

## Part 1

## Executive Summary

This summary information is part of the prospectus for the offering of securities and the accompanying invitation document, which are only summary information about the offering, nature, and risks of the company issuing and offering securities ("Company"). Therefore, investors should study the details from the full prospectus, which can be requested from the securities dealer and the Company or may be obtained from the Company's submission to the SEC's website.

## Executive Summary for Initial Public Offering (IPO)

## BPS Technology Public Company Limited

Subscription period: 27 - 29 March 2024 (9.00 a.m. – 4.00 p.m.)

Offering Information

Issuer:	BPS Technology Public Company Limited
Type of business:	Distributor of electrical connectivity equipment, smart-home products, and solar cell products. Solutions provider of solar rooftop, main distribution board, fiber optic network, facilitating gadgets for residence.
Offering share amount:	120,000,000 shares or 30 % of issued and paid-up capital after this offering
Offering structure:	<p>The offering shares shall be allocated by type of investors as following:</p> <ol style="list-style-type: none"><li>(1) Up to 90 million shares offered to the public, at the discretion of the securities underwriter, representing 75 percent of the total shares sold after this offering.</li><li>(2) Not exceeding 18 million shares offered to individuals with qualifications determined by the company, representing 15 percent of the total shares sold after this offering.</li><li>(3) Not exceeding 12 million shares offered to individuals with qualifications determined by the company, representing 10 percent of the total shares sold after this offering.</li></ol> <p>.</p> <p>The proportion for the allocating shares for (2) and (3) must not exceed 25% of the total IPO shares. In case that the shares (2) and (3) are remained, they will be combined and offered to the public at the discretion of the securities underwriter.</p>

Underwriting Conditions:

☒ Firm Underwriting☐ Best Effort

IPO price:

Baht 0.90 per share

Total offering amount:

Baht 108,000,000

Par value:

Baht 0.50 per share

Book value:

Baht 0.62 per share (total equities as 31 December 2566 divided by paid-up shares of the Company at 280 million shares)

Shares or convertible securities issued during 6 months before submitting SEC filing until IPO date

☐ No☒ Yes

Following the resolution of the ordinary shareholders' meeting on August 31, 2566, the company has allocated an additional 156 million ordinary shares which is equivalent to 78 million Thai Baht, through a rights offering to existing shareholders based on their shareholding proportions. This capital increase occurred within six months before applying for permission until the first public offering (IPO) at a par value of 0.5 Baht per share, which is lower than the expected IPO offering price

Relationship between the issuer of offering securities and group of financial advisors or underwriters, such as any related shareholder, any director, management, employee of financial advisors and/or any underwriter holding director position of the issuer of offering securities, any lending from financial advisors and/or any underwriter, or other relationship that caused the financial advisor and/or the underwriter has lack of independent in their duties.

☒ No☐ Yes**Rational for determination of the offering price and financial information supporting the valuation of the IPO Price**

The determination of the Offering Price of newly issued shares has been conducted from Price to Earning Ratio: P/E Ratio. However, the offering price per ordinary share is 0.90 Baht per share or 18 times of the net profit which was calculated by the company's performance during the past 12 months since 1 January 2566 to 31 December 2566, divided by the total 400 million IPO shares (Fully diluted). In other words, the net profit per an IPO share is 0.05 Baht. Nonetheless, the Price to Earning Ratio (P/E Ratio) was the result of only the last 4 quarters which cannot reflect or forecast the current or future performance of the company and cannot be directly compared due to the time difference.

**Portion of "Strategic Shareholders"**

**Not in the silent period:** Total of 36,300,752 shares or 9.08% of issued and paid-up shares after IPO. The shares in excess of silent period (55% of issued and paid-up shares after IPO) include: 1) shares held by Pattaraporn Kaewpoca of 5,806,452 shares or 1.45% of issued and paid-up shares after IPO that are under voluntary silent period accordingly to SET regulations and 2) shares held by Weerawat Kiattipongthaworn, Kiat Uscharapong, Praphaiphorn Thanaverojsakul, Laddawan Ninlawong, and Boonchuay Korkitrotjana that are under voluntary silent period for 1 month.

**Other information:** According to shareholders' agreement, issued and paid-up shares held by SME Trust of 54,193,548 share or 13.55% after IPO will not be under silent period. However, SME Trust has a policy concerning all stakeholders. SME Trust does not expect to sell all of its shareholding in the short time, and trust manager does not expect to sell at price below IPO price on the first-trade date. Also, SME Trust will attempt its best effort to not affect the price of BPS stock in MAI.

**Shareholders' assertion:** Surapong Sarechapan and Pattaraporn Kaewpoca affirmed that they will not sell, transfer, or by any means reduce the shareholding portion directly or indirectly in the Company to be less than 50%, and that they will maintain the management power to avoid the default clause in the agreement with the financial institution.

**Secondary Market:** MAI

**Sector:** INDUS

**CG assessment:** None

**Listing Criteria:** Profit test

### Use of Proceeds

Project	Amount (Million Baht)	Period	Propose
1. Solar rooftop business expansion	30.0	2024	Expanding the solar rooftop businesses to end users and industrial users
2. Smart-home business expansion	26.0	2024	Expanding smart-home business including eco-saving and safe home by offering one stop service.
3. Fiber to the Home (FTTX)	20.0	2024	Investing in equipment and the installation of a fiber-optic network is a strategic initiative for condominium and high-rise building projects
4. FTTX and solar rooftop learning center for technicians and the public	2.0	2024	Investing in training centers for solar cell installation on rooftops and fiber optic network installation, totaling 2.0 million Thai Baht.  Additionally, there will be a 24/7 Call Center service center equipped with a communication network system, costing for another 2.0 million Thai Baht.
5. Working Capital	24.96	2024	
Total	102.96		

### Dividend policy

The Company has a policy to pay dividends at not less than 40% of net profit after corporate income tax and legal reserve, annually. However, the Company may consider changing the dividend payment depending on financial status, cash flow liquidity, performance, investment plan, and other necessities in the future by aiming to maximize shareholders' benefit according to the Board of Directors ("BOD") and/or the Company's shareholders Company see as appropriate which must not affect to normal operation of the and comply with the law, regularity, or any other related announcement.

The Board of Directors' meeting on 23 February 2024 approved the omission of dividend payout from the operating results for the year 2023 since the Company already paid interim dividend to the shareholders on 6 September 2023. Such dividend payout was made from the Company's working capital without proceeds from borrowings.

### Information of the issuer

BPS Technology Company Limited (Public Company) ("company" or "BPS") was formerly known as BigPaisal Project Company Limited. The company initially operated as a distributor of electrical connectivity equipment within buildings, encompassing conduit and fitting switches, plugs, lightning rod, breakers, other related technological products, and solar cell equipment. It also provided services for the procurement, design, and installation of solar power projects on rooftops, control systems for electricity distribution, along with the fiber optic communication networks for communication purposes is also provided. The business expanded to include products facilitating convenience within residential and commercial properties.

The development of BPS's business can be outlined as follows:

Phase 1: The company began as a distributor of equipment for electrical wiring within buildings, including conduit pipes and electrical fittings, under its own product brands, TF (Thai-Fitting), and BP-Pipe. It expanded its product range to include other electrical components like wires, switches, and control panels. This segment remains a significant source of revenue for the company.

Phase 2: BPS added value to its products by developing a kit-based distribution model, providing ready-to-use sets of various electrical equipment (Kitting Box). This included fittings, electrical wires, and equipment for internal wiring in buildings. The company diversified its market to serve property developers directly and collaborated with internet service providers to offer products to end consumers.

Phase 3: The company expanded into the renewable energy sector by offering services for solar cell installation on rooftops (Solar Rooftop). The Plan for expanding into floating solar installations (Floating) was also made.

Phase 4: Currently, BPS has evolved into a Solution Provider, strategically advancing existing products and services into comprehensive technology and digital solutions. This transformation caters to emerging trends in housing demands, known as "One Smart Builder (OSB)," and extends its offerings to factory clients, referred to as "One Smart Factory (OSF)."

Furthermore, to enhance the value of its products and foster business growth beyond traditional distribution, the company has obtained a license to operate in the telecommunications sector (Network Service). This has enabled BPS to provide network services in telecommunications to the general public. The company has initiated fiber optic installations within residential buildings, collaborating with internet service providers, leading to consistent recurring income of the company.

In 2023-2024, BPS not only has served as a hub for diverse products in electrical and telecommunications technology (One Smart Supply) but has more focused on digital-driven growth. By expanding its product and service offerings in various solutions, BPS aims to reach end consumers directly (B2C) as a central hub for residential-related products and services. The company also tailors full-service products aiming for organizational and industrial clients to enhance quality of life of the customers.

## Revenue Structure

Comparison of the revenue typified as sale and service revenue since 2021 to 2023

Structure of Revenue	2021		2022		2023	
	Mil Baht	%	Mil Baht	%	Mil Baht	%
<b>Sales revenue</b>						
1.) Electrical connectivity products						
1.1 Equipment for Buildings	368.32	72.58	441.01	65.17	463.75	63.16
1.2 Kitting Box	111.35	21.94	139.77	20.65	120.67	16.44
1.3 Electrical control cabinets and lighting equipment	6.62	1.30	-	-	5.82	0.79
<b>Subtotal</b>	<b>486.29</b>	<b>95.83</b>	<b>578.80</b>	<b>85.52</b>	<b>590.25</b>	<b>80.39</b>
2.) Solar cell products						
2.1 Solar cell equipment kit for roof installation	-	-	6.87	1.01	39.66	5.37
3.) Technology and communication products						
3.1 Smart Home	6.11	1.20	5.67	0.84	2.73	0.37
3.2 UPS for data center	-	-	-	-	2.20	0.30
<b>Subtotal</b>	<b>6.11</b>	<b>1.20</b>	<b>5.67</b>	<b>0.84</b>	<b>4.93</b>	<b>0.67</b>
4.) Other products						
4.1 Built-in Furniture	3.10	0.61	4.90	0.72	3.47	0.47
4.2 Construction products and others	-	-	7.47	1.10	1.88	0.26
<b>Subtotal</b>	<b>3.10</b>	<b>0.61</b>	<b>12.37</b>	<b>1.83</b>	<b>5.35</b>	<b>0.73</b>
<b>Total sales revenue</b>	<b>495.50</b>	<b>97.64</b>	<b>605.68</b>	<b>89.50</b>	<b>640.19</b>	<b>87.20</b>
<b>Service Revenue</b>						
1.) Solar Power roof installation Project	2.58	0.51	58.34	8.62	90.70	12.35
2.) Other contractors	9.38	1.8%	12.73	1.88	3.31	0.45
<b>Total service revenue</b>	<b>11.96</b>	<b>2.36</b>	<b>71.07</b>	<b>10.50</b>	<b>94.01</b>	<b>12.80</b>
<b>Total sales and Service Revenue</b>	<b>507.46</b>	<b>100.00</b>	<b>676.76</b>	<b>100.00</b>	<b>734.21</b>	<b>100.00</b>
Other income	6.76		3.21		4.56	
<b>Total revenue</b>	<b>514.22</b>		<b>679.97</b>		<b>738.77</b>	

## Company's Directors:

As at 15 March 2024, the Company has 9 directors as follows:

Name	Position
1. Boonchuay Korkitrotjana	Chairman / Independent Director/ CRO
2. Surapong Sarechapan	CEO / Director
3. Mongkol Kasemsun Na Ayudthaya	Chairman of Audit Director / Independent Director/ Chairman of the Compensation Committee
4. Kiat Uscharapong	Director / Independent Director
5. Weerawat Kiattipongthaworn	Director / Independent Director

Name	Position
6. Wichai Mahutdejkul	Independent Director
7. Pattaraporn Kaewpoca	Director
8. Praphaiphorn Thanaverojsakul	Director
9. Laddawan Ninlawong	Director

### Authorized directors

Surapong Sarechapan signs with Pattaraporn Kaewpoca with the Company's seal, or either Surapong Sarechapan or Pattaraporn Kaewpoca signs with Praphaiphorn Thanaverojsakul or Laddawan Ninlawong with the Company's seal.

### Major Shareholders:

Lists of shareholders before and after offering Initial Public Offering (IPO) are as following

No	Shareholder's list	Before IPO		After IPO	
		Number of shares	Portion	Number of shares	Portion
1	Sarechapan family *				
	1.1 Surapong Sarechapan	135,483,871	48.39%	135,483,871	33.87%
	1.2 Sunanta Sarechapan	45,161,291	16.13%	45,161,291	11.29%
	Total	180,645,162	64.52%	180,645,162	45.16%
2	Pattaraporn Kaewpoca	45,161,290	16.13%	45,161,290	11.29%
3	SME Trust (Sub-Fund 2)	54,193,548	19.35%	54,193,548	13.55%
4	IPO			120,000,000	30.00%
	Total	280,000,000	100.00%	400,000,000	100.00%

Remark: \* Sunanta Sarechapan is the mother of Surapong Sarechapan, the major shareholder. Sarechapan family including Surapong Sarechapan and Sunanta Sarechapan act as concert party under SEC announcement no. ๗๙.๗/๒๕๕๒

\*\* SME Trust (Sub-Fund 2) was established on 10 April 2017 by SME Development Bank with investment of Baht 501 million between SME Development Bank of Baht 500 million and Vivan Tarahiranchote Baht 1 million. One PLC acts as Trustee and PPM Advisory Co., Ltd. Acts as trust manager. SME Trust (Sub-Fund 2) has no business influence, and shares held by SME Trust (Sub-Fund 2) will not be under silent period.

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## Summary of Risk Factors

### Business Risks

#### 1. Risk from complying with the terms of the joint investment agreement

##### 1.1 Risk that SME trust gets privileges over other shareholders

According to the shareholders' agreement between SME trust and major shareholders, SME trust is privileged over other shareholders in that the follow-up and notification of the Company's performance and the voting rights requiring SME trust in such matters as lending, dividend payout, or borrowing of more than Baht 5.00 million.

To clarify clauses in the agreement when the Company is listed on the secondary market, shareholders amend the agreement on 12 December 2023 to set cutoff to the clauses that give SME trust privilege. Upon the effective of filing, all rights and responsibilities of the Company to SME trust is terminated. SME trust and major shareholders entered into side agreement that is not relative to the Company, and this agreement will limit SME trust's privilege to be the same with other shareholders.

1.2 Risk that the shareholding structure is affected from IPO prices lower than required IPO price without permission from SME trust

The agreement requires that if the IPO price is lower than required IPO price without permission from SME trust SME trust deems to sell all of its shares to the major shareholders at the price agreed in the agreement. If the major shareholders do not buy such shares from SME trust, SME trust reserves the rights to sell the shares in the secondary market, and that the major shareholders agree to pay SME trust the difference between the price that SME trust sell in the secondary market and the required price.

The Company and its major shareholders have requested a relief to reduce internal rate of return (IRR) used to determine required IPO price from 12% to be 8%, and SME Trust approved on 13 February 2024. Calculated up to 27 March 2024, the required IPO price is Baht 1.16 per share (par Baht 0.50).

Since this IPO price is Baht 0.90 per share, which is lower than the required IPO price of Baht 1.16 per share, and SME Trust did not approve of the IPO price. Thus, SME Trust is deemed to sell its shares in the secondary market at will. There will be two worst cases as follows:

- 1) The major shareholders buy all shares from SME trust
  - a. Surapong Sarechapan buys all shares from SME trust. Surapong Sarechapan's shareholding will be 47.42% and will be 58.71% when combine 11.29% of Sunanta Sarechapan
  - b. Pattaraporn Kaewpoca buys all shares from SME trust. Pattaraporn Kaewpoca's shareholding will be 24.84%

To mitigate the risk that the shareholding structure is affected from IPO prices lower than required IPO price without permission from SME trust, Surapong



Sarechapan and Pattaraporn Kaewpoca affirmed that they will not buy shares from SME trust within one year from the first-trade date.

- 2) Other shareholders buy all shares from SME trust
  - a. If SME trust sells all shares to an investor, and major shareholders still have the same shareholding, the investor can make big-lot offer in the market become new major shareholder.
  - b. If SME trust sells all shares to minority shareholders, and major shareholders still have the same shareholding, major shareholders remain unchanged, but the prices of shares in the secondary market may be affected.

IPO price is Baht 0.90 per share, which is lower than the required IPO price by 22.4%. SME Trust does not approve of such IPO price. In worst-case scenario, SME trust may sell its shareholding in MAI and call the difference in IPO price and required IPO price. Surapong Sarechapan and Pattaraporn Kaewpoca as major shareholders will be liable to settle the difference prices each time SME Trust sell its shareholding accordingly to the side agreement between SME Trust and major shareholders. Such transaction does not affect the Company, but the sales of BPS shares may affect its price in MAI.

Trust manager informed that SME Trust does not plan to sell all of its shareholding in the short time, and trust manager does not expect to sell at price below IPO price on the first-trade date. Also, SME Trust will attempt its best effort to not affect the price of BPS stock in MAI.

Since the establishment of SME Trust, there are total of 3 companies that SME Trust invest in and get listed in SET and MAI. SME Trust still holds interest in those 3 companies since SME Trust consider the effect of disposing shares in the secondary market holistically.

Name	Ticker	Invested year	IPO year	Invested shares	Outstanding shares at 29/02/2024
Delta PCL	DPAINT	2562	2564	6,650,000	2,300,000
Nova Organic PCL	NV	2562	2564	18,900,000	14,093,300
KT Medical Service PCL	KTMS	2564	2565	18,750,000	11,150,000

SME Trust was established to be financial alternatives for potential SMEs to fund their ways through the capital market. This will help build foundation for the capital market and the country's economy. 99.99% of SME Trust performance will be submitted to the government. Disposing shares is a means of returning fund to the government and is the policy of SME Trust. In addition, filing companies into the capital market displays the success to other SME companies.

## 2. Risk from reliance on borrowings from financial institution and from the compliance with financial covenants

2.1 The Company has loan agreements with one financial institution making the Company exposed to the risk of reliance on sole financial institution. The collateral is the land and building pledged and owned by Surapong Sarechapan.

2.2 The agreements require the following obligations:

2.2.1 Financial covenants: The soft loan agreement dated 6 July 2021 required the Company to maintain debt service coverage ratio (DSCR) of not less than 1.25 times throughout the period (7 years) (DSCR in 2019 – 2020 was required to be not less than 1.00 time). As at 31 December 2022 and 2023 the Company's DSCR is 2.50 times and 4.96 times, respectively, which passed the DSCR requirement by the agreement. The Company never breached the DSCR requirement.

2.2.2 Shareholding and management: The Company must not make non-beneficial changes to the operation of the Company. The Company already asked for the relief. On 22 November 2023, the financial institution required the shareholding of Sarechapan family and Pattaraporn Kaewpoca together be higher than 50%, and both shareholders must maintain management power. On 23 November 2023, the financial institution issued a letter to allow the change in shareholding not limited to this IPO. However, Sarechapan family and Pattaraporn Kaewpoca shareholding together must be higher than 50% and maintain management power.

2.3 Other obligations: In 2023, the Company was filed for a labor case by one ex-employee. The Company did not notify the financial institution accordingly to the agreement. The Company issued a notification letter on 1 December 2023. This instance suggests that the Company is at risk of failing to comply with clauses in the agreement even though the Company later received a relief letter from the financial institution on 28 December 2023.

Referring to the aforementioned risk, the Company mitigates the risk as follows:

1. The Company is under process of applying for loan from another financial institution to dilute the risk of reliance on sole financial institution. This also helps increased the Company's liquidity without affecting current financial institution and operation of the Company.

Besides, Surapong Sarechapan makes assertion that he will not change or redeem the collateral pledged with the financial institution, so the Company will not be affected. In case of any change that will affect the Company's operation, Surapong Sarechapan will notify the Company before proceeding to get permission to change or deem collateral from the financial institution. If the financial institution does not approve of the change, Surapong Sarechapan will manage to secure the loan from another financial institution before making any change to the collateral.

2. The Company mitigates risk related to financial covenants as follows:

2.1 The Company implements internal control that helps prevent the Company from breaching clauses in the loan agreement by having CFO monitoring the compliance with the agreement on monthly basis.

If it is likely that the Company is going to breach any clause, CFO will notify the executive committee immediately. Then, the Company will file for a relief letter from the financial institution to have the relief approved before the breach incurs. Audit committee will monitor the shareholders and the Company to comply with the agreement.

2.2 Surapong Sarechapan and Pattaraporn Kaewpoca make assertion to the Company on 9 December 2023 that they will not reduce the shareholding to be less than what the financial institution requires. Surapong Sarechapan and Pattaraporn Kaewpoca will maintain the management power. Or should there be any change regarding the shareholding and management power, they will secure the loan from another financial institution before making any change.

**3. Risk from operating under highly competitive sector:**

The company operates in a highly competitive environment leading to intense price competition. This may impact the company's revenue and profitability. In addition, revenue from solar rooftop business and FTTX business has not been a reliable source of revenue. To address this, the company has more focused on "Sourcing", or finding the new suppliers to reduce the cost of product. Additionally, the company has expanded its market to international destinations such as the Philippines to mitigate risks associated with relying solely on the domestic market.

**4. Risk from obsolete inventory:**

The company maintains a certain level of inventory to meet the demand for a diverse range of products. Some portions of the inventory consist of slow-moving items, which may become obsolete and challenging to sell within the expected timeframe. The company has established provisions for obsolete inventory based on varying rates determined by the age and nature of each product. This is in line with the company's policy on setting provisions for obsolete inventory.

**5. Risk from Receivables and Overdue Accounts**

As at 31 December 2023, the company's accounts receivable attributes to 29% of total assets. Among these, accounts overdue by more than 3 months represent 11.34% of the total receivables. The company has set provisions for potential credit losses at 8.39% of the outstanding receivables. To mitigate the risk of payment defaults, the company has implemented measures such as establishing a credit analysis improvement policy for closely monitoring and enhancing credit assessment for customers. Additionally,

there are intensified debt collection efforts to minimize potential losses from unrecoverable or bad debts. Some customers are also required to provide guarantees, facilitated by a credit insurance company, to screen and reduce the risk associated with receivables.

**6. Risk from the exchange rate fluctuations**

The company imports finished goods from abroad using the USD currency, equal to 24.18% of total purchases. In 2023, to manage the risk associated with exchange rate fluctuations, the company engages in forward exchange rate agreements. These agreements are based on predetermined amounts, credit terms received, and the conditions of product orders. This proactive approach helps the company mitigate the impact of currency exchange rate volatility. The Company's policy requires FX forward contract not less than 70% of foreign purchases.

**7. Risk form the operating reliance on the executive and major shareholder**

The company's management heavily relies on Surapong Sarechapan as a major shareholder, influencing the company's image and reputation. Additionally, the company has leased its main office building from who is also the owner of several plots of land and structures used by the company. Furthermore, personal guarantees have been provided as collateral for financial institution loans.

Recognizing the risk associated with dependence on key individuals, the company has undertaken measures to diversify and decentralize management authority. A structured succession plan for key executives has been implemented to ensure smooth leadership transitions within the organization. This strategic approach aims to mitigate the impact of relying on specific individuals and enhance the overall resilience of the company.

**Investors or shareholders Risks:**

**1. Risk form the uncertainty to be listed in the stock exchange**

Investors may face risks associated with liquidity in the secondary stock market and may not receive returns from stock sales as anticipated. This risk is influenced by the distribution of shares to minority shareholders, totaling no less than 300 shareholders collectively holding at least 25% of the paid-up capital, as per the conditions for securities acceptance.

**2. Risks from the common stock price of the company may fluctuate, leading to significant losses for investors who purchase the common stock in this offering**

The common stock price of the company may experience fluctuations after this stock offering. Nonetheless, this volatility is subject to various factors beyond the company's control.

**3. Risk that the existing shareholders may sell the stocks in the future**

As per the agreement between shareholders of SME Trust, holding a 13.55% stake in the registered capital after the public common stock offering, the existing shareholder has the right to sell shares on the

main stock market as deemed appropriate by SME Trust. However, the principal shareholder must adhere to the conditions where no less than 55% of the company's common shares held by them will enter a Silent Period, or restricting the sales on the secondary market.

**4. Risk from the opportunity of investors to subscribe to new shares offered for sale in the future may be limited**

Adhering to securities laws or criteria set by regulations in certain countries may prevent certain investor groups from obtaining the rights to subscribe to the newly issued shares in proportion to their existing shareholding. This could potentially result in a reduction of the investor's shareholding percentage.

### Summary of the past 3-year performance ending 31 December 2021 - 2023

Accounts		Financial Statement		
		2021	2022	2023
<b>Financial position</b>				
Accounts receivable and other receivables	Million Baht	95.32	151.47	115.76
Inventories	Million Baht	58.36	77.20	76.05
Restricted cash	Million Baht	37.12	-	-
PPE	Million Baht	144.91	141.26	142.33
Total assets	Million Baht	357.29	393.78	354.06
Accounts payable and other payables	Million Baht	109.65	232.06	180.11
Total liabilities	Million Baht	215.51	232.06	180.11
Share capital	Million Baht	62.00	62.00	140.00
Retained earnings	Million Baht	58.96	79.13	15.94
Total equities	Million Baht	141.77	161.72	173.94
<b>Income statement</b>				
Total revenue	Million Baht	514.22	679.97	738.77
Cost of goods sold	Million Baht	420.58	511.03	539.47
Cost of services	Million Baht	10.64	64.84	89.79
Gross profit	Million Baht	76.25	100.88	104.94
Operating profit	Million Baht	11.89	29.52	29.10
Net profit (loss)	Million Baht	3.54	20.50	20.09
<b>Key ratio</b>				
Gross profit margin	%	15.02	14.91	14.29
Net profit margin	%	0.69	3.01	2.72
Earnings per share <sup>1</sup>	Baht/share	5.71	33.06	0.16
Fully diluted earnings per share <sup>2</sup>	Baht/share	0.01	0.05	0.05
Return of asset	%	0.01	0.05	0.05
Return of equity	%	0.02	0.14	0.12
Debt to equity	Times	1.52	1.43	1.04
Debt service coverage	Times	1.03	1.95	1.78
Debt service coverage (per financial obligation) <sup>3</sup>	Times	1.38	2.50	4.97
Dividend yield	%	-	-	412.17

Remark :

<sup>1/</sup> Calculated from paid-up capital of Baht 62 million (620,000 shares) for year 2020-2023 and Baht 62 million (124 million shares for year 2023 at par value Baht 0.50)

<sup>1/2</sup> Fully Diluted was calculated the net profit (loss) divided by the number of total 400,000,000 shares after the first IPO

<sup>1/3</sup> Debt service coverage ratio (DSCR) per financial obligation from a financial institution calculates every year from separate financial statements as follows:  
EBITDA divided by (non-current portion of long-term loans + interest paid) not less than 1.25 times

**Description of financial status and operation****Income statement****Sales and Service Revenue**

The total revenue of the company for the years since 2021 to 2023 were Baht 514.22 million, Baht 679.96 million, and Baht 738.77 million, respectively. This includes revenue from the sale of goods and services. The revenue from the sales of goods and services can be categorized into: 1) Revenue from the sale of goods, representing an average of 90.09% of total revenue in the years 2021 - 2023. 2) Revenue from services, averaging 9.16% of total revenue 3) Other revenue, averaging 0.75% of total revenue. Revenue from the sale of goods mainly came from core products such as electrical connectivity equipment in buildings and pre-assembled electrical equipment (Kitting Box), accounting for an average of 65.76% and 19.23% of total revenue, respectively. In 2022, total revenue rose significantly by Baht 165.75 million or 32.23%. The revenue from sales of goods increased by 22.24% from the recovery of COVID-19 pandemic, and the revenue from services increased by Baht 59.11 million or 494.13% from the solar rooftop project to industrial users.

For the year 2023, revenue increased by Baht 58.81 million or 8.65%. The primary reasons of the increase are 1) sales of connectivity equipment rose by Baht 11.45 million because house-brand products increased 2) sales of solar cell increased by Baht 31.68 million and 3) service revenue rose by 22.94 million from solar rooftop project to industrial users.

**Cost of Revenue**

Cost of goods sold for the years 2021 – 2023 were Baht 420.58 million, Baht 511.03 million, and Baht 539.47 million, respectively, which was equivalent to 81.79%, 75.16%, and 73.02% of the total revenue, respectively. The significant portion of the cost of goods sold came from the cost of selling electrical connectivity equipment in buildings and Kitting Box, accounting for an average of 53.55% and 18.42% of the total revenue in the years 2021 - 2023. In 2021, cost of sales rose after the recovery of COVID-19 pandemic in line with the increase of revenue from sales. Costs of services for the years 2021-2023 was Baht 10.64 million, Baht 64.84 million, and Baht 89.79 million, respectively, accounting for 2.07%, 9.54%, and 12.15% of total revenues, respectively. Cost of services in 2025 rose by Baht 54.20 million or 509.55% because of the solar rooftop project. In 2023, cost of sales increased mainly from the electricity connectivity products and solar cell products of Baht 21.11 million and Baht 29.15 million, respectively,

or 5.87% and 490.12%, respectively. In 2023, cost of services rose because of the cost of rendering services to solar rooftop project.

#### **Gross Profit and Gross Profit Margin**

In 2021 - 2023, gross profit equaled to Baht 76.25 million, Baht 100.88 million, and Baht 104.94 million, respectively. Most of the gross profit is attributed by gross profit from sales. Gross profit from sales in 2021 – 2023 amounted to Baht 74.92 million, Baht 94.65 million, and Baht 100.72 million, respectively. In 2022, gross profit from sales increased by Baht 19.73 million mainly because of the recovery from COVID-19 pandemic. In 2023, gross profit from sales increased from the sales of solar cells to contractors. Gross profit from services in 2021 – 2023 amounted to Baht 1.32 million, Baht 6.23 million, and Baht 4.22 million, respectively. Gross profit from services in 2022 rose y Baht 4.91 million from the solar rooftop project to industrial users while gross profit from services in 2023 dropped because of the decline in gross profit from general installation services.

Gross profit margin for 2021 – 2023 were 15.02%, 14.91%, and 14.29%, respectively. Gross profit margin was mostly attributed by gross profit margin from sales since gross profit from sales contributed to majority of the proportion. Gross profit margin from sales in 2021 – 2023 were 15.12%, 15.63%, and 15.73%, respectively. Gross profit margin from sales in 2022 rose because of the proportion of house-brand products, which have higher profit margin, that rose. In 2023, gross profit margin from sales kept increasing with the similar reason to that of 2022. Gross profit margin from services in 2021 – 2023 were 11.07%, 8.77%, and 4.49%, respectively. In 2022, the Company had lower gross profit margin from services because the Company bided in high-value solar rooftop project, and in 2023 such project still impacted gross profit margin.

#### **Selling Expenses**

The selling expenses from 2021 - 2023 were Baht 32.20 million, Baht 34.99 million, and Baht 36.67 million, respectively, representing 6.26%, 5.15%, and 4.96 of total revenues. The main components of selling expenses were 1) employee expenses 2) delivery expenses and 3) selling incentives. The selling expenses increased continuously between 2021 - 2023, primarily due to the consistent rise in sales team expenses (average proportion for 2021 – 2023 was 56.18%) delivery expenses (average proportion for 2021- 2023 was 16.53%), and selling incentives (average proportion for 2021 – 2023 was 13.84%). The increase in employee expenses was resulted from salary adjustments, employee bonuses, employee welfare expenses, an increase in the number of sales team members, and the increase in delivery expenses was to accommodate the growing sales.

#### **Administrative Expenses**

The administrative expenses for the years 2021 – 2023 were as follows Baht 38.91 million, Baht 39.57 million, and Baht 43.73 million, respectively, representing 7.57%, 5.82% and 5.92% of total revenue, respectively. Significant



administrative expenses for the company include: 1) employee expenses: Such as employee salaries, office bonuses, and benefits, including employee welfare. 2) depreciated expenses and 3) office expenses. In 2022, the administrative expenses slightly increased from its previous year due to the rise in permanent staff's salary and the bonus along with the amortization in company's property. The asset's values also increased in this year Baht 4.55 million from the right to use assets - vehicles amounting to Baht 2.71 million for operational purposes and the repair and improvement of warehouses totaling Baht 0.89 million. In 2023, administrative expenses increased by Baht 4.16 million mostly from the consultant fees of Baht 2.23 million. These consultant fees were relevant to IPO including legal, internal audit, and financial advisor.

#### **Net Profit and Net Profit Margin**

Net profit for the year 2021 – 2023 were Baht 3.54 million, Baht 20.50 million representing net profit margins of 0.69%, 3.01%, and 2.72% of total revenue, respectively. Net profit in 2022 increased by 16.96 million Baht from the increase in sales and service revenue. The Company was able to maintain the selling and administrative expenses to be the same with that of 2021. In 2023, although the revenue from sales and services increased by Baht 34.51 million and Baht 22.94 million, respectively, the cost of services increased at higher rate of Baht 24.95 million or 38.48% causing the gross profit from services decreased by Baht 2.01 million. Selling and administrative expenses increased by Baht 1.68 million and 4.16 million, respectively. In 2022 – 2023, selling expenses contributed to 5.15% and 4.96% of total revenue, respectively. In 2022 – 2023, administrative expenses contribute to 5.82% and 5.92% of total revenue, respectively. Administrative expenses rose mainly because of expenses from consultant fees from IPO.

#### **Financial Position**

##### **Total Asset**

The total assets of the company at the end of 2021 - 2023 amounted to Baht 357.29 million, Baht 393.78 million, and Baht 354.06 million, respectively. The majority of the Company's assets included 1) trade receivables and other receivables, 2) inventory, and 3) property, plant and equipment, with average proportions for the years 2021 – 2023 of 32.81%, 19.15%, and 38.77% of total assets, respectively. In 2022, total assets increased by 36.49 million baht, driven by an increase in trade receivables by 56.15 million baht, attributed to the sale of equipment for electrical connections and solar panels, leading to an increase in trade receivables that were not due for payment at the end of 2022. In 2023, total assets decreased by Baht 39.72 million because of the decrease in trade receivables and other receivables of Baht 42.29 million. The drop in receivables came from the lower revenue at the end of 2023.

##### **Total Liabilities**

Total liabilities at the end of the years 2021 – 2023 amounted to Baht 215.52 million, Baht 232.06 million, and Baht 180.11 million, respectively, representing 60.32%, 58.93%, and 50.87% of total liabilities and shareholders'

equity, respectively. The significant liabilities of the Company included: 1) Overdrafts and Short-term Borrowings from Financial Institutions, 2) Trade Payables and Other Payables, and 3) Long-term Borrowings from Financial Institutions which contributed to 10.68%, 61.62%, and 9.20% of total liabilities and shareholders' equity, respectively. In 2022, total liabilities increased by 16.55 million Baht due to an increase in trade payables and other payables by THB 52.08 million. This was driven by the company's purchase of goods towards the end of 2022 to support projects and services starting since 2022. In 2023, total liabilities decreased by Baht 51.95 million because the Company paid the outstanding payable balances and began repaying the long-term loan.

#### **Total Equity**

The shareholders' equity at the end of the years 2021 - 2023, amounted to Baht 141.77 million, Baht 161.72 million, and Baht 173.94 million, respectively, representing 39.68%, 41.07%, and 49.13% of total liabilities and shareholders' equity, respectively. The increase in shareholders' equity at the end of 2022, was attributed to the profits for the year 2022. In 2023, the Company underwent the shareholding structure by paying dividends to shareholders and, subsequently, increasing paid-up capital. Most of the increase in shareholders' equity in 2023 came from the profit for the year.

#### **Financial Ratio:**

In 2021 – 2023, the Company's current ratio was 1.04 times, 1.32 times, and 1.47 times, respectively. In 2022, the current ratio increased by 0.15 time increased compared to the previous year due to a rise in current assets. In 2023, current ratio increased by 0.15 times because current assets decreased by Baht 40.42 million or 16.53% while current liabilities decreased by Baht 46.42 million or 25.04%. Current assets dropped because the Company paid to vendors at the end of the year.

Operating cash flow ration during 2021 – 2023 was 0.08 time, 0.05 time, and 0.13 time, respectively. In 2022, operating cash flow ratio decreased by 0.03 time because even though the Company attained more profit before tax of Baht 25.45 million the Company maintained high inventory cost to prepare for solar rooftop project causing the inventory to rise by 18.84 million, and operating cash flow remained Baht 9.23 million. In 2023, operating cash flow ratio increased by 0.08 time mainly came from the increase in operating cash flow, which rose by Baht 11.93 million and from the decrease in current liabilities of Baht 46.42 million. The decrease was that the Company acquired more inventories in 2022.

The cash cycle for the years 2021 – 2023 was 35 days, 40 days, and 49 days, respectively. For 2022, the cash conversion cycle lengthened because of the collectability and insurance on AR. However, the debt repayment decreased by 14 days as the Company repaid suppliers. In 2023, cash cycle increased by 9 days because collection period decreased by 2 days from higher sales, days sales inventory increased by 5 days because of higher inventory balance, and repayment period decreased by 6 days from the repayment.

Debt to equity ratio for 2021 – 2023 was 1.52 times, 1.43 times, and 1.04 times, respectively. In 2022, debt to equity ratio decreased because the Company relied on loans less and repaid the loan totaling Baht 38.78 million, and shareholders' equity increased by Baht 19.95 million from profit for the year. In 2023, debt to equity ratio decreased by 0.39 time because liabilities dropped from Baht 232.06 million in 2022 to Baht 180.11 million in 2023. The decrease was from the debt repayment. In addition, shareholders' equity increased from Baht 161.72 million in 2022 to Baht 173.94 million in 2023 from the profit.

The company's interest coverage ratio for 2021 – 2023 was 5.11 times, 9.30 times, and 10.61 times, respectively. In 2022, the interest coverage ratio significantly increased due to higher operating profits resulting from an improved economic situation. In 2022, the operating profit before depreciation and amortization costs of the company increased significantly from 2021. While the interest paid by the company in 2022 slightly increased, the significant increase in cash flow from operating activities allowed the company to continuously repay loans from financial institutions, reducing the financial cost burden incurred from loans. In 2023, the interest coverage ratio increase by 1.31 times. This increase was attributed to the company's lower financial costs for the reduced loan principal.

Debt service coverage ratio (per financial institution) <sup>/1</sup> in 2021 – 2023 was 1.38 times, 2.50 times, and 4.96 times, respectively. In 2020, the Company had a loan agreement with a financial institution requiring the Company to maintain DSCR not less than 1.00 time. In 2021, the agreement was amended, and the new agreement required not less than 1.25 times of DSCR throughout loan terms of 7 years. The Company was able to comply with DSCR requirement from 2021 to 2023.

Remark: <sup>/1</sup> Debt service coverage ratio (per financial institution) is calculated from earnings before interest, tax, depreciation, and amortization / (current portion of long-term loan + interest paid for short-term and long-term loan)

*(Investors should research the details in Sections 2, 3, and 4 before making a decision to reserve securities.)*

Relation	: Pattaraporn Kaewpoca
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Email	: pattaraporn_kaew@big-electric.com

## Executive Summary (Supplementary)

General Information		
General Information	Company Limited / Abbreviation	BPS Technology Public Company Limited / BPS
	Location/ Telephone no. and FAX/ URL	25/34-38, 47-54 Sukhumvit Rd., Paknam Sub -District, Samutprakarn District, Samutrparkarn. 10270 / Telephone: 0-2755-2688 / <a href="https://www.bpstechthai.com">https://www.bpstechthai.com</a>
	Financial Advisor / Underwriter	<u>Financial Advisor:</u> Philip Securities (Thailand) Public Company Limited <u>Lead Underwriter:</u> Philip Securities (Thailand) Public Company Limited <u>Co-Underwriter:</u> Beyond Securities PCL DAOL (Thailand) PCL
	Registered capital (shares) / Paid-up capital (shares)	400,000,000 shares / 400,000,000 shares
	Distribution of minority shareholding (Free Float) (Number of shareholders and percentage of shares)	601 of shareholders or 35.92 %
	(Number of shares under silent period)	220,000,000 shares under silent period for 1 year from the first trading day. Upon the expiry of 6 months of the silent period, the shareholders will be allowed to sell 25% of the prohibited shares and the rest can be sold after one year.
	Report of IPO Securities Selling (Form 81-1) in brief	Details from the link at SEC Website: <a href="https://market.sec.or.th/public/isc/th/Product/SalesReport">https://market.sec.or.th/public/isc/th/Product/SalesReport</a> Security Type >> Common share Issuer / Underlying / Securities >> BPS TECHNOLOGY PUBLIC COMPANY LIMITED
Financial Statements Information	Fiscal year end	31 December
	Policy for financial statements submission)	<u>Quarterly financial statements:</u>

		<p>The company intends to submit the reviewed quarterly financial statements for the 1st quarter, 2nd quarter and 3rd quarter of every year, which have been reviewed by the authorized auditor within 45 days from the end of each accounting period.</p> <p><u>Annual financial statements :</u></p> <p>The company intends to submit the audited annual financial statements which have been audited by the authorized auditor within 2 months from the end of the accounting period without submission of the reviewed quarterly financial statements for the 4th quarter.</p>		
	Auditing firm	AST Master Co.,Ltd.		
	Auditor	Ms Sununta Kumsuk CPA registration no. 8207		
Operating results for the past 3 years and latest accumulated period	Period	2021	2022	2023
	Book value per share <sup>/1</sup>	1.14	1.30	0.62
	Earnings per share <sup>/1</sup>	0.03	0.17	0.07
	Dividend per share	-	-	0.30 <sup>/2</sup>
	Dividend payout ratio	-	-	412.17
Other (if any)	Listing conditions	-None-		
	Green shoe option	-None-		

Remark:

<sup>/1</sup> For 2021 – 2022 the calculation is based on adjusted par of Baht 0.5 per share for the comparison. The number of registered and paid-up shares is 124,000,000 shares in 2021 – 2022, and is 280,000,000 shares in 2023

<sup>/1</sup> Dividend per share is calculated based on dividend paid of Baht 82.80 million divided by outstanding shares of 280,000,000 shares

Board of Directors						
Rank	Title	Name	Last name	Position	Appointment Date Director	Appointment Date Management
1	Mr	Boonchuay	Korkitrotjana	Chairman / Independent Director	09/08/2022	
2	Mr	Surapong	Sarechapan	Director / Chief Executive Officer	10/11/2005	
3	Miss	Pattaraporn	Kaewpoca	Director / Chief Financial Officer	17/09/2021	16/08/2022
4	Miss	Praphaiphorn	Thanaverojsakul	Director / Chief Operating Officer	17/09/2021	16/08/2022
5	Miss	Laddawan	Ninlawong	Director / Chief Marketing Officer	22/09/2022	16/08/2022
6	Mr	Mongkol	Kasemsun Na Ayhudthaya	Independent Director / Chairman of Audit Committee	09/08/2022	
7	Mr	Kiat	Uscharapong	Independent Director	09/08/2022	
8	Mr	Weerawat	Kiattipongthaworn	Independent Director	09/08/2022	
9	Mr	Wichai	Mahutdejkul	Independent Director	22/09/2022	

#### Investment in subsidiaries

- None -

Prepared by Philip Securities (Thailand) Public Company Limited

The Company hereby certifies that the information reported in this information memorandum is correct.

Name.....

(Mr. Surapong Sarechapan)

Director

(Company seal)

Name.....

(Ms. Pattaraporn Kaewpoca)

Director