

MERGER AND ACQUISITIONS

AURA.CO.TH

1. Overview

Mergers and acquisitions represent an important area of corporate investment through which businesses may pursue strategic expansion, strengthen their market positions, obtain access to new capabilities and create long-term economic value.

At Aura, mergers and acquisitions are considered within the broader framework of investment research, capital allocation and strategic ownership. As a privately owned, family-controlled international investment company, Aura evaluates potential transactions in relation to its own family-owned capital, long-term investment objectives and overall financial discipline.

M&A opportunities may involve acquiring an interest in an established business, combining complementary operations, investing in a growing enterprise, acquiring selected business assets or participating in a strategic corporate transaction. The appropriate structure depends on the commercial rationale, financial characteristics,

ownership considerations and risks associated with each opportunity.

Aura's approach places particular importance on understanding the underlying business, assessing its economic fundamentals and determining whether a proposed transaction represents a suitable use of long-term capital.

2. Mergers and Acquisitions as a Strategic Investment Tool

Mergers and acquisitions can provide opportunities to participate in businesses, industries and markets through changes in corporate ownership or structure.

An acquisition may provide access to an established operating platform, intellectual property, distribution networks, production capacity, specialist expertise or a new geographical market. A merger may bring together complementary businesses with the potential to improve operational capabilities or strengthen competitive positioning.

However, transaction size, market visibility or the prospect of rapid expansion does not necessarily make an opportunity attractive.

Aura considers M&A as one possible method of deploying capital, rather than an objective in itself. Every potential transaction should have a clear investment rationale and demonstrate an appropriate relationship between the purchase price, expected economic contribution, associated risks and long-term ownership prospects.

3. Investment Philosophy

Aura's M&A philosophy is founded on selectivity, financial discipline and a long-term understanding of business value.

The assessment of a transaction begins with the underlying enterprise rather than the proposed deal structure. Understanding how a company earns revenue, generates cash flow, competes within its industry and sustains its commercial position is fundamental to evaluating its investment potential.

Aura's approach may consider:

- The quality and resilience of the underlying business.

- The attractiveness and long-term prospects of its industry.
- The strength of its competitive position.
- The experience and integrity of its management.
- The sustainability of its financial performance.
- The quality of its assets and operating capabilities.
- The proposed valuation and transaction structure.
- The financial, legal and operational risks involved.
- The potential for responsible long-term ownership.

A transaction should be evaluated on its individual merits, with attention to both its potential contribution and the possibility of permanent capital impairment.

4. Types of Transactions

Mergers and acquisitions encompass several forms of corporate transactions. Depending on the opportunity and its strategic characteristics, Aura may evaluate different transaction structures.

These may include:

- **Full acquisitions:** The purchase of an entire company or substantially all of its ownership interests.
- **Majority investments:** Acquiring a controlling ownership position in a business.
- **Minority investments:** Taking a non-controlling equity interest where the investment rationale and shareholder protections are appropriate.
- **Strategic mergers:** Combining businesses or operations to pursue complementary commercial objectives.
- **Joint ventures:** Establishing shared ownership arrangements for specific business activities or opportunities.
- **Asset acquisitions:** Purchasing selected operating assets, properties, intellectual property or business divisions.
- **Share acquisitions:** Purchasing shares or other ownership interests in an existing company.

- **Corporate carve-outs:** Evaluating the acquisition of a business unit or division separated from a larger corporate group.

- **Divestitures:** Considering the sale or transfer of an ownership interest or business asset when a change in capital allocation is appropriate.

Each structure carries different ownership rights, obligations, financial requirements and risks. The selection of an appropriate structure requires careful legal, commercial and financial evaluation.

5. Identifying Potential Transaction Opportunities

The identification of potential acquisition opportunities may involve ongoing research into industries, companies, markets and corporate developments.

Relevant opportunities may emerge from established businesses seeking new ownership, companies pursuing strategic restructuring, shareholders considering a sale, or enterprises looking for long-term investment partners.

Potential sources of opportunity may include:

- Direct corporate relationships.
- Industry and market research.
- Professional advisers and transaction specialists.
- Business owners and shareholders.
- Corporate restructuring situations.
- Privately negotiated opportunities.
- Publicly announced transactions.
- Cross-border business networks.
- Industry consolidation and succession-related developments.

The identification of an opportunity does not imply an intention to proceed. Each proposal must first be assessed against Aura's investment priorities, capital requirements and acceptable risk considerations.

6. Strategic Fit and Investment Rationale

Strategic fit is a central consideration in evaluating any potential merger or acquisition.

A business may be financially attractive but still represent an unsuitable investment if its operations, industry exposure, ownership structure or long-term requirements do not align with the broader investment objectives.

Aura may examine whether a proposed transaction offers meaningful strategic advantages, such as access to new markets, complementary capabilities, improved operating capacity, valuable technology or opportunities for responsible business development.

The assessment may also consider whether the target business can operate effectively within its existing structure or whether a change in ownership would require substantial operational, financial or managerial adjustments.

A clear investment rationale should explain why the transaction may be attractive, what assumptions support that assessment and which factors could undermine the expected outcome.

7. Industry and Market Analysis

Understanding the industry in which a target company operates is essential to assessing its long-term prospects.

Aura may examine the size and structure of the relevant market, competitive conditions, customer demand, supply-

chain characteristics, barriers to entry and the influence of technological or regulatory developments.

Industry analysis may include:

- Historical and expected market development.
- Competitive intensity and market concentration.
- Customer preferences and purchasing behaviour.
- Supplier relationships and supply-chain dependencies.
- Pricing power and cost structures.
- Technological disruption.
- Regulatory and policy developments.
- International trade conditions.
- Cyclical and structural industry risks.
- Long-term changes in demand.

The objective is to distinguish sustainable commercial advantages from temporary market conditions and determine whether the business has a credible position within its operating environment.

8. Target Business Evaluation

A target company's underlying quality is often more important than the apparent attractiveness of the transaction itself.

Aura may evaluate the business model, operating structure, customer base, products, services, management capabilities, competitive advantages and dependence on external factors.

Particular attention may be given to the durability of customer relationships, the concentration of revenue, the reliability of suppliers, the condition of physical assets and the company's ability to adapt to changing market conditions.

The evaluation should identify both the strengths that support the investment rationale and the weaknesses that could affect future performance.

9. Financial Analysis

Financial analysis provides an essential foundation for evaluating the economic characteristics of a potential acquisition.

The review may include historical financial statements, revenue composition, operating margins, cash-flow generation, working-capital requirements, capital expenditure, indebtedness and contingent financial obligations.

Aura may examine:

- Revenue quality and recurring income.
- Profitability and operating margins.
- Cash-flow consistency.
- Working-capital requirements.
- Capital expenditure commitments.
- Debt obligations and financing arrangements.
- Tax positions and liabilities.
- Pension and employee-related obligations.
- Financial commitments and guarantees.
- Sensitivity to changes in market conditions.

The analysis should consider the relationship between reported earnings and actual cash generation. Accounting

profitability alone may not provide a complete picture of a company's financial condition.

10. Valuation and Purchase Price Discipline

Valuation is one of the most important elements of M&A decision-making.

A fundamentally sound business can become an unattractive investment when acquired at an excessive price. Aura therefore considers the proposed purchase price in relation to the company's financial performance, asset base, growth characteristics, competitive position and associated risks.

Depending on the nature of the business, valuation methods may include:

- Discounted cash-flow analysis.
- Comparable company analysis.
- Precedent transaction analysis.
- Asset-based valuation.
- Earnings and cash-flow multiples.

- Sum-of-the-parts valuation.
- Scenario-based valuation.

These methods may provide different perspectives and should be interpreted in the context of the company's specific circumstances.

Valuation assumptions should be transparent and subject to sensitivity analysis. The objective is to establish a disciplined view of economic value and avoid relying excessively on optimistic forecasts, speculative synergies or assumptions that cannot be adequately supported.

11. Financial Due Diligence

Financial due diligence helps establish whether the information presented by a potential transaction counterparty accurately reflects the target company's financial position.

The process may involve reviewing financial statements, accounting policies, earnings quality, revenue recognition, cash flows, debt, working capital, tax matters and off-balance-sheet exposures.

Where appropriate, independent financial and accounting specialists may be engaged to investigate complex matters.

The review should identify unusual accounting practices, undisclosed obligations, inconsistent financial information and other matters that could affect valuation or the proposed transaction structure.

12. Legal and Corporate Due Diligence

Legal due diligence examines the legal structure, ownership rights, contractual obligations and potential liabilities associated with a target business.

Relevant matters may include:

- Corporate registration and ownership records.
- Shareholder agreements and ownership restrictions.
- Material commercial contracts.
- Litigation and dispute history.
- Intellectual property ownership.
- Employment and labour obligations.
- Regulatory licences and permits.
- Property rights and title documentation.

- Existing financing agreements.
- Change-of-control provisions.
- Pending legal claims and potential liabilities.

The objective is to understand the legal position of the business and identify issues that may affect the feasibility, cost or enforceability of a transaction.

13. Tax Due Diligence

Tax considerations can materially influence the financial structure and economic outcome of an acquisition.

Aura may consider the target company's tax history, tax compliance, outstanding liabilities, deferred tax positions, transfer-pricing arrangements and exposure to tax disputes.

Cross-border transactions may require particular attention to withholding taxes, permanent establishment risks, treaty considerations, indirect taxes and the tax treatment of ownership transfers.

Appropriate specialist advice may be required to understand the implications of different transaction structures and jurisdictions.

14. Operational Due Diligence

Operational due diligence examines how a business functions in practice.

The review may cover production processes, service delivery, facilities, equipment, technology systems, supplier arrangements, logistics, quality controls and operating efficiency.

A business may appear financially attractive while containing operational weaknesses that require substantial investment or management attention.

Aura may therefore consider the condition of the company's operating infrastructure, the reliability of its processes and its ability to maintain business continuity.

Operational findings should be reflected in the transaction valuation, investment assumptions and any potential post-acquisition plan.

15. Commercial Due Diligence

Commercial due diligence evaluates the market position and commercial sustainability of the target business.

The assessment may examine customers, competitors, pricing, distribution, market share, product differentiation, contractual relationships and future demand.

It may also consider whether the company's historical performance reflects durable competitive advantages or temporary market conditions.

Customer concentration, dependence on a small number of suppliers, changing purchasing behaviour and the possibility of new competitors may all affect the long-term investment case.

16. Technology, Cybersecurity and Digital Infrastructure

Technology is increasingly relevant to the value, resilience and competitiveness of businesses across different industries.

Depending on the target company's activities, Aura may evaluate its technology infrastructure, software systems, digital capabilities, data management practices, intellectual property and cybersecurity arrangements.

The assessment may consider:

- Technology ownership and licensing.
- Systems reliability and scalability.
- Data protection and privacy obligations.
- Cybersecurity controls.
- Business continuity arrangements.
- Technology dependencies.
- Digital transformation requirements.
- Artificial intelligence and automation exposure.
- Potential technology obsolescence.

Any material weaknesses should be considered when assessing investment requirements and potential operational risks.

17. Management and Leadership Assessment

The quality of management can significantly influence the future performance of an acquired business.

Aura may evaluate the experience, integrity, competence and decision-making capabilities of the company's leadership.

The assessment may consider the management team's understanding of the business, succession arrangements, internal accountability, organisational culture and ability to manage operational and financial challenges.

A strong management structure can support continuity and responsible development. Conversely, excessive dependence on a small number of individuals may create key-person risk.

Where ownership changes are contemplated, the future management structure and the responsibilities of existing leadership should be considered carefully.

18. Human Resources and Organisational Review

People and organisational capabilities are important components of a company's long-term value.

Due diligence may examine workforce composition, employment agreements, compensation arrangements,

employee retention, labour relations, leadership succession and specialist skill requirements.

Aura may also consider whether the target company's organisational structure is appropriate for its scale and strategic objectives.

Any proposed organisational changes should take account of legal requirements, operational continuity, employee considerations and the importance of retaining essential capabilities.

19. Environmental, Social and Governance Considerations

Environmental, social and governance factors may influence the long-term resilience, regulatory exposure and reputation of an acquired business.

The assessment may examine environmental compliance, resource consumption, workplace standards, employee welfare, supply-chain practices, business ethics, corporate governance and stakeholder relationships.

Where relevant, environmental liabilities, remediation obligations and sustainability-related capital expenditure should be identified before a transaction proceeds.

The objective is to understand material risks and responsibilities rather than rely solely on general statements about corporate responsibility.

20. Transaction Structuring

Transaction structure determines how ownership, consideration, financing, obligations and risk are allocated between the parties.

Depending on the circumstances, a transaction may involve a share purchase, asset purchase, merger, staged investment, joint venture or another appropriate legal arrangement.

Potential structuring considerations may include:

- Purchase consideration and payment arrangements.
- Cash and non-cash consideration.
- Deferred consideration.
- Earn-out arrangements.
- Escrow and indemnity provisions.
- Conditions precedent.
- Representations and warranties.

- Shareholder rights.
- Governance arrangements.
- Financing commitments.
- Completion accounts and price adjustments.

The chosen structure should reflect the commercial rationale, legal requirements and financial risks of the transaction.

21. Negotiation and Transaction Terms

Negotiation is an important stage in determining whether a proposed transaction can proceed on acceptable terms.

Aura may evaluate the purchase price, payment conditions, ownership rights, management arrangements, warranties, indemnities, closing conditions and allocation of transaction risks.

Negotiations should be informed by due diligence findings and a clear understanding of the company's economic value.

The objective is not simply to secure a transaction, but to establish terms that are commercially reasonable, legally sound and consistent with the investment rationale.

22. Capital Structure and Financing Considerations

Acquisitions may require substantial capital and careful consideration of the target company's existing and future financing requirements.

Depending on the circumstances, transaction financing may involve available equity capital, existing cash resources, debt financing or a combination of appropriate funding sources.

Aura may assess the effect of any proposed financing on liquidity, financial flexibility, interest obligations, repayment capacity and overall capital exposure.

Leverage should be evaluated cautiously. Excessive borrowing can reduce the resilience of an acquired business, particularly during periods of weaker earnings, higher interest rates or adverse market conditions.

The financing structure should support the long-term viability of the investment rather than create unnecessary financial pressure.

23. Minority and Majority Ownership Considerations

Different ownership positions create different levels of influence, responsibility and financial exposure.

A majority acquisition may provide greater authority over strategic direction, management appointments and corporate governance, subject to applicable law and contractual arrangements.

A minority investment may require particular attention to shareholder protections, access to information, voting rights, dividend arrangements, transfer restrictions and exit provisions.

Aura may consider either structure where the investment rationale, ownership rights and risk profile are appropriate.

The percentage of ownership alone does not determine the quality of an investment. The rights and obligations attached to the ownership interest are equally important.

24. Joint Ventures and Strategic Partnerships

Joint ventures and strategic partnerships may provide opportunities to participate in businesses without acquiring complete ownership.

Such arrangements may be considered where two or more parties contribute capital, technology, expertise, assets or market access to pursue a defined commercial objective.

Important considerations include:

- Ownership and capital contribution.
- Management responsibilities.
- Decision-making authority.
- Profit and loss allocation.
- Funding commitments.
- Intellectual property rights.
- Confidentiality obligations.
- Deadlock resolution.

- Dispute resolution.
- Transfer and exit provisions.

The success of a joint venture depends not only on the commercial opportunity but also on the compatibility, reliability and governance standards of the participating parties.

25. Cross-Border Mergers and Acquisitions

International transactions may provide access to new markets, industries, technologies and operating capabilities.

However, cross-border acquisitions can introduce additional complexity involving different legal systems, tax regimes, currencies, business cultures and regulatory environments.

Aura may consider jurisdiction-specific matters such as foreign ownership restrictions, investment screening, local corporate requirements, exchange controls, repatriation rules and political or economic conditions.

Currency movements, international financing arrangements and differences in accounting or reporting standards may also affect the financial assessment.

Cross-border opportunities should be evaluated with appropriate local expertise and a clear understanding of the legal and operational responsibilities involved.

26. Regulatory Approval and Compliance

Mergers and acquisitions may be subject to regulatory review, depending on the jurisdictions, industries, transaction size and nature of the ownership change.

Relevant considerations may include competition and antitrust requirements, foreign investment screening, sector-specific approvals, financial regulatory obligations, sanctions restrictions and applicable anti-money-laundering requirements.

The transaction process should identify relevant approval requirements at an early stage.

Where necessary, specialist legal and regulatory advisers may be engaged to assess compliance obligations and support the preparation of required documentation.

A transaction should not proceed on the assumption that regulatory approval is automatic or that all restrictions can be resolved after completion.

27. Risk Assessment and Downside Analysis

Every acquisition involves uncertainty. A disciplined assessment should identify the circumstances in which the transaction may underperform or result in financial loss.

Aura may examine downside scenarios involving:

- Revenue contraction.
- Margin deterioration.
- Loss of major customers.
- Supplier disruption.
- Higher operating costs.
- Increased financing expenses.
- Delayed integration.
- Regulatory restrictions.
- Litigation or undisclosed liabilities.
- Technological disruption.
- Adverse currency movements.

- Changes in economic conditions.

Scenario analysis and sensitivity testing may help determine whether the proposed investment remains financially acceptable under less favourable conditions.

The assessment should also consider the possibility that anticipated strategic benefits or synergies may not materialise.

28. Deal Execution and Completion

The execution stage involves coordinating the legal, financial, regulatory and operational requirements necessary to complete a transaction.

This may include finalising transaction documents, satisfying conditions precedent, obtaining required approvals, arranging financing, transferring ownership interests and completing agreed payment obligations.

Accurate documentation and clearly defined responsibilities are essential.

The closing process should ensure that the parties understand their obligations and that the transfer of ownership is completed in accordance with the agreed legal arrangements.

29. Post-Acquisition Planning

An acquisition does not end when ownership is transferred.

Depending on the nature of the investment, post-acquisition planning may involve reviewing management responsibilities, financial reporting, governance arrangements, operational priorities and strategic objectives.

Some businesses may require limited changes, while others may need more substantial operational development or restructuring.

Any post-acquisition plan should reflect the findings of due diligence and the actual condition of the acquired business.

Aura may consider the appropriate level of ownership involvement in relation to its investment position, contractual rights and the requirements of the company.

30. Integration and Operational Continuity

Where a transaction involves combining businesses or operations, integration planning can be important to preserving value.

Potential areas of integration may include management structures, technology systems, financial reporting, procurement, logistics, customer relationships and corporate administration.

Integration should be approached carefully to avoid unnecessary disruption to employees, customers, suppliers and existing operations.

Not every acquisition requires full operational integration. In some circumstances, maintaining the target company's independent operating structure may better preserve its commercial strengths.

The appropriate approach should be determined by the transaction's strategic rationale and the characteristics of the businesses involved.

31. Long-Term Value Creation

The objective of an acquisition should extend beyond the initial transfer of ownership.

Long-term value may arise from the underlying business's ability to generate sustainable cash flows, maintain competitive advantages, develop products and services, improve operational capabilities and respond to changing market conditions.

Potential sources of value creation may include:

- Improving operational efficiency.
- Strengthening financial discipline.
- Expanding distribution capabilities.
- Developing new products and services.
- Investing in technology.
- Improving governance and reporting.
- Entering suitable new markets.
- Strengthening management capabilities.
- Supporting responsible business development.

These possibilities should be evaluated realistically. Expected benefits should not be treated as guaranteed outcomes.

32. Performance Monitoring and Investment Review

Following a transaction, continued monitoring may help assess whether the investment is progressing in line with its original rationale.

Relevant indicators may include revenue performance, cash-flow generation, operating margins, capital expenditure, debt levels, market position and management execution.

The review may also consider whether the original investment assumptions remain valid in light of changing industry, economic or regulatory conditions.

Where performance differs materially from expectations, the reasons should be examined and appropriate strategic or financial responses considered.

Ongoing review supports informed ownership and responsible capital allocation.

33. Divestments and Ownership Reassessment

Long-term investment does not necessarily mean permanent ownership under every circumstance.

A business may become less attractive because of structural industry changes, deteriorating financial performance, increased risk, changes in strategic priorities or the availability of a more appropriate use of capital.

Aura may therefore evaluate divestments, partial disposals or other ownership adjustments where justified by the investment circumstances.

A decision to sell should consider valuation, market conditions, contractual obligations, tax implications and the broader consequences of changing the ownership position.

The purpose is to maintain a disciplined relationship between capital deployment and long-term investment objectives.

34. Confidentiality and Information Management

M&A transactions frequently involve commercially sensitive information, including financial statements, customer data, business plans, intellectual property and strategic operating information.

Appropriate confidentiality arrangements and information-management procedures are therefore important throughout the transaction process.

Access to sensitive information should be managed according to legitimate transaction requirements and applicable legal obligations.

Where external advisers or professional specialists are involved, their responsibilities should be established through suitable engagement terms and confidentiality arrangements.

Careful information handling helps protect the interests of all relevant parties and supports the integrity of the transaction process.

35. Governance and Investment Approval

Significant corporate transactions require appropriate evaluation, documentation and oversight.

The assessment process may involve investment research, financial analysis, legal review, due diligence findings, valuation work and consideration of the proposed transaction structure.

The relevant decision-makers should receive sufficient information to understand the investment rationale, capital commitment, principal risks and potential consequences.

Approval arrangements should be proportionate to the size, complexity and significance of the proposed transaction.

Clear documentation of the decision-making process can support accountability and provide a reference for subsequent investment monitoring.

36. External Professional Expertise

Complex transactions may require expertise beyond the capabilities of the parties directly involved.

Depending on the transaction, specialist support may include corporate legal advisers, accountants, tax specialists, investment bankers, valuation professionals, technical consultants, environmental advisers and regulatory experts.

The selection of external specialists should reflect the particular requirements of the transaction.

Professional advice can support more thorough evaluation, but responsibility for the investment decision remains

dependent on the quality of the underlying analysis and the judgement applied to the opportunity.

37. Responsible Transaction Practices

Responsible M&A requires consideration of the interests and obligations associated with the target business and its wider operating environment.

This includes respect for applicable laws, contractual commitments, employees, customers, suppliers, communities and other relevant stakeholders.

Aura's approach may consider whether the proposed transaction is consistent with sound business conduct and whether material social, environmental or governance issues have been adequately identified.

A transaction should be evaluated not only for its potential financial contribution but also for the responsibilities that may accompany ownership.

38. Confidentiality, Independence and Conflicts of Interest

Transaction discussions can create circumstances in which confidentiality, independence and potential conflicts of interest require particular attention.

Where relevant, potential conflicts should be identified and addressed through appropriate procedures. Transaction information should be handled responsibly, and parties involved should understand their legal and contractual obligations.

Independent professional advice may be appropriate where a transaction involves complex ownership arrangements, related-party considerations or competing interests.

Maintaining appropriate standards in these matters supports confidence in the transaction process and the integrity of investment decisions.

39. M&A Within Aura's Broader Investment Framework

Mergers and acquisitions form one part of Aura's wider approach to investment and capital allocation.

A potential acquisition may be assessed alongside other opportunities, including private equity, public equity,

strategic corporate investments, real estate, infrastructure, technology and other areas of investment interest.

The objective is to determine whether the proposed transaction represents an appropriate allocation of family-owned capital relative to the available alternatives.

This broader perspective helps prevent individual transactions from being evaluated in isolation from the company's overall investment priorities, liquidity requirements and risk considerations.

40. Conclusion

Mergers and acquisitions can provide opportunities to participate in established businesses, develop strategic ownership positions and pursue long-term economic value through corporate transactions.

At Aura, these opportunities are approached through careful research, disciplined valuation, comprehensive due diligence and consideration of the financial, legal, operational and strategic implications of each proposed transaction.

As a privately owned, family-controlled international investment company, Aura evaluates mergers and

acquisitions in relation to its own family-owned capital and its broader long-term investment objectives.

The emphasis remains on identifying suitable opportunities, understanding the businesses involved, negotiating appropriate terms and maintaining responsible ownership standards.

Aura regards mergers and acquisitions as a considered method of capital deployment, where the quality of the underlying business, the integrity of the transaction and the long-term investment rationale remain central to every evaluation.