



F I N A N S A
Asian Merchant Banking

No. For.23/2021

December 9, 2021

Subject Disposal of Shares in Finansa Syrus Securities Public Company Limited

Subject: President
The Stock Exchange of Thailand

Enclosure Information Memorandum of Finansa Public Company Limited on the Disposal of Assets by way of Disposal of Shares in Finansa Syrus Securities Public Company Limited

Finansa Public Company Limited (the "Company") would like to inform you that the Board of Directors of the Company No. 5/2021, held on December 9, 2021, has resolved to approve the disposal of all shares held by the Company in Finansa Syrus Securities Public Company Limited ("FSS") (held through Finansa Fund Management Limited ("FFM"), a wholly owned subsidiary of the Company) in the amount of 170,269,978 shares with a par value of THB 1.60 per share, representing 29.29 percent of all issued shares of FSS, at the sale price of THB 4.07 per share, totaling THB 692,998,810.46, to Pilgrim Finansa Investment Holding Pte. Ltd. ("PFIH"), a company incorporated under the law of Singapore. The Company expects that the disposal of shares in FSS shall be completed by December 16, 2021 after all conditions precedent under the Share Purchase Agreement have been satisfied (collectively, the "Transaction").

The share sale price for the Transaction of THB 4.07 per share, totaling THB 692,998,810.46 is derived from negotiations between PFIH and FFM which is the price equal to the volume weighted average price (VWAP) of FSS shares between November 1, 2021 – November 19, 2021, totaling 15 consecutive business days, which is the period of negotiations, taking into account the Company's investment value. Additional details regarding the Transaction are as appeared in the Information Memorandum of Finansa Public Company Limited on the Disposal of Assets by way of Disposal of Shares in Finansa Syrus Securities Public Company Limited per the Enclosure.

In this regard, PFIH, the purchaser, is not a connected person of the Company, the Transaction is therefore not a connected transaction under the Notification of the Capital Market Supervisory Board No. TorJor. 21/2551 Re: Rules on Connected Transactions, and the Notification of the Board of Governors of the Stock Exchange of Thailand Re: Disclosure of Information and Other Acts of Listed Companies Concerning the Connected

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Transactions B.E. 2546 (2003) (as amended). Nevertheless, the Transaction is regarded as a disposal of assets under the Notification of the Capital Market Supervisory Board No. TorJor. 20/2551 Re: Rules on Entering into Material Transaction Deemed as Acquisition or Disposal of Assets, and the Notification of the Board of Governors of the Stock Exchange of Thailand Re: Disclosure of Information and Other Acts of Listed Companies Concerning the Acquisition and Disposition of Assets B.E. 2547 (2004) (as amended) (the "Notifications on Acquisition or Disposal of Assets"). The size of the Transaction based on the net tangible assets (NTA) criterion, which results in the highest size, is equal to 25.16 percent based on the reviewed consolidated financial statements of the Company for the period ended September 30, 2021. Since the Company does not have any other disposal of asset transaction in the past six months, the Transaction, therefore, falls into Class 2 Transaction under the Notifications on Acquisition or Disposal of Assets, namely transaction with a size higher than 15 percent, but lower than 50 percent, and as such, the Company is required to disclose the information memorandum regarding the Transaction to the Stock Exchange of Thailand (the "SET") and submit a circulation letter which at least contains such information as required by the Notifications on Acquisition or Disposal of Assets to the Company's shareholders within 21 days from the date of disclosure of such information to the SET.

In addition, given that the Transaction will result in PFIH's shareholding in FSS exceeding 25 percent of all voting rights of FSS, PFIH is required to make a tender offer for all securities of FSS under the requirements as prescribed in the Notification of the Capital Market Supervisory Board No. TorJor. 12/2554 Re: Rules, Conditions and Procedures for the Acquisition of Securities for Business Takeovers (as amended) accordingly. The tender offer is subject to the conditions precedent that all conditions precedent and any other conditions under the Share Purchase Agreement shall have been satisfied and the purchaser shall have obtained the voting rights and any other rights in all shares in FSS representing 29.29 percent under such Share Purchase Agreement.

Please be informed accordingly

Yours sincerely,

(Mr. Vorasit Pokachaiyapat)

Managing Director

Information Memorandum of Finansa Public Company Limited
on the Disposal of Assets by way of Disposal of Shares in Finansia Syrus Securities Public Company Limited

The Board of Directors' Meeting of Finansa Public Company Limited (the "Company") No. 5/2021, which was held on December 9, 2021, has resolved to approve the disposal of all shares held by the Company in Finansia Syrus Securities Public Company Limited ("FSS") (held through Finansa Fund Management Limited ("FFM"), a wholly owned subsidiary of the Company) in the amount of 170,269,978 shares with a par value of THB 1.60 per share, representing 29.29 percent of all issued shares of FSS, at the sale price of THB 4.07 per share, totaling THB 692,998,810.46¹, to Pilgrim Finansa Investment Holding Pte. Ltd. ("PFIH"), a company incorporated under the law of Singapore. The Company expects that the disposal of shares in FSS shall be completed by December 16, 2021 after all conditions precedent under the Share Purchase Agreement (as defined below) have been satisfied (collectively, the "Transaction").

The Transaction is regarded as a disposal of assets under the Notification of the Capital Market Supervisory Board No. TorJor. 20/2551 Re: Rules on Entering into Material Transaction Deemed as Acquisition or Disposal of Assets, and the Notification of the Board of Governors of the Stock Exchange of Thailand Re: Disclosure of Information and Other Acts of Listed Companies Concerning the Acquisition and Disposition of Assets B.E. 2547 (2004) (as amended) (the "Notifications on Acquisition or Disposal of Assets"). The size of the Transaction based on the net tangible assets (NTA) criterion, which results in the highest size, is equal to 25.16 percent based on the reviewed consolidated financial statements of the Company for the period ended September 30, 2021. Since the Company does not have any other disposal of asset transaction in the past six months, the Transaction, therefore, falls into Class 2 Transaction under the Notifications on Acquisition or Disposal of Assets, namely transaction with a size higher than 15 percent, but lower than 50 percent, and as such, the Company is required to disclose the information memorandum regarding the Transaction to the Stock Exchange of Thailand (the "SET") and submit a circulation letter which at least contains such information as required by the Notifications on Acquisition or Disposal of Assets to the Company's shareholders within 21 days from the date of disclosure of such information to the SET.

In addition, given that the Transaction will result in PFIH's shareholding in FSS exceeding 25 percent of all voting rights of FSS, PFIH is required to make a tender offer for all securities of FSS under the requirements as prescribed in the Notification of the Capital Market Supervisory Board No. TorJor. 12/2554 Re: Rules, Conditions

¹ FFM will receive payment for such shares in USD currency, equivalent to such amount in THB currency, based on the average exchange rate of USD to THB as quoted by commercial banks for customers, the details of which are stipulated in the Share Purchase Agreement.

and Procedures for the Acquisition of Securities for Business Takeovers (as amended) (the “**Notification on Acquisition of Securities for Business Takeovers**”) accordingly. The tender offer is subject to the conditions precedent that all conditions precedent and any other conditions under the Share Purchase Agreement shall have been satisfied and the Purchaser shall have obtained the voting rights and any other rights in all shares in FSS representing 29.29 percent under such Share Purchase Agreement.

In this regard, the Company hereby submits the information memorandum on the Company’s disposal of assets as follows:

1 Transaction Date

On December 9, 2021, the Board of Directors’ Meeting has resolved to approve FFM, the Company’s subsidiary, to sell all shares held in FSS representing 29.29 percent of all issued shares of FSS, totaling THB 692,998,810.46, to PFIH, and FFM has executed the Share Purchase Agreement between FFM and PFIH (the “**Share Purchase Agreement**”) on December 9, 2021. The Transaction is also subject to the conditions precedent under the Share Purchase Agreement (as described in Clause 3.1). The Company expects that the Transaction will be completed by December 16, 2021.

2. Related Parties and Relationships with Listed Company

Purchaser: Pilgrim Finansa Investment Holding Pte. Ltd., a company incorporated under the law of Singapore, in which Mr. Vorapak Tanyawong and Mr. Chuangchai Nawongs hold 60 percent and 40 percent of shares, respectively.

Seller: Finansa Fund Management Limited, a wholly owned subsidiary of the Company.

Relationship between the Parties

The Purchaser is not a connected person of the Company under the Notification of the Capital Market Supervisory Board No. TorJor. 21/2551 Re: Rules on Connected Transactions, and the Notification of the Board of Governors of the Stock Exchange of Thailand Re: Disclosure of Information and Other Acts of Listed Companies Concerning the Connected Transactions B. E. 2546 (2003) (as amended) (the “**Notifications on Connected Transactions**”).

3. General Description and Details of the Disposed Assets

3.1 General Description of the Transaction

The Company, via FFM, will sell 170,269,978 shares in FSS with a par value of THB 1.60 per share, representing 29.29 percent of all issued shares of FSS, to PFIH at the sale price of THB 4.07 per share, totaling THB 692,998,810.46,² whereby PFIH shall pay a deposit for share payment in the amount equal to 50 percent of the total share price to FFM on the signing date of the Share Purchase agreement. Should the Share Purchase Agreement terminate before the closing date of the Transaction, FFM shall return the deposit in full to PFIH. In this regard, PFIH shall pay the total share price to FFM and PFIH shall receive all rights in such shares of FSS on the closing date of the Transaction. After the completion of the Transaction, it will result in the disposal of all investment of FFM in FSS, which is regarded as a disposal of assets under the Notifications on Acquisition or Disposal of Assets.

PFIH will start the process of making a tender offer for all securities of FSS under the Notification on Acquisition of Securities for Business Takeovers, subject to the conditions precedent to the tender offer, namely all conditions precedent and any other conditions under the Share Purchase Agreement shall have been satisfied and the Purchaser shall have obtained the voting rights and any other rights in all shares in FSS representing 29.29 percent under the Share Purchase Agreement.

(a) Conditions for Execution of the Transaction

The Transaction will take place after FFM and PFIH have executed the Share Purchase Agreement and all conditions precedent under the Share Purchase Agreement have been satisfied. Key conditions precedent are as follows:

- 1) FFM and PFIH shall have obtained approval from the Board of Directors' Meeting and the Shareholders' Meeting (as the case may be) of FFM and PFIH to execute the Transaction and take all procedures under the Share Purchase Agreement for the successful completion of the Transaction.

² FFM will receive payment for such shares in USD currency, equivalent to such amount in THB currency, based on the average exchange rate of USD to THB as quoted by commercial banks for customers, the details of which are stipulated in the Share Purchase Agreement.

- 2) Mr. Varah Sucharitakul, a representative director of the Company in FSS shall have submitted his resignation letter as a director to FSS, effective as of the closing date of the Transaction.
- 3) PFIH shall have obtained approval to borrow a loan from financial institution(s) and/or other person(s) to make the share payment to FFM and execute the tender offer for all securities of FSS under the Notification on Acquisition of Securities for Business Takeovers in full.

(b) Method of Payment

PFIH shall pay the sale price of shares in full by way of wire transfer in USD currency under the conditions set out in the Share Purchase Agreement.

3.2 Details of the Disposed Assets

The details of the disposed assets are described as follows:

Shares in FSS in the amount of 170,269,978 shares with a par value of THB 1.60 per share, representing 29.29 percent of all issued shares of FSS, at the sale price of THB 4.07 per share, totaling THB 692,998,810.46³, with the details as follows:

General Information

Company Name	Finansia Syrus Securities Public Company Limited
Nature of Business Operations	Securities businesses, including 1. securities brokerage; 2. derivatives brokerage; 3. investment banking; 4. investment; 5. derivative warrant business; 6. Investment unit selling agent; 7. securities borrowing and lending; 8. foreign securities dealing; and 9. debt instrument business
Head Office	999/9 The Offices at Central World, 18th and 25th Floors, Rama I Road, Pathumwan, Bangkok 10330

³ FFM will receive payment for such shares in USD currency, equivalent to such amount in THB currency, based on the average exchange rate of USD to THB as quoted by commercial banks for customers, the details of which are stipulated in the Share Purchase Agreement.

Company Registration No.	0107547000079
Telephone	0-2658-9000
Facsimile	0-2658-9501
Company Incorporation Date	February 11, 2004
Registered and Paid-up Capital	THB 930,244,840
Par Value	THB 1.60 per share
Number of Shares	581,403,025 shares

List of directors as of December 9, 2021

No.	Name	Position
1.	Mr. Chatchaval Jiaravanon	Chairman of the Board of Directors
2.	Mr. Varah Sucharitakul ⁴	Chairman of the Executive Committee Vice Chairman of the Board of Directors
3.	Mr. Chuangchai Nawongs	Chief Executive Officer President Director
4.	Mr. Somphop Keerasuntonpong	President Director
5.	Mrs. Pornpring Suksantisuwan	Director
6.	Ms. Kanchana Vongratanakulthon	Director
7.	Mr. Visanu Prasattongsoth	Independent Director Chairman of the Audit Committee
8.	Mr. Phaiboon Siripanoosatien	Independent Director Member of the Audit Committee

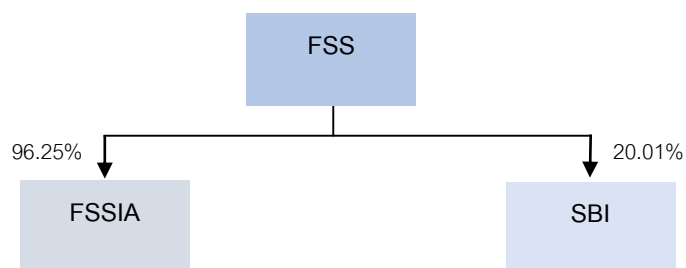
⁴ Mr. Varah Sucharitakul, the representative director of the Company in FSS will resign from his directorship after the completion of the Transaction.

No.	Name	Position
9.	Mr. Kittisak Bencharit	Independent Director Member of the Audit Committee

List of Shareholders as of March 29, 2021, which is the latest date on which the names of the shareholders are determined

No.	Name	Before the Transaction		After the Transaction	
		No. of shares (share)	Shareholding (percentage)	No. of shares (share)	Shareholding (percentage)
1.	Finansa Fund Management Limited	170,269,978	29.29	-	0.00
2.	The Purchaser	-	0.00	170,269,978	29.29
3.	MORGAN STANLEY & CO. INTERNATIONAL PLC	67,383,222	11.59	67,383,222	11.59
4.	Industrial and Commercial Bank of China (Thai) Public Company Limited	58,140,302	10.00	58,140,302	10.00
5.	Thai NVDR Company Limited	51,412,073	8.84	51,412,073	8.84
6.	Kim Eng Securities (Hong Kong) Ltd. For DVP Client.	44,511,860	7.66	44,511,860	7.66
7.	Mrs. Suporn Wattanavekin	16,071,944	2.76	16,071,944	2.76
8.	Mr. Anucha Sihanatkathakul	15,418,599	2.65	15,418,599	2.65
9.	Mrs. Siriporn Satawin	6,080,000	1.05	6,080,000	1.05
10.	Mr. Jumroen Rungwatanaseth	5,500,000	0.95	5,500,000	0.95
11.	Mr. Paitoon Manasilp	4,050,021	0.70	4,050,021	0.70
12.	Other shareholders	142,565,026	24.51	142,565,026	24.51
Total		581,403,025	100.00	581,403,025	100.00

Other legal entities in which FSS holds 10 percent of their shares or more



FSS holds shares in FSS International Investment Advisory Securities Company Limited (“FSSIA”), which operates the business of securities investment advisory business, in the amount of 76,997 shares with a par value of THB 100 per share, representing 96.25 percent of all shares, and also holds shares in SBI Royal Securities Public Company Limited (“SBI”), a company incorporated under the law of the Kingdom of Cambodia, which operates the securities business, in the amount of 12,798,396 shares with a par value of USD 25 per share, representing 20.01 percent of all shares.

Summary of Financial Statements of FSS

Unit: THB Thousand

Consolidated Financial Statements	For the year ended			For the 9-month period ended
	December 31, 2018	December 31, 2019	December 31, 2020	September 30, 2021
Statement of comprehensive income				
Total income	1,469,493	1,295,315	1,747,104	1,821,947
Total expenses	1,493,314	1,465,401	1,642,817	1,537,122
Profit (loss) before income tax	(23,821)	(170,086)	104,287	284,825
Profit (loss) attributable to the company's shareholders	(23,798)	(138,065)	82,420	227,572
Statement of financial position				
Total assets	4,754,320	4,276,952	5,946,936	6,586,388

Unit: THB Thousand

Consolidated Financial Statements	For the year ended			For the 9-month period ended
	December 31, 2018	December 31, 2019	December 31, 2020	September 30, 2021
Total liabilities	2,223,163	1,927,704	3,515,772	3,965,857
Total owner's equity	2,531,157	2,349,249	2,431,164	2,620,531

Shareholders may find additional information of the financial statements of FSS at www.SET.or.th and www.fnsyrus.com

4. Transaction Size Calculation

Calculation Criteria	Calculation Formula	Transaction Size
1. Net tangible asset (NTA)	NTA of the disposed company x the disposed portion/ NTA of the Company according to the consolidated financial statements = (THB 2,136,107 thousand * 29.29%) / THB 2,486,062 thousand	25.16%
2. Net profit from operating results	Net profit of the disposed company x the disposed portion / net profit of the Company according to the consolidated financial statements <i>Unable to calculate as the Company has operating loss</i>	
3. Total value of consideration	Total value of consideration* / total assets of the Company according to the consolidated financial statements = THB 767,263 thousand / THB 4,278,041 thousand	17.93%
4. Value of equity issued as consideration for the assets	Total shares issued as payment for the disposed assets / total authorized and issued shares <i>Unable to calculate as there is no issuance of securities as payment of assets</i>	

Remark * When comparing the total value of consideration (THB 692,999 thousand) with the disposed portion of 29.29 percent of the book value of FSS, calculated from total equity attributable to FSS's shareholders, based on the reviewed consolidated financial statements of FSS for the period ended September 30, 2021 (THB 767,263 thousand), it is

found that the book value of FSS proportionate to the disposed portion is higher than the total value of consideration, therefore the higher value is used in the calculation.

The Transaction is regarded as a disposal of assets under the Notifications on Acquisition or Disposal of Assets. The size of the Transaction based on the net tangible assets (NTA) criterion, which results in the highest size, is equal to 25.16 percent based on the reviewed consolidated financial statements of the Company for the period ended September 30, 2021. Since the Company does not have any other disposal of asset transaction in the past six months, the Transaction, therefore, falls into Class 2 Transaction under the Notifications on Acquisition or Disposal of Assets, namely transaction with a size higher than 15 percent, but lower than 50 percent, and as such, the Company is required to disclose the information memorandum regarding the Transaction to the SET and submit a circulation letter which at least contains such information as required by the Notifications on Acquisition or Disposal of Assets to the Company's shareholders within 21 days from the date of disclosure of such information to the SET.

5. Total Value of Consideration

(a) Total value of consideration

Total value of consideration of the Transaction is the sale price of THB 4.07 per share, totaling THB 692,998,810.46⁵. Whereby PFIH shall pay a deposit for share payment in the amount equal to 50 percent of the total share price to FFM on the signing date of the Share Purchase Agreement and PFIH shall pay the remaining share price to FFM on the closing date of the Transaction.

(b) Basis of Determination of Total Value of Consideration

The sale price of shares of THB 4.07 per share, totaling THB 692,998,810.46 is derived from negotiations between PFIH and FFM which is the price equal to the volume weighted average price (VWAP) of FSS shares between November 1, 2021 – November 19, 2021, totaling 15 consecutive business days, which is the period of negotiations, taking into account the Company's investment value.

⁵ FFM will receive payment for such shares in USD currency, equivalent to such amount in THB currency, based on the average exchange rate of USD to THB as quoted by commercial banks for customers, the details of which are stipulated in the Share Purchase Agreement.

6. Value of the Disposed Assets

The value of the disposed assets from the disposal of shares in FSS totals THB 692,998,810.46 is based on the volume weighted average price (VWAP) of FSS shares as detailed in Item 5(b) above.

The book value of FSS, calculated from total equity attributable to FSS's shareholders, based on the reviewed consolidated financial statements of FSS for the period ended September 30, 2021, proportionate to the disposed portion of 29.29 percent is approximately THB 767,263 thousand.

7. Plan for Use of Proceeds from the Disposal of Assets

The Company plans to use the proceeds from this disposal of assets to repay the Company's debts and for further investment in the Company's business, both at present and in the future, as well as for the Company's working capital.

8. Expected Benefits to the Company

Since the securities brokerage business of FSS is considerably fluctuating in terms of more business competition after the securities business liberalization, the Company thus considers disposing its investment in FSS. The execution of the Transaction will enable the Company to have a source of funds for payment of the Company's debts, a source of funds for investment in other businesses in which the Company is interested, both at present and in the future, and also for use as the Company's working capital.

9. Opinion of the Board of Directors on the Transaction

The Board of Directors resolves to approve the entering into the Transaction after it has considered and viewed that the Transaction is reasonable and beneficial to the Company as the Transaction will enable the Company to have a source of funds for payment of the Company's debts, a source of funds for investment in other businesses in which the Company is interested, both at present and in the future, and also for use as the Company's working capital.

The share price is reasonable because the share price of THB 4.07 per share is the price equal to the volume weighted average price (VWAP) of FSS shares between November 1, 2021 – November 19, 2021, totaling 15 consecutive business days, which is the period of negotiations, taking into account the Company's investment value.

10. **Opinion of the Audit Committee and/or Directors of the Company which is different from the Opinion of the Board of Directors under Clause 9 above**

There is no opinion of the Audit Committee or directors of the Company which is different from the foregoing opinion of the Board of Directors.