing the transaction price for the purchase of Oshinei's common shares by the projected net profit from the consolidated financial statements of Oshinei and its subsidiaries for the year 2024.

<sup>2/</sup> The net operating profit of Oshinei Enterprise's consolidated financial statements for the year 2026 is calculated from the net operating profit of Oshinei Enterprise's consolidated financial statements after deducting non-controlling interests of subsidiaries for the year 2026. This net operating profit excludes the following: 1) income and/or expenses from special items, 2) income and/or expenses from one-time transactions, and 3) other income and/or expenses as mutually agreed upon by the contracting parties.

The Company has negotiated with the sellers regarding the transaction price under the Second Call Option Agreement, with the following price range determined:

- A minimum price of THB 520 million, equivalent to a net profit of THB 45.22 million, based on a price-to-earnings (P/E) ratio of 11.5 times, which matches the price of the first tranche investment.
- A maximum price of THB 865 million, equivalent to a net profit of THB 75.22 million, based on a price-to-earnings (P/E) ratio of 11.5 times, set as an maximum incentive for the management team, referencing from the financial projections prepared by the company.

Based on this price range under the Second Call Option Agreement, the transaction price can be calculated under the following three scenarios:

- (1) Net operating profit of the consolidated financial statements was less than or equal to Baht 45.22 million. The net profit from the consolidated financial statements was used to calculate the fixed transaction price of Baht 45.22 million.
- (2) Net profit from operations of the total financial statements was more than Baht 45.22 million but less than Baht 75.22 million. Use the net profit according to the consolidated financial statements of Oshinei Enterprise to calculate the transaction entry price.

- (3) Net operating profit of the consolidated financial statements was greater than or equal to Baht 75.22 million. The net profit from the consolidated financial statements was used to calculate the fixed transaction price of Baht 75.22 million.

The Incentive Price Mechanism is designed to incentivize the sellers and key management of Oshinei to generate strong returns during the initial phase of the investment. The Company has structured a price adjustment mechanism based on the financial performance of Oshinei as reflected in the consolidated financial statements for the year 2026.

The Base case price under the second call option agreement is set based on a net profit of THB 45.22 million, which is derived from the projected net profit of Oshinei for 2024. The best case scenario reflects a net profit of THB 75.22 million, which corresponds to Oshinei's projected net profit for 2026.

The price-to-earnings (P/E) ratio of 11.5 times is derived from the estimated net profit used in evaluating the discounted cash flow (DCF) value of Oshinei.

The Company has determined this ratio by dividing the transaction price for the purchase of Oshinei's common shares by the projected net profit from the consolidated financial statements of Oshinei and its subsidiaries for the year 2024.

Based on the scenarios described, the transaction price under the Second Call Option Agreement will range between 52.00 million Baht and 86.50 million Baht. After exercising both the First and Second Call Options, the Company will hold up to 80% of the total shares in Oshinei.

The Company recognizes the importance of performance during the initial phase of its investment in Oshinei. Therefore, it has established conditions for acquiring a stake of 70.00% to 80.00% in Oshinei as a risk management mechanism in case the net profit from Oshinei's consolidated financial statements does not meet expectations. The second tranche of the investment in Oshinei is divided into two stages, with the following details:

Performance Guarantee under the First Call Option Agreement:

In the event that the combined financial performance for 2024 and 2025, as reflected in Oshinei's audited financial statements, is less than THB 97 million, the sellers grant the Company the right to acquire additional common shares of Oshinei under the First Call Option Agreement. The acquisition will range from no less than 5.00% and up to 10.00% of the total shares, at the par value of THB 100 per share. The percentage of additional shares that the Company can acquire will depend on the shortfall in net profit relative to the THB 97 million. This mechanism ensures that the transaction price remains appropriate and fair.

Incentive Price Mechanism under the Second Call Option Agreement:

To incentivize the sellers and key management in generating favorable returns during the initial phase of the investment in Oshinei, the Company has structured a price adjustment mechanism under the Second Call Option Agreement. This mechanism is based on Oshinei's performance as shown in its consolidated

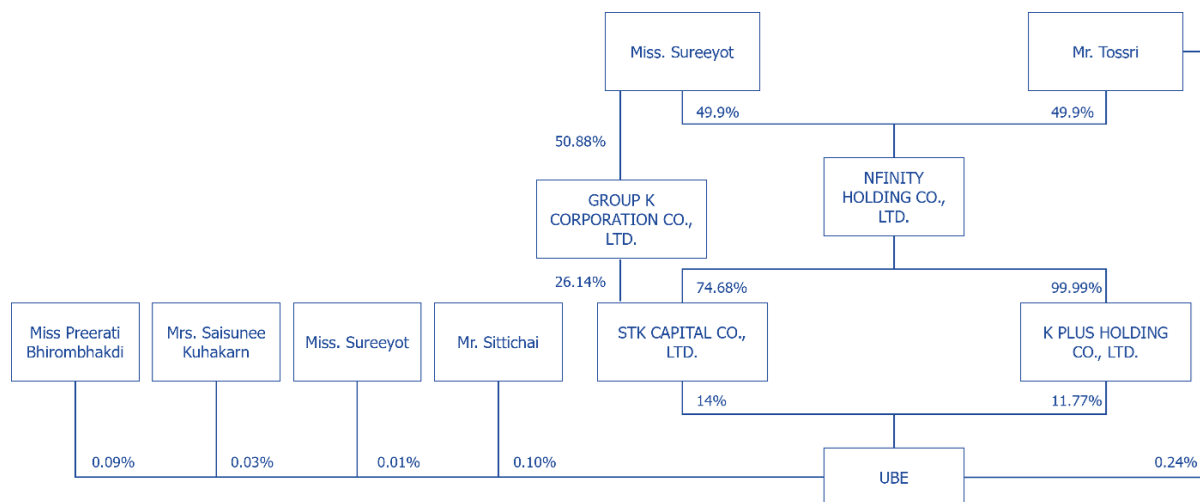
financial statements for 2026. The Company will have the right to invest an additional 10.00% in Oshinei's common shares at a price ranging from THB 520 million to THB 865 million, equivalent to an investment value of THB 52.00 million to THB 86.50 million, depending on the performance achieved. This mechanism is designed to motivate the sellers and key management to ensure strong performance in the initial phase, which will positively impact Oshinei's long-term value.

In the event that the Company does not exercise its rights under the First and Second Call Option Agreements, there will be no impact on the Company. The Company will still hold a 60.00% shareholding from the first tranche investment.

However, the completion of all the above transactions will only occur if the Company receives approval from the shareholders' meeting for the proposed transactions and if the other conditions specified in the relevant agreements are fulfilled or waived before completing the transaction.

In this regard, Mr. Tossri, the shareholder and indirect major shareholder of the Company, and Mr. Sittichai, a shareholder of the Company who is the father of Mr. Tossri and Miss Sureeyot who is director, the Chief Executive Officer and Managing Director of the Company and indirect major shareholder of the Company is major shareholder of Miso Harmony (holding more than 10% of the total share). Therefore, Miso Harmony is considered as a connected person of the Company according to the Notification of the Capital Market Supervisory Board No. Torjor 21/2008 Re: Rules for Connected Transactions (including those amended or superseded by the Stock Exchange of Thailand) and Notification of the Stock Exchange of Thailand Re: Disclosure of Information and Operations of Listed Companies in Connected Transactions B.E. 2546 (2003) (including as amended or superseded) (collectively referred to as "**Notifications on Connected Transactions**")

**Shareholding Structure of the Company as of August 27, 2024**



UMP Lab and Supmankong, as well as other shareholders of Miso Harmony (other than Mr. Tassasi and Mr. Sittichai) mentioned above are not considered as a connected person of the Company according to the Notifications on Connected Transactions.

However, the execution of this transaction is subject to the fulfillment of certain key conditions precedent (including any other conditions precedent that the contracting parties may agree to specify in the agreement). For example, the Company must hold a meeting of its Board of Directors and/or shareholders to consider and approve the execution of this transaction and obtain the necessary approval to proceed with the transaction.

The purchase of Oshinei's shares from Miso Harmony Limited is considered a connected transaction of the Company since Mr. Tossri, the shareholder and indirect major shareholder of the Company (holding more than 10% of the total shares). As a result, Miso Harmony Limited is classified as a connected person of the Company according to the Notifications of Connected Transaction. When calculating the value of the connected transactions, it was found that the transaction size was 7.38% compared to the value of the Company's net tangible assets according to the Company's financial statements as of June 30, 2024, which were reviewed by an Certified Public Accountant assigned by the Company. There have been no connected transactions with the Company in the past six months, which have not been approved by the shareholders' meeting. The value of the connected transactions has exceeded 3% of the Company's net tangible asset value. Therefore, the Company is obliged to comply with the Notice of Connected Transactions, which requires the Company to be responsible for the following actions:

- (1) To report and disclose the information memorandum on such acquisition of assets to the Stock Exchange of Thailand ("**The SET**") immediately, which must at least contain the information as listed in type (1) of the Notifications on Acquisition or Disposal of Assets and the Notifications on Connected Transactions.
- (2) To appoint an independent financial advisor to carry out the relevant functions, including providing its opinions as required by the Notifications on Acquisition or Disposal of Assets and the Notifications on Connected Transactions, whereby the independent financial advisor's report shall be delivered to the shareholders for consideration along with the invitation letter for the Shareholders' Meeting.

In this regard, the Company has appointed Optasia Capital Co.,Ltd. which is a financial advisor on the list approved by the Securities and Exchange Commission of Thailand (the "SEC Office"), as the independent financial advisor to provide the shareholders with its opinion on the execution of the Share Acquisition Transaction which is the transaction on acquisition of share as a connected transaction; and

- (3) To convene a Shareholders' Meeting of the Company to approve such Share Acquisition and Capital Increase Share Transaction as a connected transaction by delivering the invitation letter for the Shareholders' Meeting to the shareholders at least fourteen days prior to the date of the Shareholders' Meeting, in order to obtain approval from the Shareholders' Meeting with not less than three-fourths of all votes of the shareholders present at the Meeting and entitled to vote, excluding shareholders with a beneficial interest which are (1) Mr. Tossri (2) Mr. Sittichai



(3) STK Capital Company Limited and (4) K Plus Holding Company Limited (5) Ms. Sureeyot Khowsurat (6) Mrs. Saisunee Kuhakarn and (7) Miss Preerati Bhirombhakdi.

In addition, Share Acquisition and Capital Increase Share Transaction has given the Company control over Oshinei, so this is considered to be the purchase or transfer of the business of another Company or a private Company to the Company, which must be approved by the meeting of the shareholders with the votes of not less than three-fourths of the total number of votes of the shareholders who attend the meeting and have the right to vote in accordance of the Constitutional Rights Act. 107 Paragraph 2 (b) of the Public Limited Companies Act B.E. 2535 (as amended) (as amended) (the "**Public Companies Act**"), and is also classified as an acquisition or disposal of assets under the Notification of the Capital Market Supervisory Board No. TorJor. 20/2008 Re: Rules on Entering into Material Transactions Deemed as Acquisition or Disposal of Assets (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 or Disposition of Assets B.E. 2547(2004) (as amended) (Collectively referred to as the "**Notifications on Acquisition or Disposal of Assets**"), which has the maximum transaction size according to the notifications on the acquisition or disposal of assets when calculating the transaction size based on the Net Income from Oshinei's operations in proportion to the Company's investment in proportion to the Company's Net Income from operations according to the Company's financial statements for the period ended June 30, 2024, which has been reviewed by the Company's Certified Public Accountant, will be equal to 10.86% according to the Net Operating Profit which the transaction size is under 15% under the Notification of the Acquisition or Disposal of Assets. Therefore, the Company is not obligated to undertake any actions under the Notifications on Acquisition or Disposition of Assets. However, since this transaction requires approval from the Company's shareholders' meeting in accordance with the Notifications on Connected Transactions and the Public Limited Companies Act as mentioned above, the Company proposes that the share-holders' meeting approve the acquisition of assets and appoint OptAsia Capital Company Limited as an independent financial advisor to provide an opinion on the asset acquisition. The Company will also comply with the Notifications on Acquisition or Disposition of Assets until the process is complete.

As a result of the transaction, the Company is obliged to appoint an Independent Financial Advisor. Capital Co., Ltd. is an Independent Financial Advisor to provide opinions to the shareholders of the Company and discloses information on the acquisition of assets and connected transactions to the Stock Exchange of Thailand and proposes to the Company's shareholders' meeting to consider and approve the transaction. The Independent Financial Advisor has studied the information on the Company's asset acquisition and connected transactions and has carried out the due diligence procedures for documents received from the Company related to the transaction. OE's financial statements include the formulation of assumptions and interviews with executives for the preparation of estimates, as well as publicly available information and financial information from various websites, etc., in order to consider and give opinions on such transactions.

The key terms and conditions of the draft agreements can be summarized as follows:

**Summary of the Draft Share Purchase Agreement**

<b>Contract Parties</b>	<ol style="list-style-type: none"> <li>1. Miso Harmony Limited, UMP Lab Co., Ltd, and Supmankong Ingress Co., Ltd as seller</li> <li>2. Ubon Bio ethanol Public Company Limited or its subsidiaries as buyer</li> </ol>
<b>Share Acquisition</b>	<p>Seller shares held in Company Oshinei 251,816 shares with a par value of 100 Baht per share, accounted for 47.25% of Oshinei's total issued and sold shares after the capital increase.</p>
<b>Purchase Price</b>	<p>281,600,796.48 Baht</p>
<b>Other conditions specified in the relevant agreement</b>	<ol style="list-style-type: none"> <li>1. The Board of Directors Meeting and the Extraordinary General Meeting of Shareholders of the Company approved the transaction of asset acquisition and connected transactions.</li> <li>2. The parties have signed all the relevant agreements.</li> <li>3. Net Income of Oshinei Group Company after deducting non-controlling interest from January 2024 to June 2024, not less than 20.00 million Baht. The Net Income has been prepared by management and reviewed by practitioner according to the agreed-upon procedures between the practitioner and the Company.</li> <li>4. The following key executives which are 1. Mrs. Waraporn Phakpho 2. Mr. Kittisak Leelom 3. Mr. Somporn Phosarach and 4. Mr. Boontham Phakpho have signed the Management Agreement and agreed to work with the Company for a period of 5 years ("<b>Key Executives</b>").</li> <li>5. Unless otherwise permitted under the terms of the Share Purchase Agreement or the Subscription Agreement, Oshinei Enterprise and its subsidiaries shall not declare or distribute any dividends or profit shares from Oshinei Enterprise and its subsidiaries.</li> </ol>
<b>Undertaking</b>	<p>1. Sellers, including Mrs. Waraporn Phakpho, Mr. Kittisak Leelom, Mr. Somporn Posarach, Mr. Boontham Phakpho, along with their spouses, underage children, or legal entities in which the key executives hold more than 30% of the shares, agree not to invest in, operate, or employ or encourage the Company's executives and/or employees to participate in the operation of additional Japanese restaurants. This restriction does not apply to Japanese restaurants that were established before the signing of the share purchase agreement, including the expansion of such restaurants within the Bangkok metropolitan area. This agreement is effective from the completion of the share purchase until three years after the individuals cease to be shareholder.</p>

	<p>2. Mr. Panot Kittiparsart, Ms. Achara Phakarat, and Mr. Na-Pajra Umpudh, along with their spouses, underage children, or legal entities in which the key executives hold more than 30% of the shares, agree not to invest in, operate, or employ or encourage the Company's executives and/or employees to participate in the operation of additional Japanese restaurants. This agreement is effective for three years from the completion of the share purchase.</p>
<p><b>Termination</b></p>	<p>At any time prior to the completion of the share purchase transaction, the Share Purchase Agreement may be terminated if one or more of the following events occur:</p> <ol style="list-style-type: none"> <li>1. The representations and warranties of either party are found to be false, incorrect, or misleading in any material respect and cannot be remedied within specified period in the Agreement after the other party provides written notice.</li> <li>2. There is a material breach of any obligation, covenant, or agreement by either party under this Agreement, which cannot be remedied within specified period in the Agreement after the other party provides written notice.</li> <li>3. Either party has filed for bankruptcy, or a bankruptcy petition has been filed against either party, or either party is insolvent, bankrupt, has assigned rights or agreements for the benefit of creditors, or is undergoing liquidation or asset protection proceedings.</li> <li>4. Oshinei Enterprise defaults under the Subscription Agreement, resulting in the buyer's (as subscriber) right to terminate the Share Purchase Agreement, or the Subscription Agreement has been terminated for any reason.</li> <li>5. Additionally, the buyer has the right to terminate the Agreement if the share purchase transaction is not completed by December 23, 2024, unless the delay is due to events that give rise to termination rights, which the parties must invoke according to the aforementioned provisions.</li> </ol> <p>Furthermore, the parties may mutually agree to terminate the Share Purchase Agreement in writing, and either party may agree to terminate the Agreement if there are legal prohibitions, actions by government authorities, or court orders that prevent the parties from proceeding with the share purchase transaction.</p>

<b>Penalty and Fine</b>	In addition to the right to terminate the Agreement, the party terminating the contract may exercise the right to claim damages for the breach of that Agreement.
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Remark: <sup>1/</sup> The net operating profit of Oshinei Enterprise's consolidated financial statements from January 2024 to June 2024 is calculated from the net operating profit of Oshinei Enterprise's consolidated financial statements, after deducting non-controlling interests of subsidiaries, for the period from January 2024 to June 2024. This net operating profit excludes the following: 1) income and/or expenses from special items, 2) income and/or expenses from one-time transactions, and 3) other income and/or expenses as mutually agreed upon by the contracting parties..

**Summary of the Draft Share Subscription Agreement)**

<b>Contract Parties</b>	<ol style="list-style-type: none"> <li>1. Oshinei Enterprise Co., Ltd.</li> <li>2. Ubon Bio ethanol Public Company Limited or its subsidiaries</li> </ol>
<b>Subscribed Shares</b>	The total number of shares that the Company will subscribe for 67,692 shares. The par value of 100 Baht per share accounts for 12.75% of Oshinei's total issued and outstanding shares.
<b>Capital added value</b>	76,000,000 Baht
<b>Other conditions specified in the relevant agreements</b>	<ol style="list-style-type: none"> <li>1. The Board of Directors Meeting and the Extraordinary General Meeting of Shareholders of the Company approved the transaction of asset acquisition and connected transactions.</li> <li>2. The parties have signed all the relevant agreements.</li> <li>3. Net Income of Oshinei Group after deducting non-controlling interest from January 2024 to June 2024, not less than 20.00 million Baht<sup>1/</sup>. The Net Income has been prepared by management and reviewed by practitioner according to the agreed-upon procedures between the practitioner and the Company.</li> <li>4. The Key Executives have signed the Management Agreement and agreed to work with the Company for a period of 5 years.</li> <li>5. Other conditions in the Share Purchase agreement must be fulfilled or waived.</li> </ol>
<b>Termination</b>	<p>Either party to the Subscription Agreement has the right to terminate the agreement by providing written notice at least seven days in advance to the other party if any of the following events occur:</p> <p>(1) A material breach of the obligations under the Subscription Agreement that cannot be remedied within specified period in the Agreement after the other party provides written notice.</p>

	<p>(2) A failure to comply with the essential terms and obligations under the Subscription Agreement that cannot be remedied within specified period in the Agreement after the other party provides written notice.</p> <p>(3) A breach of representations and warranties that is proven to be false and misleading in any material respect.</p> <p>(4) A default by the party under the Share Purchase Agreement, which gives rise to termination rights under the Subscription Agreement. However, if the Share Purchase Agreement is terminated, it shall be deemed that the Subscription Agreement is also terminated with immediate effect.</p> <p>In this case, the defaulting party shall compensate the other party for any damages incurred due to the default.</p>
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Remark: <sup>1/</sup> The net operating profit of Oshinei Enterprise's consolidated financial statements from January 2024 to June 2024 is calculated from the net operating profit of Oshinei Enterprise's consolidated financial statements, after deducting non-controlling interests of subsidiaries, for the period from January 2024 to June 2024. This net operating profit excludes the following: 1) income and/or expenses from special items, 2) income and/or expenses from one-time transactions, and 3) other income and/or expenses as mutually agreed upon by the contracting parties

**Summary of the Draft Shareholder Agreement**

<b>Contract Parties</b>	<ol style="list-style-type: none"> <li>Miso Harmony Limited, UMP Lab Co., Ltd, and Supmankong Ingress Co., Ltd., Mrs. Waraporn, Mr. Kittisak, Mr. Somporn, Mr. Panot, Ms. Achara, Mr. Na-pajra, and Mr. Tossri</li> <li>Ubon Bio ethanol Public Company Limited or its subsidiaries</li> </ol>
<b>Company</b>	Oshinei Enterprise
<b>Other conditions to be Fulfilled by the Sellers Before Transaction Completion</b>	<ol style="list-style-type: none"> <li>The Company's Board of Directors and the Extraordinary General Meeting of Shareholders have approved the execution of this transaction.</li> <li>The parties have signed all relevant agreements.</li> <li>All parties involved shall take necessary actions to amend the regulations of Oshinei Enterprise as soon as possible to comply with the terms of the shareholders' agreement.</li> <li>The following key executives: 1. Mrs. Waraporn Pakpho; 2. Mr. Kittisak Leelom; 3. Mr. Somporn Posarach; and 4. Mr. Boontham Pakpho have signed the Management Agreement, agreeing to work with the Company for a period of 5 years ("<b>Key Executives</b>").</li> </ol>
<b>Other conditions</b>	<ol style="list-style-type: none"> <li>The Sellers, including <b>Mrs. Waraporn Phakpho, Mr. Kittisak Leelom, Mr. Somporn Posarach, Mr. Boontham Phakpho</b>, and their spouses, underage</li> </ol>

	<p>children, or legal entities in which these individuals hold more than 30.0% of shares, agree not to invest, operate, hire, or solicit the management and/or employees of the Company to participate in the operation of any additional Japanese restaurants "except for those Japanese restaurants already established prior to the execution of the contract, including the expansion of those restaurants in the Bangkok area only." This agreement shall take effect from the date of the completion of the share sale until three years after such individuals cease to be shareholders.</p> <p><b>Mr. Panot Kittiparsart, Ms. Achara Phakarat, and Mr. Na-pajra Umpudh,</b> including their spouses, underage children, or legal entities in which these individuals hold more than 30.0% of shares, also agree not to invest, operate, hire, or solicit the management and/or employees of the Company to participate in the operation of any additional Japanese restaurants. This agreement shall take effect for three years from the date of the completion of the share sale.</p> <p>2. On the date of the transaction, the Company shall hold a 60.00% stake of the total shares of Oshinei Enterprise and shall have the right to propose three individuals to be appointed as directors of Oshinei Enterprise out of a total of five directors. The authorized signatories of Oshinei Enterprise shall consist of three directors, with the authority to sign being two out of three directors, including one director appointed by the Sellers and one director appointed by the Company, signing jointly.</p> <p>3. If any shareholder wishes to transfer or sell some or all of the common shares held at that time to a third party, the shareholder must first offer to sell the shares to the other existing shareholders, specifying the name of the third party, the price per share offered, and the terms for the transfer of shares that are not less than the terms proposed to or received from the third party. If the other existing shareholders refuse or do not exercise their right to purchase the offered shares, the shareholder wishing to transfer or sell the common shares may proceed with the transfer and sale.</p>
<p><b>Termination</b></p>	<p>If the share purchase and subscription of additional shares under the Share Purchase Agreement and Share Subscription Agreement do not take place and the agreements are terminated, it shall be considered as a termination of the agreements between the shareholders as well. Neither party shall be entitled to claim compensation from the other party.</p>
<p><b>Penalty and Fine</b></p>	<p>None</p>

<b>Default</b>	<p>For the Purpose of Breach of Contract, It shall be deemed that the Company or its subsidiaries are the shareholders of Group A, while Miso Harmony, UMP Lab, Mrs. Waraporn, Mr. Kittisak, Mr. Somporn, Mr. Panot, Ms. Achara, Mr. Na-pajra, and Mr. Tossri are shareholders of Group B.</p> <p>The non-breaching party may exercise the right to buy shares (Call Option) or sell shares (Put Option) if any of the following events occur:</p> <ol style="list-style-type: none"> <li>1. if the Defaulting Party commits a material breach of any of its obligations under this Agreement and fails to remedy such breach (if capable of remedy) within 15 days after being given written notice by any Party to do so</li> <li>2. insolvency proceedings being commenced by or against the Defaulting Party, or the Defaulting Party makes an assignment for the benefit of its creditors generally, or is unable to pay its debts as they fall due.</li> </ol> <p>However, in the event that one of the Group B shareholders is the breaching party, the other Group B shareholders shall not be considered breaching parties and shall not be able to exercise the rights to buy shares (Call Option) or sell shares (Put Option). Only the Group A shareholders may exercise these rights.</p> <p>The price for exercising the right to buy shares (Call Option) shall be equal to 90% of the fair market price, and the price for exercising the right to sell shares (Put Option) shall be equal to 110% of the fair market price. Here, "fair market price" refers to the price of the shares determined by an independent appraiser appointed by the non-breaching party, calculated based on total assets (excluding goodwill and all intangible assets) at market value, less total liabilities, divided by the total number of shares.</p>
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**Summary of the Draft First Call Option Agreement**

<b>Contract Parties</b>	<ol style="list-style-type: none"> <li>1. Miso Harmony, UMP Lab, and Supmankong</li> <li>2. Ubon Bio ethanol Public Company Limited or its subsidiaries</li> </ol>
<b>Purchase share</b>	The shares held by the seller in Oshinei, totaling no more than 53,296 shares with a par value of 100 Baht per share, represent not less than 5% and no more than 10% of the total issued and paid-up shares of Oshinei.
<b>Purchase Price</b>	Par Price (100 Baht/share)
<b>Other conditions to be Fulfilled by the Sellers</b>	If the combined financial performance of Oshinei for the years 2024 and 2025 <sup>1/</sup> , as shown in the audited financial statements of the Company as audited by a Certified Public Accountant, is less than 97,000,000 Baht.

<b>Before Transaction Completion</b>	
<b>Termination</b>	None
<b>Penalty and Fine</b>	None

Remark: <sup>1/</sup> The net operating profit of Oshinei Enterprise's consolidated financial statements for the years 2024 and 2025 is calculated from the net operating profit of Oshinei Enterprise's consolidated financial statements, after deducting non-controlling interests of subsidiaries, for the years 2024 and 2025. This net operating profit excludes the following: 1) income and/or expenses from special items, 2) income and/or expenses from one-time transactions, and 3) other income and/or expenses as mutually agreed upon by the contracting parties.

**Summary of the Draft Second Call Option Agreement**

<b>Contract Parties</b>	<ol style="list-style-type: none"> <li>Miso Harmony Limited, UMP Lab Co., Ltd, and Supmankong Ingress Co., Ltd</li> <li>Ubon Bio ethanol Public Company Limited or its subsidiaries</li> </ol>
<b>Purchase Share</b>	Seller shares held in Company Oshinei 53,296 shares with a par value of 100 Baht per share, accounting for 10.00% of Oshinei's total issued and sold shares.
<b>Purchase Price</b>	<ul style="list-style-type: none"> <li>Transaction Price = Price-to-earning ratio at 11.5 x Net Profit from Oshinei's Consolidated Financial Statements for 2026<sup>1/</sup> x 10% - Transaction Price under the First Call Option Agreement (if any)</li> <li>The price-to-earnings (P/E) ratio of 11.5 times is derived from the estimated net profit used in evaluating the discounted cash flow (DCF) value of Oshinei. The Company has determined this ratio by dividing the transaction price for the purchase of Oshinei's common shares by the projected net profit from the consolidated financial statements of Oshinei and its subsidiaries for the year 2024.</li> <li>The net profit from operations used to calculate the transaction price is divided into three scenarios as follows: <ol style="list-style-type: none"> <li>If net profit from the consolidated financial statements of Oshinei is less than or equal to 45.22 million Baht, use a fix net profit from the consolidated financial statements of Oshinei of 45.22 million Baht for calculating the transaction price.</li> <li>If net profit from the consolidated financial statements of Oshinei is more than 45.22 million Baht but less than 75.22 million Baht, use the</li> </ol> </li> </ul>



	<p>actual net profit from the consolidated financial statements of Oshinei for calculating the transaction price.</p> <p>(3) If net profit from the consolidated financial statements of Oshinei is greater than or equal to 75.22 million Baht, use a fix net profit from the consolidated financial statements of Oshinei of 75.22 million Baht for calculating the transaction price.</p> <ul style="list-style-type: none"> <li>● In such a case, the transaction price under the Second Call Option Agreement will range between 52.00 million Baht and 86.50 million Baht.</li> </ul>
<b>Other conditions to be Fulfilled by the Sellers Before Transaction Completion</b>	<p>Oshinei has prepared the audited financial statements for the year 2026 correctly</p> <p>If either party fails to comply with the contract, the other party may sue for damages incurred. However, the contract does not specify any penalties or other consequences for non-compliance.</p>
<b>Termination</b>	None
<b>Penalty and Fine</b>	None

Remark: <sup>1/</sup> The net operating profit of Oshinei Enterprise's consolidated financial statements for the year 2026 is calculated from the net operating profit of Oshinei Enterprise's consolidated financial statements, after deducting non-controlling interests of subsidiaries, for the year 2026. This net operating profit excludes the following: 1) income and/or expenses from special items, 2) income and/or expenses from one-time transactions, and 3) other income and/or expenses as mutually agreed upon by the contracting parties.

**Summary of Franchise Agreement**

<b>Contract Parties</b>	<ol style="list-style-type: none"> <li>1. Oshinei Enterprise as the Franchisor</li> <li>2. The legal entity that opens Japanese restaurant branches under the name Oshinei as the Franchisee</li> </ol>
<b>Granting Franchise Rights</b>	<ol style="list-style-type: none"> <li>1. The franchisor agrees to allow the franchisee to operate the franchise store and establish the restaurant with the size and seating capacity as agreed upon in the contract.</li> <li>2. All raw materials must be sourced exclusively from the franchisor through the supplier Daiki Food, unless written approval is obtained from the franchisor to use materials from other sources.</li> <li>3. The franchise rights shall be granted for a period of 10 years, with the possibility of renewing the contract.</li> </ol>

	<p>4. The franchisee must not transfer the rights to operate the franchise store unless written consent is obtained from the franchisor.</p>
<p><b>Duties of the Franchisor</b></p>	<ol style="list-style-type: none"> <li>1. The franchisor shall not permit others to use the trademark for operating Oshinei Japanese restaurants that are in direct competition with the franchise operation in the same province for the duration specified in the contract.</li> <li>2. After the term specified in no.1, the franchisor guarantees that no individual or legal entity shall be allowed to use the trademark for operating Oshinei Japanese restaurants in the same province as the franchisee beyond the number of branches agreed upon in the contract.</li> <li>3. The franchisor must provide employees for the positions of Head Sushi Chef, Head Kitchen Chef, and Branch Manager, with the franchisee being responsible for the monthly service fees.</li> <li>4. The franchisor shall conduct training and provide knowledge regarding restaurant management to the initial set of employees at all levels, without charging any additional fees to the franchisee.</li> <li>5. The franchisor will conduct periodic visits, inspections, evaluations, and provide business guidance to the franchisee during the startup phase and throughout the contract duration, as deemed necessary by the franchisor, without any costs to the franchisee.</li> <li>6. The franchisor is responsible for providing tools, utensils, and equipment necessary for operating the franchise store, with the franchisee bearing the associated costs.</li> </ol>
<p><b>Duties of the Franchisee</b></p>	<ol style="list-style-type: none"> <li>1. The franchisee is responsible for operating the franchise store and constructing the franchise location to provide Oshinei Japanese restaurant services according to the specifications set by the franchisor, unless it is agreed that the franchisor will construct the franchise store, in which case the franchisee will bear the construction costs.</li> <li>2. The franchisee shall not merge or transfer the business, in whole or in part, to any individual or legal entity and shall not allow any individual or legal entity to utilize the franchise rights under this agreement. The franchisee also agrees not to change management, the managing director, or shareholders without written permission from the franchisor.</li> <li>3. The franchisee must purchase raw materials and products as specified under the franchisor's trademark and shall not source raw materials or products from other suppliers unless authorized in writing by the franchisor.</li> </ol>

	<ol style="list-style-type: none"> <li>4. The franchisee must hire staff for all positions except those provided by the franchisor, which include: 1) Head Sushi Chef, 2) Head Kitchen Chef, and 3) Branch Manager.</li> <li>5. The franchisee must prepare sales reports, expense reports, accounting documents, and other necessary paperwork according to the formats and methods specified by the franchisor.</li> <li>6. The franchisee agrees to provide services at prices determined by the franchisor.</li> <li>7. The franchisee agrees not to disclose the franchisor's trade secrets to external parties or between other franchise branches, whether directly or indirectly.</li> <li>8. The franchisee must obtain insurance to cover all potential damages that may occur during the operation of the franchise store.</li> </ol>
<p><b>Compensation for Franchise Rights</b></p>	<ol style="list-style-type: none"> <li>1. The franchisee shall pay the franchise fee as agreed in the contract</li> <li>2. During the contract term, franchisee must pay compensation to the franchisor as follows:             <ol style="list-style-type: none"> <li>2.1 A royalty fee of 3% of the net revenue for each month</li> <li>2.2 A marketing fee of 3% of the net revenue for each month<sup>1/</sup></li> </ol> </li> </ol>
<p><b>Termination</b></p>	<ol style="list-style-type: none"> <li>1. If the franchisee fails to pay the compensation/marketing fees for the franchise rights and the cost of raw materials, or if the payment is delayed beyond what is agreed in the contract, the franchisee agrees to incur a penalty of 2% per month on the total outstanding amount from the date of default. The franchisor may terminate the contract and confiscate all franchise rights fees that the franchisee has already paid.</li> <li>2. If the franchisee violates any duties or terms of the franchise agreement and neglects to clarify and propose corrective measures to the franchisor in writing within 15 days as agreed in the contract, the franchisee agrees to allow the franchisor to impose damages at a rate of 15% per year on the damages incurred from the expiration of the 15-day period. If the franchisee still neglects this after 30 days, the franchisor has the right to terminate the contract and confiscate all payments received, as well as reserve the right to claim damages resulting from the breach of contract.</li> </ol> <p>In the event the franchisor breaches any term of the contract, the same provisions shall apply.</p>

	<p>3. In the event of termination of this contract, either party must notify the other party in writing of their intention to terminate the contract, which must be acknowledged by the other party, at least for the duration specified in the contract before the termination.</p> <p>4. As a result of termination for any reason, the franchisee must immediately cease operations of the franchise and shall have no further rights to use the franchisor's trademarks.</p>
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Remark:<sup>1/</sup> Currently, the franchisor has not collected any marketing fees in the past year.

### Details of acquired assets

#### 1. Oshinei Enterprise Company Limited ("Oshinei Enterprise")

##### 1.1 General Information of Oshinei Enterprise

<b>Company Name</b>	Oshinei Enterprise Company Limited
<b>Business Type</b>	Food & Beverage Business
<b>Location</b>	141 Major Tower Thonglor, 15th Floor OFFICE 6-7 Soi Sukhumvit 63 (Ekkamai), Khlong Tan Nuea, Wattana Bangkok 10110
<b>Registration Number</b>	0105559198225
<b>Registered Capital</b>	Baht 46,500,000 <sup>1/</sup>
<b>Paid-up capital</b>	Baht 46,500,000
<b>Par</b>	Baht 100

Remark: <sup>1/</sup> Oshinei Enterprise to increase capital by 46,000,000 baht. On July 19, 2024

##### 1.2 Lists of Shareholders of Oshinei Enterprise

No.	List of Shareholders	Shareholding (percent)	Number of Shares Held (Shares)
1	Miso Harmony Limited	49.39%	229,680
2	UMP Lab Company Limited	2.38%	11,068
3	Supmankong Ingress Company Limited	2.38%	11,068
4	Mrs. Waraporn Pakpho	11.43%	60,909
5	Mr. Tassi Kowasurat	8.00%	42,637
6	Mr. Kittisak Leelom	6.86%	36,546
7	Mr. Somporn Phothiraj	6.86%	36,546
8	Mr. Napachar Ampuch	2.29%	12,182
9	Ms. Achara Pakarat	2.29%	12,182
10	Mr. Panat Kittiparsart	2.29%	12,182

<b>No.</b>	<b>List of Shareholders</b>	<b>Shareholding (percent)</b>	<b>Number of Shares Held (Shares)</b>
	<b>Total</b>	<b>100.00%</b>	<b>465,000</b>

### 1.3 List of Board of Directors of Oshinei Enterprise

No.	Name	Position
1	Mrs. Waraporn Phakpho	Director
2	Mr. Na-Pajra Umpudh	Director

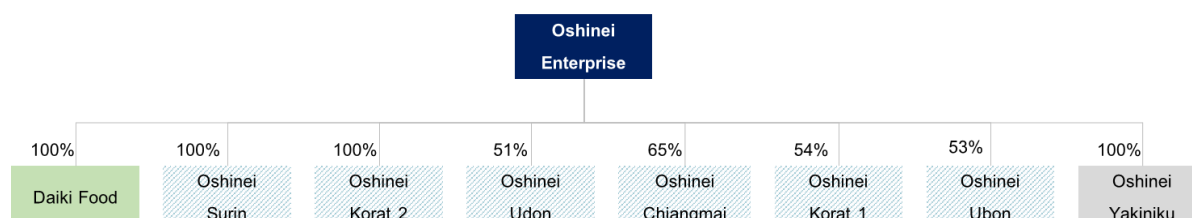
**Remark:** On the date of the transaction, the Company will be the shareholder of 60.00% of Oshinei's total shares and has the right to nominate a person to be appointed as a Director of the Company, three directors from a total of five directors

### 1.4 Business Overview of Oshinei Enterprise

Oshinei Enterprise was established on December 29, 2016, through the collaboration of three chefs: 1. Chef Somporn Phosarat, serving as the Executive Chef, 2. Chef Kittisak Leelalom, serving as the Executive Chef, and 3. Chef Boontham Pakpho, serving as the Consulting Chef. All three chefs have over 20 years of experience in running restaurant businesses.

Currently, Oshinei Enterprise operates a franchise business for Japanese restaurants under the name "Oshinei." The company possesses significant assets for its franchise operations, including office equipment, software programs, and franchise agreements. Additionally, Oshinei Enterprise invests in two primary business areas 1) The Import and Distribution of raw materials business under the name Daiki Food Company Limited ("**Daiki Food**"), which includes essential assets such as import licenses, vehicles for transporting ingredients, office equipment, and warehouse lease agreements. 2) The investment in the Japanese restaurant business under the name "Oshinei," which encompasses seven companies: (1) Oshinei Enterprise Surin Company Limited ("**Oshinei Surin**"), (2) Oshinei Enterprise Korat Company Limited ("**Oshinei Korat 2**"), (3) Oshinei Enterprise Chiang Mai Company Limited ("**Oshinei Chiangmai**"), (4) S. Khemrat Japan Food Company Limited ("**Oshinei Ubon**"), (5) Udon Japan Food Company Limited ("**Oshinei Udon**"), (6) S. Khemrat Inter Food Company Limited ("**Oshinei Korat 1**"), and (7) Oshinei Yakniku and Sashimi Company Limited ("**Oshinei Yakiniku**"). The assets essential for the restaurant operations include office equipment, kitchen equipment, and restaurant space lease agreements. Oshinei Enterprise has no connected transactions with any affiliated individuals or entities.

The shareholding structure of Oshinei Enterprise is as follows:



### Oshinei's Customer Groups and Consumer Behavior

#### 1) Business Professionals, Working People, and Government Officials:

Oshinei offers various banquet rooms of different sizes, catering to business professionals, working adults, or government officials who require privacy for discussions and business negotiations. Additionally, the ample parking space serves as a key attraction for these customers, enhancing their overall experience and adding value to Oshinei's in-house banquet services.

#### 2) Customers Focused on Value and Menu Variety:

Oshinei's consumers place great importance on value, both in terms of the quality of food and the variety of menu options. In 2024, Oshinei implemented a pricing strategy by offering a more attractive range of buffet prices and reducing the service charge from 10.0% to 5.0%. This resulted in an increase in the number of monthly customers, as well as a rise in the average spending per customer.



As the franchisor, Oshinei Enterprise has the following responsibilities:

1. Selecting franchise buyers.
2. Identifying suitable locations for setting up restaurants and recruiting key personnel such as branch chefs and managers.
3. Providing training to the team. and
4. Ensuring quality control in services across all branches.

Currently, Oshinei operates a total of 27 Japanese and Shabu restaurant branches across Thailand, divided into: 21 franchise branches, and 6 branches directly invested in by Oshinei Enterprise, along with 1 Yakiniku restaurant.

#### **Oshinei Enterprise's Franchise Management System:**

1. **POS System Management:** Oshinei Enterprise uses a POS system to control franchise operations centrally, ensuring uniform standards in food ordering and menu offerings across all locations. This helps prevent any actions that could harm the company or franchisees. The POS system is scalable, allowing for unlimited branches and brands, including the new Yakiniku restaurant that opened its first branch in September 2024, and supports future expansion of Oshinei Japanese restaurants.

2. **Human Resource Management:** Oshinei Enterprise handles the recruitment of senior-level staff, including Head Sushi Chefs, Head Hot Kitchen Chefs, and Branch Managers for franchisees. Franchisees are responsible for hiring operational-level staff, such as Assistant Chefs, Receptionists, and Cleaning Staff. Oshinei Enterprise also provides staff training, with a Chef Training Center and Food Development Hub located at Oshinei Korat 2. Chefs are rotated through training programs at scheduled intervals.
3. **Quality Control of Ingredients:** Oshinei Enterprise manages ingredient quality through its subsidiary, Daiki Food. Daiki Food plans ingredient demand, ensures quality control, and organizes the transportation and distribution of ingredients to all branches. This process includes analyzing demand and sales at each branch to ensure sufficient ingredient supply to meet the needs of all locations.

The management of OE's franchise operations is led by two key executives who play crucial roles in setting standards and business strategies: Khun Kittisak Leelalom and Khun Somporn Phosarat.

Khun Kittisak Leelalom is responsible for establishing and designing service standards and menu offerings to ensure consistent quality across all branches. He also oversees the opening of new branches in collaboration with the company's setup team, ensuring a smooth business launch. Additionally, he approves franchisee requests, such as local promotional activities, to support marketing efforts and sales.

Khun Somporn Phosarat manages the Quality Control (QC) team for franchise branches according to the company's QSC (Quality, Service, and Cleanliness) manual, monitoring each branch's progress in addressing and implementing improvements. He also resolves issues when a branch's operations deviate from OE's policies, ensuring the maintenance of high standards and a positive brand image. Furthermore, he leads the support team for franchise branches, which includes dispatching head chefs or central managers to assist branches experiencing staffing shortages or operational challenges.

There are differences in daily management between franchise stores and company-owned stores, as franchisees may adopt different management approaches. However, the processes for ingredient preparation, cleanliness, and customer service follow the same standards, as OE plays a critical role in selecting and setting guidelines that align with OE's philosophy for all branches.

OE does not have a policy to reduce the franchise royalty fee. However, OE may offer additional packages for new store formats to accommodate the company's diverse business expansion. Upfront fees may be adjusted based on the size and format of the store.



The details of the Japanese restaurant branches are as follows:

No.	Company	Province	Open Date	No. of seat	Store Type
1	S. Khemrat Japan Food Co., Ltd.	Ubon Ratchathani	2013	136	Invested Store
2	Udon Japanfood Co., Ltd.	Udon Thani	2015	136	Invested Store
3	S. Khemrat Inter Food Co., Ltd.	Nakhon Ratchasima	2016	151	Invested Store
4	Oshinei Enterprise Chiang Mai Co., Ltd.	Chiang Mai	2019	206	Invested Store
5	Oshinei Enterprise Surin Co., Ltd.	Surin	2021	112	Invested Store
6	Oshinei Enterprise Korat Co., Ltd.	Nakhon Ratchasima	2022	180	Invested Store
7	22 Company Limited	Chiang Rai	2014	130	Franchise Store
8	Oshinei (Khonkaen) Company Limited	Khonkaen	2017	208	Franchise Store
9	Nubnueng Business Company Limited	Mukdahan	2017	116	Franchise Store
10	Rstudio and Restaurant Company Limited	Nakhon Phanom	2017	108	Franchise Store
11	Kodkamrai Company Limited	Phitsanulok	2018	130	Franchise Store
12	Chokthana Food Company Limited	Roi Et	2018	121	Franchise Store
13	Oshinei Mahasarakham Company Limited	Maha Sarakham	2019	130	Franchise Store
14	Handle Foods Co., Ltd.	Rayong	2019	132	Franchise Store
15	Oshinei Vientiane	Vietian	2019	124	Franchise Store
16	Oshinei Hatyai Company Limited	Songkhla	2019	134	Franchise Store
17	Look Larn Arma Co., Ltd.	Buriram	2020	130	Franchise Store
18	Kamraisaichon Co., Ltd.	Chonburi	2020	130	Franchise Store
19	Oishi Guzzu Co., Ltd.	Ayutthaya	2021	176	Franchise Store
20	V.B. Euphoria Plus Co., Ltd	Nakhon Pathom	2021	158	Franchise Store
21	Oshinei (Nakhon Sawan) Co., Ltd.	Nakhon Sawan	2021	168	Franchise Store
22	Double S Brother & Sister Co., Ltd.	Phetchabun	2021	156	Franchise Store
23	PR Store Limited Partnership	Sakon Nakhon	2021	170	Franchise Store
24	Oshini Sisaket Co., Ltd.	Sisaket	2022	176	Franchise Store
25	Oshinei Suphanburi Co., Ltd.	Suphanburi	2022	157	Franchise Store
26	Tangpaiboon Food Co., Ltd.	Lopburi	2022	152	Franchise Store
27	Tae Food Co., Ltd.	Chachoengsao	2022	154	Franchise Store
28	Oshinei Yakiniiku and Sashimi Co., Ltd	Ubon Ratchathani	2024	100	Invested Store

**Summary of Oshinei and its subsidiaries' executives before and after the transaction**

Company	Executives before the Transaction	Executives after the Transaction
Oshinei Enterprise	Mr. Kittisak Leelom Mr. Somporn Posarach Mr. Panot Kittiparsart Mrs. Waraporn Phakpho	Mr. Kittisak Leelom Mr. Somporn Posarach Mr. Boontham Phakpho Mrs. Waraporn Phakpho
Daiki Food	Mr. Kittisak Leelom	Mr. Kittisak Leelom
Oshinei Surin	Mr. Panot Kittiparsart	Mr. Kittisak Leelom
Oshinei Korat 2	Mr. Panot Kittiparsart	Mr. Somporn Posarach
Oshinei Chiangmai	Mr. Panot Kittiparsart	Mr. Somporn Posarach
Oshinei Ubon	Mr. Somporn Posarach	Mr. Somporn Posarach
Oshinei Udon	Mr. Somporn Posarach	Mr. Somporn Posarach
Oshinei Korat 1	Mr. Kittisak Leelom	Mr. Kittisak Leelom
Oshinei Yakiniku	Mr. Kittisak Leelom	Mr. Kittisak Leelom

**1.5 Financial Information of Oshinei Enterprise**

Oshinei Enterprise's separate financial statements are as follows:

Income Statement (Unit: Baht)	For the year ended December 31		
	2564	2565	2566
Revenue from sales and services	39,256,388	54,692,974	42,414,992
Dividend Income	5,010,000	-	7,515,000
Other income	1,028,707	479,438	5,352,555
<b>Total Revenue</b>	<b>45,295,095</b>	<b>55,172,412</b>	<b>55,282,546</b>
Cost of sales and service	(3,781,027)	(5,076,524)	(8,288,699)
Sales and service expenses	(9,568,152)	(13,832,921)	(17,285,388)
<b>Total expenses</b>	<b>(13,349,189)</b>	<b>(18,909,445)</b>	<b>(25,574,087)</b>
Profit before income tax expense	31,945,915	36,262,967	29,708,460
Income tax expenses	(5,416,870)	(7,261,275)	(4,467,300)
<b>Net Profit</b>	<b>26,529,045</b>	<b>29,001,691</b>	<b>25,241,160</b>

Statement of Financial Position (Unit: Baht)	As of December 31		
	2564	2565	2566
Current Assets			
Cash and Cash Equivalents	23,102,402	41,285,074	17,350,752
Trade receivables and other receivables	9,164,987	10,660,741	31,577,176
Short-term loans to related individuals and entities.	8,920,000	5,650,000	7,800,000
Other Current Assets	656,457	638,004	687,582
<b>Total Current Assets</b>	<b>41,843,845</b>	<b>58,233,818</b>	<b>57,415,509</b>
Non-current assets			
Long-term investments in related companies	11,404,000	11,404,000	17,604,000
Device-Net	697,337	698,620	397,656
Intangible Assets-Net	121,984	104,413	86,982
<b>Total non-current assets</b>	<b>12,223,320</b>	<b>12,207,034</b>	<b>18,088,638</b>
<b>Total Assets</b>	<b>54,067,166</b>	<b>70,440,852</b>	<b>75,504,147</b>
Current liabilities			
Trade creditors and other creditors	1,770,355	2,604,203	2,938,606
Accrued corporate income tax	2,329,734	2,817,645	1,201,193
Other current liabilities	839,324	348,706	495,693
<b>Total current liabilities</b>	<b>4,939,413</b>	<b>5,770,554</b>	<b>4,635,492</b>
Non-current liabilities			
The first money to enter the franchise is received in	312,500	1,562,500	2,500,000
Employee Benefits Obligations	144,436	235,289	254,987
<b>Total non-current liabilities</b>	<b>456,936</b>	<b>1,797,789</b>	<b>2,754,987</b>
<b>Total Liabilities</b>	<b>5,396,348</b>	<b>7,568,343</b>	<b>7,390,479</b>
Shareholders' Equity			
Issued and paid-up capital - ordinary shares	500,000	500,000	500,000
Legal Reserve	50,000	50,000	50,000
Retained earnings have not yet been allocated.	48,320,817	62,322,509	67,563,668
<b>Total Equity</b>	<b>48,670,817</b>	<b>62,872,509</b>	<b>68,113,668</b>
<b>Total liabilities and shareholders' equity</b>	<b>54,067,166</b>	<b>70,440,852</b>	<b>75,504,147</b>

The pro-forma consolidated financial statements of Oshinei have been prepared to evaluate the evaluation of a potential transaction. The assumptions are as follows:

- (1) Restructuring of Oshinei group was completed as of January 1, 2021 by transferring shares from
  - 1.1 Daiki Food from seller group, increasing ownership from 50.10% to 100.00%
  - 1.2 Oshinei Surin from seller group, increasing ownership from 97.00% to 100.00%
  - 1.3 Oshinei Korat 2 from seller group, increasing ownership from 97.00% to 100.00%
  - 1.4 Oshinei Udon from seller group, increasing ownership from 1.00% to 51.00%
  - 1.5 Oshinei Korat 1 from seller group, increasing ownership from 1.00% to 54.00% and
  - 1.6 Oshinei Ubon from seller group, increasing ownership from 1.00% to 53.00%
- (2) Franchise agreements were executed and franchise fees were collected from S. Khemrat Japan Food Co., Ltd., Udon Japanfood Co., Ltd., and S. Khemrat Inter Food Co., Ltd. starting from January 1, 2021.
- (3) Adjustments were made in accordance with the management agreement to the compensation of shareholders holding management positions within the Oshinei Group. These adjustments reflect a 30.00% reduction in salaries starting from January 1, 2021 to ensure alignment with industry standards.
- (4) Accounting entries were adjusted to align with the standards for Public Accountable Entities (PAEs), including adjustments for Employee Benefit Obligation, TFRS 15 (Revenue from Contracts with Customers), TFRS 16 (Leases), and the reclassification of expenses that do not match the reporting period.

**Oshinei Enterprise's Consolidated Pro-forma Financial Information is as follows:**

Pro-forma Consolidated Income Statement	For the year ended December 31				
	2564	2565	2566	2565	2566
	Amount (Million Baht)			Rate of change from the prior year (percent)	
Total Revenue	545.3	740.2	625.8	35.7	-15.5
Total cost	(389.9)	(544.3)	(464.4)	39.6	-14.7
<b>Gross Profit</b>	<b>155.3</b>	<b>196.0</b>	<b>161.4</b>	<b>26.2</b>	<b>-17.7</b>
Other income	3.1	3.5	5.0	12.9	42.9
Gains (losses) on exchange rates	(0.7)	(0.8)	0.4	14.3	-150.0
Cost of Sale	(1.6)	(3.0)	(2.2)	87.5	-26.7
Administrative expenses	(101.5)	(120.3)	(128.1)	18.5	6.5
<b>Profit before finance costs and income tax</b>	<b>54.6</b>	<b>75.3</b>	<b>36.5</b>	<b>37.9</b>	<b>-51.5</b>
Financial costs	(1.1)	(1.2)	(1.3)	9.1	8.3
income tax	(7.2)	(9.3)	(7.2)	29.2	-22.6
<b>Net Profit</b>	<b>46.2</b>	<b>64.8</b>	<b>28.0</b>	<b>40.3</b>	<b>-56.8</b>

Pro-forma consolidated statement of financial position	As of December 31				
	2564	2565	2566	2565	2566
	Amount (Million Baht)			Rate of change from the prior year (percent)	
<b>Assets</b>					
<b>Current Assets</b>					
Cash and cash equivalents	87.9	113.5	83.6	29.1	-26.3
Trade and other receivables	48.3	49.6	44.3	2.7	-10.7
Inventory	21.0	28.0	15.3	33.3	-45.4
Short-term investments	0.2	0.2	0.2	-	-
Short-term loans to related parties	9.6	9.6	9.6	-	-
Short-term loans to a third party	-	-	0.1	-	-
<b>Total Current Assets</b>	<b>167.1</b>	<b>200.9</b>	<b>153.1</b>	<b>20.2</b>	<b>-23.8</b>
<b>Non-current Assets</b>					
Property, plant and equipment, net	54.5	53.3	90.8	(2.2)	70.4
Intangible assets, net	0.1	0.1	0.1	0.0	0.0
Right-of-use assets	17.5	23.4	20.7	33.7	-11.5
Other non-current assets	2.9	3.1	6.0	6.9	93.5
<b>Total Non-current assets</b>	<b>75.0</b>	<b>80.0</b>	<b>117.6</b>	<b>6.7</b>	<b>47.0</b>
<b>Total Assets</b>	<b>242.1</b>	<b>280.8</b>	<b>270.7</b>	<b>16.0</b>	<b>-3.6</b>
<b>Liabilities</b>					
<b>Current Liabilities</b>					
Trade and other payables	76.8	67.8	68.4	-11.7	0.9
Current portion of deferred income - upfront fee	4.5	5.5	6.1	22.2	10.9
Lease liabilities	4.4	7.3	7.2	65.9	-1.4
Income tax payables	3.5	4.0	-	14.3	-
<b>Total current liabilities</b>	<b>89.2</b>	<b>84.7</b>	<b>81.8</b>	<b>(5.0)</b>	<b>(3.4)</b>
<b>Non-current liabilities</b>					
Deferred income - upfront fee	43.0	38.7	33.5	-10.0	-13.4
Non-current portion of lease liabilities, net	13.6	16.6	13.9	22.1	-16.3
Loans from banks	3.6	0.2	19.0	-94.4	9400.0
Employee benefit obligations	0.1	0.2	0.2	100.0	0.0
<b>Total non-current liabilities</b>	<b>60.4</b>	<b>55.7</b>	<b>66.7</b>	<b>-7.8</b>	<b>19.7</b>
<b>Total Liabilities</b>	<b>149.6</b>	<b>140.4</b>	<b>148.4</b>	<b>-6.1</b>	<b>5.7</b>

Pro-forma consolidated statement of financial position	As of December 31				
	2564	2565	2566	2565	2566
	Amount (Million Baht)			Rate of change from the previous year (percent)	
<b>Shareholders' Equity</b>					
Issued and paid-up capital - ordinary shares	0.3	0.5	0.5	66.7	0.0
Additional investments in OSNs and Daiki	7.7	7.7	7.5	0.0	-2.6
TFRS adjustments	(47.6)	(43.1)	(37.5)	-9.5	-13.0
Legal Reserve	0.1	0.1	0.2	0.0	100
Retained earnings	132.0	175.2	151.6	32.7	-13.5
<b>Total Shareholder's Equity</b>	<b>92.5</b>	<b>140.4</b>	<b>122.3</b>	<b>51.8</b>	<b>-12.9</b>
<b>Total Liabilities and Shareholders' Equity</b>	<b>242.1</b>	<b>280.8</b>	<b>270.7</b>	<b>16.0</b>	<b>-3.6</b>

## Income Statement

### **Total Revenue**

In 2022, OE reported total revenue of THB 740.2 million, an increase of THB 194.9 million, or 35.74%, from 2021. The key factors contributing to this revenue growth include (1) Increased revenue from Oshinei-owned restaurants, primarily driven by a significant rise in the average spending per customer in Oshinei-owned branches. In 2022, the average spending per customer was THB 606, compared to THB 590 in 2021. A higher number of customers visiting Oshinei-owned branches, as the easing of the COVID-19 pandemic allowed more people to dine out. (2) Increased revenue from Daiki Food's ingredient sales, as customers began dining out more frequently due to the improvement in the COVID-19 situation, resulting in higher sales. (3) Increased royalty fees collected from franchisees and Oshinei-owned branches, driven by: Oshinei's 5% fee on sales from each branch. As overall revenue increased in 2022, Oshinei's royalty income also rose. The addition of three new franchise branches in 2022, which contributed to a further increase in royalty income.

In 2023, OE reported total revenue of THB 625.8 million, a decrease of THB 114.4 million, or 15.46%, from 2022. The main factors contributing to this decline include: (1) Decreased revenue from Oshinei-owned restaurants across all branches, mainly due to: (1.1) Rising interest rates, which weakened domestic consumer purchasing power, leading to a reduction in customer numbers at Oshinei-owned branches in 2023. (1.2) A significant increase in the number of Thai tourists traveling to Japan, as reported by the Japan National Tourism Organization, with a 402% increase in 2023 compared to 2022, which contributed to a decline in OE's revenue. (2) Decreased revenue from Daiki Food, as the demand for Japanese food declined, leading to reduced demand for ingredients, frozen prepared foods, fresh foods, and dried foods. (3) Decreased royalty fees collected from franchisees and Oshinei-owned branches: Oshinei collects a 5% fee on sales from each branch. As overall branch revenue declined in 2023, Oshinei's royalty income decreased accordingly.

### **Total cost**

In 2022, OE's total costs amounted to THB 544.3 million, an increase of THB 154.4 million or 39.6% from 2021. The key factors contributing to this increase in total costs were: (1) Higher revenue from company-owned branches, which led to an increase in the cost of goods sold at these restaurants. (2) The overall rise in revenue from both franchise and company-owned branches, which enabled Daiki Food to sell more raw materials, resulting in an increase in the cost of raw materials.

In 2023, OE's total costs amounted to THB 464.4 million, a decrease of THB 79.9 million or 17.2% from 2022. The key factors contributing to this decrease in total costs were: (1) The decline in revenue from company-owned branches, which led to a reduction in the cost of goods sold at these restaurants. (2) The overall decrease in revenue from both franchise and company-owned branches, which resulted in lower sales of raw materials by Daiki Food and consequently a reduction in raw material costs.

### **Selling expenses**

In 2022, OE's selling expenses amounted to THB 3 million, an increase of THB 1.4 million or 88% compared to 2021. The key factors contributing to the rise in selling expenses were: (1) Increased marketing and advertising efforts, including campaigns to attract new customer groups to both OE-owned branches and franchisee branches. (2) Higher transportation costs for Daiki Food's raw material distribution. (3) Increased expenses for international travel.

In 2023, OE's selling expenses amounted to THB 2.2 million, a decrease of THB 0.8 million or 36% compared to 2022. The key factor contributing to this decrease was the absence of international travel expenses.

### **Administrative expenses**

In 2022, OE's administrative expenses amounted to THB 120.3 million, an increase of THB 19.8 million or 18.5% compared to 2021. The key factors contributing to the rise in administrative expenses were: (1) Daiki Food opened a new warehouse in 2022, resulting in a significant increase in utility and operational costs, as well as higher rental expenses due to the warehouse lease. (2) Both Daiki Food and OE hired additional staff to manage and operate the warehouse, as well as to handle logistics, leading to an increase in administrative expenses. (3) Daiki Food incurred depreciation expenses from the newly opened warehouse building, further contributing to the rise in administrative expenses.

In 2023, OE's administrative expenses amounted to THB 128.1 million, an increase of THB 7.8 million or 6.5% compared to 2022. The key factors contributing to this increase in administrative expenses were: (1) Increased staff-related expenses: In 2023, additional staff were hired to operate the newly opened branch, Oshinei Korat 2. Moreover, employee costs such as salaries, bonuses, uniforms, and other employee benefits rose due to the increased workforce required to meet the growing customer demand. (2) Higher utility costs: The overall rise in electricity rates resulted in increased utility expenses.

### **Net Profit**

In 2022, OE reported a net profit of THB 64.8 million, an increase of THB 18.6 million or 40.26% from 2021. This increase was primarily due to the overall rise in revenue, as the easing of the COVID-19 pandemic led more people to dine out.

In 2023, OE reported a net profit of THB 28 million, a decrease of THB 36.8 million or 57% compared to 2022. This decline was due to the impact of high interest rates, which increased costs and reduced consumer spending, as well as changes in consumer behavior, including a decrease in the popularity of Japanese cuisine during that period.

### **Statement of Financial Position**

As of December 31, 2021 - 2023, OE's financial position comprised total assets of THB 242.2 million, THB 280.8 million, and THB 270.7 million, respectively; total liabilities of THB 149.6 million, THB 140.4 million, and THB 148.4 million, respectively; and total shareholders' equity of THB 92.5 million, THB 140.4 million, and THB 122.3 million, respectively.

As of December 31, 2022, OE's total assets increased by THB 38.7 million, or 29.62% from 2021. The significant change was due to an increase in cash and cash equivalents of THB 25.6 million. At the same time, OE's total liabilities decreased by THB 9.2 million, or 6.15% from 2021, driven primarily by a reduction in trade and other payables of THB 9 million. Shareholders' equity increased by THB 47.9 million, or 51.78% from 2021, mainly due to an increase in retained earnings of THB 43.2 million, as OE recorded a net profit of THB 64.8 million in 2022 and distributed dividends of THB 23.1 million. As a result, OE's total assets and shareholders' equity increased, and liabilities decreased, reflecting the strong performance in 2022, driven by the recovery from the COVID-19 pandemic.

As of December 31, 2023, OE's total assets decreased by THB 10.1 million, or 3.71% from 2022. Significant changes include: (1) a decrease in cash and cash equivalents by THB 29.9 million, and (2) an increase in land, buildings, and equipment by THB 37.5 million due to the construction of the Oshinei Ubon Ratchathani branch and the opening of a new branch in Korat. Meanwhile, OE's total liabilities increased by THB 8 million, or 5.7% from 2022, due to (1) an increase in financial institution borrowings by THB 18.8 million, (2) a decrease in accrued income tax of THB 4 million, and (3) a reduction in deferred franchise fee revenue by THB 5.2 million. Shareholders' equity decreased by THB 18.1 million, or 14.8%, primarily due to (1) a decrease in retained earnings of THB 23.6 million, as dividends of THB 64.7 million were paid while OE's net profit for 2023 was THB 28 million. The dividend payments exceeded the net profit for 2023, leading to a decrease in shareholders' equity.



## 2. Daiki Food Company Limited ("Daiki Food")

### 2.1 General Information of Daiki Food

<b>Company Name</b>	Daiki Food Company Limited
<b>Business Type</b>	Import and Distribution of raw materials business
<b>Location</b>	4 Soi On Nut 88, Yak 4, Prawet, Prawet, Bangkok 10250
<b>Registration Number</b>	0345558001221
<b>Registered Capital</b>	Baht 50,000,000 <sup>1/</sup>
<b>Paid-up capital</b>	Baht 50,000,000
<b>Par</b>	Baht 4,000

Remark: <sup>1/</sup>Daiki Food increased its registered capital by 46,000,000 Baht onn July 19, 2024

### 2.2 List of Shareholders of Daiki Food

No.	List of Shareholders	Shareholding (Percentage)	Number of Shares Held (Shares)
1	Oshinei Enterprise	100.00%	12,499
2	Mrs. Waraporn Phakpho	0.00%	1
	<b>Total</b>	<b>100.00%</b>	<b>465,000</b>

### 2.3 List of Board of Directors of Daiki Food

No.	Name	Position
1	Mr. Kittisak Leelom	Director
2	Mr. Somporn Posarach	Director

### 2.4 Business Overview of Daiki Food

Daiki Food was established on September 21, 2015 and is engaged in the business of distributing important ingredients for Japanese restaurant operations such as salmon, seasoning sauces, salad sauce, and other ingredients for Japanese restaurants. Daiki imports raw materials from abroad to control the quality of food delivered to franchise stores. However, Daiki also plans to increase sales channels by selling raw materials in retail form.

## 2.5 Financial Information of Daiki Food

Income Statement (Unit: Baht)	For the year ended December 31,		
	2564	2565	2566
<b>Revenue</b>			
Revenue from sales or services	400,686,955	569,033,043	480,460,849
Other income – interest income	27,985	1,711,493	563,489
<b>Total Revenue</b>	<b>400,714,940</b>	<b>570,744,536</b>	<b>481,024,338</b>
<b>Expense</b>			
Cost of sales or services	(372,597,302)	(532,056,828)	(420,611,476)
Selling expenses	(8,634,374)	(10,424,303)	(13,197,947)
Administrative expenses	(11,304,114)	(18,979,904)	(18,689,536)
<b>Total Expense</b>	<b>(392,535,789)</b>	<b>(561,461,035)</b>	<b>(452,498,959)</b>
Profit before finance costs and income tax	8,179,150	9,283,501	28,525,379
Financial costs	-	-	(7,195)
<b>Profit before income tax</b>	<b>8,179,150</b>	<b>9,283,501</b>	<b>28,518,184</b>
Income tax expenses	(1,645,016)	(1,856,700)	(5,705,530)
<b>Net Profit</b>	<b>6,534,134</b>	<b>7,426,801</b>	<b>22,812,654</b>

Statement of Financial Position (Unit: Baht)	As of December 31		
	2564	2565	2566
<b>Assets</b>			
Current Assets:			
Cash and cash equivalents	30,183,416	33,028,427	40,424,314
Trade and other receivables	17,958,328	46,569,194	42,609,374
Inventory	3,875,102	28,034,981	14,712,049
Other current assets	-	230,717	-
<b>Total Current Assets</b>	<b>52,016,846</b>	<b>107,863,318</b>	<b>97,745,737</b>
Non-current assets:			
Property, plant and equipment, net	15,990,693	13,880,097	14,454,347
<b>Total Non-current Assets</b>	<b>15,990,693</b>	<b>13,880,097</b>	<b>14,454,347</b>
<b>Total Assets</b>	<b>68,007,539</b>	<b>121,743,416</b>	<b>112,200,083</b>
<b>Liabilities and Shareholders' Equity</b>			
<b>Current liabilities</b>			
Trade and other payables	23,686,208	47,325,696	41,513,727
Income tax payables	1,044,736	1,034,123	4,758,823
Other current liabilities	415,243	95,444	426,727
<b>Total Current Liabilities</b>	<b>25,146,187</b>	<b>48,455,263</b>	<b>46,699,277</b>
<b>Non-current Liabilities</b>			
Long-term borrowings	38,600,000	61,600,000	46,000,000
<b>Total Liabilities</b>	<b>63,746,187</b>	<b>110,055,263</b>	<b>92,699,277</b>
<b>Shareholders' Equity</b>			
Issued and paid-up capital - ordinary shares	4,000,000	4,000,000	4,000,000
Legal Reserve		-	400,000
Retained earnings	261,352	7,688,153	15,100,807
<b>Total Shareholders' Equity</b>	<b>4,261,352</b>	<b>11,688,153</b>	<b>19,500,807</b>
<b>Total Liabilities and Shareholders' Equity</b>	<b>68,007,539</b>	<b>121,743,416</b>	<b>112,200,083</b>

### 3. Oshinei Enterprise Surin Company Limited ("Oshinei Surin")

#### 3.1 General Information of Oshinei Surin

<b>Company Name</b>	Oshinei Enterprise Surin Company Limited
<b>Business Type</b>	Restaurant Business
<b>Location</b>	3/100-102 Sirirat Road Nai Mueang, Mueang Surin, Surin 32000
<b>Registration Number</b>	0325564000291
<b>Registered Capital</b>	Baht 5,000,000
<b>Paid-up capital</b>	Baht 5,000,000
<b>Par</b>	Baht 100

#### 3.2 List of Shareholders of Oshinei Surin

No.	List of Shareholders	Shareholding (Percentage)	Number of Shares Held (Shares)
1	Oshinei Enterprise	99.99%	49,999
2	Mrs. Waraporn Phakpho	0.01%	1
	<b>Total</b>	<b>100.00%</b>	<b>50,000</b>

#### 3.3 List of Board of Directors of Oshinei Surin

No.	Name	Position
1	Mrs. Waraporn Phakpho	Director
2	Mr. Kittisak Leelom	Director
3	Mr. Somporn Posarach	Director
4	Mr. Panot Kittiparsart	Director
5	Mr. Na-Pajra Umpudh	Director

#### 3.4 Business Overview of Oshinei Surin

Oshinei Surin was established on March 11, 2021 to operate a Japanese restaurant in the form of buffet and a la carte in Surin Province with a total of 112 seats.

### 3.5 Financial Information of Oshinei Surin

Income Statement (Unit: Baht)	For the year ended December 31		
	2564	2565	2566
Revenue from sales and services	12,619,307	19,831,989	16,750,675
Other income	1,082	937	5,214
<b>Total Revenue</b>	<b>12,620,389</b>	<b>19,832,926</b>	<b>16,755,890</b>
Cost of sales and service	(10,428,079)	(15,901,841)	(10,797,464)
Selling and service expense	(1,924,662.31)	(3,701,074)	(2,838,078)
Administrative expenses	-	-	(2,958,533)
<b>Total Expenses</b>	<b>(12,352,741)</b>	<b>(19,602,915)</b>	<b>(16,594,074)</b>
Profit before finance costs and income tax expenses	267,647	230,011	161,815
Financial costs		-	(36,336)
Profit before income tax expense	267,647	230,011	125,480
Income tax expenses	-	-	-
<b>Net Profit</b>	<b>267,647</b>	<b>230,011</b>	<b>125,480</b>

Statement of Financial Position (Unit: Baht)	As of December 31		
	31 ธ.ค. 2564	31 ธ.ค. 2565	31 ธ.ค. 2566
<b>Assets</b>			
<b>Current Assets:</b>			
Cash and deposits at financial institutions.	2,873,204	1,465,895	737,255
Inventory, net	350,257	300,785	612,580
Other current assets	350,228	20	72
<b>Total Current Assets</b>	<b>3,573,689</b>	<b>1,766,700</b>	<b>1,349,908</b>
Non-current assets:			
Equipment, net	11,313,989	10,151,191	8,988,393
<b>Total non-current assets</b>	<b>11,313,989</b>	<b>10,151,191</b>	<b>8,988,393</b>
<b>Total Assets</b>	<b>14,887,677</b>	<b>11,917,891</b>	<b>10,338,301</b>
<b>Liabilities</b>			
Current liabilities			
Trade and other payables	111,736	54,354	1,245,707
Other current liabilities	8,294	65,878	89,456
Short-term borrowings from related persons	9,500,000	6,300,000	3,380,000
<b>Total current liabilities</b>	<b>9,620,030</b>	<b>6,420,232</b>	<b>4,715,162</b>
<b>Total Liabilities</b>	<b>9,620,030</b>	<b>6,420,232</b>	<b>4,715,162</b>
<b>Shareholders' equity:</b>			
Issued and paid-up capital - ordinary shares	5,000,000	5,000,000	5,000,000
Cumulative Profit (Loss)	267,647	497,659	623,138
<b>Total Equity</b>	<b>5,267,647</b>	<b>5,497,659</b>	<b>5,623,138</b>
<b>Total liabilities and shareholders' equity</b>	<b>14,887,677</b>	<b>11,917,891</b>	<b>10,338,301</b>

#### 4. Oshinei Enterprise Korat Company Limited ("Oshinei Korat 2")

##### 4.1 General information of Oshinei Korat 2

<b>Company Name</b>	Oshinei Enterprise Korat Company Limited
<b>Business Type</b>	Restaurant Business
<b>Location</b>	1143/78 Suranarai Road, Nai Mueang, Mueang Nakhon Ratchasima, Nakhon Ratchasima 30000
<b>Registration Number</b>	0305565004648
<b>Registered Capital</b>	Baht 5,000,000
<b>Paid-up capital</b>	Baht 5,000,000
<b>Par</b>	Baht 100

#### 4.2 List of Shareholders of Oshinei Korat 2

No.	List of Shareholders	Shareholding (Percentage)	Number of Shares Held (Shares)
1	Oshinei Enterprise	99.99%	49,999
2	Mrs. Waraporn Phakpho	0.01%	1
	<b>Total</b>	<b>100.00%</b>	<b>50,000</b>

#### 4.3 List of Board of Directors of Oshinei Korat 2

No.	Name	Position
1	Mrs. Waraporn Phakpho	Director
2	Mr. Kittisak Leelom	Director
3	Mr. Somporn Posarach	Director
4	Mr. Panot Kittiparsart	Director
5	Mr. Na-Pajra Umpudh	Director

#### 4.4 Business Overview of Oshinei Korat 2

Oshinei Korat 2 was established on June 6, 2022 by assembling the Japanese Restaurant Business in buffet style and a la carte style in Korat Province with a total of 180 seats.

#### 4.5 Financial Information of Oshinei Korat 2

Income Statement (Unit: Baht)	For the year ended December 31	
	2565	2566
Revenue from sales and services	-	7,086,947
Other income	22,500	6,071
<b>Total Revenue</b>	<b>22,500</b>	<b>7,093,019</b>
Cost of sales and service	-	(6,344,798)
Selling and service expenses	-	(1,807,728)
Administrative expenses	(129,000)	(2,145,996)
<b>Total Expense</b>	<b>(129,000)</b>	<b>(10,298,523)</b>
Loss before finance costs and income tax expenses	(106,500)	(3,205,504)
Finance costs	-	-
Loss before income tax expense	(106,500)	(3,205,504)
Income tax expenses	-	-
<b>Net Loss</b>	<b>(106,500)</b>	<b>(3,205,504)</b>

Statement of Financial Position (Unit: Baht)	As of December 31	
	2565	2566
<b>Assets</b>		
<b>Current Assets</b>		
Cash and cash equivalents	386,000	1,544,124
Inventories	-	588,421
Trade and other receivables	22,500	123,000
Other current assets	-	1,447,629
<b>Total Current Assets:</b>	<b>408,500</b>	<b>3,703,175</b>
<b>Non-current assets</b>		
Short-term loans from related parties.	4,500,000	-
Intangible assets	-	3,000,000
Equipment – Net	-	21,330,885.81
<b>Total non-current assets</b>	<b>4,500,000</b>	<b>24,330,885.81</b>
<b>Total Assets</b>	<b>4,908,500</b>	<b>28,034,060</b>
<b>Liabilities and Shareholders' Equity</b>		
Current liabilities		
Trade and other payables	15,000	4,537,582
Other current liabilities	-	8,482
Short-term borrowings from related persons.	-	21,800,000
<b>Total current liabilities</b>	<b>15,000</b>	<b>26,346,064</b>
<b>Total Liabilities</b>	<b>15,000</b>	<b>26,346,064</b>
Shareholders' equity:		
Issued and paid-up capital - ordinary shares	5,000,000	5,000,000
Unappropriated retained earnings	(106,500)	(3,312,004)
<b>Total Shareholders' Equity</b>	<b>4,893,500</b>	<b>1,687,996</b>
<b>Total Liabilities and Shareholders' Equity</b>	<b>4,908,500</b>	<b>28,034,060</b>

## 5. Oshinei Enterprise Chiang Mai Company Limited ("Oshinei Chiangmai")

### 5.1. General Information of Oshinei Chiangmai

<b>Company Name</b>	Oshinei Enterprise Chiang Mai Company Limited
<b>Business Type</b>	Restaurant Business
<b>Location</b>	234/1 Moo 7 Tamnak Mai Village (Ch.16413), Mae Hia, Mueang Chiang Mai, Chiang Mai 50100
<b>Registration Number</b>	0505562007318
<b>Registered Capital</b>	Baht 5,000,000
<b>Paid-up capital</b>	Baht 5,000,000
<b>Par</b>	Baht 100



### 5.2. List of Shareholders of Oshinei Chiangmai

No.	List of Shareholders	Shareholding (Percentage)	Number of Shares Held (Shares)
1	Oshinei Enterprise	65.00%	32,500
2	Miss Chalinee Sae Bueng	5.00%	2,500
3	Mr. Somboon Supanimitkulkit	2.00%	1,000
4	Mr. Suchen Yuwamit	2.00%	1,000
5	Mrs. Suphin Triyangkoonsri	2.00%	1,000
6	Mr. Sompong Thongthua	2.00%	1,000
7	Mrs. Ni-on Kaweenatthayanon	1.00%	500
8	Mrs. Niyada Thongprasert	1.00%	500
9	Mr. Sawet Srisiri	1.00%	500
10	Mr. Kitsada Klaikangwar	1.00%	500
11	Mr. Narongsak Khamsawas	1.00%	500
12	Mr. Suphot Anuphan	1.00%	500
13	Mr. Sasawat Tarot	1.00%	500
14	Miss Sirilux Sornart	1.00%	500
15	Mr. Ronnakorn Chalermchaenyakorn	1.00%	500
16	Mrs. Pattamaporn Viriyasunthorn	1.00%	500
17	Mrs. Jeetanan Raksakaew	1.00%	500
18	Mrs. Maneeyapa Thasak	1.00%	500
19	Mr. Worakrit Sirathanitra	1.00%	500
20	Mrs. Manita Singhatthit	1.00%	500
21	Mr. Teerasak Tangmitphracha	1.00%	500
22	Mr. Adul Nilprem	1.00%	500
23	Miss Hathairat Narkprasert	1.00%	500
24	Miss Nattha Tantiwanitchanon	1.00%	500
25	Mr. Thananan Suklert	1.00%	500
	<b>Total</b>	<b>100.00%</b>	<b>50,000</b>

### 5.3. List of Board of Directors of Oshinei Chiangmai

No.	Name	Position
1	Mrs. Waraporn Phakpho	Director
2	Mr. Kittisak Leelom	Director
3	Mr. Somporn Posarach	Director
4	Mr. Panot Kittiparsart	Director
5	Mr. Na-Pajra Umpudh	Director

#### 5.4. Business Overview of Oshinei Chiangmai

Oshinei Chiang Mai was established on April 26, 2019 with a Japanese buffet and a la carte restaurant business in Chiang Mai with a total of 206 seats.

#### 5.5. Financial Information of Oshinei Chiangmai

Income Statement (Unit: Baht)	For the year ended December 31		
	2564	2565	2566
Revenue from sales and services – net	17,906,930	23,482,146	22,675,315
Other income	493	999	1,308
<b>Total Revenue</b>	<b>17,907,423</b>	<b>23,483,145</b>	<b>22,676,623</b>
Cost of sales and service	(12,958,243)	(18,612,113)	(14,791,071)
Selling and service expenses	(4,627,180)	-	(2,660,717)
Administrative expenses	-	(4,115,593.84)	(4,674,964)
<b>Total expenses</b>	<b>(17,585,423)</b>	<b>(22,727,707)</b>	<b>(22,126,752)</b>
Profit before finance costs and income tax expenses	322,000	755,439	549,871
Financial costs	-	-	-
Profit before income tax expense	322,000	755,439	549,871
Income tax expenses	-	(68,316)	(53,844)
<b>Net Profit</b>	<b>322,000</b>	<b>687,123</b>	<b>496,027</b>

Statement of Financial Position (Unit: Baht)	As of December 31		
	2564	2565	2566
<b>Assets</b>			
Current Assets			
Cash and cash equivalents	1,566,133	2,144,105	1,656,308
Inventories	547,811	301,264	805,842
Other current assets	66	76	76
<b>Total Current Assets</b>	<b>2,114,010</b>	<b>2,445,445</b>	<b>2,462,226</b>
Non-current assets:			
Equipment, net	1,050,953	724,631	403,010
<b>Total Non-current Assets</b>	<b>1,050,953</b>	<b>724,631</b>	<b>403,010</b>
<b>Total Assets</b>	<b>3,164,963</b>	<b>3,170,077</b>	<b>2,865,236</b>
<b>Liabilities and Shareholders' Equity</b>			
Current liabilities			

Statement of Financial Position (Unit: Baht)	As of December 31		
	2564	2565	2566
Trade and other payables	153,716	61,380	1,896,033
Corporate income tax payables	-	68,316	40,274
Other current liabilities	61,462	103,473	65,994
Short-term borrowings from related persons	4,900,000	4,200,000	1,630,000.00
<b>Total Current Liabilities</b>	<b>5,115,178</b>	<b>4,433,168</b>	<b>3,632,300</b>
<b>Total Liabilities</b>	<b>5,115,178</b>	<b>4,433,168</b>	<b>3,632,300</b>
Shareholders' equity:			
Issued and paid-up capital - ordinary shares	5,000,000	5,000,000	5,000,000
Retained earnings (Deficit)	(6,950,215)	(6,263,092)	(5,767,065)
<b>Total Shareholders' Equity</b>	<b>(1,950,215)</b>	<b>(1,263,092)</b>	<b>(767,064)</b>
<b>Total Liabilities and Shareholders' Equity</b>	<b>3,164,963</b>	<b>3,170,077</b>	<b>2,865,236</b>

## 6. S.Khemrat Company Japan Food Co., Ltd. ("Oshinei Ubon")

### 6.1 General Information of Oshinei Ubon

<b>Company Name</b>	S.Khemrat Company Japan Food Co., Ltd.
<b>Business Type</b>	Restaurant Business
<b>Location</b>	92 Chavala Road, Nai Mueang, Mueang Ubon Ratchathani, Ubon Ratchathani 34000
<b>Registration Number</b>	0345556001569
<b>Registered Capital</b>	Baht 5,000,000
<b>Paid-up capital</b>	Baht 5,000,000
<b>Par</b>	Baht 1,000

## 6.2 List of Shareholders of Oshinei Ubon

No.	List of Shareholders	Shareholding (Percentage)	Number of Shares Held (Shares)
1	Oshinei Enterprise	53.00%	2,650
2	Miss Chonnipha Lumkon	10.00%	500
3	Mr. Siripong Angsakulkiat	7.00%	350
4	Mr. Somboon Supanimitkulkit	5.00%	250
5	Mrs. Suphin Triyangkoonstri	3.00%	150
6	Mr. Natchathai Khowsurat	3.00%	150
7	Mr. Adul Nilprem	2.00%	100
8	Mr. Sompong Thongthua	2.00%	100
9	Mr. Kitsada Krikangwan	2.00%	100
10	Mr. Sawed Srisiri	2.00%	100
11	Mr. Paiboon Jongsuwat	2.00%	100
12	Mrs. Nion Kaweenatthayanon	1.00%	50
13	Miss Sirilux Sornart	1.00%	50
14	Miss Nattha Tantiwanitchanon	1.00%	50
15	Mr. Bumnet Viriyasunthorn	1.00%	50
16	Miss Phutida Sirichaya	1.00%	50
17	Mrs. Jeetanan Raksakaew	1.00%	50
18	Miss Napassanan Supakosathananon	1.00%	50
19	Mrs. Niyada Thongprasert	1.00%	50
20	Mr. Chatree Bunpua	1.00%	50
	<b>Total</b>	<b>100.00%</b>	<b>5,000,000</b>

## 6.3 List of Board of Directors of Oshinei Ubon

No.	Name	Position
1	Mr. Somporn Posarach	Director

## 6.4 Business Overview of Oshinei Ubon

Oshinei Ubon was established on October 24, 2013 by assembling the Japanese Restaurant Business in buffet and a la carte style in Ubon Ratchathani Province with a total of 136 seats.

## 6.5 Financial Information of Oshinei Ubon

Income Statement (Unit: Baht)	For the year ended December 31		
	2564	2565	2566
Revenue from sales and services	29,323,329	29,996,081	29,969,164
Other income	289,249	147,793	1,605
<b>Total Revenue</b>	<b>29,612,578</b>	<b>30,143,874</b>	<b>29,970,769</b>
Cost of sales and services	(22,752,329)	(23,012,415)	(21,878,464)
Sales and administrative expenses	(5,900,082)	(6,093,819)	(7,184,559)
<b>Total expenses</b>	<b>(28,652,411)</b>	<b>(29,106,234)</b>	<b>(29,063,024)</b>
Profit before finance costs and income tax	960,167	1,037,640	907,745
Financial costs	-	-	(310,156)
Profit before income tax expense	960,167	1,037,640	597,589
Income tax expenses	(99,031)	(110,648)	(102,650)
<b>Net Profit</b>	<b>861,136</b>	<b>926,992</b>	<b>494,939</b>

Statement of Financial Position (Unit: Baht)	As of December 31		
	2564	2565	2566
<b>Assets</b>			
Current Assets			
Cash and cash equivalents	3,841,529	4,873,856	4,349,683
Trade and other receivables	3,750	-	843,844
Short-term loans to related parties	1,000,000	-	-
<b>Total Current Assets</b>	<b>4,845,279</b>	<b>4,873,856</b>	<b>5,193,527</b>
Non-current assets:			
Property, plant and equipment Net	4,307,711	7,310,019	29,562,840
<b>Total non-current assets</b>	<b>4,307,711</b>	<b>7,310,018</b>	<b>29,562,840</b>
<b>Total Assets</b>	<b>9,152,990</b>	<b>12,183,875</b>	<b>34,756,367</b>
<b>Liabilities and Shareholders' Equity</b>			
Current liabilities			
Trade and other payables	174,372	155,995	103,708
Current portion of long-term borrowings	-	-	4,020,000
Short-term borrowings from related parties	-	2,100,000	5,000,000
Income tax payables	53,376	75,646	67,600
<b>Total current liabilities</b>	<b>227,748</b>	<b>2,331,641</b>	<b>9,191,308</b>
Non-current liabilities			

Statement of Financial Position (Unit: Baht)	As of December 31		
	2564	2565	2566
Long-term borrowings from financial institutions.	-	-	15,217,886
<b>Total non-current liabilities</b>	-	-	<b>15,217,886</b>
<b>Total Liabilities</b>	<b>227,748</b>	<b>2,331,641</b>	<b>24,409,194</b>
Shareholders' Equity			
Issued and paid-up capital – Ordinary shares	5,000,000	5,000,000	5,000,000
Retained earnings	3,925,242	4,852,234	5,347,173
<b>Total Shareholders' Equity</b>	<b>8,925,242</b>	<b>9,852,234</b>	<b>10,347,173</b>
<b>Total Liabilities and Shareholders' Equity</b>	<b>9,152,990</b>	<b>12,183,875</b>	<b>34,756,367</b>

## 7. Udon Japan Food Company Limited ("Oshinei Udon")

### 7.1 General Information of Oshinei Udon

<b>Company Name</b>	Udon Japan Food Company Limited
<b>Business Type</b>	Restaurant Business
<b>Location</b>	103 Si Chom Chuen Road, Mak Khaeng, Mueang Udon Thani, Udon Thani 41000
<b>Registration Number</b>	0415558002057
<b>Registered Capital</b>	Baht 1,000,000
<b>Paid-up capital</b>	Baht 1,000,000
<b>Par</b>	Baht 100

### 7.2 Lists of Shareholders of Oshinei Udon

No.	List of Shareholders	Shareholding (Percentage)	Number of Shares Held (Shares)
1	Oshinei Enterprise	51.00%	5,100
2	Mr. Ponthep Saksujarit	10.00%	1,000
3	Miss Phakhawaporn Chairat	3.00%	300
4	Mr. Viroj Pipatchaisiri	3.00%	300
5	Mr. Sawat Theeraratananugulchai	3.00%	300
6	Mr. Oran Trangkanukoonkit	3.00%	300
7	Mr. Sansern Treeyachart	3.00%	300
8	Mr. Bumnet Viriyasunthorn	2.00%	200
9	Mrs. Ni-on Kaweenatthayanon	2.00%	200
10	Dr. Sawet Srisiri	2.00%	200

No.	List of Shareholders	Shareholding (Percentage)	Number of Shares Held (Shares)
11	Mrs. Witniya Patiyasitthan	2.00%	200
12	Miss Chomnipa Lumkon	2.00%	200
13	Mr. Somboon Oungaree	2.00%	200
14	Miss Sirilux Sornart	1.00%	100
15	Mr. Natthachai Khowsurat	1.00%	100
16	Mrs. Suran Siwaphakorn	1.00%	100
17	Mrs. Niyada Thongprasert	1.00%	100
18	Mr. Adul Nilprem	1.00%	100
19	Mr. Sompong Thongthua	1.00%	100
20	Mr. Suphak Pravithana	1.00%	100
21	Mr. Siripong Angkhasakulkiat	1.00%	100
22	Mr. Somboon Supanimitkulkit	1.00%	100
23	Mr. Anuwat Yuthiraprapha	1.00%	100
24	Miss Phutida Sirachaya	1.00%	100
25	Mr. Paiboon Jongsuwat	1.00%	100
	<b>Total</b>	<b>100.00%</b>	<b>1,000,000</b>

### 7.3 List of Board of Directors of Oshinei Udon

No.	Name	Position
1	Mr. Somporn Posarach	Director
2	Mrs. Achara Phakarat	Director
3	Mr. Kittisak Leelom	Director

### 7.4 Business Overview of Oshinei Udon

Oshinei Udon was established on November 3, 2015 by assembling the Japanese Restaurant Business in buffet and a la carte style in Udon Thani Province with a total of 136 seats.

### 7.5 Financial Information of Oshinei Udon

Income Statement (Unit: Baht)	For the year ended December 31		
	2564	2565	2566
Revenue			
Revenue from sales or services	25,700,012	27,672,399	25,555,849
Other income	229,150	118,879	21,376
<b>Total Revenue</b>	<b>25,929,162</b>	<b>27,791,278</b>	<b>25,577,225</b>
Expense			

Income Statement (Unit: Baht)	For the year ended December 31		
	2564	2565	2566
Changes in finished goods and work in progress.	(413,527)	(669,834)	(1,004,852)
Raw materials and consumables are consumed.	(14,844,615)	(16,225,945)	(14,124,914)
Employee Benefit Expenses	(5,710,402)	(6,430,905)	(7,117,744)
Depreciation and amortization	(904,379)	(1,025,643)	(1,083,807)
Other expenses	(3,618,351)	(4,235,073)	(4,072,259)
<b>Total Expenses</b>	<b>(25,491,273)</b>	<b>(27,247,731)</b>	<b>(25,393,873)</b>
Profit before finance costs and income tax expenses	437,889	543,547	183,352
Financial costs	(383)	-	-
<b>Profit before income tax expense</b>	<b>437,889</b>	<b>543,547</b>	<b>183,352</b>
Income tax expenses	(88,369)	(113,274)	(39,239)
<b>Net Profit</b>	<b>349,520</b>	<b>430,273</b>	<b>144,113</b>

Statement of Financial Position (Unit: Baht)	As of December 31		
	2564	2565	2566
<b>Assets</b>			
Current Assets			
Cash and cash equivalents	3,605,872	2,478,227	1,472,015
Trade and other receivables	-	38,125	114,014
Inventories	204,052	873,886	1,878,738
<b>Total Current Assets</b>	<b>3,809,924</b>	<b>3,390,238</b>	<b>3,464,767</b>
Non-current assets:			
Property, plant and equipments	7,882,196	8,012,897	7,140,954
Other non-current assets	210,100	346,600	350,500
<b>Total non-current assets</b>	<b>8,092,296</b>	<b>8,359,497</b>	<b>7,491,454</b>
<b>Total Assets</b>	<b>11,902,219</b>	<b>11,749,734</b>	<b>10,956,221</b>
<b>Liabilities and Shareholders' Equity</b>			
Current liabilities			
Trade and other payables	591,380	792,800	484,807
Short-term borrowings	7,600,000	6,800,000	6,200,000
Income tax payables	53,051	68,873	39,239
<b>Total Current Liabilities</b>	<b>8,244,431</b>	<b>7,661,673</b>	<b>6,724,047</b>
<b>Total Liabilities</b>	<b>8,244,431</b>	<b>7,661,673</b>	<b>6,724,047</b>
<b>Shareholders' Equity</b>			



Statement of Financial Position (Unit: Baht)	As of December 31		
	2564	2565	2566
Issued and paid-up capital – ordinary shares	1,000,000	1,000,000	1,000,000
Retained earnings (Unappropriated)	2,657,788	3,088,061	3,232,174
<b>Total Shareholders' Equity</b>	<b>3,657,788</b>	<b>4,088,061</b>	<b>4,232,174</b>
<b>Total Liabilities and Shareholders' Equity</b>	<b>11,902,219</b>	<b>11,749,734</b>	<b>10,956,221</b>

## 8. S.Khemrat Inter Food Company Limited ("Oshinei Korat 1")

### 8.1. General information of Oshinei Korat 1

<b>Company Name</b>	S.Khemrat Inter Food Company Limited
<b>Business Type</b>	Restaurant Business
<b>Location</b>	888/68 Moo 10, Kham Yai, Mueang Ubon Ratchathani, Ubon Ratchathani 34000
<b>Registration Number</b>	0345559002213
<b>Registered Capital</b>	Baht 4,000,000
<b>Paid-up capital</b>	Baht 4,000,000
<b>Par</b>	Baht 100

### 8.2 List of Shareholders of Oshinei Korat 1

No.	List of Shareholders	Shareholding (Percentage)	Number of Shares Held (Shares)
1	Oshinei Enterprise Co., Ltd.	54.00%	2,160
2	Miss Sirilux Somart	1.00%	40
3	Mr. Bumnet Viriyasunthorn	1.00%	40
4	Miss Napudsanun Supakosathananon	2.00%	80
5	Mr. Audorn Thongprasert	1.00%	40
6	Mrs. Suphin Triyangkoonstri	2.00%	80
7	Mr. Somboon Supanimitkulkit	2.00%	80
8	Mrs. Ni-on Kawinathayanon	1.00%	40
9	Miss Nattha Tantiwanitchanon	1.00%	40
10	Mr. Sompong Thongthua	1.00%	40
11	Mrs. Chutima Yuwamit	1.00%	40
12	Mrs. Ruangphet Dechatiwongse Na Ayudhya	1.00%	40

No.	List of Shareholders	Shareholding (Percentage)	Number of Shares Held (Shares)
13	Mr. Niranai Lertpattanasuwan	1.00%	40
14	Mr. Teerasak Tangmitphracha	1.00%	40
15	Mr. Adul Nilprem	1.00%	40
16	Mr. Somchai Laosaichur	2.00%	80
17	Mr. Rattanin Tachachaiyasit	1.00%	40
18	Mr. Natthachai Khowsurat	1.00%	40
19	Mr. Dodirat Rattanasate	3.00%	120
20	Mr. Suksomkiat Lueaklinsak	1.00%	40
21	Miss Putthida Sirachaya	1.00%	40
22	Mrs. Jeetanan Raksakaew	2.00%	80
23	Mr. Savet Srisiri	1.00%	40
24	Mrs. Anilawadee Kanchanomai	1.00%	40
25	Miss Oranuch Pakarad	5.00%	200
26	Mr. Oran Trangkanukoonkit	2.00%	80
27	Miss. Usanee Pakarad	1.00%	40
28	Mr. Pongdech Wangsittidet	2.00%	80
29	Mrs. Siripond Samutsakorn	2.00%	80
30	Mr. Viroj Pipatchaisiri	3.00%	120
31	Mr. Sarawut Jarutan	1.00%	40
	<b>Total</b>	<b>100.00%</b>	<b>4,000</b>

### 8.3 List of Board of Directors of Oshinei Korat 1

No.	Name	Position
1	Mr. Somporn Posarach	Director
2	Mr. Kittisak Leelom	Director

### 8.4 Business Overview of Oshinei Korat 1

Oshinei Korat 1 was established on December 27, 2016 by assembling a Japanese Restaurant Business in buffet and a la carte style in Korat Province with a total of 151 seats.

**8.5 Financial Information of Oshinei Korat 1**

Income Statement (Unit: Baht)	For the year ended December 31		
	2564	2565	2566
Revenue from sales	26,921,036	27,799,473	25,464,041
Other income – Interest income	-	-	4,816
<b>Total Revenue</b>	<b>26,921,036</b>	<b>27,799,473</b>	<b>25,468,857</b>
Cost of sales	(20,019,175)	(20,116,827)	(18,640,166)
Selling expense	(3,728,176)	(4,116,808)	(3,907,323)
Administrative expense	(2,181,894)	(3,176,664)	(2,233,951)
<b>Total Expense</b>	<b>25,929,245</b>	<b>(27,410,299)</b>	<b>(24,781,440)</b>
Profit before income tax	991,790	389,174	687,417
income tax	-	-	(58,113)
<b>Net Profit</b>	<b>991,790</b>	<b>389,174</b>	<b>629,304</b>

Statement of Financial Position (Unit: Baht)	As of December 31		
	2564	2565	2566
<b>Assets</b>			
Current Assets			
Cash and cash equivalents	1,517,550	1,620,341	851,486
Inventories	541,782	505,896	700,426
Other receivables	74	74	74
<b>Total Current Assets</b>	<b>2,059,406</b>	<b>2,126,311</b>	<b>1,551,986</b>
Non-current assets			
Property, plant and equipments, net	4,544,304	3,840,704	4,030,693
<b>Total non-current assets</b>	<b>4,544,304</b>	<b>3,840,704</b>	<b>4,030,693</b>
<b>Total Assets</b>	<b>6,603,710</b>	<b>5,967,015</b>	<b>5,582,679</b>
<b>Liabilities and Shareholders' Equity</b>			
Current liabilities			
Accrued corporate income tax	-	-	58,113
Other creditors	60,000	50,000	50,000
Other current liabilities	110,319	94,450	72,697
<b>Total current liabilities</b>	<b>170,319</b>	<b>144,450</b>	<b>180,809</b>
Non-current liabilities			
Loans to directors or related third parties	5,000,000	4,000,000	2,950,000
<b>Total non-current liabilities</b>	<b>5,000,000</b>	<b>4,000,000</b>	<b>2,950,000</b>
<b>Total Liabilities</b>	<b>5,170,319</b>	<b>4,144,450</b>	<b>3,130,809</b>
Shareholders' Equity			
Issued and paid-up capital – ordinary shares	1,000,000	1,000,000	1,000,000
Retained earnings (Unappropriated)	1,000,000	822,565	1,451,869
<b>Total Shareholders' Equity</b>	<b>1,433,391</b>	<b>1,822,565</b>	<b>2,451,869</b>
<b>Total Liabilities and Shareholders' Equity</b>	<b>6,603,710</b>	<b>5,967,015</b>	<b>5,582,679</b>

## 9. Oshinei Yakiniku and Sashimi Company Limited ("Oshinei Yakiniku")

### 9.1 General Information of Oshinei Yakiniku

<b>Company Name</b>	Oshinei Yakiniku and Sashimi Company Limited
<b>Business Type</b>	Restaurant Business
<b>Location</b>	141 Room No. Office 6-7, 15th Floor, Major Tower Thonglor, Soi Sukhumvit 63 (Ekkamai, Khlong Tan Nuea, Wattana, Bangkok)
<b>Registration Number</b>	0105567129105
<b>Registered Capital</b>	Baht 5,000,000
<b>Paid-up capital</b>	Baht 5,000,000
<b>Par</b>	Baht 100

### 9.2 List of shareholders of Oshinei Yakiniku

No.	List of Shareholders	Shareholding (Percentage)	Number of Shares Held (Shares)
1	Oshinei Enterprise	99.99%	49,998
2	Mrs. Waraporn Phakpho	0.00%	1
3	Mr. Panot Kittiparsart	0.00%	1
	<b>Total</b>	<b>100.00%</b>	<b>50,000</b>

### 9.3 List of Board of Directors of Oshinei Yakiniku

No.	Name	Position
1	Mrs. Waraporn Phakpho	Director
2	Mr. Panot Kittiparsart	Director

### 9.4 Business Overview of Oshinei Yakiniku

Oshinei Yakiniku operates a yakiniku buffet restaurant in Ubon Ratchathani province, with a total of 100 seats. Currently, Oshinei Yakiniku and Sashimi Co., Ltd. has not yet operates. Oshinei expects to start operations in September 2024.

### 9.5 Financial Information of Oshinei Yakiniku

As Oshinei Yakiniku and Sashimi Co., Ltd is a newly established company, financial statements have not been prepared yet.

Transaction Size and Calculation of the Transaction Size

The calculation of the transaction size according to the announcement on the acquisition or disposal of assets is based on the Company's financial statements for the year ended June 30, 2024, which have been reviewed by the Company's certified public accountant, and the total value of the remuneration, including the financial statements of Oshinei Enterprise, which have been audited by the authorized auditor of Oshinei Enterprise for the year ended December 31, 2023, as follows:

Criteria	Formula	Calculation	Size
1. Comparison of Net Tangible Assets Value (NTAs)	$\frac{\text{The percentage of NTA of the acquired Company as the proportion of the Disposition} \times 100.0}{\text{NTA of the Company}}$	$\frac{68,026,687 \times 80\%}{5,684,435,000}$	0.96%
2. Comparison of Net Profits	$\frac{\text{Net income of acquisition asset} \times \text{the proportion of the Disposition} \times 100.0}{\text{Net income of the Company}}$	$\frac{25,241,160 \times 80\%}{185,885,542}$	10.86%
3. Comparison of Total Value of Consideration Paid	$\frac{\text{Consideration Paid} \times 100}{\text{Total Assets}}$	$\frac{444,100,796}{8,193,821,000}$	5.42%
4. Comparison of the Value of Shares Issued for Payment	$\frac{\text{No of newly issued shares} \times 100}{\text{Issued and Paid-up share of the Company}}$	not applicable because the Company does not issue shares for payment of the assets	-

As shown above. The maximum transaction size according to the announcement on the acquisition or disposal of assets when calculating the transaction size according to the net operating profit of Oshinei in proportion to the proportion in which the Company will invest compared to the Company's net operating profit according to the Company's financial statements ended June 30, 2024, which has been reviewed by the Company's certified public auditor, will be equal to 10.86% according to the Net Operating Profit, which has included the transaction size of the 1st and 2nd investments. There are no acquisitions of the Company's assets in the past six months that have not been approved by the shareholders' meeting. Therefore, the Company is not obliged to take any action under the Announcement of the Acquisition or Disposal of Assets, but since this transaction is subject to the approval of the Company's shareholders' meeting in accordance with the Announcement of Connected Transactions and the Public Company Act, the Company proposes to the shareholders' meeting to approve the acquisition of assets at the same time.

However, Miso Harmony Limited is a connected person of the Company. Therefore, the transaction will be considered as a connected transaction of the listed Company according to the Notifications of the connected transaction based on the financial statements of Company year end as of June 30, 2024, which have been reviewed by the Company's Certified Public Accountant, and the total value of the remuneration, as well as Oshinei's financial statements, which have been audited by Oshinei's Certified Public Accountant on December 31, 2023, are as follows:

Total Value of consideration (Baht)	The maximum value used to calculate the transaction size (Baht)	NTA of the Company (Baht)	Percentage of net tangible assets of the Company
444,100,796 <sup>1/</sup>	419,346,550 <sup>2/</sup>	5,684,435,000	7.38

$$= 419,346,550 / 5,684,435,000 = 7.38\%$$

Remark: <sup>1/</sup> The total consideration of 444,100,796 Baht is calculated from the following: (1) cash of 76,000,000 Baht for the subscription of newly issued ordinary shares, (2) cash of 281,600,796 Baht for the payment of consideration for the first tranche of investment, and (3) a maximum cash amount of 86,500,000 Baht for the payment of consideration for the second tranche investment.

<sup>2/</sup> The transaction size is calculated at 419,346,550 Baht, based on the value of the consideration received by Miso Harmony Limited, including (1) cash of 76,000,000 Baht for the subscription of newly issued ordinary shares, (2) cash of 256,846,550 Baht for the payment of consideration for the first tranche of investment, and (3) a maximum cash amount of 86,500,000 Baht for the payment of consideration for the second tranche investment.

The Company's net tangible asset value (NTA) as of June 30, 2024 is as follows:

Consolidated Financial Statements of the Company	(Unit: Baht)
Total assets	8,193,821,000
Intangible assets	144,757,000
Total liabilities	2,364,629,000
Interests that do not have control	-
<b>Net tangible assets (NTA)</b>	<b>5,684,435,000</b>

However, the Company has no other connected transactions that occurred in the six months prior to the date of the agreement to enter into this transaction that have not been approved by the shareholders' meeting, resulting in a total transaction size of 7.38%. There is a duty to

- (1) To report and disclose the information memorandum on such acquisition of assets to the Stock Exchange of Thailand immediately, which must at least contain the information as listed in type (1) of the Notifications on Acquisition or Disposal of Assets and the Notifications on Connected Transactions.
- (2) To appoint an independent financial advisor to carry out the relevant functions, including providing its opinions as required by the Notifications on Acquisition or Disposal of Assets and the Notifications on Connected Transactions, whereby the independent financial advisor's report shall be delivered to the shareholders for consideration along with the invitation letter for the Shareholders' Meeting. In this regard, the Company has appointed Optasia Capital Co.,Ltd. which is a financial advisor on the list approved by the Securities and Exchange Commission of Thailand, as the independent financial advisor

to provide the shareholders with its opinion on the execution of the Share Acquisition Transaction which is the transaction on acquisition of share as a connected transaction; and.

- (3) To convene a Shareholders' Meeting of the Company to approve such Share Acquisition and Capital Increase Share Transaction as a connected transaction by delivering the invitation letter for the Shareholders' Meeting to the shareholders at least fourteen days prior to the date of the Shareholders' Meeting, in order to obtain approval from the Shareholders' Meeting with not less than three-fourths of all votes of the shareholders present at the Meeting and entitled to vote, excluding shareholders with a beneficial interest which are (1) Mr.Tossri (2) Mr.Sittichai (3) STK Capital Company Limited and (4) K Plus Holding Company Limited plus (5) Ms. Sureeyot Khowsurat (6) Mrs. Saisunee Kuhakarn and (7) Miss Preerati Bhirombhakdi

**1.1.5 Total Value of Acquired Assets, Payment Conditions, Criteria Used to Determine the Value of Acquired Assets and Total Value of Consideration.**

Total Value of Acquired Assets and Payment Conditions

The investment in Oshinei is divided into two phases as follows:

- 1) For the First tranche investment in Oshinei under Share Subscription Agreement and Share Purchase Agreement, the Company will pay a total consideration of 281,600,796.48 Baht in cash. This includes the payment for the subscription of newly issued ordinary shares amounting to 76,000,000 Baht, and additional payments as specified. Therefore, the total consideration amounts to 357,600,796.48 Baht, which is equivalent to 1,118.28 Baht per share
- 2) For the Second tranche investment in Oshinei under First and Second Call Option Agreement, the Company has the right to purchase ordinary shares from Miso Harmony Limited, UMP Lab Co., Ltd., and Supmankong Ingress Co., Ltd., with the investment details as follows
  - (1) Under the First Call Option Agreement, the Company has the right to purchase additional ordinary shares of Oshinei at a price equal to the par value of the shares (100 Baht per share). The total number of shares that can be purchased is up to 53,296, representing at least 5% but not more than 10% of the total shares, based on the ratio agreed upon by the parties. The payment for compensation will be deducted from the price for entering into the transaction under the second call option agreement.
  - (2) Under the Second Call Option Agreement, the Company has the right to purchase up to 54,206 shares, which represents no more than 10.00% of the total shares. The transaction price under this agreement will range between Baht 52.00 million and Baht 86.50 million. The compensation will be paid in cash.

Criteria Used to Determine the Value of Acquired Assets and Total Value of Consideration

The Company has negotiated with the sellers regarding the transaction price under the Second Call Option Agreement, with the following price range determined:



- A minimum price of THB 520 million, equivalent to a net profit of THB 45.22 million, based on a price-to-earnings (P/E) ratio of 11.5 times, which matches the price of the first tranche investment.
- A maximum price of THB 865 million, equivalent to a net profit of THB 75.22 million, based on a price-to-earnings (P/E) ratio of 11.5 times, set as an maximum incentive for the management team, referencing from the financial projections prepared by the Company.

The Incentive Price Mechanism is designed to incentivize the sellers and key management of Oshinei to generate strong returns during the initial phase of the investment. The Company has structured a price adjustment mechanism based on the financial performance of Oshinei as reflected in the consolidated financial statements for the year 2026.

The Base case price under the second call option agreement is set based on a net profit of THB 45.22 million, which is derived from the projected net profit of Oshinei for 2024. The best case scenario reflects a net profit of THB 75.22 million, which corresponds to Oshinei's projected net profit for 2026.

The price-to-earnings (P/E) ratio of 11.5 times is derived from the estimated net profit used in evaluating the discounted cash flow (DCF) value of Oshinei.

The Company has determined this ratio by dividing the transaction price for the purchase of Oshinei's common shares by the projected net profit from the consolidated financial statements of Oshinei and its subsidiaries for the year 2024.

The valuation of the consideration for the investment in Oshinei was determined by the Company by comparing it with the fair value of the assets acquired, which is 70.00% of the total issued and paid-up ordinary shares of Oshinei. The value amount 357,600,796.48 Baht for the first investment tranche, representing 60.00%, and up to 86,500,000 Baht for the second investment tranche, representing 10.00%. These amounts were agreed upon through negotiation between the Company and Oshinei. The criteria used for determining the fair value of the ordinary shares of Oshinei were assessed by a financial advisor based on the Discounted Cash Flow (DCF) method from 1) Franchise Business 2) 6 branches of Japanese Restaurant 3) The Import and Distribution of raw materials business with the detail below:

**The Franchise Business of Japanese Restaurant** generates revenue from a royalty fee of 5.00% of the net revenue earned by franchisees and upfront franchise fee of THB 3.00 million. The key assumptions for net revenue of franchise business are:

- Average price per head: During 2021 - 2023, the average price per head is 590 – 607 baht per head. The projection assumptions are based on an average spending per customer growth rate of 2.00% per year.

- Average number of customers per month: During 2021 - 2023, the average number of customers of a franchise store was 4,900 to 6,300 per month. The estimate assumption is based on the average number of customers that the franchise store has made in the past.
- Number of branches: During 2021 - 2023, Oshinei has an average franchise expansion of 3 – 4 branches per year. The estimate assumption is that during the estimate period, Oshinei will expand its franchise branches by 2 branches per year for a period of 5 years, until Oshinei has 37 branches in 2028.
- Cost and selling and administrative expenses: The assumptions were based on historical data, with a fixed cost and expense growth rate at 2.00% to 5.00% per year.

**The Japanese Restaurant Business** generates revenue from Sales and service. The key assumptions to determine revenue of the restaurant is as follows:

- Average price per head: During 2021 - 2023, the average price per customer ranged from 590 to 605 Baht. The assumptions were based on an expected average price growth rate of 2.00% per year.
- Average number of customers per month: During 2021 - 2023, the average number of customers of franchise branches ranged from 5,200 to 6,900 customers per month. The assumptions are based on historical average customer per month.
- Cost and selling and administrative expense: The assumptions were based on historical data, with a fixed cost and expense growth rate at 2.00% to 5.00% per year.

**The Import and Distribution of Raw Material Business** generates revenue from selling raw material to franchisee. The key assumptions to determine revenue from distribution of raw material are as follows:

- Average revenue from selling raw material per branch: During 2021 - 2023, the average revenue from the sale of raw materials per branch ranged from 18 to 26 million baht per year. The revenue estimates are based on historical sales data, with a growth rate that aligns with the number of customers across all Oshinei branches.
- Cost and selling and administrative expense: The assumptions were based on historical data, with a fixed cost and expense growth rate at 2.00% to 5.00% per year..

Since Oshinei operates a franchise business under the name Oshinei, invests in the raw material distribution business, and manages Japanese restaurant operations, it generates relatively stable cash flows from its business activities, this approach was chosen because Oshinei operates a franchise business of Japanese restaurants under the name Oshinei and invests in the distribution of raw materials and the Japanese restaurant business, which have relatively stable cash flows from operations. Therefore, the Company believes



-Translation-

Independent Financial Advisor's Opinion on Acquisition of Asset and Connected Transactions  
of Ubon Bio Ethanol Public Company Limited

that using the Discounted Cash Flow (DCF) method is an appropriate approach that accurately reflects Oshinei's ability to generate cash flow and represents the fair value of Oshinei's shares.

### 1.1.6 Source of Funds to Enter the Transaction

The source of funds from the first tranche investment, totaling 357,600,796.48 Baht, may be described as follows::

1) Cash flow from the Company's operations 120,000,796.48 Baht. The company has revised its objectives for utilizing the capital raised from the initial public offering (IPO) as follows: 1) transitioning from investments in coffee milling or organic coffee roasting to investments in the food sector; and 2) expanding the investment objectives within the ethanol business from solely increasing production capacity of fuel-grade ethanol to include the expansion of industrial-grade and/or pharmaceutical-grade ethanol production capacity. This strategic adjustment is aimed at enhancing future value in alignment with potential government policies (if any) that may arise. Detailed changes regarding the utilization of capital raised from the IPO are as follows:

	Objectives (formerly)	Investment Statement	Original balance	Objectives (New)	New Balance	+/-
1	An expansion of cassava flour capacity by 200 tons/day to 300 tons/day	300.0	66.4	-Same-	66.4	-
2	New production line for organic sweeteners with a capacity of 300 tons/day	300.0	300.0	-Same-	<u>280.0</u>	<u>(20)</u>
3	Improvement of cassava starch production efficiency	100.0	-	-Same-	-	-
4	De-bottlenecking fuel ethanol production capacity by 40,000 liter/day	50.0	48.8	De-bottlenecking fuel ethanol production capacity by 40,000 liter/day <i>and/or investment in industrial-grade ethanol and/or pharmaceutical-grade ethanol</i>	48.8	-
5	Investment in organic coffee milling and roasting facilities	100.0	100.0	<u>Investment in the food business</u> <sup>1/</sup>	<u>120.0</u>	<u>20</u>
6	Working Capital	1,892.7	-	-Same-	-	-
	<b>Total</b>	<b>2,742.7</b>	<b>515.2</b>		<b>515.2</b>	<b>0</b>

Remark: <sup>1/</sup> The investment in the food business will occur only after the Company has received the approval of the Extraordinary General Meeting of Shareholders No. 1/2024 on October 28, 2024 in Agenda 1 to enter into the transaction.

2) Loans from Financial institution 237,600,000 Baht ("**Loans from Financial institution**"). The Company is in the process of negotiating the terms of the 6 - 8 years loan agreement with one financial institution, and the Company expects to receive an offer from the financial institution in the fourth quarter of 2024.

In this regard, the Loan from the financial institution will result in an increase in the Company's debt obligations and interest expenses. As of June 30, 2024, the Company had total liabilities of 2,364.63 million

Baht and total shareholders' equity of 5,829.19 million Baht, resulting in a debt-to-equity ratio of 0.41 times. However, if additional borrowing of 238.60 million Baht is included due to the Share Acquisition and Capital Increase Share Transaction, the Company's debt-to-equity ratio would increase to 0.45 times, which is still considered low compared to the industry average. The loan from the financial institution will be disbursed after the Extraordinary General Meeting of Shareholders approves the transaction and all pre-conditions have been fulfilled. The company expects to start drawing the loan by December 2024 and will gradually repay the principal and interest on a monthly basis throughout the loan term.

For the funding sources for the second tranche investment, if the company exercises its rights for both the first and second call option agreement, it will utilize funds from the company's operating cash flow, with details as follows:

1. First Call Option Agreement: The Company holds the right to purchase ordinary shares of Oshinei at a price equivalent to the par value of the shares (100 Baht per share) for a total of up to 53,296 shares, representing no less than 5% but not more than 10% of the total shares, based on the ratio agreed upon by the parties. The company may exercise this right in 2026. Should the company exercise its first investment option, the investment value will range between 2.66 million Baht and 5.33 million Baht, with payment for the shares expected to be completed within 2026.

2. Second Call Option Agreement: The Company has the right to purchase up to 53,296 shares, representing no more than 10% of the total shares, with a value ranging from 52.00 million Baht to 86.50 million Baht. If the company exercises its second tranche investment, payment for the shares is anticipated to be made within the second quarter of 2027

### 1.1.7 Transaction Conditions

Other conditions to be Fulfilled by the Sellers Before Transaction Completion are as follows:

- (1) The Company must obtain approval from the shareholders' meeting at least three-fourths of the total number of votes of the shareholders present at the meeting and have the right to vote, excluding shareholders with beneficial interest which are (1) Mr.Tossri (2) Mr.Sittichai (3) STK Capital Company Limited and (4) K Plus Holding Company Limited (5) Ms. Sureeyot Khowsurat (6) Mrs. Saisunee Kuhakarn and (7) Miss Preerati Bhirombhakdi
- (2) The Board of Directors and shareholders' meetings of both Oshinei and the Company have resolved to approve the purchase of shares and the issuance of additional ordinary shares, as well as the execution of the Share Purchase Agreement, Share Subscription Agreement, Call Option Agreement, and other documents related to the aforementioned transactions, including any other actions necessary to complete all the transactions.
- (3) The Parties enter into all the relevant agreements, namely:
  - Shareholder Agreement
  - Share Sale and Purchase Agreement
  - Share Subscription Agreement
  - First Call Option Agreement
  - Second Call Option Agreement
  - Management Agreement
- (4) Net Income of Oshinei Group Company after deducting non-controlling interest from January 2024 to June 2024, not less than 20.00 million Baht<sup>1/</sup>. The Net Income has been prepared by management and reviewed by practitioner according to the agreed-upon procedures between the practitioner and the Company.

Remark: <sup>1/</sup> Oshinei Enterprise's net operating profit from the consolidated financial statements from January 2024 to June 2024 is calculated from the net operating profit of Oshinei Enterprise's consolidated financial statements after deducting the non-controlling interests of its subsidiaries from January 2024 to June 2024. 1) Revenue and/or expenses from special transactions, 2) Income and/or expenses from one-time transactions, and 3) Other income and/or expenses as mutually agreed upon by the parties.

- (5) Key executives, including Mrs. Waraporn, Mr. Kittisak, Mr. Somporn, Mr. Boontham, signed a management agreement for a period of 5 years before Extra Board of Directors' Meeting (EGM).

### 1.1.8 Procedures of the Transaction

The Company will proceed according to the following approximate deadline and if there is any change, the Company will notify you later.

No.	Procedure	Tentative Schedule
1.	Board of Directors Meeting No. 6/2024	27 August 2024
2.	Date of Determination of Shareholders Eligible to attend the Extraordinary General Meeting of Shareholders No. 1/2024 (Record Date)	13 September 2024
3.	The Extraordinary General Meeting of Shareholders of the Company No . 1/2024 to consider and approve the transaction of share purchase and subscription of Oshinei	28 October 2024
4.	Commenced investment in Oshinei	By the fourth quarter of 2024

The timeline for the transaction is presented in detail in the following table:

No.	Procedures	Total Value of Consideration	Estimated Schedule for Consideration Payment
1.	The First tranche investment in Oshinei under Share Subscription Agreement and Share Purchase Agreement	Baht 444,100,796	November 2024
2.	Shareholding Restructuring after the First tranche investment	-	November 2024
3.	The Second tranche investment under the First Call Option Agreement	Baht 2,664,800 - Baht 5,329,600	June 2026
4.	The Second tranche investment under the Second Call Option Agreement	Baht 52,000,000 - Baht 86,500,000	June 2027

### 1.1.9 Opinion of the Board of Directors on the Transaction

The Board of Directors, excluding directors with a conflict of interest and/or directors who are related parties, resolved to approve this transaction. Upon consideration, they concluded that the acquisition of assets from Oshinei Enterprise, consisting of common shares in OE representing 60% - 80% of OE's total issued and paid-up shares, which are invested in Japanese restaurant operations, is appropriate. The Board of Directors' opinion on the matter is as follows:

#### The rationale for investing in the restaurant business

The Board of Directors is of the opinion that investing in the food business, which is a new business for the Company, is appropriate. This investment aligns with the Company's strategy and direction to create a new S-curve in the Food & Ingredient sector in response to the rapidly changing industry landscape. It also helps to mitigate risks associated with the Company's existing businesses, such as ethanol and cassava starch production, which are upstream businesses heavily reliant on cassava as a raw material, a commodity subject to high volatility. Therefore, the Company has adjusted its strategic plan to focus on diversifying away from the existing business and increasing investments in downstream businesses, which are less volatile and have greater growth potential. Meanwhile, the existing business will focus on research and development of high-value products (HVP) to ensure sustainable growth in the future.

The Company plans to invest in the Food & Restaurant sector due to its high growth potential and opportunities for generating strong returns. This investment will also allow the Company to leverage its existing products to develop new offerings, add value, expand the customer base, and create additional distribution channels for the Group's products. In addition to investing in Oshinei, the Company continues to seek investment opportunities in other successful restaurant brands with established customer bases and experienced teams. This approach will enable the Company to expand its branches rapidly and efficiently without the need to develop new brands from scratch, thereby ensuring a stable cash flow from operations more quickly.

The Company remains focused on research and development of food biotechnology, having established the first phase of its Food Innovation Center. This center works in collaboration with external agencies, including government, private sector, and academic institutions, to conduct research and development activities related to food ingredients. The Company is currently developing and expanding its cassava starch products into other high-value products (HVP) that meet customer demand, such as health-beneficial sweeteners or modified starch.

Thus, the investment in Oshinei will increase the Company's net operating profit through Oshinei's business and enhance its capacity to achieve the goal of becoming a strong and sustainable Food Tech company. Additionally, this investment will help reduce the volatility of the Company's overall performance, particularly in relation to fluctuations in the cost of raw materials for ethanol production.



In the ethanol business, the Company remains committed to improving production efficiency while exploring the feasibility of expanding into high-value ethanol products such as E2G (Second-Generation Ethanol) or SAF (Sustainable Aviation Fuel), as well as industrial-grade and/or pharmaceutical-grade ethanol, for further processing in other downstream industries.

Consequently, the Company has made minor adjustments to the use of proceeds from its initial public offering (IPO). Instead of investing in organic coffee mills or roasting facilities, the Company has redirected funds to invest in the Food & Restaurant sector. Additionally, the investment objectives for the ethanol business have shifted from expanding ethanol production for fuel-grade products to industrial-grade and/or pharmaceutical-grade ethanol to enhance future value when government policies allow for such operations.

#### The appropriateness of the transaction price

The Board of Directors is of the opinion that the transaction terms are appropriate, as they include key conditions requiring the signing of a Management Agreement by the key executives, with a duration of five years. The Board believes that having these key executives sign the Management Agreement ensures that Oshinei, a new business for the Company, will be managed by experts on a continuous basis.

Additionally, the Board considers that entering into the Performance Guarantee Agreement related to the investment rights in Oshinei Enterprise's shares provides additional risk mitigation. This protection is in place in case Oshinei's performance during 2024 to 2025 does not meet the projected targets, as stipulated in the performance guarantee conditions of the First Call Option Agreement.

In this regard, Ms. Sureeyot Khowsurat and Mrs. Saisunee Kuhakarn as a director and connected person, has been excluded from such votes in the approval of this transaction.

#### **1.1.10 Opinion of the Audit Committee Which is Different from Opinion of the Board of Directors**

The Audit Committee has reviewed and determined that the investment in Oshinei Enterprise Company Limited, which qualifies as a related party transaction and an acquisition of assets by the Company, is necessary for the sustainable growth of the Company. Upon comparing the price and conditions, it was found that they do not differ from those of a transaction with external parties and are deemed appropriate, reasonable, and in the best interest of the Company. Therefore, the Audit Committee recommends that the Board of Directors propose the transaction for approval at the shareholders' meeting..

The Audit Committee and the Board of Directors share the same opinion as the Board of Directors.

## 1.2 Reasonableness of the Transaction

### 1.2.1 Objective and Rationale of the Transaction

According to Ubon Bio Ethanol Public Company Limited ("**The Company**") has a strategic plan to expand investment into potential new businesses, diversify risks and reduce the volatility of its current business, which relies solely on cassava as its primary raw material. This reliance exposes the Company to risks arising from climate change, which can affect both the supply and price of cassava. Furthermore, the Company aims to respond to the rapidly changing industrial landscape and mitigate risks associated with its existing operations, such as the ethanol and cassava starch businesses, which are upstream businesses highly dependent on cassava, a raw material subject to high volatility. As a result, the Company has adjusted its strategic plan to focus on diversifying away from its existing business and increasing investment in downstream businesses, which are less volatile and have greater growth potential. At the same time, the Company continues to operate its existing businesses, placing greater emphasis on research and development to create high-value products (HVP) that will drive sustainable growth in the future. Therefore, the Company has sought investment opportunities in the food business segment with potential for growth and profitability. It has a successful brand and an experienced team, as well as increasing the opportunity to distribute the company's products to consumers.

The Board of Directors' Meeting of the Company No.6/2024 held on August 27, 2024, the Board considered the management's proposal and passed a resolution to submit it for approval at the Extraordinary General Meeting of Shareholders No. 1/2024. The proposal seeks shareholder approval for the Company and/or its subsidiaries to proceed with the acquisition of assets and connected transactions through investment in Oshinei Enterprise Company Limited ("**Oshinei Enterprise**" or "**OE**"). OE operates three main businesses: Japanese restaurants, the distribution of Japanese food ingredients, and Japanese restaurant franchising. Oshinei Enterprise has invested in six Japanese buffet and A La Carte restaurant branches, as well as one Yakiniiku restaurant branch. Additionally, it operates 21 franchise branches. The first Oshinei Japanese restaurant opened in Ubon Ratchathani Province in 2014, followed by expansions into Udon Thani and Nakhon Ratchasima Provinces. In 2019, OE expanded into Vientiane, Laos. Currently, the Oshinei Japanese restaurant chain offers a variety of Japanese cuisine, including A La Carte, Buffet, and Yakiniiku, across 28 branches located in different regions of Thailand: 14 branches in the Northeastern region, 10 branches in the Central and Eastern regions, 2 branches in the Northern region, and 1 branch in the Southern region. There is also 1 branch in Laos. Currently, OE has no branches in Bangkok. Its target customer groups include government officials, businesspeople, corporate employees, and customers who prioritize value and a diverse menu selection.

In the investment in Oshinei Enterprise, the Company recognizes the importance of performance during the initial phase of the investment. As such, the investment in Oshinei Enterprise has been structured into two phases. Upon completion of both phases, the Company will hold between 70.00% and 80.00% of the total shares in Oshinei Enterprise. This approach serves as a risk management mechanism in case the net

profit performance from Oshinei Enterprise's consolidated financial statements does not meet the expected projections.

The structure of the investment transaction in Oshinei Enterprise consists of the following:

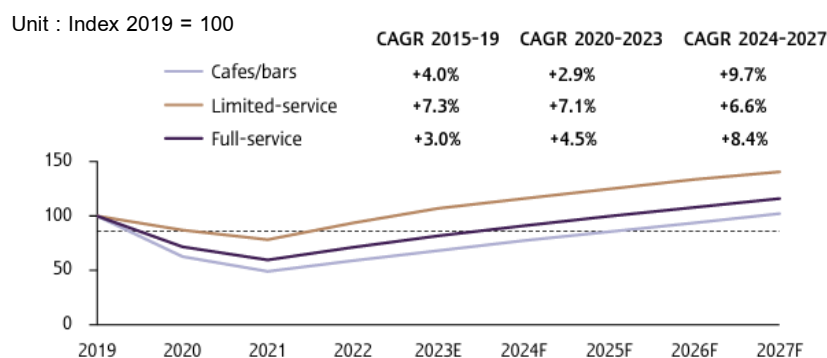
1. The First tranche investment in Oshinei under Share Subscription Agreement and Share Purchase Agreement
2. The Second tranche investment in Oshinei under First and Second Call Option Agreement

### 1.2.2 Advantages and Benefits of the Acquisition of Assets

#### 1. Expand investments into new businesses with strong potential and opportunities to generate substantial returns for the Company.

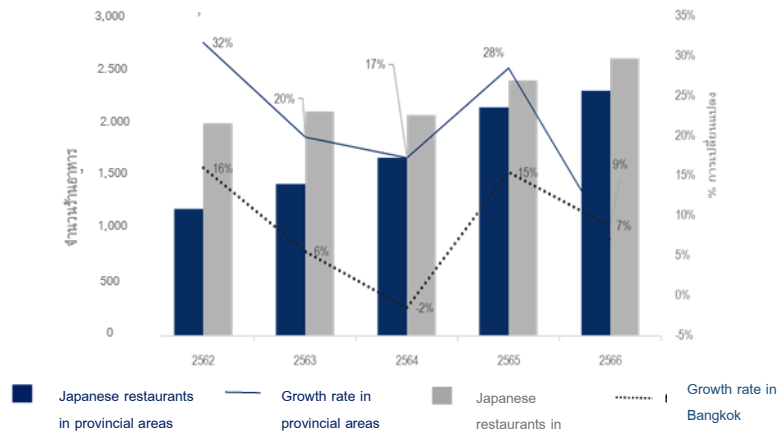
OE operates a restaurant business with continuous growth potential. SCBEIC forecasts that the restaurant industry will grow by 11% in 2024 and continue to grow at 8% annually from 2024 to 2027. This growth is supported by increasing numbers of tourists and rising purchasing power due to government economic stimulus policies. Additionally, the expansion of both online and offline sales channels creates opportunities to increase revenue by reaching a more diverse customer base. Japanese restaurants, in particular, remain popular among Thais and have significant growth potential as the domestic economy gradually recovers, wages increase, and tourism expands, especially in provincial areas where the number of Japanese restaurants is still relatively low compared to Bangkok. Moreover, OE operates a profitable restaurant business with continuous expansion potential, including (1) the procurement, distribution, and supply of Japanese food ingredients, (2) the franchising of restaurants, and (3) Japanese buffet restaurants. UBE can further develop these businesses by expanding the sale of Japanese food ingredients beyond Oshinei Enterprise and its franchisees, or by expanding into other franchise businesses and restaurant types, such as Yakiniiku.

Market Value of the Foodservice Industry



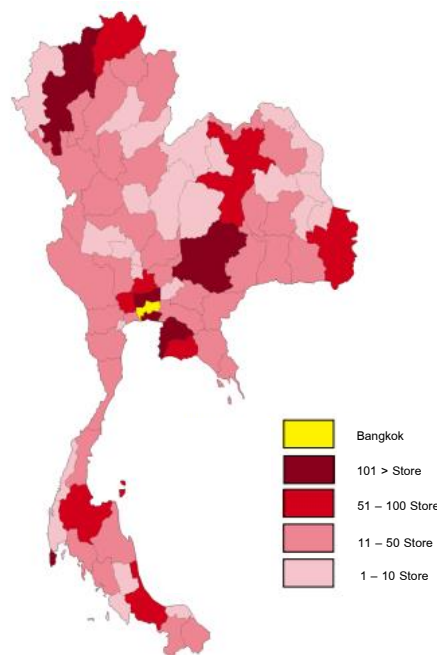
Source: SCB EIC Industry Insight, Food Service Business, November 2023.

**A chart showing the number of Japanese restaurants in provincial areas and in Bangkok**



Source: Results of JETRO's Survey of Japanese Restaurants in Thailand

**A diagram showing the number of Japanese restaurants in provincial areas and in Bangkok**



Source: Results of JETRO's 2023 Survey of Japanese Restaurants in Thailand

Currently, the Company's core businesses include ethanol production, cassava starch production, and organic agriculture. These sectors face challenges due to the market structure and the competitive landscape, as an increasing number of producers and distributors of ethanol, cassava starch, and organic agricultural products compete for market share. Therefore, expanding investments into the restaurant business, which has strong potential and opportunities for generating good returns, provides a new revenue source that enhances profitability and cash flow from Oshinei's restaurant operations. This investment in the restaurant sector will not

only support the Company's diversification but also mitigate risks associated with the current food business by providing additional distribution channels for the Company's products. Furthermore, investing in a high-potential restaurant business will allow the Company to respond to evolving market trends and demands, such as the growing popularity of dining out and the increasing demand for Japanese cuisine. Oshinei's branch expansion strategy will focus on regional areas outside of Bangkok, where competition in the Japanese restaurant market is lower. This approach will help attract mid- to high-income customers to Oshinei restaurants. The Company can leverage this opportunity to enter growing markets or markets with high expansion potential, aiming to achieve greater growth and returns in the future, such as expanding into restaurant franchises or Yakiniku businesses. Notably, OE's return on equity (ROE) in 2023 stood at 21%, which is higher than the average ROE of companies primarily operating in the restaurant business on the Stock Exchange of Thailand.<sup>1/</sup>

Remark: <sup>1/</sup> OE's return on equity is calculated based on OE's virtual consolidated financial data for the year 2023 prepared by the Company's management. The companies that are mainly engaged in the restaurant business on the Stock Exchange of Thailand (SET) are 1. M, 2. SNP, 3. ZEN, 4. AU, and 5. MAGURO

## **2. Acquiring ownership of a successful Japanese food business brand allows for further expansion into other business.**

OE owns a successful Japanese food brand, with the Oshinei Japanese restaurant established in 2014. The restaurant was founded with the goal of offering a diverse range of Japanese cuisine, providing customers with high-quality and fresh ingredients at affordable prices. This has allowed the Company to innovate and develop the brand to meet the needs of a wide range of customers. For example, OE has expanded into Yakiniku restaurants, with the first branch opened in Ubon Ratchathani in 2024. As a result, the Company has opportunities to further expand into different types of restaurants in the future. Under its business plan, OE aims to expand its franchise branches by three locations per year, as well as to supply raw materials such as fresh salmon, sauces, and other ingredients to customers outside of the OE network.

## **3. Invest in business that has economies of scale.**

OE currently operates a total of 27 Japanese restaurant branches. OE holds shares in its subsidiaries, which manage six Oshinei restaurant branches, including: (1) Oshinei Surin, (2) Oshinei Korat 2, (3) Oshinei Chiangmai, (4) Oshinei Ubon, (5) Oshinei Korat 1, and (6) Oshinei Udon. Additionally, there are 21 franchise branches operated by franchisees, as well as one Yakiniku branch that began operations in September 2024. OE benefits from economies of scale, which help reduce unit costs, such as for raw materials and salaries, through the volume of food sold. Moreover, economies of scale may enable the Company to offer competitive pricing and value-driven menu options to consumers, enhancing its competitive advantage in the market.

Investing in a restaurant business that benefits from economies of scale enables the Company to reduce the per-unit cost of goods and services. This brings several advantages, such as the ability to lower the per-unit cost of menu items. Fixed costs, such as research and development expenses, rental costs, advertising

expenses, labor, transportation costs, and investments in land, buildings, and equipment, are distributed across a larger number of goods. Additionally, businesses with economies of scale benefit from lower production costs, as suppliers often offer trade discounts or cash discounts when the Company purchases raw materials in bulk. This allows the Company to offer competitively priced menu items, increasing both revenue and profit. Moreover, economies of scale enable the Company to manage its restaurant business resources more effectively, allowing for full utilization of existing resources. For example, employees can become more skilled and serve more customers without increasing staff numbers. The Company can also allocate staff more efficiently based on service demand at different times, such as increasing staff during peak service hours to meet customer needs effectively.

**4. Expand into new profitable businesses more efficiently than starting a greenfield investment from scratch. (Green Field)**

Expanding into a new business by investing in an already profitable Japanese restaurant business allows the Company to grow quickly and efficiently. The Japanese restaurant business targeted for investment has a proven track record of profitability, as well as an established customer and supplier base. The Company can leverage these assets to build the brand and attract new customers, thereby enhancing market expansion and generating continuous revenue. Additionally, the process of sourcing quality raw materials is facilitated, as Oshinei's Japanese restaurant business has existing relationships with key suppliers and has conducted regular business with them. This may enable the Company to negotiate favorable terms and reduce raw material costs more easily. Furthermore, the Company can benefit from the knowledge and expertise of skilled and experienced employees in the Japanese restaurant business, reducing the time required for training and adaptation. This will allow for more efficient operations and future expansion.

**5. Having control power over strategic planning and operations.**

The Company's ability to control Oshinei Enterprise means that it can direct the business's strategies and operations as deemed appropriate. This authority allows the Company to implement long-term planning aligned with its vision and goals, whether in setting revenue growth targets, expanding into new regions, or entering international markets. It also enables the Company to broaden its market reach by targeting new customer segments. In addition, the development and innovation of new menu items is a key factor in attracting customers and differentiating the business from competitors. Offering a diverse and innovative menu enhances the appeal of the business and allows it to meet changing customer demands. Improving operational processes is another crucial aspect. The Company can introduce new technologies to increase efficiency, reduce costs, and improve the quality of its products and services. Building a competitive advantage, such as offering unique products or services, implementing specific marketing strategies, or setting competitive pricing, helps the Company remain resilient in a highly competitive market. Moreover, the Company has the ability to restructure the organization or teams to align with business needs. Establishing expert teams, training employees, or

adjusting roles can enhance efficiency and effectiveness in operations. In terms of resource allocation, the Company can control budgeting, investment, and other resources to meet its set goals. Maximizing the efficient use of resources enables the business to grow sustainably. Finally, having operational control allows the Company to make important decisions swiftly, whether in responding to market changes, addressing internal issues, or adapting to unforeseen circumstances. The absence of complex approval processes reduces delays and increases the flexibility of business operations.

**6. There are executives and an Executive Chef from Oshinei Enterprise with extensive knowledge, skills, and experience in the food industry.**

The Company can leverage the expertise of the executives and Executive Chef from Oshinei Enterprise, who possess deep knowledge, skills, and experience in the restaurant industry. These individuals have a comprehensive understanding of every aspect of restaurant operations, from menu planning, kitchen management, and customer service to human resource management. Their expertise allows the Company to consistently and efficiently meet customer demands, ensuring high service standards that are crucial for attracting and retaining customers. Consistency in food quality and service gives customers confidence and increases the likelihood of repeat business. Additionally, the ability to adapt menus seasonally or create new dishes enables the Company to align with changing food trends. For example, offering seasonal ingredients not only helps reduce raw material costs but also adds freshness and appeal to the menu. Developing new dishes helps attract new customers while maintaining the interest of existing ones. Consistent access to high-quality raw materials is essential for successful restaurant operations. The Company can benefit from Oshinei Enterprise's network to source quality ingredients at competitive prices. Building a strong brand is also crucial for differentiating from competitors. The Company can utilize various advertising platforms, such as social media, websites, or print media, to promote the brand and restaurant menu. Promotional campaigns and marketing activities, such as special discounts, promotional menus, or events, can help boost sales and attract customer interest. Maintaining consistent seasoning and food quality builds customer trust, increasing the likelihood of repeat visits. Customers expect consistent flavor and taste, and meeting this expectation helps foster brand loyalty. At the same time, having experienced chefs allows the Company to offer menu items that cater to specific customer needs, such as dishes for those with dietary restrictions, which can expand the customer base and create new business opportunities.

**7. Reduce reliance on the ethanol business by diversifying into new business that has potential.**

The Company can reduce its reliance on revenue generation from the ethanol business, which is its original core business, by diversifying into other sectors to mitigate the risks associated with the high volatility of the ethanol market. This includes fluctuations in oil prices, changing energy policies, raw material price volatility, and declining demand for ethanol. Diversifying into new growth sectors, such as the restaurant business, helps reduce the risks of depending on a single business line. If the revenue from the ethanol



business falls short of expectations, the Company can still generate income from the restaurant business, thus minimizing the risks of relying on a single source of income. Such diversification enables the Company to manage risks more effectively, ensuring more stable cash flow from operations. In response to the rapidly changing industry landscape, the Company has adjusted its strategic plan to focus on diversifying away from its traditional business and increasing investments in downstream businesses, which have lower volatility and higher growth potential. Meanwhile, the original business continues to focus on research and development of high-value products (HVP) to achieve sustainable growth in the future.

**8. There is an opportunity to increase the Company's distribution channels.**

The Company has an opportunity to expand the distribution of its products through the acquisition of Oshinei's restaurant business. The Company can utilize the restaurant business as a platform to showcase products from Ubon Sunflower Co., Ltd. ("UBS"), a subsidiary engaged in the production and distribution of organic cassava flour and starch products. UBS can supply its "Tasuko" brand cassava flour products to the Oshinei Enterprise Japanese restaurants, which are strategically located in key provincial regions. Tasuko cassava flour is made from 100% organic cassava, sourced from high-quality, gluten-free raw materials. It can be used in a variety of food and bakery products, similar to wheat flour, and offers unique properties in terms of color, flavor, taste, and texture that closely resemble those of wheat flour. This makes it suitable for both gluten-intolerant and non-gluten-intolerant consumers. Tasuko products are internationally certified and meet global organic agricultural standards. Tasuko cassava flour products include organic cassava flour, cassava flour for baking, cassava flour for crispy frying, and ready-to-eat processed cassava products such as Brownie Brittle (crunchy brownies), bread, and more. These products stand out for their health benefits, such as being gluten-free, high in fiber, low in fat and sugar, and made from 100% organic cassava.





The Company can leverage the Oshinei Japanese restaurants as a distribution channel for UBS products, whether by placing its products in the restaurants, utilizing the restaurant space to promote the products, or offering food- or beverage-related products. Additionally, the customers dining at the restaurants may differ from the Company's existing customer base, allowing the Company to reach new customer segments that it has not previously accessed, thus expanding its overall customer base. Furthermore, the Company can use the restaurant as a venue for promotional activities, such as special promotions, product sampling, or events designed to showcase its products. These activities provide customers with a tangible experience while dining, helping to build and maintain long-term customer relationships. By acquiring the restaurant business, the Company can foster strong relationships with customers through excellent service and positive experiences, which, in turn, boost brand loyalty and encourage repeat purchases. Thus, acquiring the restaurant business not only broadens the distribution channels but also strengthens marketing efforts and customer relations, creating opportunities for sustainable business growth and expansion and clearly explaining the characteristics of UBE's products that can be distributed.

**9. It is an investment that provides a reasonable return, which exceeds the cost of capital, generates consistent revenue, and demonstrates a high level of profitability.**

When the Company completes the transaction to purchase common shares of Oshinei Enterprise under the structure of the first tranche of investment, as well as the investments under the First Call Option Agreement and the Second Call Option Agreement, it will hold a 60-80% stake in Oshinei Enterprise. Oshinei Enterprise operates in the Japanese restaurant business and has demonstrated profitability during the period of 2021 to 2023, with consistent revenue. The Company expects to achieve a projected internal rate of return (Project IRR) of approximately 17.52% from the transaction, which exceeds the required rate of return (Required Rate of Return) or the weighted average cost of capital (WACC) of 9.33%. This investment will provide an opportunity for the Company to create value for investors by demonstrating its strategic shift from its traditional businesses—ethanol production, cassava starch and flour production, and organic agriculture—into the high-growth and high-margin Japanese restaurant sector. This move allows the Company to diversify its business portfolio and capitalize on the growing and profitable restaurant market, delivering a higher return on investment.

### **1.2.3 Disadvantages and Risks of the Acquisition of Assets**

#### **Disadvantages of the Acquisition of Assets**

**1. Lack of expertise and experience in restaurant business operations.**

The Company's lack of expertise and experience in operating a restaurant business may result in a limited understanding of market conditions and customer behavior. This could hinder the Company's ability to accurately analyze market trends, such as changes in customer preferences and demands, or to fully understand the competitive landscape, thereby limiting its ability to adjust product or service strategies to meet

customer needs. Moreover, the Company may struggle to develop and implement appropriate marketing strategies, potentially leading to the selection of unsuitable marketing approaches. Additionally, the Company may lack proficiency in managing food quality and maintaining service standards in the following areas: (1) Ingredient Selection: If the Company selects low-quality or unsuitable ingredients, it could lead to substandard food quality, resulting in customer dissatisfaction. (2) Food Preparation Standards: The quality of food and service are crucial factors that directly affect a restaurant's ability to generate revenue. Without sufficient experience, the Company may face difficulties in maintaining high standards, leading to customer dissatisfaction and loss of repeat business. The Company must also have expertise in managing and controlling costs, as cost management is critical in the restaurant business and can significantly impact long-term profitability. Poor cost control and budgeting could severely affect profitability and overall operations. Furthermore, the Company must ensure effective training and knowledge transfer to staff, as employee performance is vital to restaurant operations. Inadequately trained staff or those lacking service skills could lead to operational issues, such as incorrect order-taking, slow service, or an inability to meet customer needs effectively. For instance, employees without proper customer interaction skills may contribute to customer dissatisfaction, affecting the restaurant's ability to generate revenue. Additionally, labor costs may rise if staffing and compensation are not well-planned. Insufficient staff training could result in service errors, requiring additional time and resources to resolve, ultimately impacting the restaurant's ability to generate revenue from the investment.

To mitigate the risks associated with the Company's lack of expertise and experience in the restaurant business, the Company has established a management agreement with the founders and chefs, ensuring that they will continue to manage the business for at least five years. Additionally, the investment structure has been designed so that the founders and chefs will retain a combined ownership stake of 12.57% in Oshinei Enterprise after the Company completes its first and second phases of investment. This structure fosters a sense of shared ownership. Moreover, the Company will manage the transfer of knowledge to the organization and ensure that qualified personnel are recruited to further develop and sustain the business operations.

## **2. Loss of opportunities to invest in other businesses.**

Due to the Company's limited resources, investing in Oshinei Enterprise's restaurant business may result in missed opportunities to invest in other businesses with higher returns or greater growth potential in the future. The decision to invest in the restaurant industry carries significant risk, as the business requires effective management and operates in a highly competitive market. The restaurant industry presents numerous challenges, including shifts in consumer behavior that directly affect the popularity of certain cuisines, such as Japanese food, which can impact profitability and the business's long-term viability. Competition in the restaurant market is intense, and operators must manage their businesses efficiently to meet customer demands and adapt strategies based on market trends. Any significant change in consumer preferences, particularly regarding Japanese cuisine, could negatively impact Oshinei Enterprise's ability to maintain profitability or adjust quickly enough to remain competitive. This could prevent the Company from achieving the expected returns. Additionally, given the Company's limited resources, investing heavily in the restaurant

business may reduce the resources available for future investments in other high-potential sectors. These sectors could include technology, energy, or other emerging industries with strong growth prospects. The inability to allocate resources to these alternative investments could result in the Company and its shareholders missing out on potentially higher returns in the future. Moreover, if Oshinei's restaurant business does not achieve the expected success, whether due to market changes or shifts in consumer behavior, the Company may not realize the anticipated returns. A shortfall in cash flow from this business could strain the Company's limited resources, leaving insufficient capital to invest in or develop other business areas. This could lead to long-term liquidity challenges. However, the Company has conducted a thorough analysis prior to the investment and concluded that diversifying into downstream businesses, such as restaurants, has the potential to generate incremental returns for the Company and its shareholders, exceeding the financial costs associated with the investment.

### **3. Increase in financial costs**

The Company's acquisition of shares in Oshinei Enterprise is financed through borrowing of approximately 237.60 million THB, which will result in an increase in the Company's liabilities. When the additional borrowing is factored into the financial statements for Q2 2024, the debt-to-equity ratio will increase by approximately 0.04 times, from 0.41 times to approximately 0.45 times, based on the latest quarterly financial statements. This will impact the Company's cash flow, as it will incur obligations to repay both interest and principal on the borrowed funds. While Oshinei Enterprise has consistently reported net profits and positive cash flow during 2021-2023, if the restaurant business fails to meet expectations and generates insufficient revenue to cover all expenses, including debt repayment, the Company may face a cash flow shortage and liquidity issues. This would hinder the Company's ability to carry out key operational and investment activities, such as paying employee salaries and wages or purchasing essential raw materials. In a worst-case scenario, the Company may be unable to meet its debt obligations on time, leading to a default. This could negatively impact the Company's credit rating, reduce its financial credibility, and create challenges in securing additional funding in the future. Furthermore, the increased debt burden limits the Company's ability to expand its business, as higher liabilities reduce financial flexibility. As a result, the Company must carefully consider and plan its financial strategies to manage the increased debt and maintain sufficient liquidity for ongoing operations and future investments. Managing financial risks effectively is critical to ensuring the Company's long-term success and sustainable growth in a highly competitive market.

### **Risks of the Acquisition of Assets**

#### **1. Risk of intense competition in the Japanese restaurant business**

In the Japanese restaurant business, new operators continuously enter the market due to the relatively lower investment required to start a Japanese restaurant compared to other industries. This ease of entry allows new competitors to open Japanese restaurants and intensifies market competition. The competitive

landscape involves not only an increase in the number of restaurants but also a focus on differentiating through menus, services, and customer experiences. Competitors are constantly developing and offering new products, as well as a variety of menu options, to attract customers and distinguish themselves from other market players. Additionally, competition in the industry extends to pricing, promotional activities, and building widespread brand recognition. All these factors make the Japanese restaurant business highly challenging for existing restaurants seeking to maintain their market share. The continuous entry of new competitors, coupled with their introduction of diverse products and menu offerings, creates fierce competition in terms of both pricing and food quality. In Thailand, the sustained popularity of Japanese cuisine has led to the growth of Japanese restaurants both in Bangkok and its surrounding areas, as well as in the provinces. However, Oshinei Enterprise operates 27 branches, all located in provincial areas, along with one international branch in Laos. These regions are less saturated with Japanese restaurants, and Oshinei's presence remains relatively limited compared to competitors. Thus, Oshinei Enterprise still has opportunities to expand its branches across provincial areas and internationally. Moreover, it can continue to build new brands and develop menu offerings to meet consumer demands, thereby enhancing its competitiveness in a sustainable manner.

## **2. Risk that OE's operational performance may not meet expectations**

In operating a restaurant business, various factors can impact its performance, such as changes in consumer preferences, increased competition, or the emergence of new trends that render the restaurant's menu or concept less popular. Additionally, ineffective marketing that fails to reach the target audience can result in underperformance. Restaurant operations may also face challenges such as inefficient stock management, shortages of quality ingredients, or a lack of necessary skills and expertise among staff to provide excellent customer service. Furthermore, issues related to quality control, poor service, or inadequate management of the restaurant can prevent the business from achieving the expected results. The valuation of this acquisition is tied to the expected growth in Oshinei Enterprise's operational performance. Therefore, if the performance does not meet the projections, the company may not achieve the anticipated returns. However, Oshinei has been operating as a Japanese restaurant since 2014 and is led by experienced management and chefs who successfully navigated the challenges of the COVID-19 crisis. Moreover, the franchise business has consistently grown, with an average of 3–4 new franchise branches added each year from 2017 to 2022 (in 2023, OE). This demonstrates that Oshinei possesses competitive capabilities. Additionally, the Japanese restaurant business of OE has been operating for over 10 years, and a management contract has been signed to ensure that key executives continue to serve for at least five more years. Moreover, the share purchase agreement includes non-competition clauses to prevent competitive business activities during the period the company remains a shareholder and for an additional three years following the end of the shareholding period. Therefore, the company expects that OE's performance will meet the projected expectations.

## **3. Risk of reputational damage due to the company's franchise services**

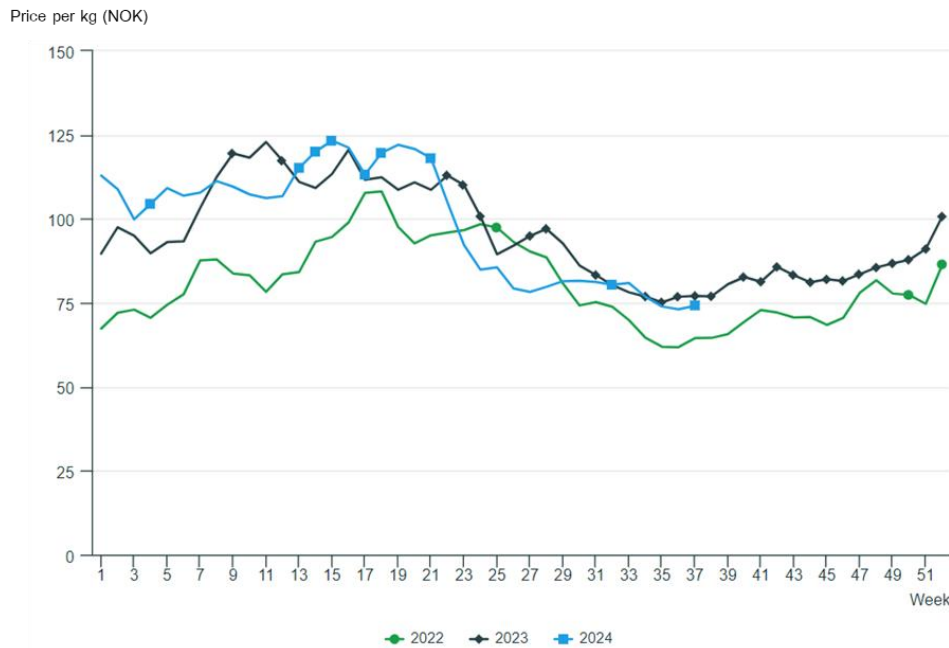
If franchisees fail to meet the standards set by the company, it may result in a decline in the quality and taste of the food compared to competitors, which is a key factor for maintaining the brand's competitiveness in the market. The use of substandard ingredients or improper food preparation can not only lower the quality of the food served but also cause customer dissatisfaction and loss of trust in the brand. When customers receive food that does not meet their expectations or is of inferior quality, they may share their negative experiences with others or through social media, amplifying the negative impact on the brand. Additionally, if franchisees do not adhere to service standards, such as offering impolite service, long wait times, or poor cleanliness of the restaurant, customers will have a negative experience. Substandard service can erode customer satisfaction, making them feel they are not getting value for their money, which may lead them to seek out competitors who can offer a better experience.

However, the franchise agreement requires Oshinei Enterprise to provide and train head chefs and branch managers, who play a crucial role in maintaining the quality of food and service to the required standards. Furthermore, according to the franchise agreement, franchisees are mandated to use ingredients supplied by the franchisor through Daiki Food. If a franchisee wishes to introduce ingredients from alternative sources for business purposes, they must propose this to the franchisor for consideration and approval. Such ingredients can only be used if written approval is obtained from the franchisor to ensure the quality of the ingredients.

#### **4. Risk of raw material price volatility**

The primary ingredients for Japanese restaurants include raw fish and seafood, which heavily rely on imports. Therefore, the prices of these ingredients may frequently fluctuate due to various factors such as market demand and supply, seasonal changes, and weather conditions. This volatility causes the cost structure of Japanese restaurants to be unstable. If the price of raw materials increases, it can lead to higher food costs, potentially reducing the restaurant's profitability if they are unable to adjust menu prices accordingly. Moreover, price fluctuations might compel the restaurant to substitute ingredients to control food costs, which could negatively impact the taste of the dishes and customer satisfaction. Additionally, managing supply chains becomes more challenging with fluctuating raw material prices. This may require sourcing new suppliers or changing the origins of the ingredients, which can further complicate cost management and make it harder to maintain stable food expenses.

#### **Graph : historical salmon prices in Norway**



Source : Statistics Norway

However, Oshinei Enterprise has Daiki Food, which can consolidate purchase orders from all branches, including salmon, which accounts for 41% of its consumption. This enables the company to negotiate with suppliers for raw materials at competitive prices. In cases where the cost of raw materials increases, the company is able to source from alternative suppliers, as salmon can be procured from multiple locations. Additionally, the company can offer other ingredients that are equally or more popular and are priced more reasonably depending on the period, such as beef or other types of seafood, including various fish, oysters, and scallops.

## 5. Risk of franchisees not renewing their contracts

If multiple franchisees choose not to renew their contracts, the Japanese restaurant may lose revenue from franchise fees, royalties, or other service charges generated by franchisee operations. When a restaurant is forced to close in a particular area, loyal customers who once frequented the establishment may turn to other restaurants, potentially direct competitors of Oshinei, leading to a reduction in the brand's customer base. Should the company fail to secure new franchisees to replace those that leave, the brand may lose its customer base in that region, increasing the risk of losing market share to competitors. Furthermore, franchisees choosing not to renew their contracts could raise doubts about the quality of the franchise system in the eyes of consumers and investors, potentially damaging the brand's credibility and negatively affecting its ability to expand in the future. Additionally, if franchisees opt to open restaurants that directly compete with Oshinei, the revenue of Oshinei-branded Japanese restaurants may decrease.

However, in the past, Oshinei Enterprise has not had any franchisees terminate their contracts. Moreover, the number of franchisees has steadily increased, with an average of three new branches per year between 2021 and 2023. This growth can be attributed to Oshinei Enterprise's focus on building strong and

stable relationships with its franchisees by providing adequate support, offering valuable advice, and consistently listening to their feedback. The franchise agreements have a term of 10 years, and if a franchisee wishes to terminate the contract, they must notify the franchisor in advance. However, such contract terminations have not had an impact on Oshinei Enterprise's overall performance. Additionally, during the contract period, Oshinei Enterprise has reviewed and adjusted business offerings, such as reducing franchise fees. Furthermore, the company should demonstrate the benefits franchisees would gain from renewing their contracts, such as improved marketing programs or the development of new products that could increase revenue. Highlighting opportunities for growth and business stability will be key factors in motivating franchisees to renew their contracts.

**6. Risk of being unable to maintain the quality of ingredients and food menu in accordance with the established standards**

The inability to maintain the quality of ingredients and food menu according to established standards can lead to various negative consequences. One of the major impacts is the loss of customer trust, as the quality of ingredients and food directly influences the customer experience. If the quality declines or falls below the expected standards, customers may become dissatisfied and decide not to return, resulting in a loss of the customer base and long-term sales. Additionally, this can negatively affect the brand's image. If a restaurant is unable to uphold the quality of its food according to the set standards, it may damage the brand's reputation and credibility. A poor experience at one branch can influence how customers perceive the brand as a whole. Ultimately, the failure to maintain the quality of ingredients and food could lead to a competitive disadvantage, with customers opting to patronize competitors who can consistently deliver better quality. This may affect the brand's market share. Nevertheless, Oshinei Enterprise has mandated that its branches use the majority of their ingredients from Daiki Food to control the quality of the supplies. This includes regular inspections of the ingredients and sourcing them from reliable suppliers. Furthermore, if a franchisee wishes to use alternative suppliers for business purposes, they can submit the proposal to Oshinei Enterprise for consideration and approval before utilizing the ingredients from those sources. This process helps mitigate the risk of failing to control ingredient quality.

**7. Risk of the seller failing to comply with terms or representations in the share purchase agreement.**

If the seller is unable to comply with the terms or representations in the share purchase agreement, such as breaching conditions related to indemnification, liabilities concerning legal compliance in business and tax matters, or the preparation of historical financial statements, the company may need to spend time and resources on legal proceedings to obtain the compensation it is entitled to. This could lead to complications, missed business opportunities, and additional legal expenses. Under the terms of the agreement regarding indemnification in the share purchase contract, the sellers, including Mrs. Waraporn Pakpho, Mr. Thossathip Kosurat, Mr. Sitthichai Kosurat, Mr. Kittisak Leelalom, Mr. Somporn Phosarat, Mr. Panot Kittiparsat, Ms. Atchara Pakarat, and Mr. Napatch Ampuch, have agreed to bear unlimited liability to compensate the buyer. The



duration of the seller's liability will adhere to the statute of limitations applicable to each case. This liability covers breaches by Oshinei Enterprise related to indemnification, legal compliance in business and tax matters, and the preparation of historical financial statements. Any claims for indemnification must be supported by valid and legally enforceable documentation. The company has reviewed and assessed the background and credibility of the counterparties, and it is expected that the associated risks will remain at an acceptable level.

#### 1.2.4 Advantages of Transactions with Connected Persons

**1. The Company can negotiate and alleviate the conditions in the share purchase agreement more easily and swiftly than when conducting transactions with external parties.**

By entering into this transaction with Oshinei Enterprise which is currently co-owned by Mr. Tossri Khowsurat (“**Mr. Tossri**”) and Mr. Sitthichai Khowsurat (“**Mr. Sitthichai**”), who are major shareholders of both the Company and Oshinei Enterprise Mr. Tossri and Mr. Sitthichai hold effective shareholdings in Oshinei Enterprise of 15.00% and 15.00% of its total shares, respectively. As a result, Oshinei Enterprise qualifies as connected persons. Therefore, negotiations and relaxation of terms in the share purchase agreement with Oshinei Enterprise can be conducted more conveniently than with external parties, facilitating better coordination in reaching mutual agreements on the sale and purchase, and enabling the preservation of business confidentiality within the Company's group.

**2. The Company is able to utilize the knowledge, expertise, and experience of connected persons to its advantage.**

Mr. Tossri Khowsurat (“**Mr. Tossri**”) and Mr. Sitthichai Khowsurat (“**Mr. Sitthichai**”), as major shareholders of the Company and connected persons, possess expertise and experience in investing in the restaurant business. Oshinei Enterprise's Japanese restaurant business was established with the goal of offering Japanese food enthusiasts a diverse menu prepared with fresh, high-quality ingredients at prices accessible to most consumers. Mr. Tossri and Mr. Sitthichai began investing in Oshinei Enterprise's Japanese restaurant business in 2014. As connected persons, both Mr. Tossri and Mr. Sitthichai bring valuable experience and expertise in restaurant investment, as demonstrated by Oshinei Enterprise's profitable performance from 2021 to 2023, and the expansion of branches in Udon Thani, Nakhon Ratchasima, and other provincial regions and abroad. Currently, Oshinei's Japanese restaurants operate 28 branches, achieving success and providing appropriate returns for investors. Therefore, the Company can effectively leverage the knowledge, expertise, and experience gained from its transactions with connected persons to manage the restaurant business. Furthermore, the Company can negotiate favorable terms for various contracts with counterparties to maximize returns and benefits for the Company and its shareholders.



### 1.2.5 Disadvantages of Transactions with Connected Persons

**1. There may be a transfer of benefits, or it may hinder the ability to fully negotiate prices and various terms due to conflicts of interest.**

Transactions with connected persons may affect the ability to negotiate terms as effectively as with external parties, which could potentially impact the minority shareholders of the company. However, the board of directors and the company's management are fully aware of the rules and regulations and recognize the implications of conducting transactions with connected persons. The purchase price has been determined based on the discounted cash flow (DCF) method and reflects a price negotiated as if dealing with an external party. The sale price and terms have been set with the company's best interests in mind. In the shareholders' meeting to approve this transaction, those with vested interests will be prohibited from voting. The company is also actively seeking investment opportunities in other successful restaurant brands with established customer bases and experienced management teams to enable rapid and efficient expansion without the need to build a new brand from scratch. This strategy will help the company secure a stable cash flow from operations quickly. The company is considering investment opportunities with both related and non-related parties. Some have declined the company's offers due to its preference for reasonable investment pricing, while others are still in negotiation. Furthermore, the company has appointed an independent financial advisor to provide an opinion on the transaction to assist shareholders in their decision-making.

**2. The Company has a duty to comply with regulations, which results in additional expenses associated with the transaction.**

The transaction qualifies as an acquisition of assets of Type 1, as it has a transaction size of 10.86% according to the Net Operating Profit criteria, which is below 15%, and involves issuing shares to settle the asset payment. However, since this transaction must be approved by the company's shareholders' meeting according to the related-party transaction announcement, the transaction size is 7.38%, exceeding 3% of the net tangible asset value and more than 20 million baht, as stipulated by the related-party transaction regulations. Therefore, the company is obligated to disclose the transaction to the Stock Exchange and seek approval from the shareholders' meeting. In obtaining shareholder approval for this transaction, the company must appoint an independent financial advisor to provide an opinion on the transaction. Consequently, the company will need additional time to complete the process and will incur extra costs.

### 1.3 Appropriateness of prices and conditions of the transaction

As the company proceeds with the acquisition of assets and all related transactions to become a 60% shareholder of OE on behalf of UBE, the independent financial advisor has assessed the fair value of OE's common shares. This assessment is based on OE's financial statements over the past three years, ending from December 31, 2021, to December 31, 2023, prepared by the company's management, as well as information provided by the company, interviews with relevant management and personnel, and other documents pertinent to the transaction's consideration, including financial assumptions, projections, and publicly available data.

However, the independent financial advisor's opinion is based on the assumption that this information and documentation are complete, accurate, and reliable, reflecting the current circumstances and accessible information. However, any significant changes in economic conditions, external factors, or internal company factors could materially impact the business operations and affect the assumptions used, which may in turn influence the valuation of the enterprise.

The independent financial advisor has employed the following methods to determine the fair value of OE's shares.

1. Book Value Approach
2. Adjusted Book Value Approach
3. Market Comparable Approach
4. Price to Book Value Ratio Approach
5. Price to Earning Ration Approach
6. Discounted Cash Flow Approach

#### 1.3.1 Book Value Approach

The Book Value Approach is a method for assessing the book value of net assets or the shareholders' equity value based on the financial statements of Oshinei Enterprise at a specific point in time. The independent financial advisor has evaluated the book value by referencing information from the audited financial statements of Oshinei Enterprise as of December 31, 2023, as detailed in the following table.

Items	Separate financial statements audited by Oshinei Enterprise's certified public accountants. (Million Baht)	Oshinei Enterprise's virtual consolidated financial information prepared by the Company's executives (Million Baht)
Issued and paid-up capital <sup>/1</sup>	0.50	0.50
Retained earnings	67.61	121.81
<b>Shareholders' Equity</b>	<b>68.11</b>	<b>122.31</b>

Remarks: /1 The par value is 100 baht per share, divided into 5,000 fully paid ordinary shares, excluding the additional registered paid-up capital of 46 million baht, which was added after 2023..

The valuation of Oshinei Enterprise using the Book Value Approach indicates a value of 68.11 million Baht, based on the standalone financial statements audited by OE's certified public accountant. However, if based on the pro forma financial information prepared by the Company's management, the total book value of OE is 122.31 million Baht.

This valuation method only reflects the financial position of the business as of December 31, 2023, and does not capture the current market value of the assets. The independent financial advisor views this method as not accurately reflecting the economic value of Oshinei Enterprise because it only indicates the book value at a specific point in time, without considering the market value of certain assets. Furthermore, the audited standalone financial statements do not represent the consolidated performance of OE following the restructuring and do not reflect future profitability, industry economic trends, or other external factors that may impact future business operations. Therefore, the independent financial advisor deems the Book Value Approach inappropriate for valuing Oshinei Enterprise's common shares.

### 1.3.2 Adjusted Book Value Approach

This valuation method calculates the share value by taking the total assets and deducting all liabilities, including commitments and contingent liabilities, as recorded in the audited financial statements of Oshinei Enterprise as of December 31, 2023, and adjusting for any transactions that occurred after the financial statement closing date.

However, as of December 31, 2023, the independent financial advisor calculated the adjusted book value by reconciling the book value with financial items resembling liabilities. These items often include debt commitments or other financial obligations that the company will be required to pay in the future, as well as the capital increase in Oshinei Enterprise that took place after December 31, 2023, based on information provided by the company's management. This adjustment aims to reflect the fair value of shareholders' equity as of December 31, 2023. The adjusted book value of Oshinei Enterprise as of that date can be calculated as follows.

Items	Separate financial statements audited by Oshinei Enterprise's certified public accountants. (Million Baht)	Oshinei Enterprise's virtual consolidated financial information prepared by the Company's executives (Million Baht)
<b>Shareholders' Equity (Before Adjustment)</b>	<b>68.1</b>	<b>122.3</b>
<b>Adjustments<sup>1/</sup></b>		
Guarantee from the franchisee	-	-
Deposit from the branch	(2.5)	-
Dividend payables	-	-
Cash received from related parties	(0.9)	-
Damage deposit from employees	-	-
Long-term payables	(0.4)	-
Employee benefits obligations	(1.0)	-
Income tax payables	(1.2)	-
Increase in paid-up capital <sup>2/</sup>	46.0	46.0
<b>Total Adjustments</b>	<b>40.4</b>	<b>46.0</b>
<b>Shareholders' Equity (After Adjustments)</b>	<b>108.5</b>	<b>168.3</b>

Remarks: <sup>1/</sup> The above adjustment is an adjustment arising from the preparation of virtual consolidated financial information of Oshinei Enterprise by the Company's management. Therefore, they reflect the updated book value of Oshinei Enterprise's virtual consolidated financial information, but they do not reflect the adjusted book value in Oshinei Enterprise's separate financial statements.

<sup>2/</sup> The capital increase in Oshinei Enterprise took place on July 19, 2024, for the purpose of settling an intercompany loan between Daiki Food and a director of Daiki Food, who is a connected person. The cash obtained from the capital increase in Oshinei Enterprise will be used to increase capital in Daiki Food through a private placement, after which Daiki Food will use the proceeds to repay the director.

The valuation of Oshinei Enterprise using the Adjusted Book Value Approach as of December 31, 2023, indicates a value of 108.50 million baht. However, this method does not consider future profitability or industry economic trends, nor does it account for other external factors that may impact future business operations. Therefore, the independent financial advisor believes that this method may not accurately reflect the true value of Oshinei Enterprise. The independent financial advisor views this approach as limited in its ability to capture the economic value of Oshinei Enterprise, deeming it an unsuitable method for assessing the company's true valuation.

### 1.3.3 Market Comparable Approach

The Market Comparable Valuation Approach assesses the value of Oshinei Enterprise by comparing it to publicly listed companies engaged in similar businesses. This approach utilizes average historical data over various time periods up to December 31, 2023. The Independent Financial Advisor conducted this analysis based on companies listed in the Food and Beverage sector of the SET.

The Independent Financial Advisor established criteria for selecting comparable companies with revenue from restaurant businesses that are publicly listed in the SET. Six listed companies with similar business characteristics were chosen as references:

- (1) ZEN Corporation Group Public Company Limited (ZEN)
- (2) Maguro Group Public Company Limited (MAGURO)
- (3) Wow Factor Public Company Limited (W)
- (4) Mud & Hound Public Company Limited (MUD)
- (5) S&P Syndicate Public Company Limited (SNP)
- (6) MK Restaurant Group Public Company Limited (M)

The Company's summary information as of December 31, 2023 is as follows:

		As of December 31, 2023 (Unit: Million Baht)			
Company / Abbreviation	Nature of Business	Market Cap	Total assets	Total Revenue	Net Profit (Loss)
Zen Corporation Group Public Company Limited (ZEN)	It operates as a holding company, with its core company being Zen Restaurant Holding Co., Ltd., which runs Japanese restaurants under the "ZEN" brand and other related businesses.	2,760	3,239	3,945	158
Maguro Group Public Company Limited (MAGURO)	The company operates restaurants offering premium to mass-market food and beverages under the trademarks "MAGURO," "SOMETHING TOGETHER," and "HITORI SHABU." It also provides food delivery and catering services.	-	814	1,044	73
Wow Factor Public Company Limited (W)	The Company has invested in the food business.	699	739	323	(147)
Mud & Hound Public Company Limited (MUD)	The food and beverage business is divided into (1) franchised food and beverage operations under brands such as Dunkin' Donuts and Au Bon Pain, and (2) proprietary food and beverage	2,169	5,182	3,552	(12)

		As of December 31, 2023 (Unit: Million Baht)			
Company / Abbreviation	Nature of Business	Market Cap	Total assets	Total Revenue	Net Profit (Loss)
	operations under the company's own brands, including Greyhound Cafe and Another Hound Cafe. Additionally, the company operates in the lifestyle business under the Greyhound brand.				
S & P Syndicate Public Company Limited (SNP)	The restaurant and bakery business, as well as the sale of products, is divided into 1) restaurants and bakeries in the country; 2) Restaurants Abroad 3) Manufacturing and Selling Bakery Products Frozen ready-to-eat food through restaurant and bakery branches and supermarkets.	8,544	5,044	6,290	485
MK Restaurant Group Public Company Limited (M)	The restaurant business is "MK Suki", the Japanese restaurant "Yayoi", which has been franchised from Japan, as well as two other Japanese restaurant brands, namely "Hakata" and "Miyazaki", the Thai restaurant "Na Siam" and "Le Siam", and the coffee/bakery "Le Petit".	36,604	20,347	16,974	1,682

Remark: Total asset value, revenue, net profit from operating results for the year ended 31 December 2023 and market capitalization as at 31 December 2023 are derived from the Stock Exchange of Thailand and the Annual Registration Statement (Form 56-1) for the year 2023.

#### (1) Price to Book Value Ratio Approach

The equity valuation using the Price-to-Book Value (P/BV) approach applies the book value of Oshinei Enterprise, derived from the audited financial statements and the pro forma financial statements prepared by the company's management for the year ending December 31, 2023, at 143.40 and 257.47 baht per share, respectively. These values are then multiplied by the moving average over the past 7 days, 30 days, 60 days, 90 days, 120 days, 180 days, and 360 days from December 31, 2023. The independent financial advisor used a group of six comparable companies listed and traded on the stock exchange, selected for their similar business operations to OE, primarily generating revenue from restaurant services. These companies are in the Food and Beverage industry sector and include ZEN, MAGURO, W, MUD, SNP, and M. The valuation results are summarized as follows.

$$\text{Shareholders' Equity Value} = \text{Book Value} \times \text{Moving Average of the Closing Price to Book Value Ratio}$$

**Details of the calculation of shareholders' equity valuation using the Price-to-Book Value ratio method  
based on OE's separate financial statements audited by a certified public accountant.**

Securities	Moving Average (Day)						
	7	30	60	90	120	180	360
ZEN	1.22	1.26	1.37	1.48	1.58	1.74	2.42
MAGURO	2.71	3.16	N/A	N/A	N/A	N/A	N/A
In	2.70	3.21	3.94	3.89	3.96	3.81	6.01
MUD	0.67	0.67	0.70	0.75	0.79	0.86	0.99
SNP	2.56	2.61	2.65	2.68	2.75	2.92	3.13
M	1.70	1.80	1.94	2.09	2.19	2.36	2.83
average	1.93	2.12	2.12	2.18	2.25	2.34	3.08
<b>Share Price (Baht per Share)</b>	<b>276.28</b>	<b>303.76</b>	<b>304.00</b>	<b>312.32</b>	<b>323.22</b>	<b>335.26</b>	<b>441.09</b>
<b>Shareholders' Equity Value (Million Baht)</b>	<b>131.23</b>	<b>144.29</b>	<b>144.40</b>	<b>148.35</b>	<b>153.53</b>	<b>159.25</b>	<b>209.52</b>

**Details of the calculation of shareholders' equity valuation using the Price-to-Book Value ratio method  
based on OE virtual consolidated financial information prepared by the Company's management.**

property	Moving Average (Day)						
	7	30	60	90	120	180	360
ZEN	1.22	1.26	1.37	1.48	1.58	1.74	2.42
MAGURO	2.71	3.16	N/A	N/A	N/A	N/A	N/A
In	2.70	3.21	3.94	3.89	3.96	3.81	6.01
MUD	0.67	0.67	0.70	0.75	0.79	0.86	0.99
SNP	2.56	2.61	2.65	2.68	2.75	2.92	3.13
M	1.70	1.80	1.94	2.09	2.19	2.36	2.83
average	1.93	2.12	2.12	2.18	2.25	2.34	3.08
<b>Share Price (Baht per Share)</b>	<b>496.07</b>	<b>545.42</b>	<b>545.84</b>	<b>560.78</b>	<b>580.35</b>	<b>601.97</b>	<b>791.99</b>
<b>Shareholders' Equity Value (Million Baht)</b>	<b>235.63</b>	<b>259.07</b>	<b>259.28</b>	<b>266.37</b>	<b>275.66</b>	<b>285.94</b>	<b>376.19</b>

Source: Data from SETSMART as of December 31, 2023

Using the Price-to-Book Value (P/BV) ratio based on OE's standalone financial statements audited by a certified public accountant, the valuation of OE's shareholders' equity ranges from 131.23 to 209.52 million baht, with a share price range of 276.28 to 441.09 baht per share. Based on the pro forma financial information prepared by the company's management, the shareholders' equity valuation for OE ranges from 235.63 to 376.19 million baht, with a share price range of 496.07 to 791.99 baht per share. However, each company differs in terms of business nature, company size, capital structure, subsidiary and associate

holdings, and operational aspects, which influence costs and net profit. This valuation method does not consider OE's profitability and operating performance.

## (2) Price Earning Ratio Approach

The method of valuing shareholders' equity using the ratio of stock value to earnings to share is the use of the book value of Oshinei Enterprise From the financial statements audited by a certified public accountant and the virtual consolidated financial statements of OE prepared by the Company's executives. For the year ending on 31 December 2566 This is equal to: 53.14 and 58.95 Baht per share respectively Multiply by the moving average (Moving Average) Retrospective 7 day 30 day 60 day 90 day 120 day 180 Date and 360 day From the date of 31 December 2563 In addition, the group of companies listed and traded on the stock exchange in the food and beverage industry. 4 company namely ZEN MAGURO SNP and M (MUD and In The ratio of share value to earnings per share cannot be calculated due to the net operating loss in the year. 2566 Therefore, it is not taken into account in the valuation of shareholders' equity.) Because it has a business similar to OE The main income comes from serving restaurants. Including past performance. Volatility (%YoY Change) Similar to the performance of OE The calculation results are summarized as follows:

Shareholders' Equity Value = Earnings per Share x Moving Average of the Closing Price to Earnings per Share

### Details of Calculation of Equity Value by Ratio of Share Value to Earnings to Share

According to OE's separate financial statements audited by a certified public accountant.

Securities <sup>1</sup>	Moving Average (Day)						
	7	30	60	90	120	180	360
ZEN	12.34	12.70	13.83	14.19	14.58	15.06	19.59
MAGURO	23.22	26.69	28.09	N/A	N/A	N/A	N/A
SNP	15.21	15.53	15.72	15.59	15.82	16.28	17.60
M	14.13	15.01	16.16	17.36	18.28	20.15	25.06
average	16.23	17.48	18.45	15.71	16.23	17.16	20.75
<b>Share Price (Baht/Share)</b>	<b>862.18</b>	<b>929.01</b>	<b>980.42</b>	<b>835.00</b>	<b>862.27</b>	<b>912.05</b>	<b>1,102.64</b>
<b>Equity Value (Million Baht)</b>	<b>409.54</b>	<b>441.28</b>	<b>465.70</b>	<b>396.62</b>	<b>409.58</b>	<b>433.22</b>	<b>523.75</b>



**Details of Calculation of Equity Value by Ratio of Share Value to Earnings to Share**

**Based on OE virtual consolidated financial information prepared by the Company's management.**

Securities <sup>1</sup>	Moving Average (Day)						
	7	30	60	90	120	180	360
ZEN	12.34	12.70	13.83	14.19	14.58	15.06	19.59
MAGURO	23.22	26.69	28.09	N/A	N/A	N/A	N/A
SNP	15.21	15.53	15.72	15.59	15.82	16.28	17.60
M	14.13	15.01	16.16	17.36	18.28	20.15	25.06
average	16.23	17.48	18.45	15.71	16.23	17.16	20.75
<b>Share Price (Baht/Share)</b>	<b>956.42</b>	<b>1,030.55</b>	<b>1,087.58</b>	<b>926.26</b>	<b>956.52</b>	<b>1,011.73</b>	<b>1,223.16</b>
<b>Equity Value (Million Baht)</b>	<b>454.30</b>	<b>489.51</b>	<b>516.60</b>	<b>439.97</b>	<b>454.35</b>	<b>480.57</b>	<b>581.00</b>

Source: Data from SETSMART as of December 31, 2023

Note:<sup>1</sup> MUD and W cannot calculate the share value to earnings ratio due to the net loss in 2023 and are not taken into account in the valuation of shareholders' equity.

Based on the valuation of shares using the ratio of share value to earnings per share. (P/E) According to the separate financial statements of OE audited by a certified public accountant to obtain the value of shareholders' equity of OE In the interval 409.54 - 523.75 million baht and the stock price is in the range between 862.18 - 1,102.64 Baht per share, and based on the virtual consolidated financial data of OE prepared by the Company's executives will receive the value of shareholders' equity of OE In the interval 454.30 - 581.00 million baht and the stock price is in the range between 956.42 - 1,223.16 Baht per share

However, the independent financial advisor is of the opinion that such a method cannot reflect the value of Oshinei Enterprise because each company has differences in business, company size, capital structure, shareholding in subsidiaries and associates, and the company's operations, which affect the company's capital. Business profit and retained earnings as part of the book value and valuation by this method do not take into account the profitability and future performance of the OE. Therefore, the independent financial advisor is of the opinion that it is an improper valuation method for the valuation of Oshinei Enterprise's shares.

### 1.3.4 Net Present Value Method of Cash Flow (Discounted Cash Flow Approach)

Fair valuation of Oshinei Enterprise's shareholders' equity using the discounted cash flow method, which calculates the present value of the estimated net cash flow (FCF) at a discounted rate. The Independent Financial Advisor has calculated the weighted average financial cost rate. Weighted Average Cost of Capital (WACC) to be used as a discount rate and calculate future net cash flows from the financial estimates of OE Daiki Food and Restaurant Business.

The present value method, net cash flow, is a method of taking into account the future performance of a business by estimating its performance based on the period in which the business is expected to operate. The Independent Financial Advisor estimates the cash flow of the business for a period of 7 years from 2024 to 2030 based on the Company's financial estimate that it is expected to expand its branches until 2029 and thereafter will be considered as the Mature Stage with the assumption that there will be no further increase in branches.

In the financial estimates and assumptions used in the preparation of this estimate, the independent financial advisor has prepared an estimate of cash flows from the Group's performance forecasts, which are based on historical actual financial data or ratios, as well as OE's plans and relevant industry data. The current value of cash flow is a way to reflect the business plan. It is based on the assumption that OE's business will continue to operate. There has been no significant change in the Going Concern Basis, and it is under the current economic conditions and situation, as well as no significant impact from natural disasters.

The independent financial advisor has made an assessment of the value of the OE based on the assumption that all information received about the OE is complete and factually accurate. Financial estimates used to value stocks. It is prepared under the assumptions and information received from the Company and determined under the current economic conditions and circumstances. If there are any changes in the Company's business plans and policies, or changes in economic conditions that will affect the Company's business operations. Changes from the estimates and variables set forth may cause significant changes in the estimates made under the above assumptions and may affect the value of the Company's assessed shares.

The Company will invest in OE, which holds shares in 8 subsidiaries, totaling 9 companies, namely OE, which operates a restaurant franchise business, with Daiki Food Co., Ltd. ("**Daiki Food**") engaged in the business of importing and distributing food ingredients, in which OE holds 100.00% of ordinary shares and 7 companies in the restaurant business as follows:

1. Oshinei Enterprise Korat Co., Ltd. ("Oshinei Korat 2") - OE holds 100.00% of the common shares.
2. Oshinei Enterprise Surin Co., Ltd. ("Oshinei Surin") - OE holds 100.00% of the common shares.
3. S. Khemrat Interfood Co., Ltd. ("Oshinei Korat 1") - OE holds 54.00% of the common shares.
4. S. Khemrat Japan Food Co., Ltd. ("Oshinei Ubon") - OE holds 53.00% of the common shares.
5. Udon Japan Food Co., Ltd. ("Oshinei Udon") - OE holds 51.00% of the common shares.

6. Oshinei Enterprise Chiang Mai Co., Ltd. (“Oshinei Chiangmai”) - OE holds 65.00% of the common shares.
7. Oshinei Yakiniku and Sashimi Co., Ltd. (“Oshinei Yakiniku”) - OE holds 100.00% of the common shares.

1. Revenue Assumptions

The Company's revenue is divided into 3 segments: (1) Franchise Business (Oshinei Enterprise), (2) Food Raw Materials Sales Business (Daiki), and (3) Restaurant Business.

1.1. Assumption of Franchise Business Income (Oshinei Enterprise)

Operating a restaurant business using the franchise model will have the role of a franchisee and a franchisor. A franchisee is a person or company that has been granted the right by the franchisee to open and operate a restaurant under the franchisee's brand name.

Oshinei Enterprise's restaurant franchise business has a total of 27 franchise branches, of which 6 are restaurants owned by Oshinei Enterprise. The other 21 branches are franchise branches, where franchisees have franchise agreements that specify various practices and fees that the franchisee must pay to Oshinei Enterprise. The franchise contract will last for 10 years, however, Yakiniku restaurant, which opened in September 2024, has not yet performed materially and has not entered into a franchise contract because it is a new type of restaurant. Since Yakiniku is not yet in operation, the independent financial advisor has provided an initial investment equal to 5 million baht and has been included in the cash flow within Oshinei Enterprise for the purpose of calculating the value of the business.

Franchise Income

Independent Financial Advisors set the royalty fee income at 5% of the franchisee's net income. (franchise) as specified in the franchise contract. Royalty fees can be charged from the POS system, allowing OEs to receive complete and timely information, which will be analyzed and compared at the end of each month to ensure that no abnormalities occur. The franchise buyer cannot access to edit the information because the system is locked. The net income of the franchise is estimated from two factors: (1) the number of customers of each branch and (2) the price per customer per customer in each branch, with the following details:

Key factors	Defined Assumptions
Number of branches (Franchise)	In 2021 – 2023, the Oshinei Enterprise business group has an average of 3 restaurant branches per year. Therefore, the independent financial advisor has set the branch growth during the estimated period to be 1 per year. In the case of the base, franchise restaurants will have an annual growth of 2 branches, which is an average of 1-3 branches (1 branch opened at the beginning of the year and 1 branch opened in the middle of the year). In 2025 - 2029, it will expand to franchise branches

Key factors	Defined Assumptions
	<p>according to the business plan to expand branches to all regions of Thailand. Except for Bangkok, and plans to expand branches in ASEAN countries. and require the existing franchisee to renew the franchise contract. However, the Independent Financial Advisor has hypothesized that one branch that has been in arrears of royalty fees for a long period of time will not be counted. The franchise contract will not be renewed at the end of the contract in 2029 for 1 branch.</p>
<p><b>Number of customers</b></p>	<p>In order to reflect the impact of the adjustment of business strategies in 2024, including menu engineering, marketing strategy, and pricing strategy adjustments, the financial advisor has forecast the number of customers using data from the first 6 months of 2024 as a basis for forecasting. In addition, during the forecast period (2025 – 2030), the Independent Financial Advisor made the following assumptions:</p> <ol style="list-style-type: none"> <li>1) For high-growth branches (13 branches): All 13 branches showed good customer growth during 2021 to the first 6 months of 2024 and responded well to the adjustment of business strategies in 2024, especially the adjustment of pricing strategies and buffet menus to be more cost-effective. An independent financial advisor estimates that the branch grows to the number of leads over a period of 4 years and remains constant at the number of leads thereafter. Lead count is based on the average number of customers of a branch with a performance level. This is calculated based on the average number of customers during 2021 to the first 6 months of 2024.</li> <li>2) For other branches (14 branches): This growth rate is calculated based on the average growth of the number of customers in all branches during 2021 to the first 6 months of 2023, which is the target for future customer growth.</li> <li>3) For newly opened franchise branches (future branches): The number of customers in each branch is determined based on the average number of customers from all branches in the year of the estimate.</li> </ol>
<p><b>Average income per head</b></p>	<p>The financial advisor estimates the average per head sales revenue of restaurants for 2024 using the average revenue per head data from the first 6 months of 2024 for each branch as the basis for calculation, because in order to estimate the restaurant's performance in 2024 to reflect the impact of business strategy adjustments in 2024, including menu engineering,</p>

Key factors	Defined Assumptions
	marketing strategy, and pricing strategy adjustments, and the financial advisor forecasts the number of customers and revenue per head using data from the first 6 months of 2024. The independent financial advisor has set the average per head income growth rate at 2% per annum, which is in line with Thailand's inflation growth guidelines for the past 20 years.

Upfront Fee Income

Under TFRS No. 15 Revenue from contracts made with customers stipulates that such input income must be recognized throughout the duration of the franchise agreement. The reason for the difference in the entry value is due to the negotiation between the franchisee and the OE, which must be gradually recognized as accounting income according to the participation. However, in estimating cash flows, it is considered that there is money coming in. OE immediately in the year of contract. In addition, Oshinei Enterprise can realize additional upfront fee income when a new franchisee has a branch. The company will open one branch at the beginning of the year and one more branch in the middle of the year between 2025 and 2029 and set the entry fee at 3.0 million baht according to OE's policy from 2023 that the entry fee will not be charged below 3.0 million baht.

1.2. Revenue from the sale of raw materials

Daiki Food is engaged in the business of selling ingredients for cooking, and currently Daiki Food only distributes raw materials to OE franchisees. The franchise agreement stipulates that the source of raw materials used in restaurant services Oshinei must only be sourced from the franchisee through the distributor Daiki Food. However, if the franchise has other sources of raw materials that they want to offer for business benefits. The franchisee can present it to the franchisee for consideration and approval. Revenue from the sale of Daiki Food's extinguished materials to franchisees will be divided into two main categories: salmon and non-salmon products.

Key factors	Defined Assumptions
<b>Revenue from the sale of raw materials</b>	Revenue outlook from raw material sales and raw material selling costs In the past, the period 2021 – 2023 was related to the number of customers of franchisees, so the independent financial advisor estimated the revenue from the sale of raw materials from the following key factors: <ol style="list-style-type: none"> <li>1) Number of Clients (Q) is determined by the total number of franchisees in the estimated year.</li> <li>2) In 2021 – 2023, the average cost per head was about 300 baht/head, and in the 2024 estimate, the independent financial advisor determined the average cost per head in the past 3 years, with an increase of 2% per year.</li> </ol>

Key factors	Defined Assumptions
	3) Cost plus Margin (Margin%): Daiki Food has a gross margin of approximately 11%, which is determined by the growing trend of blended gross margin, with the independent financial advisor setting the blended gross margin for 2024 at approximately 11% based on the trend of Daiki Food's historical data.
<b>Revenue from Logistic Service</b>	Independent financial advisors estimate Logistic Service revenue as equal to average revenue. Logistic Service to Total Sales Revenue is based on the average of the cost of sales to net revenue ratio over the past 3 years from 2021 to 2023.

### 1.3. Revenue from sales and restaurant services

The restaurant business owned by OE has a total of 6 branches. as follows

branch	Shareholding by OE
Oshinei Surin	100.00%
2 to do ascent	100.00%
1 to do ascent	53.00%
Oshinei Ubon	51.00%
Oshinei Udon	54.00%
Oshinei Chiangmai	65.00%

Oshinei Restaurant operates a Japanese restaurant business in buffet style and a la carte style, with the details of the buffet price package that changes from year to year as follows:

year	2021	2022	2023	2024
Buffet price per Head (Baht)	350/500/799/999	290/550/1150	290/550/1150	350/500/590/790/1150

In 2021 to the first 6 months of 2024, all 6 branches held by OE. The average number of customers and revenue per head are as follows:

year	2021	2022	2023	6 months 2024
Number of customers (thousands)	361	417	371	197
Average Income per head (Baht) <sup>1/</sup>	590	605	607	658

Note: <sup>1/</sup> Average revenue per head of branches held by OE

To estimate restaurant revenue, independent financial advisors make assumptions based on average revenue per head and the number of customers each year. The details of the hypothesis are as follows:

Key factors	Defined Assumptions
Number of customers per month	<p>In 2021 – 2023 , the average number of customers per month of the OE-owned restaurant business was approximately 6,000 per month. In addition, the following hypotheses have been formulated:</p> <ol style="list-style-type: none"> <li>1. In areas with good customer growth from 2021 to the first 6 months of 2024 and a good response to the adjustment of business strategies in 2023, the growth will be determined to reach the number of leads within a period of 4 years, and after that the number of leads will be fixed at that number. This is calculated based on the average number of customers during 2021 to the first 6 months of 2024.</li> <li>2. Branches that did not respond well to the Business Strategy in 2023 This growth rate is calculated based on the average growth of the number of customers in all branches during 2021 to the first 6 months of 2024.</li> </ol>
Average food sales revenue per head	<p>Between 2021 and 2024, Oshinei's average revenue per head from food sales was 607 baht per head, with a compound annual growth rate (CAGR) of 4.2 percent. For 2024, based on the average revenue per head data for the first 6 months of 2024 for each branch, the estimate of restaurant performance reflects the impact of business strategy adjustments in 2024, including menu engineering, marketing strategy, and pricing strategy adjustments. It is set to grow at 2 percent per annum, which is based on historical inflation data.</p>
Service Charge Income	<p>The Independent Financial Advisor has set a service charge at the rate of 5% of net income, which is the actual rate and has issued a notice of adjustment of the service fee for all franchisees.</p>
Other income	<p>Oshinei's other income comes from the sale of fish scraps. This is about 0.09 - 0.78% of the revenue from food sales.</p>

## 2. Cost of sales assumptions

### 2.1. Cost of sales and franchise business services

This is because the franchise business does not have significant costs of sales and services. However, the cost of sales and services consists of the cost of POS and HRM software, which in 2021, 2022 and 2023 were 0.09 percent, 0.53 percent and 0.20 percent of total revenue, respectively. The independent financial advisor stipulates that the cost of services is equal to the proportion of the average cost of sales for the past 3 years (2021 – 2023), which is 0.30% of total revenue.

2.2. Cost of sales and services of raw material sales business

Cost of Selling Raw Materials Business

Key factors	Defined Assumptions
<b>Cost of raw materials sold</b>	Independent Financial Advisor The cost per head is estimated to be 301.29 baht/head from the average cost per head for the past 3 years (2021 to 2024), and it is estimated that the per head cost will increase according to the average inflation rate of Thailand for the past 20 years at 2 percent per year.
<b>Cost of Sale - Shipping</b>	Selling costs – transportation costs are the cost of transportation of Daiki Food's goods in 2021 – 2023, with the cost of transportation being 1.8 percent, 1.6 percent, and 2.0 percent of the cost of raw materials sold, respectively .

2.3. Cost of sales and service in restaurant business

In 2021 – 2023, Oshinei restaurants accounted for 60 to 70 percent of the total food sales revenue. The independent financial consultant determined the cost of sales for Oshinei restaurant to be the ratio of cost of sales to revenue for the past 3 years (2021 – 2024).

3. Sales and administrative expenses

Assumptions and estimates of sales and administrative expenses It can be summarized as follows:

Key factors	Defined Assumptions
Variable selling expenses	Variable Selling Expenses: Independent financial advisors set the proportion of variable selling expenses to be equal to the historical average. 3 years (2021 – 2023)
Fixed cost of sales	Oshinei's fixed selling expenses include marketing expenses for online marketing, based on discussions with the management team. The independent financial advisor estimates that it will be 0.4 – 0.5 million baht per year in 2024 – 2030, without such expenses in the past.
Other sales expenses	Other selling expenses In 2021 – 2023, the proportion of other selling expenses was 1.07%, 1.24 and 1.34% of total revenue, respectively .
Fixed administrative expenses	Non-rental fixed administrative expenses The independent financial advisor estimates the fixed expenses to be the same as in 2023 and estimates that the average inflation rate in Thailand over the past 20 years will increase by 2 percent per year. In estimating rents, independent financial advisors estimate the terms of the lease, most of which are three-year terms, with a 5 percent rental growth rate every three years.



Key factors	Defined Assumptions
Variable Administrative Expenses	Variable Administrative Expenses: The Independent Financial Advisor determines that the proportion of variable selling expenses is equal to the historical average. 3 years (2021 – 2023)
salary	The Independent Financial Advisor has set the salary growth of employees at the management level at 5% per annum in accordance with OE's salary adjustment policy from 2024 onwards. For employees in the restaurant business, which will include the positions of service staff and kitchen staff. For employee salary rate estimates, independent financial advisors estimate salary rates with a target growth rate of 3 percent per year. According to Oshinei's salary increase policy from 2024 onwards until the entire forecast period.
Remuneration for key executives	Remuneration for key executives is a common expense of Oshinei, with independent financial advisors determining the remuneration of key executives under the management contract and increasing at 5% per annum in accordance with OE's salary adjustment policy from 2024 onwards throughout the forecast period.

4. Depreciation and amortization

Depreciation and amortization comprise land improvement. The Independent Financial Advisor requires depreciation at a fixed rate on a straight-line basis and refers to the depreciation of depreciation from the useful life of Oshinei Enterprise's assets as follows:

Office Equipment	5 - 11 Years
Computers and software	4 - 5 years
Intangible assets	10 years
Building and Building Improvement	20 years
vehicle	5 years

5. Financial costs

The independent financial advisor sets the interest rate at 4.00% per annum in 2024 and 6.60% in 2025 – 2030 based on the interest paid on interest-bearing liabilities incurred in 2025. 2023 according to the bank loan agreement of S.Khemrat Company. Japan Food Co., Ltd.

6. income tax

Independent financial advisors set a tax rate of 20 percent of pre-tax profits and fixed throughout the estimate.

7. Working capital

### 7.1. Net working capital for franchise business

The independent financial advisor refers to the historical ratios from 2021 to 2023 and sets the ratios to be stable throughout the forecast period. as follows

list	hypothesis
<b>assets</b>	
Trade receivables	Debt collection period 66.2 days <sup>1/</sup>
<b>debt</b>	
Trade payables	Repayment Period 61.5 Days <sup>1/</sup>
Upfront Fees	Under Financial Reporting Standard No. 15, such upfront fee income must be recognized throughout the life of the franchise agreement and the full upfront fee is recognized when the OE receives payment from the counterparty at the commencement date of the contract.

Remarks: <sup>1/</sup> The reason why the debt collection period is longer than the debt repayment period of OE is due to the fact that OE has a policy of providing credit to customers that is conducive to building business relationships by allowing customers to pay for a longer period of time in order to retain customers and support franchise customers.

### 7.2. Net working capital Raw Material Sales Business

The independent financial advisor refers to the historical ratios from 2021 to 2023 and sets the ratios to be stable throughout the forecast period. as follows

list	hypothesis
<b>assets</b>	
Trade receivables	Debt collection period is 32 days.
In stock	Inventory Turnover Period 12.6 Days
<b>debt</b>	
Trade payables	Repayment period 47.8 days

### 7.3. Net working capital Restaurant Business

The independent financial advisor refers to the historical ratios from 2021 to 2023 and sets the ratios to be stable throughout the forecast period.

list	hypothesis
<b>assets</b>	
Trade receivables	Debt collection period 1 - 4 days <sup>1/</sup>
In stock	3-day inventory turnover period.
<b>debt</b>	
Trade payables	Repayment Period 29 - 66 Days <sup>1/</sup>

Note: <sup>1/</sup> The reason why the debt repayment period is longer than the debt repayment period of the debt. This is due to the nature of the restaurant's business that can be billed quickly, and OE and Daiki Food have a policy of providing credit to customers that is conducive to building business relationships. This allows franchisees to make payments over a longer period of time to support franchise customers.

Summary of Working Capital Estimate (Unit: Million Baht)

Estimate summary	2024F	2025F	2026F	2027F	2028F	2029F	2030F
Working Capital <sup>1/</sup>	(5.26) <sup>2/</sup>	(0.43)	(0.85)	(1.13)	(1.40)	(1.03)	(5.83) <sup>2/</sup>

Remarks: <sup>1/</sup> After the adjustment of the shareholding ratio by OE

<sup>2/</sup> Because in that year there was no increase in new branches. Therefore, there is no cash to receive from the upfront fee.

8. Capital expenditure

Independent financial advisors set future investment costs when each asset class is fully covered. Shorten the accounting utilization period for maintenance, improvement and replacement of assets. However, independent financial advisors hypothesize that future investment expenses are equal to depreciation and amortization. In 2023, to maintain a stable level of operating assets. In addition, based on the forecast of the increase in the number of franchisees in the forecast year, it is found that the current level of Property, Plant, and Equipment (PPE) capacity is still sufficient and there is no need to increase the investment cost (Capex) during that period.

Summary of Estimate of Future Investment Expenditure (Unit: Million Baht)

Estimate summary	2024F	2025F	2026F	2027F	2028F	2029F	2030F
Investment Costs	(5.64)	(5.76)	(5.76)	(5.76)	(5.76)	(5.76)	(5.76)

Note: After the adjustment of the shareholding by OE.

9. Discount Rate

The depreciation rate used to calculate the net present value of cash flows is derived from the calculation of the Weighted Average Cost of Capital ("WACC") based on the capital structure of the Oshinei Enterprise Group.

WACC	=	$K_e * E / (D + E) + K_d * (1 - T) * D / (D + E)$
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variable	explanation	Variable Values
$K_e$	The cost of capital or the rate of return that shareholders want.	10.08 percent
$K_d$	The cost of debt or the interest rate on the OE loan.	4.17 percent
T	Corporate Income Tax Rate	20.00%
E	The Portion of Shareholders' equity	152.23 Million Baht
D	The portion of debt with interest.	19.02 Million Baht

The weighted average financial cost ratio used by independent financial advisors. The characteristics change according to the estimate of the portion of the debt with interest burden. This will affect the cost of capital and the cost of interest-bearing liabilities to change on an annual basis. In calculating the financial

cost of equity. ( $k_e$ ) Independent financial advisors are calculated using the Capital Asset Pricing Model ("CAPM").

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

Risk Free Rate ( $R_f$ ) = Based on the yield of government bonds of maturity. 15 The value is equal to the percentage. 2.79 (Data as of 30 August 2567) This is the yield on government bonds that reflects the country's overall economic factors (Source: [www.thaibma.or.th](http://www.thaibma.or.th))

Beta ( $\beta$ ) = 0.77 Equal by referring to the average Unlevered Beta of a group of companies listed on the Stock Exchange of Thailand that operate the restaurant business. with at least historical trading data. 5 The main business is restaurants and has a reasonable turnover rate. amount 3 The companies are: ZEN W M The interval is equal to 5 Years back from August 2562 – August 2567 (This is a period that reflects the fluctuation of stock prices compared to the SET Index) and updated with an estimate of the company's interest-bearing debt to equity ratio (Source: Data from SET As of 30 August 2567)

Market Risk ( $R_m$ ) = Historical Monthly Average Return on Investment on the Stock Exchange of Thailand 15 Year from 30 August 2552 – 29 August 2567 This is equal to a percentage. 8.60 (Data as of 30 August 2567) The independent financial advisor considers it an appropriate time. that can reflect the overall picture and cycle of the economy and represent market returns (Source: Data from SETSMART As of 8 August 2567)

WACC	=	$K_e * E / (D + E) + K_d * (1 - T) * D / (D + E)$
	=	$10.08\% * 88.89\% + 4.17\% * (1 - 20\%) * 11.11\%$
	=	9.33%

10. Assumption of cash flow after the estimated period (Terminal value)

The Independent Financial Advisor has prepared a financial estimate for the period ended December 31, 2030 and sets the terminal value at Baht 915.28 million. The growth rate is 0.00 percent because independent financial advisors are based on the prudent principle. (Conservative Basis) in the estimate to reflect the highly competitive and to make the valuation more secure. Without expecting high growth in the future. This principle also reflects the business status of OE, which is in the company life cycle, which is in the Mature stage, which refers to a business with slower growth and high competition. As a result, OE will maintain the same level of cash flow in the long term. Under the management of the previous management.

**Summary of assumptions in revenue and expense estimates by segment (Before the cut-off of the item)**

(Unit: Million Baht unless specified as other units)

Estimate summary	2021A	2022A	2023A	2024F	2025F	2026F	2027F	2028F	2029F	2030F
Number of branches	21	24	27	27	29	31	33	35	36	36
Number of customers (millions)	1.2	1.6	1.5	1.6	1.8	2.0	2.2	2.4	2.5	2.6
Average per head Income (Baht) <sup>1/</sup>	590	607	606	634	646	659	673	686	700	714
Franchise Business Revenue <sup>2/</sup>	34.69	51.23	47.73	49.73	58.40	66.35	74.26	84.53	90.89	94.94
Income from the raw material sales business <sup>2/</sup>	396.64	569.83	480.2	546.95	609.84	688.72	773.78	865.35	934.00	978.08
Revenue from Restaurant Business <sup>2/</sup>	233.40	282.67	246.20	270.79	287.66	305.23	323.54	342.62	354.88	367.67
Cost of Franchise Business <sup>2/ 3/</sup>	(3.12)	(4.35)	(7.48)	(0.12)	(0.14)	(0.16)	(0.17)	(0.20)	(0.21)	(0.22)
Cost of Selling Raw Materials Business <sup>2/</sup>	(366.4 8)	(513.70)	(437.45)	(492.70)	(550.61)	(623.24)	(701.79)	(786.61)	(848.99)	(889.05)
Cost of Selling Restaurant Business <sup>2/</sup>	(141.5 5)	(181.76)	(153.78)	(170.31)	(181.16)	(192.53)	(204.45)	(216.72)	(224.45)	(232.51)

Note 1/: Average per head income from sales of buffet and a la carte meals is the average per head income of all branches in that year.

2/: Assumptions based on consolidated financial statements before cross-cutting

3/: The reason why the cost of sales of the franchise business decreased in the estimated year was due to the classification of items.

The executive remuneration is sales and administrative expenses.

**Summary of Oshinei Enterprise Group's Financial Estimates**

Based on the assumption of revenue estimation. Expenses, Assets and Liabilities The financial estimates of the Oshinei Enterprise Group for the period 2024 to 2030 are as follows:

Unit: Million Baht	2021A	2022A	2023A	2024F	2025F	2026F	2027F	2028F	2029F	2030F
income	548.40	743.70	630.80	697.78	772.68	866.65	967.04	1,076.75	1,156.72	1,210.10
Cost of sales	(389.90)	(544.30)	(464.40)	(506.72)	(566.75)	(641.66)	(722.64)	(810.02)	(873.86)	(915.34)
Gross Profit	158.40	199.50	166.40	191.07	205.93	224.99	244.39	266.73	282.86	294.76
SG&A	(92.80)	(110.50)	(113.80)	(133.47)	(140.17)	(146.64)	(153.18)	(160.10)	(165.98)	(172.00)
EBITDA	65.59	88.96	52.62	57.60	65.76	78.35	91.21	106.63	116.88	122.76
Depreciation	(11.00)	(13.60)	(16.10)	(10.19)	(10.97)	(10.18)	(10.31)	(11.35)	(12.34)	(12.72)
Financial costs	(1.10)	(1.20)	(1.30)	(0.79)	(1.10)	(0.92)	(0.74)	(0.56)	(0.38)	(0.21)
Profit before tax	53.50	74.10	35.20	46.62	53.69	67.25	80.16	94.71	104.16	109.83
Income tax expenses	(7.20)	(9.30)	(7.20)	(10.02)	(11.65)	(13.93)	(16.36)	(19.11)	(20.62)	(21.63)
Net Profit	46.23	64.78	27.99	36.61	42.04	53.32	63.80	75.60	83.54	88.20
Net NCI				1.32	(0.71)	(0.32)	(0.04)	0.31	0.73	1.39
Adjusted Net Profit	46.23	64.78	27.99	35.28	42.75	53.65	63.84	75.30	82.82	86.81

Note: Consolidated Financial Statements with Elimination

**Oshinei Enterprise Group Cash Flow Estimates**

Unit: Million Baht	2024F	2025F	2026F	2027F	2028F	2029F	2030F
Free Cash Flow (FCFF)	33.26	45.69	55.36	65.23	77.29	85.82	85.43
Cash Flow After Estimate Period (Terminal Value)							915.28
Present Value Cash Flow	30.42	38.22	42.35	45.65	49.47	50.24	535.82

NOTE: Free cash flow has been considered and adjusted in proportion to OE's shareholding .

**Summary of the valuation using the current value method of Oshinei Enterprise Group's cash flow**

Based on the present value, the estimated cash flow of the Oshinei Enterprise Group will be able to calculate the fair value of shareholders' equity. OE according to the Discounted Cash Flow Approach is as follows:

Calculation of the fair value of shareholders' equity OE by the present value method of net cash flow:

Total value of Oshinei Enterprise Group	792.17
<b>Plus:</b> Net cash as of December 31 , 2021 <sup>1/</sup>	36.28
<b>Less:</b> Interest-bearing liabilities as of December 31 , 2023	(10.10)
Total value of Oshinei Enterprise Group after renovation	818.35

Remarks: <sup>1/</sup>Equity Value after adding back net cash or cash after deduction of debt-like transactions as at 31 December 2023 in proportion to shareholding, which is 36.28 million baht, and offset by interest-bearing liabilities as at 31 December 2023, which is 10.10 million baht.

However, the above fair valuation is based on the assumption that the business will continue to operate as usual (as-is basis). Such fair value may be improved by the discount for lack of liquidity and the increase in control premium. The discount compensates for the risk of lack of liquidity at an estimated However, the acquisition of an OE in the proportion of 60-80% will also create an added value from the acquisition of control premium, which is generally around 20-30% (Damodaran, A. (2005) "The Value of Control: Implication for Control Premia, Minority Discounts and Voting Share Differentials"). Fair value improvement with illiquidity discounts and control gains is in line with the guidelines of Financial Reporting Standard No. 13 on Fair Value Measurement.

According to information obtained from OE's management , the company plans to invest in the Yakiniku restaurant business with an investment of approximately 5 million baht. The first Oshinei Yakiniku store opened in September. This investment uses internal cash flow and has not yet been implemented. The Independent Financial Advisor has determined that the value of the investment is equal to the amount of the investment used, so this investment is considered to be included in the value calculated by the IFA .

The fair value of OE's shareholders' equity as at 31 December 2023 was Baht 818.35 million.



### Sensitivity analysis

Independent financial advisors have conducted a sensitivity analysis to change. Sensitivity Analysis of OE's share valuation by considering important factors that are likely to change and have a significant impact on the fair valuation of OE's ordinary shares, such as the discount rate and the increase in the number of branches during the forecast period, with the following details:

This analysis reflects the cost of liabilities and the cost of equity, which will affect the valuation of the business as a whole.

The increase in the number of branches during the forecast period was due to the independent financial advisor's view that such factors had a significant impact on the value of the assessed shares in terms of the present value of the company's free cash flows. Therefore, the consultant conducted a sensitivity analysis to changes in the increase in the number of branches during the estimation period. In the base case, the independent financial advisor establishes the hypothesis that the restaurant branch will be opened. Franchisees will increase by 2 branches per year (1 branch at the beginning of the year and 1 branch in the middle of the year) during 2025 - 2029 and allow existing franchisees to renew franchise contracts. To analyze its sensitivity to this change, the consultant has established the option of increasing the number of branches to 1 per year. (Operating at the beginning of the year) and 3 branches per year (1 branch operating at the beginning of the year and 2 branches operating in the middle of the year) to cover changes in various variables that may occur, which is expected to be sufficient to evaluate the stock value of the business.

The results of the analysis of OE's sensitivity to changes in stock valuation can be summarized as follows:

Equity Value				
WACC				
		9.58%	9.33%	8.83%
the new branch openings per year	1 branch at the beginning of the year	633.36	669.36	709.51
	1 branch at the beginning of the year and 1 branch in the middle of the year	773.01	818.35	868.93
	1 branch at the beginning of the year and 2 branches in the middle of the year	849.05	899.06	954.85

Based on the sensitivity analysis of the stock valuation for OE, by adjusting the discount rate and increasing the number of branches during the forecast period, the value of OE's stock, calculated using the Discounted Cash Flow (DCF) approach, ranges from 633.36 to 954.85 million baht, with the base case value being 818.35 million baht.

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Summary of Stock Valuation for Oshinei Enterprise

The stock valuation of Oshinei Enterprise (OE) is based on assumptions derived from the current economic conditions and the company's situation. Any changes in the business plan, policies of OE, or shifts in economic conditions could significantly impact the estimated stock value, which may also affect the assessed stock value of OE.

Independent financial advisors have determined that the Discounted Cash Flow (DCF) method is appropriate for this valuation, given that OE operates in the Japanese restaurant sector, which generates consistent operational cash flow. The advisors believe that the DCF approach accurately reflects the company's cash flow generation capability and represents the true value of OE's stock.

### 1.3.5 Appropriateness of Transaction Conditions

In the transaction, the company and the seller have established important conditions precedent as specified in the draft agreement.

Conditions	Opinion of Independent Financial Advisors
<p><u>Minimum Net Profit from Operations of Oshinei Enterprise's Consolidated Financial Statements from January 2024 to June 2024 ( Prior to Transaction)</u></p> <p>For the investment in Oshinei Enterprise, the net operating profit in Oshinei Enterprise's consolidated financial statements, after deducting non-controlling interests of subsidiaries from January 2024 to June 2024, must be no less than 20 million baht. This net operating profit in Oshinei Enterprise's consolidated financial statements excludes the following revenues and/or expenses: 1) revenues and/or expenses from special items, 2) revenues and/or expenses from one-time items, and 3) other revenues and/or expenses as mutually agreed by the parties.</p>	<p>This provision requires the seller to ensure that Oshinei Enterprise achieves the specified minimum net profit before both parties proceed with the transaction under the agreement. This ensures that the company invests in Oshinei Enterprise with a profitable track record, demonstrating potential for future growth following the investment.</p> <p><u>The Independent Financial Advisor views that determining this condition is appropriate and beneficial for the Company.</u></p>
<p><u>Non-Compete</u></p> <p>Sellers, including Mrs. Waraporn Phakpho, Mr. Kittisak Leelom, Mr. Somporn Posarach, Mr. Boontham Phakpho, along with their spouses, underage children, or legal entities in which the key executives hold more than 30% of the shares, agree not to invest in, operate, or employ or encourage the Company's executives and/or employees to participate in the operation of additional Japanese restaurants. This restriction does not apply to Japanese restaurants that were established before the signing of the share purchase agreement, including the expansion of such restaurants within the Bangkok metropolitan area. This agreement is effective from the completion of the share purchase until three years after the individuals cease to be shareholder.</p>	<p>The non-compete agreement is established for the benefit of the buyer. This clause, commonly included in business sales, aims to prevent business competition, including the solicitation of OE's customers, partners, or suppliers. The agreement is effective for the entire period that shareholders hold shares in OE and extends for an additional 3 years after the end of the shareholder agreement.</p> <p><u>The Independent Financial Advisor views that determining this condition is appropriate and beneficial for the Company.</u></p>

Conditions	Opinion of Independent Financial Advisors
<p>Mr. Panot Kittiparsart, Ms. Achara Phakarat, and Mr. Na-Pajra Umpudh, along with their spouses, underage children, or legal entities in which the key executives hold more than 30% of the shares, agree not to invest in, operate, or employ or encourage the Company's executives and/or employees to participate in the operation of additional Japanese restaurants. This agreement is effective for three years from the completion of the share purchase.</p>	
<p><u>Management Agreement</u></p> <p>Ms. Waraporn, Mr. Kittisak, Mr. Somporn, and Mr. Boontham agree to serve as executives of the company for a minimum of 5 years from the date the share purchase is completed. During this period, they will receive benefits and compensation as part of their employment as executives of the company.</p>	<p>This agreement ensures that the shareholder-executives will retain management authority. Additionally, shareholder-executives are often motivated to drive strong performance, as they will directly benefit from the success of the restaurant business through their ownership stake. This is due to the following:</p> <ol style="list-style-type: none"> <li>1. Shareholders will receive returns on their investment in the restaurant business. If the company performs well, the value of the shares held by the shareholder-executives will increase, motivating them to manage the company more effectively in order to maximize potential profits from share sales or higher dividend returns.</li> <li>2. The success and growth of the restaurant business. Shareholder-executives will have ownership in the company and a vested interest in driving its growth and long-term success. This ownership creates an incentive for the shareholder-executives to make every effort to improve the company's performance.</li> </ol>

Conditions	Opinion of Independent Financial Advisors
	<p><u>The Independent Financial Advisor views that determining this condition is appropriate and beneficial for the Company.</u></p>
<p><u>Performance Guarantee</u></p> <p>The conditions precedent under the additional investment agreement in the First Call Option Agreement stipulate that if Oshinei Enterprise's net profit falls below 97 million baht between 2024 and 2025, the company may exercise the right to purchase no less than 5% but no more than 10% of the total shares in Oshinei Enterprise. The percentage of shares eligible for purchase depends on Oshinei Enterprise's cumulative net profit for 2024 and 2025, at the par value of 100 baht per share, to offset performance that does not meet projections.</p>	<p>This provision acts as a performance guarantee, allowing UBE to acquire additional shares if OE's future performance does not meet expectations or agreed-upon targets at the time of investment. This arrangement compensates for the purchase price by increasing the shareholding proportion that can be acquired at par value.</p> <p><u>The Independent Financial Advisor views that determining this condition is appropriate and beneficial for the Company.</u></p>
<p><u>Incentive Price Mechanism</u></p> <p>The conditions precedent under the additional investment agreement in the Second Call Option Agreement grant the company the right to purchase 10% of the common shares of Oshinei Enterprise. The exercise price is set at Oshinei Enterprise's net profit for 2026 multiplied by a Price-to-Earnings (P/E) ratio of 11.5 times for 10% of the total shares. The minimum exercise price is 52 million baht (representing 10% of total shares) and will not exceed 86.5 million baht (calculated as 75 million baht in net profit multiplied by a P/E ratio of 11.5 times and further multiplied by a 10% shareholding proportion).</p>	<p>This provision serves as an Incentive Price Mechanism, a financial arrangement commonly used in business sales or mergers and acquisitions. Under this agreement, the seller and buyer agree that the seller may sell additional shares beyond UBE's initial investment if the business meets certain financial or agreed-upon targets within a specified period after the sale. Furthermore, this provision incentivizes both parties to focus on creating long-term value for the business, rather than solely short-term returns, and provides flexibility in price negotiation when the buyer and seller have differing views on the business's true value. This mechanism allows both parties to reach a mutually agreeable deal and can help reduce potential post-transaction conflicts by clearly defining terms for additional payments based on the achievement of target performance.</p>

Conditions	Opinion of Independent Financial Advisors
	<p>The Independent Financial Advisor views that <u>determining this condition is appropriate and beneficial for the Company.</u></p>

#### **1.4 Summary of the Opinion of the Independent Financial Advisor**

The Independent Financial Advisor believes that the acquisition of assets and related-party transaction involving the investment in Oshinei Enterprise Co., Ltd. is appropriate, based on the consideration of the advantages and benefits, disadvantages and risks of the asset acquisition, and the pros and cons of the related-party transaction, as well as the appropriateness of the price and transaction terms. The findings can be summarized as follows:

##### **Summary of Advantages and Benefits of the Acquisition of Assets**

1. Expand investments into new businesses with strong potential and opportunities to generate substantial returns for the Company.
2. Acquiring ownership of a successful Japanese food business brand allows for further expansion into other business.
3. Invest in business that has economies of scale.
4. Expand into new profitable businesses more efficiently than starting a greenfield investment from scratch. (Green Field).
5. Having control power over strategic planning and operations.
6. There are executives and an Executive Chef from Oshinei Enterprise with extensive knowledge, skills, and experience in the food industry.
7. Reduce reliance on the ethanol business by diversifying into new business that has potential.
8. There is an opportunity to increase the Company's distribution channels.
9. It is an investment that provides a reasonable return, which exceeds the cost of capital, generates consistent revenue, and demonstrates a high level of profitability.

##### **Summary of Disadvantages of the Acquisition of Assets**

1. Lack of expertise and experience in restaurant business operations.
2. Loss of opportunities to invest in other businesses.
3. Increase in financial costs.

##### **Summary of Risks of the Acquisition of Assets**

1. Risk of intense competition in the Japanese restaurant business.
2. Risk that OE's operational performance may not meet expectations.
3. Risk of reputational damage due to the company's franchise services
4. Risk of raw material price volatility
5. Risk of franchisees not renewing their contracts.
6. Risk of being unable to maintain the quality of ingredients and food menu in accordance with the established standards.
7. Risk of the seller failing to comply with terms or representations in the share purchase agreement.

### **Summary of Advantages of Transactions with Connected Persons**

1. The Company can negotiate and alleviate the conditions in the share purchase agreement more easily and swiftly than when conducting transactions with external parties.
2. The Company is able to utilize the knowledge, expertise, and experience of connected persons to its advantage.

### **Summary of Disadvantages of Transactions with Connected Persons**

1. There may be a transfer of benefits, or it may hinder the ability to fully negotiate prices and various terms due to conflicts of interest.
2. The Company has a duty to comply with regulations, which results in additional expenses associated with the transaction.

### **Summary of Conditions for the Transaction**

In the share acquisition transaction of Oshinei Enterprise, the shareholders of Oshinei Enterprise have entered into a Share Purchase Agreement, a Share Subscription Agreement, an Executive Employment Agreement, the First Call Option Agreement, and the Second Call Option Agreement, specifying key conditions for the transaction, including:

1. The net operating profit of Oshinei Enterprise and its subsidiaries, after deducting non-controlling interest, for the period from January 2024 to June 2024, must not be less than THB 20,000,000. This net profit is prepared by the management (management account) and audited by a professional practitioner in accordance with the agreed-upon procedures between the practitioner and the Company.
2. The sellers, including Khun Waraporn Phakpho, Khun Kittisak Leelalom, Khun Somporn Phosarat, and Khun Boontham Phakpho, as well as their spouses, minor children, or any legal entity in which they hold more than 30% of shares, agree not to invest in, operate, employ, or solicit the management and/or employees of the Company to participate in any additional Japanese restaurant operations, "except for Japanese restaurants established prior to the execution of the agreement, including the expansion of such restaurants within the Bangkok area only." This restriction will be in effect from the date of completion of the share purchase for a period of three years after the individuals cease to be shareholders.  
Khun Panot Kittiparsart, Khun Atchara Pakarat, and Khun Na-pajr umpuch, along with their spouses, minor children, or any legal entity in which they hold more than 30% of shares, also agree not to invest in, operate, employ, or solicit the management and/or employees of the Company to participate in any additional Japanese restaurant operations. This restriction will be in effect for three years from the date of completion of the share purchase.
3. The employment agreements stipulate that Khun Waraporn, Khun Kittisak, Khun Somporn, and Khun Boontham will work with Oshinei Enterprise for a period of five years.



4. The First Call Option Agreement includes a Performance Guarantee clause, giving the Company the right to purchase additional common shares of Oshinei Enterprise if the performance does not meet expectations.

5. The Second Call Option Agreement includes an Incentive Price Mechanism, wherein the buyer is entitled to purchase additional shares, and the seller is entitled to sell additional shares based on actual profits, multiplied by a price-to-earnings ratio (P/E) of 11.5.

6. The sellers, including Khun Waraporn Phakpho, Khun Totsihee Kowsurat, Khun Sittichai Kowsurat, Khun Kittisak Leelalom, Khun Somporn Phosarat, Khun Panot Kittiparsart, Khun Atchara Pakarat, and Khun Na-pajr umpuch, agree to be liable for any damages to the buyer without limitation. The sellers' liability will be subject to the statute of limitations for each case of liability arising from breaches related to compensation and compliance with business and tax laws, including the preparation of historical financial statements.

7. Approval must be obtained from the shareholders' meeting before the transaction can proceed, as it qualifies as a Type 1 asset acquisition transaction under the regulations on asset acquisition or disposal and a major connected transaction under the related party transaction regulations of listed companies. The Company is therefore required to appoint an independent financial advisor, disclose the transaction's information to the Stock Exchange of Thailand, and seek approval from the shareholders' meeting with a vote of no less than three-fourths of the total votes of shareholders attending the meeting and eligible to vote, excluding any shareholders with a conflict of interest. The Company must send a notice of the shareholders' meeting, along with the independent financial advisor's opinion, to shareholders at least 14 days prior to the meeting date.

#### **Summary of Appropriateness of the Transaction Price**

Based on the five valuation methods, the independent financial advisor summarizes the valuation results as shown in the following table.

Valuation Method	Shareholder Equity Value of Oshinei Enterprise (OE) from Pro Forma Financial Information	Shareholder Equity Value of Oshinei Enterprise (OE) from Audited Financial Statements	Independent Financial Advisor's Opinion
1. Book Value Method	Baht 122.31 million	Baht 68.11 million	Not appropriate
2. Adjusted Book Value Method	Baht 160.30 million	Baht 108.50 million	Not appropriate
3. Price-to-Book Ratio Method	Baht 235.63 - 376.19 million	Baht 131.23 - 209.52 million	Not appropriate
4. Price-to-Earnings Ratio Method	Baht 454.30 - 581.00 million	Baht 409.54 - 523.75 million	Not appropriate
5. Discounted Cash Flow Method	Baht 633.36 - 954.85 million		<b><u>Appropriate</u></b>

The valuation was conducted based on assumptions provided by the company under current economic conditions and circumstances. Therefore, any significant changes to the company's business plans, policies, or economic conditions that diverge substantially from the company's current operations could result in deviations from the projections and assumptions used. Such changes may cause substantial adjustments

to the estimates under these assumptions and could affect the assessed share value of the company accordingly. The independent financial advisor's views on each valuation method are as follows:

1) The Book Value Approach indicates a value of 68.11 million baht based on OE's standalone financial statements audited by a certified public accountant. When considering the pro forma financial information prepared by the company's management, the total book value of OE is 122.31 million baht. This approach values the company by focusing on its financial position at a specific point in time and the book value of recorded assets, without taking into account future profitability, operating performance, competitive ability, economic trends, or industry outlook. Therefore, the independent financial advisor believes that the Book Value Approach is inappropriate for determining the fair value of the company's common shares, as it does not accurately reflect the true value of the business. Consequently, this method is deemed unsuitable.

2) The Adjusted Book Value Approach yielded a valuation of 108.5 million baht. This method better reflects the net asset value compared to the Book Value Approach, as it adjusts the book value assessed in the previous method by incorporating subsequent transactions or events that more accurately reflect the actual value. However, this approach does not consider the company's future profitability or operating performance. Therefore, the independent financial advisor believes that this method may not accurately reflect the true value of the company's equity and is, thus, deemed inappropriate.

3) Price to Book Value Ratio Approach : Based on OE's separate financial statements, audited by certified public accountants, the valuation of OE's shareholders' equity is estimated to be in the range of 131.23 – 209.52 million baht, with a share price ranging from 276.28 to 441.09 baht per share. Additionally, based on the pro forma consolidated financial information prepared by the company's management, the shareholders' equity of OE is valued between 235.63 – 376.19 million baht, with a share price range of 496.07 – 791.99 baht per share. This method evaluates the company's financial position at a specific point in time by comparing it to the average Price to Book Value ratio of selected reference companies. However, it does not consider the company's future profitability or operational performance. Furthermore, some of the reference companies do not operate in the same core business as the company, or have significantly smaller or larger business sizes. Therefore, the independent financial advisor holds the opinion that valuing the company using this method may not accurately reflect the true value of the shareholders' equity and is thus considered inappropriate.

4) Price to Earnings Ratio Approach : Based on OE's separate financial statements, audited by certified public accountants, the valuation of OE's shareholders' equity is estimated to range between 409.54 – 523.75 million baht, with a share price ranging from 862.18 – 1,102.64 baht per share. Additionally, based on the pro forma consolidated financial information prepared by the company's management, the shareholders' equity of OE is valued between 454.30 – 581.00 million baht, with a share price ranging from 956.42 – 1,223.16 baht per share. Although this method takes into account the company's profitability by comparing the Price to Earnings (P/E) ratio to the average of peer companies used as references, it is based solely on historical earnings. The P/E ratio is often used for comparing stock values within the same industry. However, OE may have a significantly different business structure or growth potential compared to other

companies such as Zen or Maguro, which could result in substantial differences in P/E ratios. Relying solely on the P/E ratio for valuation could lead to inaccurate assessments and may not reflect the true value of the company. Therefore, the independent financial advisor holds the opinion that valuing the company using this method may not accurately reflect the true value of the shareholders' equity and is thus considered inappropriate.

5) The Discounted Cash Flow (DCF) method reflects the company's profitability and its ability to generate future cash flows, which are calculated as the net present value of the business's cash flows. This approach considers past operations as well as future economic trends and business performance, providing a better reflection of the true value of the enterprise. Therefore, the independent financial advisor believes that this method is appropriate. The valuation using this method indicates that the value of the enterprise ranges from 633.36 to 954.85 million baht.

However, for The first tranche of investment under the share subscription agreement and share purchase agreement, the company will pay a total compensation of 282 million baht and an additional 76 million baht for the subscription of newly issued ordinary shares, amounting to a total compensation of 358 million baht. The details of acquiring the total equity stake in Oshinei Enterprise are as follows:

Investment in OE by the Company	Compensation (Million Baht)	Percentage of Shares Acquired (Fully-Diluted) of Total Paid-Up Shares After Capital Increase
Newly Issued Shares	76	12.75%
Existing Shares	282	47.25%
<b>Total</b>	<b>358</b>	<b>60.00%</b>

The compensation for acquiring the equity stake of 60% of the total paid-up shares of OE can be calculated as the value of 100% equity (before the capital increase of 76 million baht, or Pre-money) amounting to 520 million baht.

The valuation using the discounted cash flow method (Pre-money) indicates that the fair value for 100% of OE's equity ranges from **633.36 to 954.85 million baht, with the base case value being 818.35 million baht. This value exceeds the transaction price of 520 million baht by 113 to 435 million baht, or approximately 22% to 84%.**

Note: <sup>1</sup> The valuation using the discounted cash flow method reflects the present value of cash flows without considering the additional capital that the company will inject into OE following the first investment (Pre-money).

**Comparison Table of Transaction Price and Fair Value for The first and second tranche of investment**

Shareholding Proportion of OE (Percentage)	Post Money (After the capital increase of 76 million baht)			
	Total Transaction Consideration	Fair Value Range (Million Baht)	Base Case Fair Value (Million Baht)	Transaction Price Comparison
<b>The first tranche of investment</b>				
60%	357.60	425.62 - 618.51	536.61	Fair value exceeds transaction price by 19 - 73%
<b>The second tranche of investment</b>				
80%	444.10 <sup>1/</sup>	567.49 - 824.68	715.48	Fair value exceeds transaction price by 28 - 86%

Note: <sup>1/</sup> The total value of the consideration, 444,100,796 baht, is calculated from (1) cash for subscribing to new common shares amounting to 76,000,000 baht, (2) cash for payment of the consideration for The first tranche of investment: amounting to 281,600,796 baht, and (3) maximum cash for payment of the consideration for the second investment amounting to 86,500,000 baht, which is based on the information provided for the transaction.

**In The first tranche of investment: The transaction consideration is 357.60 million baht for a 60% shareholding, which has a fair value of 536.61 million baht for the same shareholding. Therefore, the fair value exceeds the transaction price by 50%.**

**In The second tranche of investment: The total transaction consideration is 444.10 million baht for an 80% shareholding, which has a fair value of 715.48 million baht for the same shareholding. Therefore, the fair value exceeds the transaction price by 61%.**

**In The first tranche of investment, UBE will pay the sellers of OE in cash as follows:**

Seller	Cash Proceed (Baht)
Miso Harmony	256,846,550
UMP Lab	12,377,123
Supmankong	12,377,123

Note: In exercising the rights for The first and second tranche of investment, UBE will also pay cash to the three aforementioned companies.

Note: In exercising the rights for The first and second tranche of investment, UBE will also pay cash to the three aforementioned companies.

From the projected operational results of Oshinei Enterprise for 2024 and 2025, it was found that the total net profit amounts to 78.04 million baht, which is lower than the 97.00 million baht as per the conditions precedent

of the First Call Option Agreement for the second investment. Therefore, the company has the right to purchase common shares of Oshinei Enterprise at the par value of the shares (100 baht per share), with an additional maximum of 53,296 shares, representing no less than 5% but not more than 10% of the total shares.

If the company exercises the right to buy 10% of the total shares, it can acquire them for 5.33 million baht, resulting in a total investment of 362.94 million baht for a 70% stake in the total common shares, with a price-to-earnings (P/E) ratio of 13.29 times. However, if the operational performance in 2024 and 2025 does not meet the projections by the independent financial advisor, the investment from exercising the rights The first tranche of investment will be subject to the conditions of the agreement, with a P/E ratio ranging from 11.44 to 15.27, which is still considered lower than the P/E of comparable companies listed on the stock exchange. The details are as follows:

Net Profit Total for 2024 and 2025 <sup>1/</sup>	Investment Proportion in Shares	Investment Value (The first tranche of investment + Rights Exercise)	Common Shareholding Proportion in OE by UBE After Exercising Rights	P/E Ratio (Average 2024-2025)
94.2 - 96.9	5%	360.26	65%	11.44
91.5 - 94.1	6%	360.80	66%	11.62
88.7 - 91.4	7%	361.33	67%	11.80
85.9 - 88.6	8%	361.86	68%	12.01
83.1 - 85.8	9%	362.40	69%	12.24
83.1 or lower	10%	362.93	70%	12.48
78.04 (estimated by the independent financial advisor)	10%	362.93	70%	13.29
78.04 (estimated by the independent financial advisor)	Not investing in the 2 <sup>nd</sup> investment	357.6	60%	15.27

Note: <sup>1/</sup> The net profit from the consolidated financial statements of Oshinei Enterprise for the years 2024 and 2025 is calculated from the net profit from operations after deducting the non-controlling interest of the subsidiaries for those years. The net profit from operations does not include revenue and/or expenses as follows: 1) Revenue and/or expenses from extraordinary items, 2) Revenue and/or expenses from one-time events, and 3) Other revenue and/or expenses as mutually agreed by the parties involved.

Additionally, under the Second Call Option Agreement, the company has the right to purchase up to 53,296 common shares of Oshinei Enterprise, representing no more than 10.00% of the total shares, at a price based on a price-to-earnings (P/E) ratio of 11.5 times the net profit from the consolidated financial statements of Oshinei Enterprise for the year 2026, calculated for 10% of the total shares. The price will also deduct the transaction amount from the First Call Option Agreement, which is 5.33 million baht. Based on the projected performance of Oshinei Enterprise for the year 2026, with a net profit of 53.65 million baht, the

company will be able to exercise its right to purchase 10% of the total shares at a price of 56.37 million baht. This reflects a P/E ratio of 11.5, which is lower than that of comparable companies listed on the stock exchange. Furthermore, exercising this right allows the company to benefit from purchasing at a price that reflects future operational performance (Incentive Price Mechanism).

The independent financial advisor has reviewed various details regarding the transaction, including the reasons, necessity, advantages, and disadvantages related to the acquisition of assets and connected transactions of UBE, which are interconnected with the company. In The first tranche of investment in Oshinei, the company will pay a cash consideration of 281,600,796.48 baht. Upon the completion of The first tranche of investment in Oshinei Enterprise, the company will hold a total of 319,778 shares, representing 60.00% of the total shares of Oshinei.

In the second investment in Oshinei Enterprise, under the First Call Option Agreement and the Second Call Option Agreement, the company has the right to purchase common shares from Miso Harmony Limited, UMP Lab Co., Ltd., and Supmankong Ingress Co., Ltd. The advantages and disadvantages are as follows:

- **Expansion into a New Business:** The investment allows the company to expand into a new, high-potential business within the food and restaurant sector, which is experiencing growth, particularly in Japanese cuisine, popular among Thai consumers. Oshinei Enterprise (OE) has shown consistent profitability, supported by factors like the economic growth in Thailand and the increase in tourism.
- **Competitive Advantage:** Oshinei Enterprise has a competitive edge and is a profitable business, benefiting from economies of scale. With 28 branches nationwide, OE has room for further expansion and diversification into other business areas.
- **Leveraging Expertise:** The company can utilize the knowledge, expertise, and experience of related parties in restaurant management to enhance its food and beverage operations. This helps mitigate risks associated with the company's lack of prior experience in the restaurant industry.

**Considering the advantages, benefits, disadvantages, and risks of the transaction, as well as the conditions and appropriateness of the transaction price, the independent financial advisor believes that this transaction is suitable and will provide maximum benefits to the company and its shareholders.**

OptAsia Capital Company Limited, as the independent financial advisor, certifies that it has diligently performed its duties in studying and analyzing the aforementioned information with care, in accordance with professional ethics and standards, and with primary consideration for the best interests of the shareholders.

Yours sincerely

OptAsia Capital Company Limited

(Mrs. Darin Kanjana)

Authorized Director and Supervisor

**Attachment 1 Summary of Ubon Bio Ethanol Public Company Limited ("The Company")**

**1) General Information of the Company**

<b>Company Name</b>	Ubon Bio Ethanol Public Company Limited
<b>Business Type</b>	Produces and distributes processed cassava products, including ethanol, tapioca starch, and cassava flour, as well as other organic agricultural products.
<b>Location</b>	130-132 Sindhorn Tower 2, 7th Floor, Wireless Road, Lumpini, Pathum Wan, Bangkok 10330
<b>Registration Number</b>	0107561000111
<b>Registration Date</b>	23 April 2018
<b>Registered Capital</b>	3,914,286,000 baht, divided into 3,914,286,000 ordinary shares with a par value of 1 baht per share (fully paid).

**2) List of Shareholders of the Company as of March 20, 2024**

No.	List of Shareholders	Shareholding (Percentage)	Number of Shares Held (Shares)
1	STK Capital Company Limited <sup>1/</sup>	14.00	548,000,000
2	BBGI Public Company Limited	12.39	485,143,000
3	Thai Oil Ethanol Company Limited	12.39	485,143,000
4	K Plus Holding Company Limited <sup>2/</sup>	11.77	460,520,000
5	Ms. Orawan Pattanapol	3.07	120,300,000
6	Mr. Churdchoo Panboonhom	2.09	81,728,700
7	Thai NVDR Co., Ltd.	1.59	62,157,610
8	Mr. Chuvit Jungtanasomboon	1.57	61,372,900
9	Mrs. Surat Supanimitkulkit	1.47	57,500,000
10	Mr. Sarin Supanimitkulkit	0.97	38,075,700
<b>Total Top 10 Shareholders</b>		<b>61.31</b>	<b>2,399,940,910</b>
Other shareholders		38.69	1,514,345,090
<b>Total</b>		<b>100.00</b>	<b>3,914,286,000</b>

Remark : <sup>1/</sup> Ultimate Shareholders of STK Capital Co., Ltd. consists of 1) Infinity Holding Co., Ltd. with a 74.68% stake, with 1.1) Mr. Tatsasi Kowasurat holding 49.90% of the shares, 1.2) Ms. Surius Kowasurat holding 49.90% of the shares, and 2) Group K Corporation Co., Ltd. holding 25.14% of the shares, 2.1) Ms. Surius Kowasurat holding 50.87% of the shares, and 2.2) Capital K Limited holding 49.10% of the shares, which is a legal entity registered in Hong Kong.

<sup>2/</sup> The Ultimate Shareholders of K Plus Holding Company Limited consist of 1) Infinity Holding Company Limited, accounting for 99.99%, with 1.1) Mr. Tossri 49.90% and 1.2) Ms. Sureeyot Khowsurat 49.90% as of April 30, 2024.



**3) List of Board of Directors of the Company as of August 27, 2024**

No.	Name	Position
1	Mr. Palakorn Suwanrath	Independent Director and Chairman of the Board of Directors
2	Mr. Siwa Sangmanee	Independent Director, Chairman of the Audit Committee and Chairman of the Nomination and Remuneration Committee.
3	Mr. Issara Shoatburakarn	Independent Director, Audit Committee and Nomination and Remuneration Committee
4	Mr. Prasit Wasupath	Independent Director, Audit Committee and Nomination and Remuneration Committee
5	Mr. Somkeirt Hudthagosol	Director and Chairman of Risk Management and Sustainability Committee
6	Mr. Jeerawat Pattanasom	Director and Risk Management and Sustainability Committee
7	Mrs. Saisunee Kuhakarn	Director
8	Mr. Virat Uanarumit	Director
9	Mr. Kittipong Limsuwannarot	Director and Risk Management and Sustainability Committee
10	Ms. Sureeyot Khowsurat	Director, Risk Management and Sustainability Committee and Chief Executive Officer and Managing Director
11	Mr. Kanit Valyapetch	Independent Director

The Company's authorized signatories consist of directors: 2 people sign together and seal the company.

**4) Business Overview of The Company**

The nature of business operations of the Company and its subsidiaries consists of 3 main businesses:

- Ethanol Business:** The Company is one of the major producers in the ethanol business derived from cassava. Currently, the company produces and sells fuel-grade and industrial-grade ethanol exclusively for the domestic market. Its customers include oil traders under Section 7, such as BCP, PTTOR, TOP, ESSO, and SHELL. Ethanol is a product derived from the processing of starch- and sugar-based agricultural crops, such as molasses, cassava, and corn. Ethanol can be categorized into two grades: 1) fuel-grade ethanol with 99.8% purity and 2) industrial-grade ethanol with 95% purity.
- Tapioca Starch Business:** The company is a producer and distributor of tapioca starch in both food-grade and industrial-grade forms. The food-grade tapioca starch is available in both conventional and organic varieties. The company sells tapioca starch under the brand name "Ubon Sunflower," with a

maximum production capacity of 700 tons of starch per day. Part of the production is sold to exporters for international markets, while the remainder is sold domestically to retail customers. Additionally, the company produces cassava flour, available in both conventional and organic forms, sold under the brand names "Ubon Sunflower" and "Tasuko".

- 3. Organic Farming Business:** In response to the growing trend of consuming health-conscious, chemical-free, and toxin-free foods, the company identified an opportunity to enter the organic agriculture business in 2017, starting with the cultivation of organic cassava. The company chose this path due to its expertise in cassava cultivation and established relationships with local farmers. Currently, the company offers organic agricultural products, including 1) Organic Cassava Starch and 2) Organic Cassava Flour, both of which use organic cassava as the primary raw material.

However, Revenue Structure by Business Group The details are shown in the table as follows:

Products & Services	Operated by	2566		2565		2564	
		Million Baht	Percent	Million Baht	Percent	Million Baht	Percent
Ethanol Business	The Company	3,683.6	63.1	3,810.7	52.9	3,655.3	52.4
Tapioca flour and flower business	Subsidiaries	1,800.9	30.8	3,116.6	43.3	3,163.3	45.4
Organic farming business and others	Subsidiaries	353.5	6.1	272.1	3.8	153.9	2.2
<b>Total</b>		<b>5,838.0</b>	<b>100.0</b>	<b>7,199.4</b>	<b>100.0</b>	<b>6,972.5</b>	<b>100.0</b>

Source: Registration Statement for the year 2023 (Form 56-1) of the Company

## 5) Financial Information of the Company

The Company's financial performance and financial position, based on the financial statements for the years ending December 31, 2021 - 2023, audited by a certified public accountant, and the financial statements for the six-month periods ending June 30, 2023 and 2024, reviewed by a certified public accountant, are detailed below, along with an analysis of the financial performance and position.

**5.1) Summary of key financial information**

Income Statement

Income Statement (Unit : Thousand Baht)	For the year ended December 31						For the six-month period ending June 30.			
	2564		2565		2566		2566		2567	
	Amount	percent	Amount	percent	Amount	percent	Amount	percent	Amount	percent
Revenue from sales and services	6,972,498	100.0	7,199,328	100.0	5,838,036	100.0	2,751,679	100.0	3,470,419	100.0
Cost of Sales and Services	5,931,037	85.1	6,297,626	87.5	5,316,213	91.1	2,540,192	92.3	2,948,201	85.0
<b>Gross Profit</b>	1,041,462	14.9	901,702	12.5	521,824	8.9	211,487	7.7	522,218	15.0
Other income	47,319	0.7	53,365	0.7	61,805	1.1	26,091	0.9	55,401	1.6
Gain (Loss) on Exchange Rate	52,771	0.8	52,485	0.7	6,649	0.1	(13,037)	0.5	(29,351)	-0.8
Selling and Distribution expenses	280,911	4.0	256,471	3.6	170,082	2.9	81,499	3.0	95,070	2.7
Administrative expenses	280,046	4.0	246,530	3.4	280,228	4.8	138,647	5.0	170,849	4.9
Other expenses	21,713	0.3	91,161	1.3	207,682	3.6	106,657	3.9	82,895	2.4
<b>Profit (loss) from operating activities</b>	453,340	6.5	308,420	4.3	(81,012)	-1.39	102,262	3.7	199,454	5.7
Finance costs	132,463	1.9	52,329	0.7	53,274	0.9	30,537	1.1	38,066	1.1
<b>Profit (loss) before income tax</b>	320,877	4.6	256,090	3.6	(134,286)	-2.3	(132,799)	-4.8	161,388	4.7
(Cost) Income Tax Income	-	-	73,122	1.0	37,714	0.7	-	-	(11,729)	0.3
<b>Profit (Loss) for the Years/Periods</b>	320,877	4.6	329,212	4.6	(96,572)	-1.7	(132,799)	-4.8	149,659	4.3

Statement of Financial Position

Statement of Financial Position (Unit : Thousand Baht)	As of December 31						As of June 30	
	2564		2565		2566		2567	
	Amount	percent	Amount	percent	Amount	percent	Amount	percent
<b>Current Assets</b>								
Cash and cash Equivalents	475,631	6.6	93,844	1.3	392,974	5.4	164,953	2.0
Trade receivables	755,175	10.4	788,632	10.9	443,474	6.1	509,591	6.2
Other receivables	35,434	0.5	38,881	0.5	70,769	1.0	35,681	0.4
Inventories	917,592	12.7	955,315	13.2	1,121,362	15.4	2,405,090	29.4
Biological assets	992	0.0	2,262	0.0	4,055	0.1	8,861	0.1
Other current financial assets	101,370	1.4	160,728	2.2	11,388	0.2	19	0.0
Value added tax receivables	43,557	0.6	22,405	0.3	21,610	0.3	2,870	0.0
Advance payment	84,797	1.2	267,639	3.7	263,192	3.6	291,471	3.6
Other current assets	-	-	40,000	0.6	15,344	0.2	7,308	0.1
<b>Total Current Assets</b>	<b>2,414,547</b>	<b>33.4</b>	<b>2,369,705</b>	<b>32.8%</b>	<b>2,344,169</b>	<b>32.3</b>	<b>3,425,844</b>	<b>41.8%</b>
<b>Non-current assets</b>								
Restricted bank deposits	22,150	0.3	22,150	0.3	22,150	0.3	22,150	0.3
Other receivables	9,744	0.1	15,909	0.2	18,143	0.2	9,538	0.1
Advance payment under construction contract	5,741	0.1	85,042	1.2	7,352	0.1	1,935	0.0
Investment properties	5,034	0.1	5,034	0.1	-	-	-	
Property, plant and equipment	4,751,860	65.7	4,635,010	64.2	4,733,204	65.1	4,587,895	56.0
Intangible assets	20,189	0.3	14,053	0.2	29,532	0.4	46,511	0.6
Deferred tax assets	-	-	70,805	1.0	109,976	1.5	98,246	1.2
Other non-current assets	-	-	1,678	0.0	1,622	0.0	1,702	0.0
<b>Total non-current assets</b>	<b>4,814,719</b>	<b>66.6</b>	<b>4,849,681</b>	<b>67.2</b>	<b>4,921,978</b>	<b>67.7</b>	<b>4,767,977</b>	<b>58.2</b>
<b>Total Assets</b>	<b>7,229,266</b>	<b>100.0</b>	<b>7,219,386</b>	<b>100.0</b>	<b>7,266,147</b>	<b>100.0</b>	<b>8,193,821</b>	<b>100.0</b>
<b>Current liabilities</b>								
Short-term loans from financial institutions.	-	-	-	-	656,913	9.0	1,425,348	17.4
Trade payables	96,120	1.3	147,203	2.0	91,003	1.3	49,216	0.6
Other payables	171,489	2.4	184,792	2.6	178,016	2.4	425,217	5.2
Current portion of long-term loans from financial institutions	336,101	4.6	359,505	5.0	313,769	4.3	309,934	3.8
Current portion of lease liabilities	28,905	0.4	29,676	0.4	27,695	0.4	32,650	0.4
Other current financial liabilities	4,189	0.1	2,317	0.0	-	-	7,437	0.1
Value added tax payable	26,390	0.4	21,235	0.3	13,393	0.2	19,405	0.2
<b>Total current liabilities</b>	<b>663,194</b>	<b>9.2</b>	<b>744,728</b>	<b>10.3</b>	<b>1,280,789</b>	<b>17.6</b>	<b>2,269,207</b>	<b>27.7</b>
<b>Non-current liabilities</b>								
Long-term loans from financial institutions, net of current portion	749,883	10.4	427,618	5.9	160,786	2.2	7,757	0.1
Lease liabilities, net of current portion	32,234	0.4	27,722	0.4	56,710	0.8	59,127	0.7
Deferred income	14,717	0.2	13,257	0.2	11,797	0.2	11,070	0.1
Provision for long-term employee benefit	20,038	0.3	12,324	0.2	15,469	0.2	17,468	0.2
<b>Total non-current liabilities</b>	<b>816,872</b>	<b>11.3</b>	<b>480,920</b>	<b>6.7</b>	<b>244,763</b>	<b>3.4</b>	<b>95,422</b>	<b>1.2</b>
<b>Total Liabilities</b>	<b>1,480,066</b>	<b>20.5</b>	<b>1,225,648</b>	<b>17.0</b>	<b>1,525,552</b>	<b>21.0</b>	<b>2,364,629</b>	<b>28.9</b>
<b>Shareholders' Equity</b>								

Statement of Financial Position (Unit : Thousand Baht)	As of December 31						As of June 30	
	2564		2565		2566		2567	
	Amount	percent	Amount	percent	Amount	percent	Amount	percent
3,914,286,000 ordinary shares with a value of Baht 1 per share, issued and fully paid	3,914,286	54.1	3,914,286	54.2	3,914,286	53.9	3,914,286	47.8
Share premium	1,568,416	21.7	1,568,416	21.7	1,568,416	21.6	1,568,416	19.1
Statutory Reserve	64,958	0.9	78,307	1.1	83,419	1.1	83,419	1.0
Retained earnings - Unappropriated	201,539	2.8	432,729	6.0	174,474	2.4	263,071	3.2
<b>Total Shareholders' Equity</b>	<b>5,749,200</b>	<b>79.5</b>	<b>5,993,738</b>	<b>83.0</b>	<b>5,740,596</b>	<b>79.0</b>	<b>5,829,192</b>	<b>71.1</b>
<b>Total Liabilities and Shareholders' Equity</b>	<b>7,229,266</b>	<b>100.0</b>	<b>7,219,386</b>	<b>100.0</b>	<b>7,266,147</b>	<b>100.0</b>	<b>8,193,821</b>	<b>100.0</b>

Source: The Company's financial statements for the years ended December 31, 2021, 2022 and 2023 audited by a certified public accountant and the Company's interim financial statements for the six-month periods ended June 30, 2023 and 2024.

### Key financial ratios

Financial Ratios	For the years ended December 31			For the six-month period ended.
	2564	2565	2566	June 30 2567
<u>Liquidity Ratio</u>				
Liquidity Ratio (Times)	3.6	3.2	1.8	1.5
<u>Monetary Policy Analysis Ratio</u>				
Debt-to-Equity Ratio (Times)	0.3	0.2	0.3	0.3
Interest Coverage Ratio	6.6	14.0	6.0	10.5
<u>Profitability ratio</u>				
Gross Profit Margin (%)	15.0	12.5	8.9	15.1
EBIT Margin (%)	6.5	4.3	(2.3)	5.7
Net Profit (Loss) Margin (%)	4.6	4.6	(1.7)	4.2
Return on Equity (%)	7.3	5.6	(1.7)	3.2
Return on Assets (%)	6.4	4.3	(1.1)	2.8

## 5.2) Description of Operating Results and Financial Position

### Financial Performance

#### Revenue from sales and services

In 2022, the Company generated revenue from sales and services totaling 7,199.3 million baht, an increase of 226.8 million baht, or 3.3%, from 2021. This growth was primarily due to an increase in the sales volume of fuel-grade ethanol and improved ethanol prices. Revenue from ethanol sales recovered well (up 4.2% YoY), reaching 3,810.4 million baht, with fuel-grade ethanol sales volume rising due to relaxed tourism restrictions. However, revenue from the tapioca starch business declined by 1.5% YoY to 3,116.6 million baht, as orders for organic tapioca starch in Q4 2022 were deferred to 2023. Other business revenues grew significantly by approximately 76.9% YoY, reaching 272.3 million baht, primarily driven by coffee product sales.

In 2023, the Company reported revenue from sales and services of 5,838.0 million baht, a decrease of 1,361.3 million baht (-18.9% YoY), primarily due to lower sales volumes of tapioca starch and organic starch. Revenue from ethanol sales decreased slightly by 3.3% YoY to 3,683.6 million baht due to a reduction in fuel-grade ethanol sales, influenced by the government's withdrawal of support for gasohol E85 and reduced industrial-grade ethanol sales due to COVID-19. Tapioca starch business revenue declined by 41.9% YoY to 1,800.9 million baht due to increased supply from neighboring countries and a slowdown in orders from trading partner countries. Meanwhile, other business revenue increased by 29.9% YoY to 353.4 million baht, primarily due to higher organic agricultural production.

For the first half of 2024, the company recorded sales revenue of 3,470.4 million baht, an increase of 718.7 million baht (+26.1% YoY), mainly driven by revenues from the ethanol and tapioca starch businesses. Ethanol sales revenue rose by 39.5% YoY to 2,322.2 million baht, supported by competitive advantages. Despite a decrease in ethanol demand compared to the previous year, sales volume in the first half of 2024 increased, alongside higher selling prices driven by rising molasses costs. Revenue from the tapioca starch business rose by 14.3% YoY to 1,016.0 million baht due to increased sales of organic starch and sweeteners, as well as higher prices for regular tapioca starch. However, revenue from other businesses declined by 33.4% YoY to 132.2 million baht, primarily due to coffee products.

#### **Cost of sales and service**

In 2022, the Company's cost of sales and services amounted to 6,356.3 million baht, representing 88.3% of sales revenue, an increase of 425.2 million baht or 7.2% from the previous year due to higher raw material prices, particularly cassava costs. This resulted in a gross profit margin of 11.7%, down from 14.9% in 2021.

In 2023, the Company's cost of sales and services was 5,316.2 million baht, accounting for 91.1% of sales revenue. Despite higher raw material costs, especially for cassava, the cost of sales decreased by 981.4 million baht (-15.6% YoY) due to lower sales volumes and a reduction in sales of the highest-margin products. This resulted in a gross profit margin of 8.9%, down from 12.5% in 2022.

For the first half of 2024, the Company's cost of sales was 2,948.2 million baht, an increase of 408.0 million baht (+16.1% YoY), representing 85.0% of sales revenue, down from 92.3% in the first half of 2023. This resulted in a gross profit margin of 15.0%, up from 7.7% in the first half of 2023.

#### **Selling and administrative expenses**

In 2022, the Company's selling and administrative expenses totaled 503.0 million baht, accounting for 7.0% of total revenue. This included 256.5 million baht in selling expenses and 246.5 million baht in administrative expenses. The company maintained strict cost control and managed the SG&A-to-revenue ratio at an appropriate level, reducing it from 8.0% of total revenue in 2021. This decrease was mainly due to reduced export expenses aligned with lower tapioca starch volumes, a shift from container

shipping to bulk shipping, which has lower management costs, and the construction of a warehouse for starch storage, which helped reduce external warehouse rental costs.

In 2023, the Company's total selling and administrative expenses were 450.3 million baht, representing 7.7% of total revenue, comprising 170.1 million baht in selling expenses and 280.2 million baht in administrative expenses. This decrease was due to reduced export expenses in line with lower tapioca starch volumes.

For the first half of 2024, the Company's total selling and administrative expenses were 265.9 million baht, accounting for 7.7% of total revenue. This included 95.1 million baht in selling expenses, resulting from increased transportation and export expenses corresponding to higher sales volumes, and 170.8 million baht in administrative expenses.

#### **Finance costs**

In 2022, the Company's financial costs amounted to 52.3 million baht, a decrease of 80.1 million baht or 60.5% from the previous year due to reduced long-term borrowings from financial institutions.

In 2023, financial costs were 53.3 million baht, an increase of 1.0 million baht or 1.8% from the previous year, due to an increase in short-term borrowings from financial institutions.

For the first half of 2024, the Company's financial costs were 38.1 million baht, an increase of 7.5 million baht (+24.5% YoY).

#### **Net Profit**

In 2022, the Company recorded a net profit of 329.2 million baht, an increase of 8.3 million baht or 2.6% from the previous year, with a net profit margin of 4.6%, the same as the prior year.

In 2023, the Company reported a net loss of 96.6 million baht, a decrease of 425.8 million baht or -129.3% YoY, with the net profit margin declining to -1.7% from 4.6% in 2022. This was due to a decrease in sales volume, lower net profit margins, and increased raw material costs.

For the first half of 2024, the Company achieved a net profit of 149.7 million baht, an increase of 282.5 million baht or +212.7% YoY, with a net profit margin of 4.3%, up from -4.8% in the first half of 2023.

### **Statement of Financial Position**

#### **Assets**

As of December 31, 2022, the company had total assets of 7,219.4 million baht, a decrease of 9.9 million baht or 0.1% from December 31, 2021. This decrease was primarily due to reduced cash and cash equivalents, which were used as working capital to purchase raw materials during the harvest season.

As of December 31, 2023, the company's total assets amounted to 7,266.1 million baht, an increase of 46.8 million baht or 0.6% from December 31, 2022.

As of June 30, 2024, the company's total assets stood at 8,193.8 million baht, an increase of 927.7 million baht or 12.8% from December 31, 2023.

### **Liabilities**

As of December 31, 2022, the company had total liabilities of 1,225.6 million baht, a decrease of 254.4 million baht or 17.2% from December 31, 2021, due to the repayment of long-term loans.

As of December 31, 2023, the company's total liabilities amounted to 1,525.6 million baht, an increase of 299.9 million baht or 24.5% from December 31, 2022, resulting from short-term loans from financial institutions used as working capital for purchasing cassava during the harvest season.

As of June 30, 2024, the company's total liabilities were 2,364.6 million baht, an increase of 839.1 million baht or 55.0% from December 31, 2023, due to short-term loans from financial institutions for working capital to purchase raw materials.

### **Shareholders' Equity**

As of December 31, 2022, the company had shareholders' equity of 5,993.7 million baht, an increase of 244.5 million baht or 4.3% from December 31, 2021, due to higher retained earnings from operating performance.

As of December 31, 2023, the company's shareholders' equity amounted to 5,740.6 million baht, a decrease of 253.1 million baht or 4.2% from December 31, 2022, due to the 2023 operating results and a dividend payment of 156.6 million baht.

As of June 30, 2024, the company's shareholders' equity stood at 5,829.2 million baht, an increase of 88.6 million baht or 1.5% from December 31, 2023. This was due to an operating profit of 149.7 million baht in the first half of 2024 and an annual dividend payment of 61.1 million baht for 2023..



## Attachment 2 Summary of the Ethanol Industry

### Industry Overview ethanol

From 2024 to 2026, the ethanol industry is expected to continue growing, supported by several factors: (1) the gradual recovery of the Thai economy and tourism sector, which bolsters business activity, (2) a steady increase in the accumulated number of vehicles using gasohol fuel, (3) growth in the online trade sector, driving increased demand for transportation to meet delivery needs from sellers to consumers, (4) government policy promoting the use of gasohol E20 under a plan to support the biofuel industry, and (5) encouragement to use ethanol in other industries, such as sustainable aviation fuels (SAFs), pharmaceuticals, cosmetics, and bioplastics.

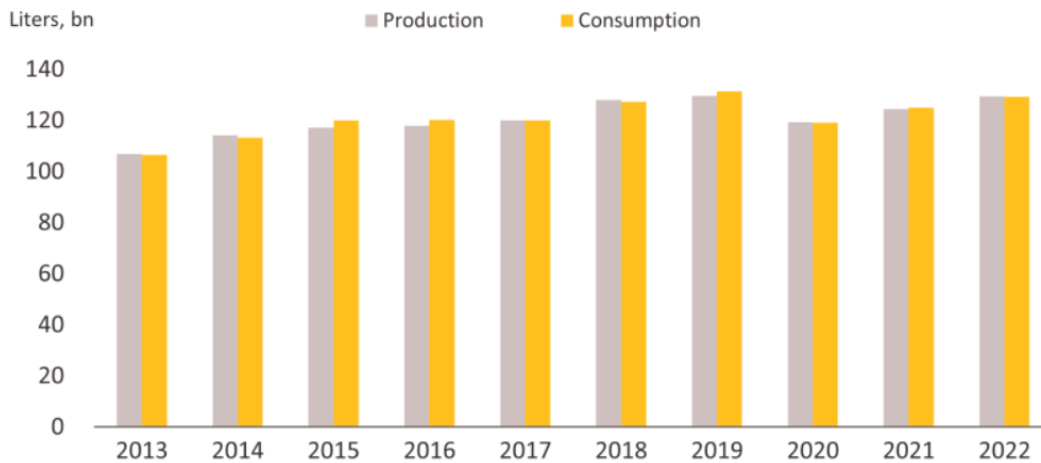
Challenges for the industry include fluctuating raw material prices, which are trending upward and may pressure production costs and margins for producers, as well as raw material shortages due to drought. In the longer term, the rise of electric vehicles (EVs) may reduce the demand for ethanol.

### General Information of Ethanol

Ethanol, or ethyl alcohol, is produced from starchy and sugary plants as well as agricultural waste by-products, such as cellulose and hemicellulose. It undergoes a fermentation process to yield 99.5% pure ethanol, which can be used as a fuel or blended with motor fuel and in certain industrial production processes, such as in the food and beverage and pharmaceutical industries. The main raw materials for ethanol production are agricultural crops, including sugarcane, rice, sorghum, corn, and cassava.

Global demand for ethanol has been steadily increasing, reaching 129.2 billion liters in 2022, slightly below the 2019 level (pre-COVID-19 pandemic). This increase is driven by the recovery in the global economy after the COVID-19 pandemic, leading to more domestic and international travel, along with continued demand for ethanol-based disinfectants. The world's major consumers and producers of ethanol are the United States, Brazil, and China, accounting for approximately 78.3% of global consumption and production. These countries primarily use corn and sugarcane as raw materials for ethanol production.

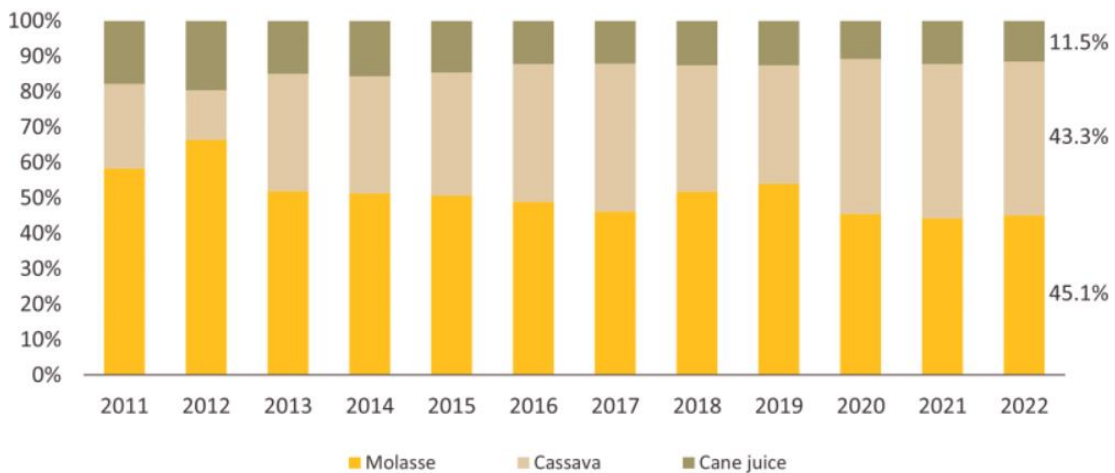
**Figure : 1 Bar Chart showing Ethanol Production and Consumption**



Source: OECD-FAO Agricultural Outlook 2023-2032

In Thailand, ethanol production primarily uses molasses, cassava, and sugarcane juice as raw materials. In 2022, ethanol production was sourced 45% from molasses, 43% from cassava, and 12% from sugarcane juice. Generally, the proportion of raw materials used depends on their prices at any given time. For instance, the proportion of molasses-based ethanol production decreases when molasses prices rise. Ethanol production from molasses has consistently been higher than from cassava due to the advantage in raw material availability, as ethanol producers are often large companies that expand from sugar milling operations. On the other hand, cassava-based ethanol production often faces competition for raw materials from other industries, along with uncertainties in raw material costs due to government price interventions aimed at supporting farmers during certain periods.

**Ethanol Production Main Raw Material Rod Chart**



Source: DEDE, MoC

However, achieving the government's ethanol production targets will require an increased use of sugarcane and cassava, potentially impacting the availability of these crops for consumption. As a result, the government must accelerate efforts to expand cultivation areas to meet ethanol production goals, as well as explore alternative agricultural residues (such as rice straw and corn husks) for ethanol production. This approach not only adds value to agricultural by-products but also supports the achievement of ethanol production targets.

### **Challenges in the ethanol industry**

The ethanol industry faces several key challenges: (1) Raw Material Shortages: Droughts, such as those caused by the El Niño phenomenon in multiple regions worldwide, are expected to impact sugarcane production for the 2023 - 2024 growing season, likely leading to reduced sugar output. Additionally, the increased use of molasses and cassava as raw materials in other industries (e.g., food and beverages, alcohol, and animal feed) and for export may drive up raw material prices. A Reuters survey estimates that raw sugar prices could rise nearly 20% in 2024 from 2023 due to reduced production in 2024–2025, particularly in India, placing pressure on ethanol production costs and margins for producers. (2) Consumer Concerns Over High-Ethanol Gasohol: Vehicle users are concerned about issues such as engine inefficiency and higher fuel consumption associated with gasohol blends with higher ethanol content. This is reflected in the lower usage rate of gasohol E20 compared to E10. (3) Uncertainty in Setting Standard Fuel Grades Between E10 and E20: If E10 is set as the standard fuel grade, the demand for ethanol will be lower than if E20 were the standard. (4) Growing Use of Electric Vehicles (EVs): The trend towards EVs is increasing, with the government targeting at least 30% Zero Emission Vehicle (ZEV) production by 2030. This shift will gradually reduce demand for ethanol-blended fuels. The Department of Energy Business expects ethanol demand in the transportation sector to peak at 6 million liters per day, after which it will decline as EV adoption rises, with significant impact anticipated within the next decade.

### **Future Trends in the Ethanol Business 2024–2026**

Krungsri Research forecasts that ethanol demand from 2024 to 2026 will grow at a rate of 3.0 – 3.8 million liters per day, averaging an annual increase of 2.0 – 2.5%, driven by the following factors:

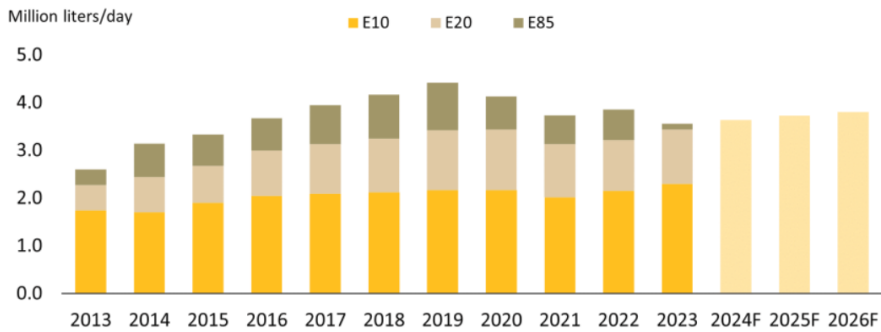
- **Gradual Recovery of the Thai Economy:** The economy is expected to expand at an average rate of 2.5 – 3.5% annually, supporting a steady increase in business activity. Tourism continues to recover, with international tourist arrivals projected to approach pre-2019 levels (40 million visitors) by 2025. This recovery is bolstered by government measures effective in 2024, such as visa waivers for tourists from China, Kazakhstan, India, and Taiwan, as well as tourism-promotion initiatives aimed at secondary cities, encouraging more travel.
- **Increase in Vehicles Using Gasohol:** The number of vehicles using gasohol is projected to grow by an average of 2.5 – 3.5% annually. Domestic car sales (across all vehicle types) are expected to expand by an average of 2.0 – 3.0% per year, reaching 0.79 – 0.85 million units, with over 70% still

using gasoline as fuel. Meanwhile, the share of electric vehicles (EVs) (including HEVs, PHEVs, and BEVs but excluding motorcycles) remains relatively low at just 3 – 5% of internal combustion vehicles.

- Growth in Online Commerce:** Thailand's eCommerce market is expected to grow at an average rate of 10.7% per year from 2024 to 2029 (source: Statista). This expansion will drive increased transportation demand for goods deliveries from sellers to consumers, as well as for document and parcel deliveries.

The government has a plan to promote gasohol E20 as the standard-grade gasoline by (1) setting an initial target price for E20 to be 3 baht per liter lower than gasohol 95, (2) reducing the number of fuel types offered, such as phasing out gasohol 95 and E85 by 2027, and (3) eliminating subsidies on all types of gasohol by September 24, 2024 (with a potential two-year extension if necessary).

**Bar chart showing ethanol consumption in each type of gasohol in Thailand**



Source: DEDE, DOEB  
Note: Forecast by Krungsri Research

**Attachment 3 Summary of Oshinei Enterprise Co., Ltd . ("Oshinei Enterprise")**

**1) General Information of Oshinei Enterprise**

<b>Company Name</b>	Oshinei Enterprise Co., Ltd.
<b>Business Type</b>	Food and Beverage Business
<b>Location</b>	141 Major Tower Thonglor Bldg. 15 Fl. Room OFFICE 6-7 Soi. Sukhumvit 63(Ekkamai) Klong Tan Nuea, Vadhana, Bangkok 10110
<b>Registration Number</b>	0105559198225
<b>Registered Capital</b>	46,500,000 บาท
<b>Issued and paid-up capital</b>	46,500,000 บาท
<b>Par</b>	100 Baht

**2) List of Shareholder of Oshinei Enterprise**

No.	List of Shareholders	Current Shareholding Structure (Percentage) (As of 15 Jul 2024)	Number of shares held (Share)	Shareholding Structure Before Transaction (Percentage)	Number of Shares Held (Shares)
1	Miso Harmony Limited <sup>1/</sup>	-	-	49.39	229,680
2	UMP Lab Company Limited <sup>2/</sup>	-	-	2.38	11,068
3	Supmankong Ingress Company Limited <sup>3/</sup>	-	-	2.38	11,068
4	Mrs. Waraporn Phakpho	25	116,250	11.43	60,909
5	Mr. Tossri Khowsurat	15	69,750	8.00	42,637
6	Mr. Kittisak Leelom	15	69,750	6.86	36,546
7	Mr. Somporn Posarach	15	69,750	6.86	36,546
8	Mr. Na-pajra Umpudh	5	23,250	2.29	12,182
9	Ms. Achara Phakarat	5	23,250	2.29	12,182
10	Mr. Panot Kittiparsart	5	23,250	2.29	12,182
11	Mr. Sittichai Khowsurat	15	69,750	-	-
	<b>Total</b>	<b>100</b>	<b>465,000</b>	<b>100.00</b>	<b>465,000</b>

Remark : <sup>1/</sup> The ultimate shareholders of Miso Harmony Limited prior to the transaction are as follows: 1) Mr. Sittichai Khowsurat, holding 30.37%; 2) Ms. Waraporn Phakpho, holding 24.09%; 3) Mr. Kittisak Leelom, holding 14.46%; 4) Mr. Somporn Posarach, holding 14.46%; and 5) Mr. Tossri Khowsurat, holding 11.8%

<sup>2/</sup>The ultimate shareholder of UMP Lab Company Limited prior to the transaction is Mr. Na-pajra Umpudh, holding 99.60%.

<sup>3/</sup> The ultimate Shareholders of Supmankong Ingress Company Limited prior to the transaction is Mr. Panot Kittiparsart, holding 99.99%

### 3) List of Board of Directors of Oshinei Enterprise

No.	Name	Position
1	Mrs. Waraporn Phakpho	Director
2	Mr. Na-Pajra Umpudh	Director

**Authorized Directors to Commit OE : Two directors sign and seal the Company's important seal.**

### 4) Business Operations of Oshinei Enterprise

Oshinei Enterprise operates a Japanese restaurant franchise under the name "Oshinei." Additionally, Oshinei Enterprise invests in businesses divided into two categories: 1) the distribution of raw materials, through Daiki Food Company Limited ("Daiki Food"), and 2) Japanese restaurant operations under the "Oshinei" brand through seven companies: (1) Oshinei Enterprise Surin Company Limited ("Oshinei Surin"), (2) Oshinei Enterprise Korat Company Limited ("Oshinei Korat 2"), (3) Oshinei Enterprise Chiangmai Company Limited ("Oshinei Chiangmai"), (4) S. Khemarat Japan Food Company Limited ("Oshinei Ubon"), (5) Udon Japan Food Company Limited ("Oshinei Udon"), (6) S. Khemarat Inter Food Company Limited ("Oshinei Korat 1"), and (7) Oshinei Yakniku and Sashimi Company Limited ("Oshinei Yakniku").

### 5) Pro-forma Consolidated Financial Information of Oshinei Enterprise

Pro-forma Consolidated Income Statements (Unit : Million Baht)	For the years ended December 31					
	2564		2565		2566	
	Amount	Percent	Amount	Percent	Amount	Percent
Total Revenue	545.3	100.0	740.2	100.0	625.8	100.0
Total Cost	389.9	71.5	544.3	73.5	464.4	74.2
Gross Profit	155.3	28.5	196.0	26.5	161.4	25.8
Other income	3.1	0.6	3.5	0.5	5.0	0.8
Gains (losses) on exchange rates	(0.7)	-0.1	(0.8)	-0.1	0.4	0.1
Selling expenses	1.6	0.3	3.0	0.4	2.2	0.4
Administrative expenses	101.5	18.6	120.3	16.3	128.1	20.5
Profit before finance costs and income tax	54.6	10.0	75.3	10.2	36.5	5.8
Finance costs	(1.1)	-0.2	(1.2)	-0.2	(1.3)	-0.2
Income tax	(7.2)	-1.3	(9.3)	-1.3	(7.2)	-1.2
Net Profit	46.2	8.5	64.8	8.8	28.0	4.5

Pro-forma Consolidated Statements of Financial Position (Unit : Million Baht)	As of December 31					
	2564		2565		2566	
	Amount	Percent	Amount	Percent	Amount	Percent
<b>assets</b>						
<b>Current Assets</b>						
Cash and cash equivalents	87.9	36.3	113.5	40.4	83.6	30.9
Trade and other receivables	48.3	20.0	49.6	17.6	44.3	16.4
Inventories	21.0	8.7	28.0	10.0	15.3	5.6
Short-term investments	0.2	0.1	0.2	0.1	0.2	0.1
Short-term loans to related companies	9.6	4.0	9.6	3.4	9.6	3.6
Short-term loans to third parties.	-	-	-	-	0.1	0.0
<b>Total Current Assets</b>	<b>167.1</b>	<b>69.0</b>	<b>200.9</b>	<b>71.5</b>	<b>153.1</b>	<b>56.6</b>
<b>Non-current assets</b>						
Property, plant and equipment	54.5	22.5	53.3	19.0	90.8	33.5
Intangible assets	0.1	0.1	0.1	0.0	0.1	0.0
Right-of-use assets	17.5	7.2	23.4	8.3	20.7	7.7
Other non-current assets	2.9	1.2	3.1	1.1	6.0	2.2
<b>Total non-current assets</b>	<b>75.0</b>	<b>31.0</b>	<b>80.0</b>	<b>28.5</b>	<b>117.6</b>	<b>43.4</b>
<b>Total Assets</b>	<b>242.1</b>	<b>100.0</b>	<b>280.8</b>	<b>100.0</b>	<b>270.7</b>	<b>100.0</b>
<b>Liabilities and Shareholders' Equity</b>						
<b>Current liabilities</b>						
Trade and other payables	76.8	31.7	67.8	24.1	68.4	25.3
Unearned revenue - Franchise fee	4.5	1.9	5.5	2.0	6.1	2.3
Leases liabilities	4.4	1.8	7.3	2.6	7.2	2.7
Income tax payables	3.5	1.4	4.0	1.4	-	0.0
Short-term loans – related parties	-	-	-	0.0	-	0.0
<b>Total current liabilities</b>	<b>89.2</b>	<b>36.9</b>	<b>84.7</b>	<b>30.2</b>	<b>81.8</b>	<b>30.2</b>
<b>Non-current liabilities</b>						
Unearned revenue - Franchise Fee	43.0	17.8	38.7	13.8	33.5	12.4
Non-current portion of lease liabilities, net	13.6	5.6	16.6	5.9	13.9	5.1
Loans from banks	3.6	1.5	0.2	0.1	19.0	7.0
Employee benefit obligations	0.1	0.1	0.2	0.1	0.2	0.1
<b>Total non-current liabilities</b>	<b>60.4</b>	<b>24.9</b>	<b>55.7</b>	<b>19.8</b>	<b>66.7</b>	<b>24.6</b>
<b>Total Liabilities</b>	<b>149.6</b>	<b>61.8</b>	<b>140.4</b>	<b>50.0</b>	<b>148.4</b>	<b>54.8</b>
<b>Shareholders' Equity</b>						
Issued and paid-up capital	0.3	0.1	0.5	0.2	0.5	0.2
Additional investment in OSN and Daiki	7.7	3.2	7.7	2.7	7.5	2.8
TFRS Adjustments	(47.6)	-19.6	(43.1)	-15.4	(37.5)	-13.9
Legal reserve	0.1	0.0	0.1	0.0	0.2	0.1
Retained earnings	132	54.5	175.2	62.4	151.6	56
<b>Total Shareholders' Equity</b>	<b>92.5</b>	<b>38.2</b>	<b>140.4</b>	<b>50.0</b>	<b>122.3</b>	<b>45.2</b>
<b>Total Liabilities and Shareholders' Equity</b>	<b>242.1</b>	<b>100.0</b>	<b>280.8</b>	<b>100.0</b>	<b>270.7</b>	<b>100.0</b>

Source: Oshinei Enterprise's pro-forma consolidated financial information for the years ended December 31, 2021, 2022 and 2023 prepared by the management of the Company.

## Key financial ratios

Financial Ratio <sup>1/</sup>	For the year ended December 31		
	2564	2565	2566
<u>Liquidity Ratio</u>			
Liquidity Ratio (Times)	1.87	2.37	1.87
<u>Monetary Policy Analysis Ratio</u>			
Debt-to-Equity Ratio (Times)	1.62	1.00	1.21
<u>Profitability ratio</u>			
Gross Profit Margin (%)	28.49%	26.47%	25.79%
Operating Profit Margin (%)	10.00%	10.17%	5.84%
Net Profit Margin (%)	8.48%	8.75%	4.47%
Return on Assets (%)	-	25.24%	10.63%
Return on Equity (%)	-	56%	21%

**Remark:** <sup>1/</sup>Calculated based on Oshinei Enterprise's pro-forma consolidated financial information for the year ended December 31, 2021 – 2023 prepared by the management of the Company.

## Statement of Financial Position

As of December 31, 2021–2023, the financial position of OE consisted of total assets of 242.2 million baht, 280.8 million baht, and 270.7 million baht, respectively; total liabilities of 149.6 million baht, 140.4 million baht, and 148.4 million baht, respectively; and total shareholders' equity of 92.5 million baht, 140.4 million baht, and 122.3 million baht, respectively.

As of December 31, 2022, OE's total assets increased by 38.7 million baht, or 29.62% from 2021, driven primarily by an increase in cash and cash equivalents of 25.6 million baht, as savings deposits rose by 25 million baht. Meanwhile, OE's total liabilities decreased by 9.2 million baht, or 6.15% from 2021, largely due to a reduction in trade and other payables of 9 million baht, resulting from a decrease in domestic trade payables. Shareholders' equity increased by 47.9 million baht, or 51.78% from 2021, mainly due to an increase in unallocated retained earnings of 43.2 million baht, attributed to (1) an increase in OE's net profit in 2022 of 18.6 million baht and (2) a dividend payment of 23.1 million baht, resulting in higher shareholders' equity in 2022.

As of December 31, 2023, OE's total assets decreased by 10.1 million baht, or 3.71% from 2022, primarily due to (1) a decrease in cash and cash equivalents of 29.9 million baht, as savings deposits declined by 29.4 million baht, and (2) an increase in land, buildings, and equipment by 37.5 million baht, resulting from the construction of an Oshinei restaurant branch in Ubon Ratchathani and a new branch opening in Korat. Meanwhile, OE's total liabilities increased by 8 million baht, or 5.7% from 2022, due to (1) an increase in borrowings from financial institutions by 18.8 million baht, (2) a decrease in accrued income tax of 4 million baht, and (3) a reduction in advance franchise fees of 5.2 million baht. Shareholders' equity decreased by 18.1 million baht, or 14.8%, mainly due to (1) a significant dividend payment of 64.7 million baht, and in 2023,



OE recorded a net profit of 28 million baht. Since the dividend paid exceeded the net profit, OE's shareholders' equity decreased.

### **Income Statement**

#### **Total Revenue**

In 2022, OE's total revenue amounted to 740.2 million baht, an increase of 194.9 million baht, or 35.74% from 2021. Key factors contributing to this revenue growth include: (1) Increased revenue from Oshinei-owned restaurants, primarily driven by a rise in the average spending per customer at these locations. The average spending per customer at Oshinei-owned branches increased significantly, with an average of 606 baht in 2022 compared to 590 baht in 2021, and a higher number of customers visiting Oshinei-owned branches as COVID-19 restrictions eased, leading to more dining out. (2) Increased revenue from raw material sales by Daiki Food, as more people dined out post-COVID-19, resulting in higher sales of frozen, fresh, and dry food products. (3) Higher franchise fees from franchisees and company-owned branches. (3.1) Oshinei charges a fee of 5% of each branch's sales revenue, so the overall revenue increase in 2022 led to a rise in franchise fee income. (3.2) In 2022, three new franchise branches were added, further boosting franchise fee revenue.

In 2023, OE's total revenue was 625.8 million baht, a decrease of 114.4 million baht, or 15.46% from 2022. Key factors affecting this revenue decline include: (1) A drop in revenue across all Oshinei-owned restaurants, mainly due to (1.1) higher interest rates, which reduced domestic consumer purchasing power, leading to a decrease in customers at Oshinei-owned branches in 2023, and (1.2) a significant increase in Thai tourists traveling to Japan, with the Japan Tourism Promotion Organization reporting a 402% increase in 2023 compared to 2022, impacting OE's domestic revenue. (2) A decrease in revenue from Daiki Food, as demand for Japanese food declined, leading to lower demand for raw materials, frozen, fresh, and dry food products. (3) A reduction in franchise fee income from franchisees and company-owned branches. (3.1) Since Oshinei charges a 5% fee on sales revenue from each branch, the overall revenue decline in 2023 led to a decrease in franchise fee income.

#### **Total cost**

In 2022, OE's total cost amounted to 544.3 million baht, an increase of 154.4 million baht or 39.6% from 2021. Key factors contributing to this increase include: (1) Higher revenue from company-owned branches, leading to greater demand for frozen, fresh, and dry food products, which resulted in higher cost of goods sold for these branches; (2) Higher overall revenue from both franchise and company-owned branches, allowing Daiki Food to sell more raw materials, thus increasing raw material costs.

In 2023, OE's total cost was 464.4 million baht, a decrease of 79.9 million baht or 17.2% from 2022. Key factors contributing to this decrease include: (1) Lower revenue from company-owned branches, which reduced the demand for frozen, fresh, and dry food products, leading to a decrease in the cost of goods sold

for these branches; (2) Lower overall revenue from both franchise and company-owned branches, resulting in a reduction in raw material sales by Daiki Food, thus lowering raw material costs.

### **Selling expenses**

In 2022, OE's selling expenses amounted to 3 million baht, an increase of 1.4 million baht or 88% from 2021. Key factors contributing to this increase include: (1) marketing, advertising, and campaign efforts aimed at attracting new customer segments to both company-owned and franchised branches, and (2) increased transportation costs for the distribution of raw materials by Daiki Food.

In 2023, OE's selling expenses were 2.2 million baht, a decrease of 0.8 million baht or 36% from 2022. The primary factor contributing to this decrease was a reduction in travel expenses related to business trips and quality inspections of raw materials at franchised branches.

### **Administrative expenses**

In 2022, OE's administrative expenses amounted to 120.3 million baht, an increase of 19.8 million baht or 18.5% from 2021. Key factors contributing to this increase include: (1) Daiki Food opened a new warehouse in 2022, resulting in a significant rise in utility and operational costs, as well as rental expenses due to the additional warehouse space, (2) Daiki Food and OE hired additional staff to manage and operate the warehouse and to support transportation activities, leading to higher administrative expenses, and (3) Daiki Food incurred depreciation expenses for the new warehouse building, further increasing administrative costs.

In 2023, OE's administrative expenses were 128.1 million baht, an increase of 7.8 million baht or 6.5% from 2022. Key factors contributing to this increase include: (1) higher employee-related expenses due to hiring additional staff to operate the newly opened branch in Korat 2, as well as increased costs associated with salaries, bonuses, uniforms, and other employee benefits to accommodate customer demand, and (2) higher electricity rates, resulting in an overall increase in utility expenses.

### **Net Profit**

In 2022, OE's net profit was 64.8 million baht, an increase of 18.6 million baht or 40.26% from 2021. This increase was primarily due to higher overall revenue as the COVID-19 pandemic eased, leading to more people dining out.

In 2023, OE's net profit was 28 million baht, a decrease of 36.8 million baht or 57% from 2022. This decline was due to the impact of high interest rates on consumer costs, leading to reduced customer numbers, as well as a shift in consumer behavior with a decrease in popularity for Japanese cuisine during this period.

## Attachment 4 Summary of the Restaurant Industry

### Overview of the Restaurant Industry

The food service industry is expected to continue its strong recovery, with market value projected to grow by 11% in 2024. This growth is driven by sustained private consumption, an increase in the number of tourists, and government economic stimulus policies. In the longer term, the industry is expected to grow at an average annual rate of 8% from 2025 to 2027, supported by rising tourist numbers and improved purchasing power. Additionally, most food service businesses have adapted to post-COVID-19 consumer behavior by expanding both offline and online sales channels, enhancing accessibility for all customer segments. However, certain risk factors remain, including potential increases in labor costs due to minimum wage adjustments, which could raise operating costs. Moreover, the food service market is becoming increasingly competitive with new entrants, heightening the level of market competition.

The full-service restaurant sector is expected to grow by 11% in 2024. Although this sector was heavily impacted during the COVID-19 crisis, recovery is anticipated due to pent-up demand and the rebound in household consumption and the economy. Increased tourism and consumer spending, coupled with government economic stimulus policies, are expected to sustain growth in this segment. At the same time, chain restaurants may be better positioned to manage rising labor costs, given their larger capital and liquidity reserves, allowing them to implement cost-control measures and adopt labor-saving technologies.

The limited-service restaurant sector is expected to grow by 8% in 2024. This segment was less severely affected during the pandemic due to its greater adaptability, especially chain restaurants with delivery services that better reached customers during the crisis. While in-person dining has not yet returned to pre-pandemic levels in the long term, rising minimum wages are expected to have a limited impact on this segment, as automation and technology are increasingly utilized to manage labor.

### Proportion of restaurants in Thailand by type

The food and beverage service industry refers to businesses that provide ready-to-eat food, beverages, ice cream, and cakes, with services offered in various formats, such as full-service restaurants, limited-service establishments, and take-away options. In 2022, the total number of food and beverage businesses registered in Thailand reached 382,083 establishments (a 14.7% increase from 332,976 establishments in 2021). These businesses can be categorized according to the Thailand Standard Industrial Classification (TSIC) into seven types:

1) Restaurants: These establishments provide food and beverage services with a variety of facilities, such as seating and self-service options, for on-premises dining or take-away. Examples include restaurants, cafes, and counters. There were 321,096 registered establishments in this category, representing 84.0% of all food and beverage service businesses in Thailand.

2) Non-Alcoholic Beverage Stores: These establishments serve ready-to-drink, non-alcoholic beverages and offer various amenities, such as seating and entertainment options. Service may be seated, self-service, or take-away, as in coffee and juice shops. There were 56,951 establishments registered in this category, representing 14.9%.

3) Alcoholic Beverage Stores: These establishments provide ready-to-drink alcoholic beverages and offer a variety of amenities, including entertainment, seating, and take-away options, such as bars and liquor stores. There were 3,885 registered establishments, accounting for 1.0%.

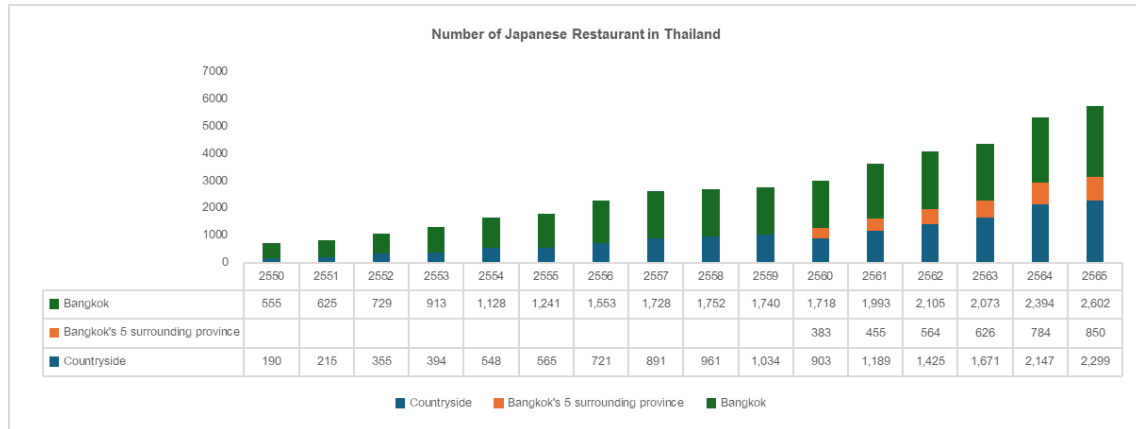
4) Food Stalls and Market Vendors: These offer ready-to-eat food and beverage services in stalls and markets, with or without entertainment and seating options. There were only 73 registered establishments in this category (less than 0.1%).

5) Mobile Food Services: These provide ready-to-eat food through mobile setups, such as walking vendors or vehicles. There were only 57 registered establishments in this category (less than 0.1%).

6) Mobile Beverage Services: These establishments offer ready-to-drink beverages through mobile setups, such as walking vendors or vehicles. There were only 12 registered establishments in this category (less than 0.1%).

7) Beverage Stalls and Market Vendors: These provide ready-to-drink beverages at stalls and markets, with or without entertainment and seating options. There were only 9 registered establishments in this category (less than 0.1%).

**Japanese restaurant proportion and growth of Japanese restaurants**



Source : Jetro

Given the growing market value and consistent expansion of Japanese restaurants in Thailand, the Japan External Trade Organization (JETRO)—which promotes trade and investment between Thailand and Japan—has been actively fostering the Japanese food industry and supporting the proliferation of Japanese restaurants across all regions of Thailand. In JETRO's "2023 Survey on Japanese Restaurants in Thailand," it was reported that the total number of Japanese restaurants in Thailand reached 5,751 in 2023, marking an 8.0% increase from the previous year, with 426 new establishments.

A comparison of data from 2018 and 2023 shows that the number of Japanese restaurants in Bangkok has increased by 1.5 times, while the surrounding metropolitan areas saw a 2.2-fold increase, and provincial areas a 2.5-fold increase, resulting in a total growth of 1.9 times overall. From in-depth interviews and discussions with Japanese restaurant business operators conducted by JETRO, it is clear that Japanese cuisine remains popular in Thailand despite certain operational challenges. These challenges include adapting to the evolving preferences and demands of Thai consumers and presenting suitable Japanese menu options tailored to consumers in different regions. Nevertheless, Japanese restaurants continue to flourish, particularly in tourist destinations and provinces with high population density.

No.	Companies engaged in the restaurant business.	Number of branches	income Year 2023 (Million Baht)	income Year 2022 (Million Baht)	income Year 2021 (Million Baht)	Net Profit Year 2023 (Million Baht)	Net Profit Year 2022 (Million Baht)	Net Profit Year 2021 (Million Baht)
1	Khaopun Edo Co., Ltd.	12	270.26	244.84	149.88	4.85	2.88	-0.19
2	Sukishi Intergroup Co., Ltd.	146	1,642.72	1,729.07	1,145.07	62.44	77.11	-36.46
3	Meation Barbecue Co., Ltd.	14	520.89	247.57	29.77	46.11	24.74	-1.05
4	Sompaasook Co., Ltd.	26	531.15	422.97	82.65	43.81	80.28	4.99
5	Noble Restaurant Co., Ltd.	16	1,737.25	1,508.11	862.97	219.75	212.67	72.66
6	Shabu Baru Co., Ltd.	2	136.33	55.52	24.05	10.42	8.49	3.51
7	ZEN Corporation Group Plc. ("ZEN")	341	3,945	3,413.12	2,255.32	157.6	153.91	-91.57
8	MK Restaurant Group Plc. ("M")	703	16,973.55	15,938.18	11,368.01	1,681.94	1,438.31	130.98
9	S&P Syndicate Plc. ("SNP")	143	6,290.40	5,798.23	4,913.37	485.23	460.36	340.02
10	After You Plc. ("AU")	76	1,230.90	954.47	628.83	178.17	118.48	4.45
11	Maguro Group Plc. ("MAGURO")	25	1,044.00	664	385	73	32	10

**Table : Average food price level per restaurant**

Price per Head	Nationwide	Bangkok	5 Metropolitan	Upcountry
Below Baht 100	691	187	127	377
Baht 101 – 250	2,040	892	340	808
Baht 251 – 500	1,333	694	181	458
Baht 501 – 1,000	690	451	51	156
Over Baht 1,000	237	120	10	107
Unverifiable	760	180	141	439
<b>Total</b>	<b>5,751</b>	<b>2,602</b>	<b>850</b>	<b>2,299</b>

Remark: The survey period is from 15 August 2023 to 31 October 2023.

### Overview of the Full-service Food Service Business

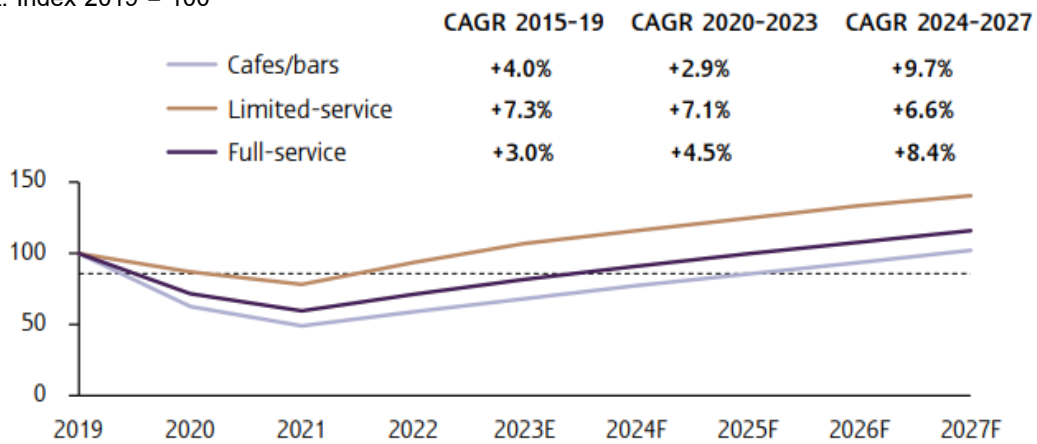
The market value of the full-service food service business is projected to grow by 11% in 2024. Full-service restaurants have experienced ongoing impacts from the COVID-19 pandemic, along with reduced consumer purchasing power. However, following the pandemic, this sector has shown strong recovery due to pent-up demand and heightened consumer expectations for comprehensive service, which supports a positive outlook for growth and expansion in the full-service restaurant sector.

In terms of growth between chain and non-chain restaurants, chain establishments are expected to be less affected in a fragile economic environment. Chains have the advantage of financial support from multiple branches and more effective cost management strategies, such as expanding delivery options and incorporating technology.

The minimum wage increase does not enhance consumer purchasing power; rather, it primarily raises business operating costs. As full-service restaurants are labor-intensive, the rise in minimum wage will directly increase operational costs, while prices for goods and services cannot be raised significantly to offset this increase.

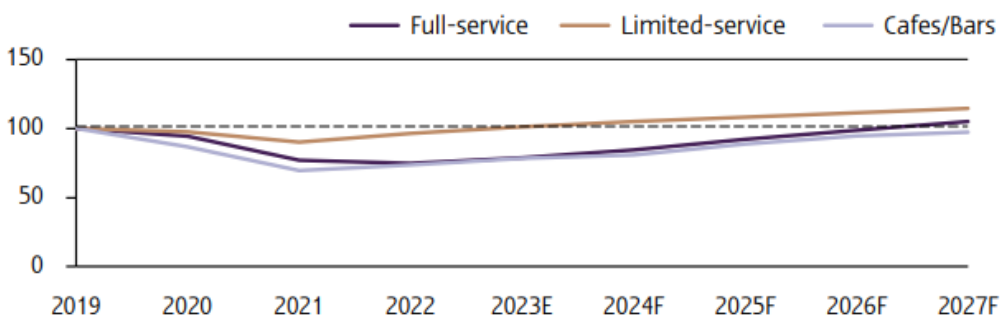
### Food and Beverage Market

Unit: Index 2019 = 100



### Spending Per Bill

Unit: Index 2019 = 100



Source: SCB EIC Industry Insight Food Service Business November 2023

**Total revenue of the restaurant industry**

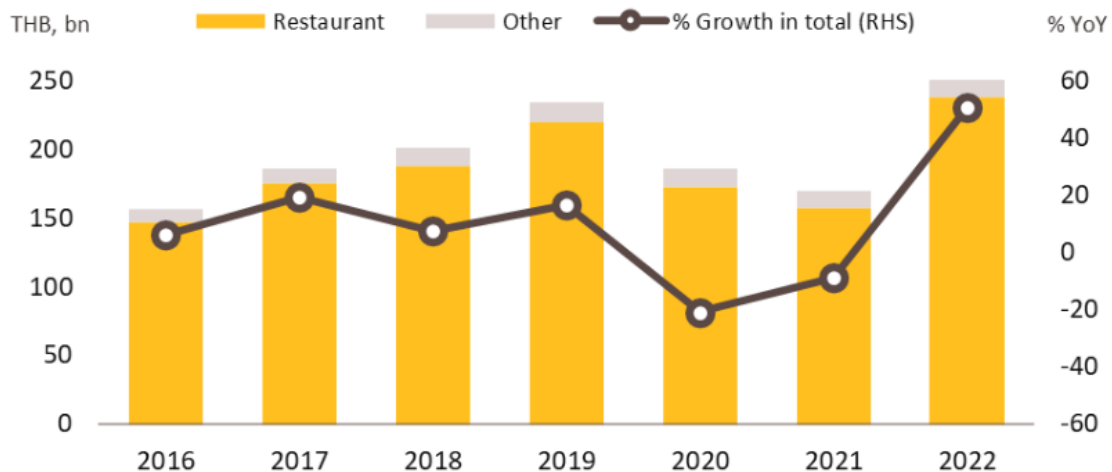
The total revenue of Thailand's registered food and beverage industry in 2022 amounted to 255.6 billion baht, marking an increase of 50.7% (compared to 169.6 billion baht in 2021).

Restaurant Sector: This sector captured the largest revenue share at 237.8 billion baht, representing 93.1% of the total food and beverage industry revenue in Thailand. The sector has experienced an average annual growth of 7.9%, supported by the normalization of economic activities in 2022. Restaurant revenues rebounded by 51.3% in 2022 following two consecutive years of contraction due to COVID-19 impacts.

By business nationality, Thai entities generated the majority of revenue, totaling 234.8 billion baht (98.7% of restaurant sector revenue), an increase of 51.2% from 155.2 billion baht in 2021. Foreign entities generated 3.1 billion baht (1.3% of restaurant sector revenue), growing by 55.0% from 2.0 billion baht in 2021.

According to data from the Department of Business Development, the top 10 key players in the restaurant sector are: MK Restaurant Group Public Co., Ltd., Central Restaurants Group Co., Ltd., The QSR of Asia Co., Ltd., CPF Restaurant and Food Chain Co., Ltd., McThai Co., Ltd., S&P Syndicate Public Co., Ltd., Restaurants Development Co., Ltd., The Minor Food Group Public Co., Ltd., Oishi Group Public Co., Ltd., and BNN Restaurant Group Co., Ltd. Collectively, these companies generated a combined revenue of 67.2 billion baht, representing 28.3% of the restaurant sector's revenue in 2022. These key players operate primarily as restaurant chains, with an average annual revenue growth rate of 5.5%.

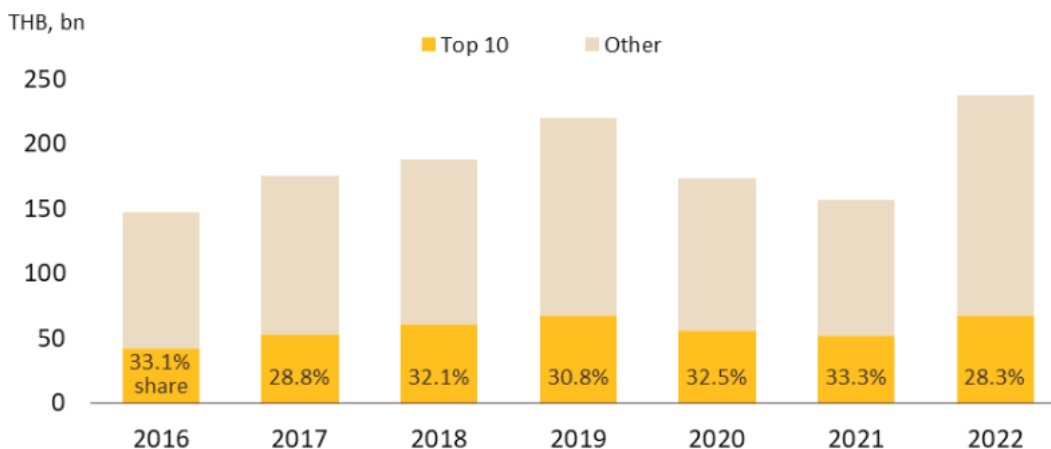
Bar chart showing the revenue of a restaurant listed on the stock exchange.



Sources: Department of Business Development Ministry of Commerce (DBD), Enlite

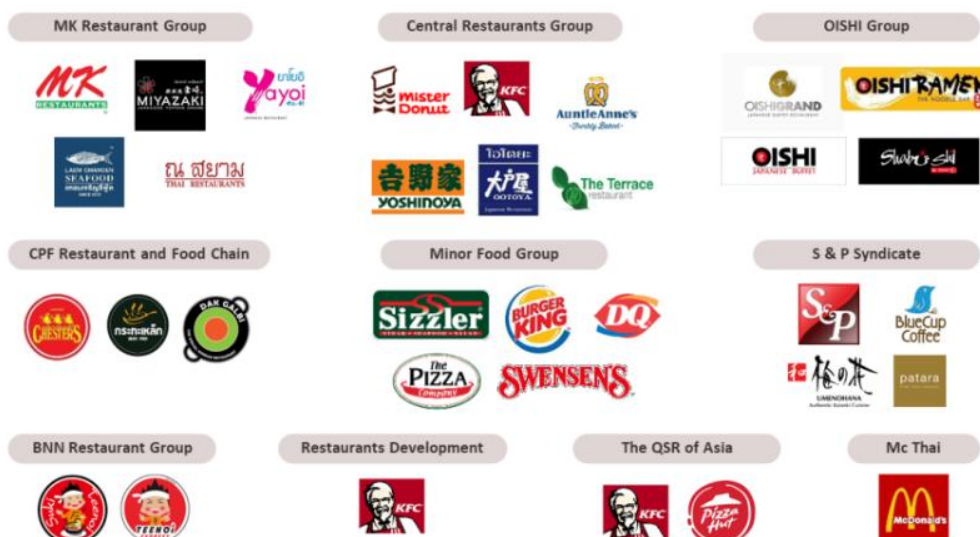


Bar chart showing the proportion of registered restaurants to total restaurant revenue.



Sources: Department of Business Development Ministry of Commerce (DBD), Enlite, compiled by Krungsri Research  
 Note: TSIC 56101, 56102, 56103, 56301, 56302, 56303, and 56304

Diagram showing famous restaurants in Thailand



Source: Krungsri Research

### Restaurant Supporting Factors

The gradual recovery of the tourism sector has positively impacted restaurant businesses in tourist areas. In 2020-2021, the COVID-19 pandemic had a severe impact on Thailand's tourism industry, affecting both domestic and international tourism. However, as the situation improved and the Thai government eased health control measures, the number of international tourists visiting Thailand increased significantly. According to the Ministry of Tourism and Sports, Thailand welcomed 11.07 million foreign tourists in 2022 and 28.15 million in 2023. This growth is a major positive factor for Thailand's economy. The Tourism Authority of Thailand (TAT) estimates that in 2024, 35 million international tourists will visit Thailand, further benefiting restaurants in tourist destinations, such as popular and renowned eateries and street food vendors

at night markets or entertainment areas frequented by tourists, leading to growth in sales and overall business performance.

Private consumption has shown consistent growth from 2021 to 2023, with the Private Consumption Index, which measures private sector spending on consumption, rising steadily. In 2021, the index stood at 141.75, and by 2023, it had increased to 151.58, reflecting an average annual growth rate (CAGR) of 3.41%. This trend indicates improved personal spending, with categories such as food and utilities showing continuous growth, thereby supporting the restaurant industry's expansion.

Restaurant operators have resumed branch expansion by shifting to a limited-service model to reduce business costs and adapt to changing consumer behaviors post-COVID-19. This model emphasizes the takeaway and food delivery market, especially as business costs continue to rise due to labor market pressures and consumers' increasing comfort with ordering technology. According to Kasikorn Research Center, the food delivery market has surged from 51 billion baht in 2019 to 87 billion baht in 2023 following the COVID-19 situation. To meet evolving consumer demands and mitigate business risks, operators are investing in smaller restaurant formats with reduced dine-in areas, thereby supporting revenue growth in this segment.

#### **Risk factors affecting the restaurant industry**

Business costs are on a continuous upward trend, including fresh food, cooking ingredients, energy, and labor costs, impacting revenue and profit margins. As a result, some operators are compelled to raise food and service prices, although the extent of price increases remains limited due to fragile consumer purchasing power. In 2023, the restaurant industry faced simultaneous increases in minimum wages across nearly all countries, affecting expenses such as raw materials, utilities, electricity, cooking gas, and labor. Particularly, the cost of fresh food has risen significantly with little indication of decline, directly impacting per-dish profits for restaurant operators. Higher costs have afforded larger and mid-sized operators with robust cost-management systems greater flexibility in managing expenses compared to smaller businesses, which typically rely on self-financing. Effective investment and cost management can enhance the competitiveness of domestic restaurants, although smaller operators face increasing challenges. The impact of rising wages and ingredient costs varies across restaurant types; businesses incorporating service technology that minimizes operational costs may have a market advantage. For example, street food vendors, with lower operational expenses than full-service restaurants, are better positioned to adapt their service models and manage staffing efficiently.

Intense competition in the restaurant industry, along with rapidly evolving consumer behavior driven by emerging trends, significantly impacts business strategies for operators. The restaurant industry is constantly changing; while some restaurants close periodically, new establishments continue to enter the market. Large operators are increasingly entering the restaurant sector, introducing new international brands to the local market. At the same time, small operators are opening numerous restaurants, heightening competitive intensity. Additionally, consumer preferences shift quickly with social trends, requiring restaurant businesses to adapt swiftly to remain relevant.

Source : Jetro , SCB EIC , Maguro , Krungsri Research , 56-1