

Supporting Document

Agenda Item 10: To approve the sale of all Thanachart Securities Public Company Limited's ordinary shares to TMBThanachart Bank Public Company Limited

The Board of Directors of Thanachart Capital Public Company Limited ("the Company"), at its meeting No. 3/2025 held on 20 February 2025, resolved to propose to the 2025 Annual General Meeting of Shareholders to consider and approve the Company's sale of all shares of Thanachart Securities Public Company Limited ("TNS") held by the Company to TMBThanachart Bank Public Company Limited ("ttb"). The Board of Directors determines that having a large commercial bank as a major shareholder of TNS will strengthen its financial stability and business network, benefiting employees, customers, and all stakeholders. The Company and its subsidiaries will remain indirect shareholders of TNS through their major shareholding in ttb, holding approximately 24.974 percent.

The Company provides the following information for consideration.

1. Transaction parties and relationship with the Company

The Company is the seller, and ttb is the buyer, of TNS shares. The Company and its subsidiaries hold 24,325,519,032 shares of ttb, representing 24.974 percent of the total issued and paid-up shares.

2. Transaction details and assets

The transaction involves the sale of all ordinary shares of TNS held by the Company, totaling 2,698,959,721 shares, representing 89.97 percent of the total issued and paid-up shares, to ttb, which currently holds 300,000,000 shares of TNS, representing 10 percent of the total issued and paid-up shares. Upon completion of the share sale, ttb will hold 2,998,959,721 shares of TNS, representing 99.97 percent of the total issued and paid-up shares.

3. Total value of consideration, payment method, and other key terms as agreed

The transaction's purchase price will be equal to the book value adjusted by agreed-upon items. This book value is based on management accounts, specifically prepared for the transaction's completion date as specified in the share purchase agreement. Initially, the estimated book value of TNS, adjusted by agreed-upon items, is approximately 3 billion baht. This value is calculated based on the total assets and total liabilities from the management accounts as of 30 September 2024. However, this value is subject to change based on the latest management accounts. The final investment will be adjusted by the difference between the equity book value based on the audited financial statements and the book value from the management accounts, along with other adjustments as per the share purchase agreement, on the share purchase date according to the terms of the share purchase agreement.

The payment will be made in cash on the transaction's completion date, in accordance with the terms and conditions specified in the share purchase agreement.

4. Gains for The Company

The proceeds from the share sale can be used to support business operations, including investments and support for businesses within the Group. Additionally, The Company will gain advantages from being an indirect shareholder in TNS through a major shareholding in ttb, which will have a securities business to complement its existing banking operations.

5. Conditions Precedent

The completion of the sale of TNS shares under the share purchase agreement is subject to the fulfillment of the conditions precedent, including but not limited to the following:

- a) The Company and ttb have received approval from their respective shareholders' meetings to enter into the share purchase transaction as per the share purchase agreement.
- b) ttb has obtained the necessary approvals related to the share purchase from the Bank of Thailand and the Office of the Securities and Exchange Commission.
- c) TNS will reduce its share capital to an appropriate level to reflect economic conditions and future business operations. This capital reduction will comply with relevant rules, laws, and regulatory requirements.

6. Board of Directors' opinion on the transaction

The Board of Directors, including all independent directors, determines that the transaction will benefit both the Company and TNS for the foregoing reasons. Furthermore, as the purchase price is appropriate, the Board recommends approval of the transaction.

This transaction falls under the criteria for acquisition or disposal of assets as stipulated in the Capital Market Supervisory Board Notification Tor Chor. 20/2551 regarding the rules for significant transactions that constitute an acquisition or disposal of assets, and the Stock Exchange of Thailand Notification regarding disclosure of information and actions of listed companies in the acquisition or disposal of assets B.E. 2547 (as amended) ("Acquisition or Disposal Notification"). The transaction size, calculated based on the maximum asset acquisition or disposal criteria, is 2.65 percent (less than 15 percent). Therefore, it does not fall within the scope of transactions requiring information disclosure and does not require approval from the shareholders' meeting according to the Acquisition or Disposal Notification. Additionally, it does not fall under related-party transactions as stipulated in the Capital Market Supervisory Board Notification Tor Chor. 21/2551 regarding the rules for related-party transactions, and the Stock Exchange of Thailand Notification regarding disclosure of information and actions of listed companies in related-party transactions B.E. 2546 (as amended) ("Related-Party Transactions Notification").

However, this transaction constitutes a significant partial transfer of business to another party as defined under Section 107(2)(a) of the Public Limited Company Act B.E. 2535 (as amended) (“Public Limited Company Act”). Therefore, The Company must obtain approval from its shareholders' meeting by a vote of not less than three-fourths of the total votes of the shareholders present and eligible to vote, excluding the votes of shareholders with conflicts of interest. Upon full execution of the share purchase agreement, share payment and the transfer of TNS shares are expected to be completed in the third quarter of 2025.