

Appendix

For Agenda 8: To consider and approve the purchase of the ordinary shares
in Myanmar Finance International Limited

The Annual General Meeting of the Shareholders for the year 2020

of Thitikorn Public Company Limited

on 23 April 2020

Rational of the acquisition

The acquisition in Myanmar Finance International Limited ("MFIL") is consistent with the business plan of Thitikorn Public Company Limited ("the Company"), which will expand its investment to ASEAN countries. ASEAN is an emerging market with more than 600 million of the population, most of whom are working-age people making it has a large economic size and grow rapidly so far.

Myanmar is the third country in ASEAN that the company has expanded its investment. Outstanding with its high economic growth that the average GDP for the past 5 years equivalent to 6.3% and tend to grow continuously in the future. In addition, Myanmar population of 53 million has an average age of 28.2 years of age, which is considered a young and working age. Household debt is considered very low, which is about 38% of GDP. These economic factors make Myanmar one of the most attractive countries in ASEAN. For the financial services business in Myanmar, there are rooms to grow, even more, especially financial services at the micro-level or microfinance, since the majority of the population of this country still has less access to the formal source of funds.

MFIL is a Deposit Taking Microfinance Institution in Myanmar. MFIL has been granted licenses to operate microfinance businesses in key States/Regions in Myanmar comprising of Yangon, Bago, Mon and Ayeyarwady. There are currently 13 branches with over 55,000 customers. MFIL is one of the famous microfinance companies in Myanmar with a management team that has many years of experience in microfinance business. In addition, MFIL is well recognized by government regulators.

The acquisition of MFIL allows the company to access to Myanmar market quicker and convenience. The company would be benefited from the customer database, branch network connection and well relationship to Myanmar government officials at all levels. This also includes the understanding of local culture and traditions that would create more opportunities for future business expansion of the company covering the Motorcycle Hire Purchase business, in which the company can apply business expertise to increase its competitiveness in Myanmar.

The company expected that after the acquisition of MFIL, the company will promptly increase its earnings per share (EPS) and the return on equity (ROE). This also would cause an increase in the proportion of foreign portfolios of the company which forecasted at the end of 2020 from 26% to 33% approximately. This is consistent with the company's goal to have the foreign portfolio proportion of 50% and stepping up into a leading financial services company in ASEAN.

The Board of Directors' Meeting of Thitikorn Public Company Limited No. 1/2020, held on February 27, 2020, resolved to propose to the Annual General Meeting of Shareholders Year 2020 for considering to approve as follows:

1. Transaction Date

Within 30 days after Myanmar Finance International Limited has fulfilled all the conditions precedent which includes obtaining approval from Myanmar regulators and from all lenders (expected to complete within August 2020). However, the Company will enter into the transactions after the shareholders' meeting of the Company passed a resolution of not less than three-fourth of the total number of shareholders attending the meeting and having the right to vote.

2. Relevant Parties

Seller:

1. Myanmar Finance Company Limited
2. Myanmar Investment Limited
3. NORFUND (Norwegian Investment Fund for Developing Countries)

Purchaser: Thitikorn Public Company Limited

Relation with the Company: The Seller and the Purchaser have no relationship to each other according to regulations of the Stock Exchange of Thailand (SET) and the Securities and Exchange Commission (SEC) concerning the related transactions.

3. General Characteristic of the Transaction

Transaction: Purchase the ordinary shares in Myanmar Finance International Limited from three shareholders: Myanmar Finance Company Limited, Myanmar Investment Limited and NORFUND (Norwegian Investment Fund for Developing Countries) in the number of 6,800,000 shares with a par value of Baht 31.21 (1 USD) each, representing 100 percent of the total shares of Myanmar Finance International Limited, at the purchase price not exceeding Baht 450,000,000.

Transaction Size: The transaction size is 4.99% of total assets calculated based on value of consideration received.

The calculation of the transaction size according to the Notification of the Board of Governors of the Stock Exchange of Thailand Re: The Disclosure and Best Practice of Listed Companies in Acquisition or Disposal of Assets B.E. 2547 are summarized as follows:

Calculation of the transaction size method	Formula	Transaction size	Disclosure method
1. Evaluation based on value of assets (NTA)	= 100% x (198.3/5,145.5)	3.85%	The Company shall <u>not</u> have to disclose the information and hold the shareholders' meeting to obtain the approval for the entering into the transaction
2. Evaluation base on net income	= 100% x (9.7/407.4)	2.38%	The Company shall <u>not</u> have to disclose the information and hold the shareholders' meeting to obtain the approval for the entering into the transaction
3. Evaluation based on value of consideration received	= 100% x (450/9,018.8)	4.99%	The Company shall <u>not</u> have to disclose the information and hold the shareholders' meeting to obtain the approval for the entering into the transaction
4. Evaluation based on value of securities	This method is not applicable since there is no securities issued for entering into this transaction		

Exchange rate is applicable as at 31 January 2020 (1 USD = 31.21 THB) (46.64 MMK = 1 THB)

4. Details of the Acquired Assets

Type of Assets:	Ordinary shares in Myanmar Finance International Limited
Type of Business:	Providing microfinance loan without collateral to grass root people in Myanmar
Date of Incorporation:	7 April 2014
Registered Office:	Maggin Street No.11, Ward 14, Yankin Township, Yangon, Myanmar
Registered Capital/ Paid-up Capital:	Baht 212,228,000 (6,800,000 ordinary shares, with a par value of Baht 31.21 each)
Directors:	Htet Nyi Miss Piyachart Chetnakarnkul Ohnmar Hlaing Po Yort Pyae Phyo Lwin Wai Mar Myint Maung

Yin Yin Myint
Maung Aung Htun

Main Management: Po Yort (Managing Director)

Purchased Share 6,800,000 ordinary shares, with a par value of Baht 31.21(1 USD) each

Purchase Price : Not exceeding Baht 450,000,000

Shareholding Proportion Before Acquisition: None

Shareholding Proportion After Acquisition: 100%

Related Person and Shareholding: The Company and the Purchaser have no relationship to each other according to regulations of the SET and the SEC concerning the related transactions.

List of shareholders of Myanmar Finance International Limited

No.	Before the Acquisition	Number of Shares	Percentage
1	Myanmar Finance Company Limited	2,550,000	37.5
2	Myanmar Investment Limited	2,550,000	37.5
3	NORFUND (Norwegian Investment Fund for Developing Countries)	1,700,000	25.0
Total		6,800,000	100.00

No.	After the Acquisition	Number of Shares	Percentage
1.	Thitikorn Public Company Limited	6,800,000	100.00
Total		6,800,000	100.00

Summary of Financial and Performance

Balance Sheet as of 30 September 2019

Balance Sheet (Baht Million)	2019	2018
Cash and bank balances	398.1	260.5
Loan to customers	453.5	463.5
Property, plant and equipment	5.8	5.1
Other assets	18.1	14.9
Total Assets	875.5	744.0
Deposits from customers	58.9	57.8
Others payables and accruals	19.0	17.5
Bank borrowing	577.3	439.1
Other liabilities	23.8	23.2
Total Liabilities	678.9	537.6
Share capital	181.6	181.2
General reserve	6.9	6.9
Retained Earning	8.1	18.3
Total Equity	196.6	206.4
Total Liabilities & Equity	875.5	744.0
Book Value per share (Baht)	28.91	35.58

Income Statement for the year ended 30 September 2019

Income Statement (Baht Million)	2019	2018
Interest income	63.0	123.5
Interest expense	(37.5)	(50.3)
Net interest income	25.6	73.2
Other incomes	0.8	4.2
Revenue	26.4	77.4
Operating expenses	(30.6)	(46.9)
Depreciation	(1.2)	(1.9)
Net impairment loss	(4.8)	(11.1)
Tax expense	-	(7.9)
Net profit (Loss)	(10.2)	9.7
Profit (Loss) per share	(1.50)	1.67

5. Value of Considerations

Cash in the amount of not exceeding Baht 450,000,000

6. Value of Purchased Assets

Ordinary shares in the number of 6,800,000 shares with a par value of Baht 31.21 (1 USD) each

7. Benefits from the Transaction

The acquisition of MFIL allows the company to access to Myanmar market quicker and convenience. Myanmar population of 53 million has an average age of 28.2 years of age, which is considered a young and working age. In addition, the company would be benefited from the customer database, branch network connection and well relationship to Myanmar government officials at all levels. This also includes the understanding of local culture and traditions that would create more opportunities for future business expansion of the company covering the Motorcycle Hire Purchase business, in which the company can apply business expertise to increase its competitiveness in Myanmar.

MFIL is one of the famous microfinance companies in Myanmar with a management team that has many years of experience in microfinance business. In addition, MFIL is well recognized by government regulators. MFIL currently has branches in key States/Regions in Myanmar comprising of Yangon, Bago, Mon and will expand to Ayeyarwady and Mandalay in the near future. Therefore, this acquisition will allow TK to create new opportunities and establish its strong platform in attractive and growing market through the efficient company with a proper size scale.

The company expected that after the acquisition of MFIL, the company will promptly increase its earnings per share (EPS) and the return on equity (ROE). This also would cause an increase in the proportion of foreign portfolios of the company which forecasted at the end of 2020 from 26% to 33% approximately. This is consistent with the company's goal to have the foreign portfolio proportion of 50% as well as stepping up into a leading financial services company in ASEAN.

8. Source of Fund

Working capital of the Company

9. Condition of the Transaction

This transaction is considered as a purchase or acceptance of transfer of the business of other companies or private companies by the Company according to Section 107 of the Public Limited Companies Act B.E. 2535 (1992) (as amended) that the Company shall need a resolution passed from the shareholders' meeting approving the entering into the transaction by votes of not less than 3/4 of the total votes of shareholders attending the meeting and having the rights to vote.

10. Opinion of the Board of Directors

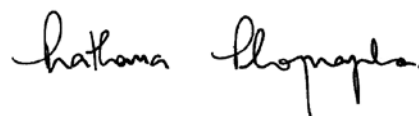
The Board of Directors has considered with the opinion that the investment in the ordinary shares in Myanmar Finance International Limited is appropriate and would benefit to the Company and the Company's shareholders since Myanmar Finance International Limited is one of the reputed microfinance companies in Myanmar which is the country with rapid economic growth and has a population of 53 million that is considered a young and working age.

MFIL is well recognized by government regulators and currently, MFIL has branches in key States/Regions in Myanmar comprising of Yangon, Bago, Mon and will expand to Ayeyarwady and Mandalay in the near future. In addition, MFIL has a management team that has many years of experience in microfinance business.

The company would be benefited from the customer database, branch network connection and well relationship to Myanmar government officials at all levels. This also includes the understanding of local culture and traditions that would create more opportunities for future business expansion of the company.

Therefore, the acquisition of shares in MFIL not only promptly increases its earnings per share (EPS) and the return on equity (ROE) but also allows an increase in the proportion of foreign portfolios of the company rapidly which driving the company to achieve its goals as well as stepping up to be a leading financial service company in ASEAN region. Thus, the Board of Directors agreed to propose to the Shareholders General Meeting Year 2020 for considering to approve the said transaction.

Sincerely yours,



(Ms.Prathama Phornprapha)
Managing Director
Thitikorn Public Company Limited