

**Information Memorandum on the Disposal of Assets (Schedule 2) of  
Nation Multimedia Group Public Company Limited (the “Company”)**

Since Spring 26 Company Limited (formerly known as Bangkok Business Broadcasting Company Limited), a subsidiary in which the Company holds 149,900,002 ordinary shares with a par value of Baht 10 per share, equivalent to 99.9333 percent of total ordinary shares sold and a subsidiary (in which the Company holds ordinary shares equivalent to 99.99 percent), i.e. Krungthep Turakij Media Company Limited, which holds 99,997 ordinary shares, equivalent to 0.0666 percent of total ordinary shares sold (“**Spring26**”), and a company licensed to use the spectrum to provide digital terrestrial television services as a national business service type in a standard definition category, named as SPRING 26 Channel (formerly known as NOW26 Channel), effective from 25 April 2014 to 24 April 2029 (“**License**”) submitted notice of intent to the Office of the National Broadcasting and Telecommunications Commission (“**NBTC**”) to request for the License return on 10 May 2019 (“**Transaction of Returning Spring26’s License**”). Besides, NBTC delivered the notification letter, dated 27 June 2019, regarding the result of consideration of the request for the return of the license to use the spectrum to provide digital terrestrial television services, stating an approval to return and discontinue the License, determining the service termination date on 16 August 2019 at 00.01 a.m. onwards. In addition, NBTC also approved the determination of remedial measures that Spring26 shall publicize remedial measures for service users as proposed by Spring26 for not less than 45 days prior to the date of service termination. Moreover, NBTC set compensation as a result of the License return in the amount of Baht 890.83 million to Spring26 according to the Notification of Office of the National Broadcasting and Telecommunications Commission Re: Criteria, Procedures, and Conditions for Compensation as a Result of the Return of the License to Use the Spectrum to Provide Digital Television Services, issued on 2 May 2019 (“**Notification of NBTC on the Request for the License Return**”), along with the Notification of the National Peace and Order Maintaining Council No. 4/2019 Re: the Measures to Solve Problems in the Operation of Television and Telecommunications Business, issued on 11 April 2019 (Collectively called “**Rules on the License Return**”).

The entering into the Transaction of Returning Spring26’s License is considered as the disposal of assets according to the Notification of the Capital Market Supervisory Board No. TorChor. 20/2008 Re: the Criteria for Making Significant Transactions that are Considered as the Acquisition or Disposal of Assets, dated 31 August 2008 (including the amendments thereof) and the Notification of the Board of Governors of the Stock Exchange of Thailand Re: the Disclosure of Information and Other Acts of Listed Companies Concerning the Acquisition and Disposal of Assets B.E. 2547 (2004), dated 29 October 2004 (including the amendments thereof) (“**Notifications on Acquisition or Disposal of Assets**”). The highest transaction size is 27.23 percent according

to calculation basis based on total value of consideration which is the basis giving the highest result of transaction. The outcome is calculated from the Company's consolidated financial statements in interim review version for the 9-month period, ended as at 30 September 2018 and the transactions on the disposal of assets during the 6-month period prior to the date on which the Company's Board of Directors unanimously approved in principal for Spring26 to submit the request for the License return to NBTC on 10 May 2019, comprising 3 transactions as follows:

(1) the transaction of the disposal of all investments in WPS (Thailand) Company Limited, having the highest transaction size of 13.99 percent according to calculation basis based on value of consideration which is calculated from the Company's consolidated financial statements in interim review version for the 6-month period, ended as at 30 June 2018;

(2) the transaction of the disposal of land and buildings in Khonkaen, having the highest transaction size of 0.37 percent according to calculation basis based on value of consideration which is calculated from the Company's consolidated financial statements in interim review version for the 9-month period, ended as at 30 September 2018; and

(3) the transaction of the disposal of 2 plots of land and buildings on Debaratna Road, Samutprakan and a plot of land on Dokmai Sub-district, Prawet District, Bangkok, having the highest transaction size of 10.13 percent according to calculation basis based on value of consideration which is calculated from the Company's consolidated financial statements in interim review version for the 9-month period, ended as at 30 September 2018.

Therefore, the combination between the Transaction of Returning Spring26's License and the transactions on the disposal of assets during the 6-month period prior to the date on which the Company's Board of Directors unanimously approved in principal for Spring26 to submit the request for the License return to NBTC on 10 May 2019 results in the total highest transaction size of 51.72 percent according to calculation basis based on value of consideration, considered as a Class 1 transaction under the Notifications on Acquisition or Disposal of Assets imposing the volume of transactions equivalent or higher than 50 percent but less than 100 percent.

Consequently, the Company is required to make a report, disclose the information memorandum on the entering into such transaction to the Stock Exchange of Thailand ("SET"), and convene the shareholders' meeting in order to obtain the approval for the entering into such transaction with the votes of not less than three-fourths of the total votes of the shareholders attending the meeting and entitled to vote which the votes of people having vested interests are not counted. By that the Company shall deliver the invitation notice of the

shareholders' meeting which contains the information at least as specified by the Notifications on Acquisition or Disposal of Assets, together with the opinion of the independent financial advisor approved by the Securities and Exchange Commission ("SEC") to the shareholders, not less than 14 days in advance prior to the date of the shareholders' meeting. Additionally, the Board of Directors of the Company appointed Capital Link Advisory Company Limited to be an independent financial advisor responsible for providing opinions regarding the said entering into the transaction of returning the License.

The Company would like to inform the details of the said entering into the transaction as follows:

**1 Information Memorandum under Schedule 1**

**(1) Day/month/year on which the transaction occurs**

Spring26 submitted the request for the License return to NBTC on 10 May 2019 and NBTC delivered the notification letter, dated 27 June 2019, regarding the result of consideration of the request for the return of the license to use the spectrum to provide digital terrestrial television services, approving the return and discontinuance of the License, the determination of the date of service termination which is on 16 August 2019 at 00.01 a.m. onwards, and the determination of remedial measures for service users. In addition, NBTC also set compensation as a result of the License return in the amount of Baht 890.83 million to Spring26. As such, Spring26 shall receive such compensation within 60 days from the date of service termination.

**(2) Related parties and their relationships with the listed company**

A person approving the License return : NBTC

A person returning the License : Spring26 which is a subsidiary of the Company

Relationship with the listed company : None

**(3) General characteristics of the transaction and size of the transaction and the details of the transaction on the disposal of assets**

**(3.1) General characteristics of the transaction**

As NBTC issued the Notification of NBTC on the Request for the License Return in pursuant to the Notification of the National Peace and Order Maintaining Council No. 4/2019 Re: the Measures to Solve Problems in the Operation of Television and Telecommunications Business, issued on 11 April 2019 and approved the return and discontinuance of the License, the determination of the date of service termination which

is on 16 August 2019 at 00.01 a.m. onwards, and the determination of remedial measures for service users to be implemented by Spring26 according to the notification letter, dated 27 June 2019, regarding the result of consideration of the request for the return of the license to use the spectrum to provide digital terrestrial television services,

Spring26 shall still be required to provide television service as permitted via SPRING 26 Channel until 16 August 2019 at 00.01 a.m. which is the termination date of providing digital terrestrial television services according to the License. Moreover, Spring26 shall also implement remedial measures for service users as proposed by publicizing the date of service termination of SPRING 26 Channel, for the purpose of acknowledging service users, consumers, audiences, and the general public, via SPRING 26 Channel and other media for not less than 45 days prior to the date of service termination.

In this regard, Spring26 shall receive compensation as a result of the License return in the amount of Baht 890.83 million within 60 days from the date of service termination. However, Spring26 has not completely paid the fourth installment of license fee according to the Notification of Office of the National Broadcasting and Telecommunications Commission Re: Criteria, Procedures, and Conditions for the Bid for the Spectrum to Provide Digital Terrestrial Television Services as a National Business Service Type B.E. 2556 (2013) (“**Notification of NBTC on the Bid for the Spectrum**”) in the amount of Baht 215.07 million (including VAT), thus compensation as a result of the License return shall be deducted by the outstanding license fee. The residual compensation, after a deduction of license fee, equals to Baht 675.76 million.

### **(3.2) Calculation of the transaction size**

The details of the calculation of transaction size pursuant to the Notifications on Acquisition and Disposal of Assets, based on the interim consolidated financial statements for the 9-month period, ended as at 30 September 2018 which had been reviewed by the certified auditors of the Company are as follows:

No	Criteria	Calculation Formula	Transaction size
1	Net Tangible Assets (NAT) Criteria	Cannot be calculated since disposed asset is not security	N/A
2	Net Operating Profit Criteria	Cannot be calculated since disposed asset is not security	N/A
3	Total Value of Consideration Criteria	Total value of consideration x 100 / Total asset of the listed company	27.23 percent

		(890 x 100 / 3,271.13)	
4	Value of Securities Criteria	Have not issued securities	N/A

In calculating the above transaction size, the highest transaction size is 27.23 percent according to calculation basis based on value of consideration. The calculation shall count the transactions on the disposal of assets during the 6-month period prior to the date on which the Company's Board of Directors unanimously approved in principal for Spring26 to submit the request for the License return to NBTC on 10 May 2019, comprising 3 transactions as follows:

(1) the transaction of the disposal of all investments in WPS (Thailand) Company Limited, having the highest transaction size of 13.99 percent according to calculation basis based on value of consideration which is calculated from the Company's consolidated financial statements in interim review version for the 6-month period, ended as at 30 June 2018;

(2) the transaction of the disposal of land and buildings in Khonkaen, having the highest transaction size of 0.37 percent according to calculation basis based on value of consideration which is calculated from the Company's consolidated financial statements in interim review version for the 9-month period, ended as at 30 September 2018; and

(3) the transaction of the disposal of 2 plots of land and buildings on Debaratna Road, Samutprakan and a plot of land on Dokmai Sub-district, Prawet District, Bangkok, having the highest transaction size of 10.13 percent according to calculation basis based on value of consideration which is calculated from the Company's consolidated financial statements in interim review version for the 9-month period, ended as at 30 September 2018.

Therefore, the combination between the Transaction of Returning Spring26's License and the transactions on the disposal of assets during the 6-month period prior to the date on which the Company's Board of Directors unanimously approved in principal for Spring26 to submit the request for the License return to NBTC on 10 May 2019 results in the total highest transaction size of 51.72 percent according to calculation basis based on value of consideration, considered as a Class 1 transaction under the Notifications on Acquisition or Disposal of Assets imposing the volume of transactions equivalent or higher than 50 percent but less than 100 percent. The details of which are as follows:

Consequently, the Company is required to appoint the independent financial advisor responsible for giving opinions regarding the Transaction of returning Spring's License to the shareholders of the Company, disclose the information memorandum on the entering into the transaction to SET, and convene the

shareholders' meeting in order to obtain the approval for the entering into such transaction with the votes of not less than three-fourths of the total votes of the shareholders attending the meeting and entitled to vote which the votes of people having vested interests are not counted. By that the Company shall deliver the invitation notice of the shareholders' meeting which contains the information at least as specified by the Notifications on Acquisition or Disposal of Assets, together with the opinion of the independent financial advisor approved by SEC to the shareholders, not less than 14 days in advance prior to the date of the shareholders' meeting. In this regard, the Board of Directors' meeting of the Company resolved to propose to the Extraordinary General Meeting of Shareholders No. 1/2019 which is holding on 27 September 2019 to consider approving the entering into such transaction.

### **(3.3) Rationale and background of the transaction**

Due to the policy decisions by the former management of the Company last year 2014 that allowed Spring26 to engage in the auction of digital television system, it was aimed to present the documentary, foreign movie series, sports and variety shows. However, the company has no expertise in the management of such content types. As such, Spring26 lost over years since it won the bid for spectrum for digital television services, which were from the year 2015 to 2018. The total lost was approximately Baht 2,488.76 million according to the consolidated financial statements of the Company ending 31 December 2018. Besides, Spring26 still has the burden of paying license fees as of 9 May 2019 at the amount of Baht 215.07 million (including VAT) according to the Notification of NBTC on the Request for the License Return, causing the company to have encountered heavy losses continuously and been under significant debts. So, the company plans to dispose of its investment in Spring26 since the beginning of the year 2018 to reduce capital burden and expenditure of the company to be at an appropriate level and be ready to focus on a strong core business operation to create growth in the future.

### **(4) Details of the disposed assets**

The details of the License are as follows:

#### **(4.1) General information**

<b>A person requesting the License return</b>	Spring26
<b>Type of Services</b>	Providing digital terrestrial television services as a national business service type in a standard definition category
<b>Channel</b>	SPRING 26

<b>Type of Programs</b>	Presenting a world-class documentary providing useful information for living, inspiration for success, and lifestyle such as culture, sport, environment, family, and others responding the urban lifestyle
<b>Total Fee</b>	Baht 2,200 million only
<b>Date of License Receive</b>	25 April 2014
<b>Expiration Date</b>	24 April 2029
<b>Multiplex channel number</b>	Multiplex 5
<b>Television network provider</b>	Army

**(5) Total value of consideration**

According to the Notification of NBTC on the Request for the License Return, Spring26 shall receive compensation as a result of the License return in the amount of Baht 890.83 million within 60 days from 16 August 2019 which is the date of service termination. However, Spring26 has not completely paid the fourth installment of license fee according to the Notification of NBTC on the Bid for the Spectrum in the amount of Baht 215.07 million (including VAT) and yearly license fee for the year 2017 and 2019 in the amount of Baht 4.16 million, thus compensation as a result of the License return shall be deducted by the outstanding fourth installment of license fee and yearly license fee for the year 2017 and 2019 in the amount of Baht 671.61 million. The residual compensation, after a deduction of license fee, equals to Baht 671.61 million.

**(6) Criteria used to determine value of consideration**

Spring26 obtained the License on 25 April 2014 and the License is valid until 24 April 2029, totaling 15 years of validity, with total Baht 2,200 million of license fee, consisting of the first installment to the fourth installment of license fee in the amount of Baht 1,472 million and the fifth and sixth installments of license fee in the amount of Baht 728 million.

The value of consideration is based on the calculation method in accordance with the Notification of NBTC on the Request for the License Return and the notification letter, dated 27 June 2019, issued by NBTC, regarding the result of consideration of the request for the return of the license to use the spectrum to provide digital terrestrial television services, stating the approval of the request for the return and discontinuance of the License, the determination of the date of service termination which is on 16 August 2019 at 00.01 a.m. onwards, and the determination of remedial measures for service users to be implemented by Spring26, including the notification of compensation as a result of the License return in the amount of Baht 890.83 million as follows:

(1) License fee which the licensee had paid until the fourth installment out of six installments. A period of License validity which has not been enforced can be calculated as follows:

$$\begin{aligned}
 &= \frac{\text{Paid license fee} \times \text{license validity during the period that the spectrum has not been used (day)}}{\text{Period of license validity (day)}} \\
 &= \frac{\text{Baht 1,472 million} \times 3,540 \text{ days}}{5,479 \text{ days}} \\
 &= \text{Baht 951.06 million}
 \end{aligned}$$

Spring is exempted from the fifth and sixth license fee.

(2) **Deducted by** the benefits which the licensee had gained during the business operations as follows:

(2.1) Subsidy for rental expenses for television multiplex using the digital terrestrial spectrum (“MUX”) pursuant to the Notification of the National Peace and Order Maintaining Council No. 9/2018 Re: the Measures to Relieve Impacts on Persons Operating Radiobroadcaster, Television, Broadcasting, and Telecommunications Business, dated 23 May 2018, in the amount of Baht 1.75 million per month which is the monthly benefit gained from January 2018 to 16 August 2019, totaling Baht 26.25 million;

(2.2) Subsidy for expenses for television satellite transmittance provided in general (“Must Carry Fee”) according to the Notification of the National Peace and Order Maintaining Council No. 76/2016 Re: the Measures to Support Radiobroadcaster, Television, Broadcasting, and Telecommunications Business for Public Interest, dated 20 December 2016, received throughout until the date of service termination which is on 16 August 2019, equivalent to Must Carry Fee in the amount of Baht 33.98 million which is the benefit gained from December 2016 to 16 August 2019.

(3) **Deducted by** licensee’s turnover gained from operating businesses under a license in each year, during the whole operating period until 11 April 2019 which net profit is solely calculated.

	Net profit (loss) (Unit : Million Baht)
2557	(118.37)
2558	(459.36)
2559	(505.24)



2560	(1,213.46)
2561	(178.55)
1 January 2019 to 11 April 2019	(43.65)

Spring26 had losses since 2014 until 11 April 2019; thus, a deduction of profit from turnover is not required.

**Total compensation calculated as value of consideration is summarized as follows:**

<b>Transaction</b>	<b>Amount (Million Baht)</b>
License fee which the licensee had paid until the fourth installment out of six installments, during a period of License validity until the fourth installment out of six installments, during a period of License validity which has not been enforced in the above item no. (1)	951.06
<b><u>Deducted by</u></b> the benefits which the licensee gained during the business operations, i.e. MUX fee and Must Carry Fee in the above items no. (2.1) and (2.2)	60.23
<b><u>Deducted by</u></b> the benefits gained from net profit from the operation in the above item no. (3)	None
<b><u>Remaining</u></b> compensation before a deduction of the outstanding fourth installment of license fee and yearly license fee for the year 2017 and 2019	890.83

However, Spring26 has not completely paid the fourth installment of license fee according to the Notification of NBTC on the Bid for the Spectrum in the amount of Baht 215.07 million (including VAT) and yearly license fee for the year 2017 and 2019 in the amount of Baht 4.16 million (yearly license fee for the year 2018 was completely paid), thus compensation as a result of the License return shall be deducted by the outstanding fourth installment of license fee and license fee. The residual compensation equals to Baht 671.61 million.

**(7) Expected benefits to the Company from the disposal of assets**

Due to the entering into the Transaction of Returning Spring26's License, the Company expects to gain the benefits as follows:

(7.1) Compensation as a result of this request for the License return shall reduce debt burdens of the Company; enabling it to repay debts to creditors and continuously run the businesses. At present, the Company has liabilities with interest with financial institutions and short-term loans in the approximate amount of Baht 918 million as of 9 May 2019. The Company shall spend the compensation on repaying accrued network payables, trade payables, short-term liabilities, and long-term secured liabilities with financial institutions and also use it as working capital;

(7.2) The request for the License return also reduces the risk of capital structure management; resulting in generating cash flow for the Company and supporting the demand for cash flow of the Company in a timely manner without having to bear high operating costs in each month;

(7.3) The request for the License return also reduces the high cost of interest because the Company is able to spend compensation on repaying debts;

(7.4) The group of the Company will be able to focus on the core business operations in which it truly has knowledge and expertise in, namely printing media, organizing related activities, television media business in its expertise, i.e. Nation TV (Channel 22), and producing program contents, including digital businesses in order to emphasizing on the intensive content and brands in 4 core businesses through the integration and the development of platform from the Offline-Online-On ground. Thus, the content could reach the group of consumers more and easier; and

(7.5) The request for the License return will enable the Company to shut down the business that has always suffered losses, which has not yet been able to speculate profitability and will not affect the core businesses of the group of the Company. The Company still has Nation Broadcasting Corporation Public Company Limited ("**NBC**"), a subsidiary of the Company, which has operated its television channel in fully integrated functions, no matter what producing, providing TV programs, and selling airtime in the field of news, entertainment, and new media and NBC Next Vision Company Limited, a subsidiary of NBC, which has been licensed to operate a digital television business in the category of news and content (SD) as its expertise under the name of Nation TV (Channel 22).

However, an impact from the request for the License return expected by the Company is that Spring26 has to lay off some employees. As such, the Company has prepared remedial measure for such employees by paying compensation as a result of the layoff in accordance with labor law. Moreover, the Company has remedied service users as proposed to NBTC by publicizing the date of service termination of SPRING 26 Channel, for the purpose of acknowledging service users, consumers, audiences, and the general public, via SPRING 26 Channel and other media for not less than 45 days prior to the date of service termination.

Due to business plan of Spring26 after the License return, the Company is in the process of studying and looking into the feasibility of operating new business as a replacement.

**(8) Plan for the use of compensation to be received from the disposal of Asset**

Spring 26 shall receive compensation after deducted by the outstanding fourth installment of license fee and yearly license fee for the year 2017 and 2019 in the amount of Baht 671.61 million. Burden of expenses in August 2019 are as follow:

No	Transaction	Amount (Unit :Million Baht)
1	Net compensation	671.61
2	Withholding tax on compensation (1 percent of compensation before tax on outstanding expenses (Baht 890.83 million))	8.91
3	Compensation in cash (1-2)	662.70
4	MUX digital TV network creditors	70.87
5	Program production creditors	41.25
6	Other creditors	33.96
7	Severance pay	30.00
8	Remaining cash to pay for accrued amount of the Company (3-4-5-6-7)	486.62

At the end of August, Spring shall have the remaining compensation to pay for accrued amount of the Company in the amount of Baht 486.62 million. The Company shall spend sum of money received from Spring on debt repayment of the Company, primarily for financial institutions' debts in the amount of Baht 250.64 million in order that the Company is able to pay its debt within the due date and reduce burden of high interest. Moreover, the Company may spend the residual amount of money as working capital to increase financial liquidity for core businesses in which the Company has an expertise and in accordance with the Company's policy, i.e. printing media, relevant events organization, television business and content production via every channel which can reach customers more and faster as mentioned above.

**(9) Conditions on the entering into the transaction**

The entering into the Transaction of returning Spring's License is considered as the disposal of assets of the listed company made by a subsidiary, Class 1 according to the Notifications on Acquisition or Disposal of Assets, the Company, consequently, is required to make a report, disclose the information memorandum on the entering into such transaction to SET, and convene the shareholders' meeting in order to obtain the approval for the entering into such transaction with the votes of not less than three-fourths of the total

votes of the shareholders attending the meeting and entitled to vote which the votes of people having vested interests are not counted.

Additionally, the Extraordinary General Meeting of Shareholders No. 1/2019 to be held on 27 September 2019 shall resolve the approval of the entering into the transaction on the License return with the details as follows:

<b>Matter proposed to the shareholders' meeting for approval</b>	<b>Conditions on the approval</b>
Considering approving a subsidiary of the Company (Spring 26 Company Limited) to return the license to use the spectrum to provide digital television services under the name of SPRING 26 Channel.	The votes are not less than three-fourths of the total votes of the shareholders attending the meeting and entitled to vote which the votes of people having vested interests are not counted.

**(10) Opinions of the Board of Directors concerning a decision to enter into the transaction**

The Board of Directors' meeting of the Company has thoroughly considered and opined that the Rules on the License Return allows the Spring to return the License and contemporarily receive compensation, which shall alleviate the damage caused by false policies of the former executives of the Company (which the current Board of Directors and executives have filed a complaint against the former executives to SEC, including exercising legal rights to sue against them as well). Besides, receiving compensation will help reduce burden of License fee, adjust financial ratios, and be essential to solving financial problems by reducing the Company's debt burdens, which shall cause working capital of the group of the Company to be in a better condition respectively. Besides, this decision conforms to the Company's policies in having itself focus on the core businesses, based on the group of the Company's genuine knowledge and expertise, involving printing media, organizing related activities, television media business, in the category of news and content as its expertise, and producing contents, including related businesses that have the potential to grow and enhance the core businesses of the Company to allow the Group to continue the business operations.

In addition, the request for the License return will have the group of the Company remain only one digital television station, that is Nation TV (Channel 22), which offers programs in the category of news and content (SD), allowing the Company to mobilize resources within the group of the Company in various areas for existing news items fully in line with the Company's core business policy.

**(11) Opinions of the Company's Audit Committee and/or directors which are different from the opinions of the Board of Directors under the item no. 9**

The Audit Committee provides the opinions which are in line with the above resolution of the Board of Directors of the Company (unanimously) and no member of the Audit Committee has opinions different from such resolution of the Board of Directors of the Company.

**Information contained in the Information Memorandum (Schedule 2) under the Notifications on  
Acquisition or Disposal of Assets**

**1. *Responsibility of Directors for information***

The Board of Directors of the Company certified that information contained in this Information Memorandum is accurate, completed and not false and will not cause other people to misunderstand or does not lack the material information that should be informed.

**2 *Information in relation to the Company and other relevant information***

**1. Summary of information in relation to the Company**

**Name :** Nation Multimedia Group Public Company Limited

**Head office address :** 1858/121-122, 1858/124-128, 28<sup>th</sup>, 30<sup>th</sup>, 31<sup>st</sup> Floor, Debaratna Road,  
Bangna-Tai, Bangna, Bangkok 10260

**SET listing date : 9 June 1988**

**Public company registration : 14 December 1993 (PCL. No. 0107536001524)**

**of business operation Nature consists of 4 businesses as follows:**

1. Printing, including
  - 1.1 Thai-language News Business Unit
  - 1.2 General Thai-language News Business Unit
  - 1.3 Foreign-language News Business Unit
2. Broadcasting Business Unit
3. Event Marketing
4. New Media Platform

**Registered capital :** Baht 2,663,572,194.95, consisting of 5,025,607,915 ordinary shares  
at a par value of Baht 0.53 per share

**Paid-up capital :** As of 31 July 2019, the Company has paid-up capital of Baht  
2,156,024,291.86 consisting of 4,067,970,362 ordinary shares at a  
par value of Baht 0.53 per share.

**Nature of business operation**

The Company and its subsidiaries operate 4 core business as follows:

## **1. Publishing**

- **Thai-language News Business Unit**

Production of Krungthep Turakij, Thai language daily newspaper together with related businesses, for example, news websites, training programs, seminars, special events, news updates and information services, I-Newspaper application and the website [www.bangkokbiznews.com](http://www.bangkokbiznews.com) via social media, operated by Krungthep Turakij Media Company Limited (KTM).

- **General Thai-language News Business Unit**

Production of Kom Chad Luek, Thai-language newspaper, operated by Kom Chad Luek Media Company Limited (KMM) and expansion of platforms through social media and online via the website [www.komchadluek.net](http://www.komchadluek.net).

- **English-language News Business Unit**

Production of The Nation newspaper, operated by Nation News Network Company limited (NNN) and website [www.nationmultimedia.com](http://www.nationmultimedia.com) as well as distribution of news reports via Facebook and Twitter

## **2. Broadcasting Business Unit**

- Bangkok Business Broadcasting Company Limited (BBB), currently renamed as Spring 26 Company Limited, is a subsidiary of NMG and holder of the License for digital TV channel in a standard definition category, named as Spring 26 (NOW26), variety programs, presenting news and quality entertainment focusing on fun and creative content, and providing experience and learning through content that covers 4 main categories, including news, documentaries, sports and variety (approved to return the License and terminate to broadcast on 16 August 2019).

- Nation Broadcasting Corporation Public Company Limited (NBC) is the founder and operator of a full-cycle TV broadcasting business including program production, procurement and sale of air time for news and entertainment programs, production of radio programs, and New Media. NBC Next Vision Company Limited, a subsidiary of NBC, is the owner of the

License for digital TV channel in the category of news and content (SD) under the name of Nation TV (Channel 22).

**3. Event Marketing**

Event organizing is undertaken jointly by all media and publicized across all platforms under Nation Group.

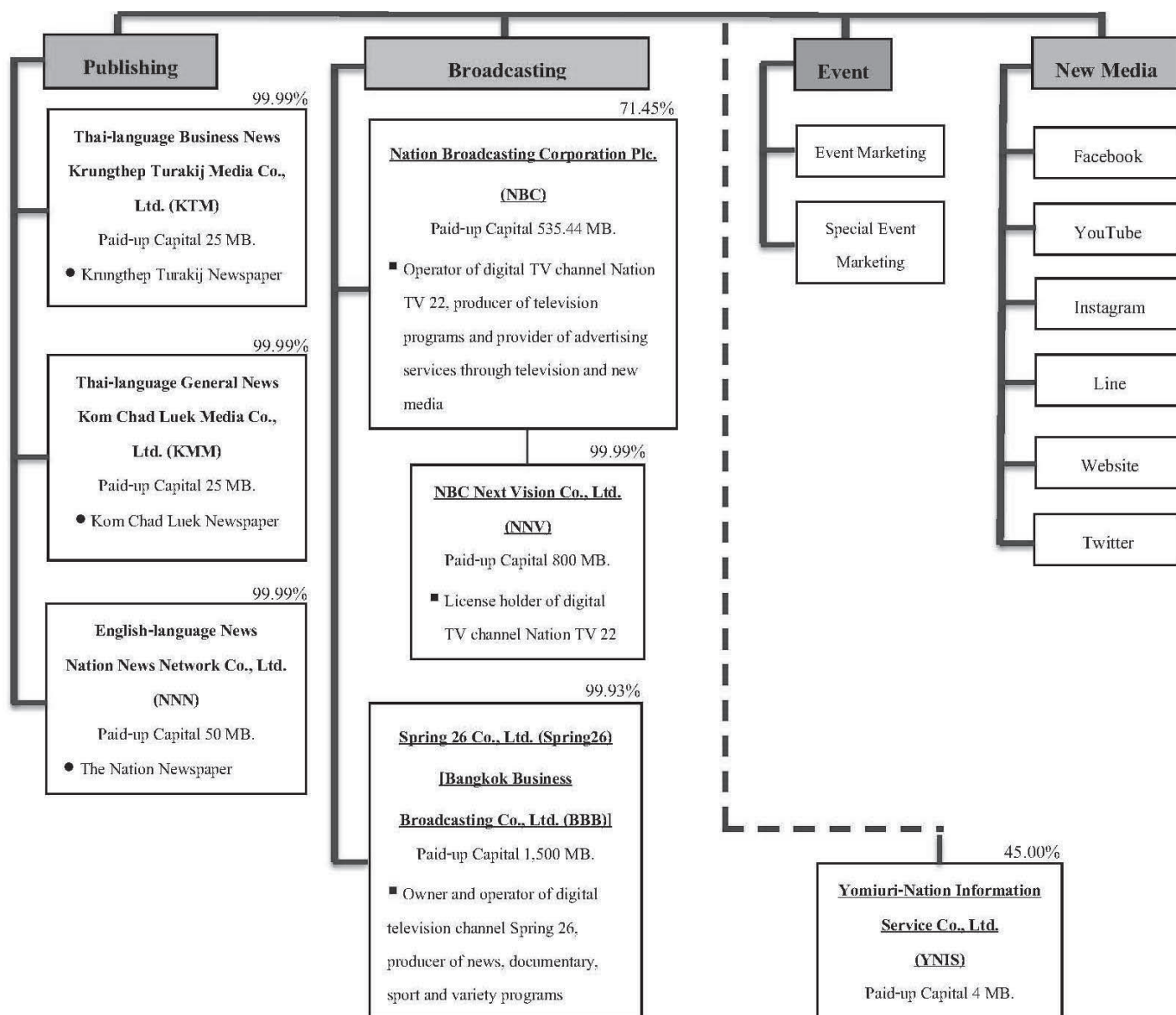
**4. New Media Platform**

All media of Nation Group are utilized across multiple online and social media platforms, including websites, Facebook, YouTube, Line, Twitter and Instagram.



# Business Group Structure

## Nation Multimedia Group Public Company Limited



2. The top ten shareholders as of 24 July 2019 which is the last Book-Closing date, ranked as follows:

Name	Shares	Holding (%)
1. U-City Public Company Limited	406,390,000	9.99
.2News Network Corporation Public Company Limited	404,985,000	9.95
3. CGS-CIMB SECURITIES (SINGAPORE) PTE. LTD.	391,972,000	9.64
.4Mr. Sombat Panichewa	290,000,000	7.13
.5Mr. Suthichai Sae-Yoon	212,878,542	5.23
.6Ms. Kanchanarath Wongpan	206,641,200	5.08
.7Mr. Pakkawan Wongopasi	185,000,000	4.55
.8KIM ENG SECURITIES (HONGKONG) LIMITED	172,104,000	4.23
.9General Insurance Fund	141,400,000	3.48
10. DOW JONE & COMPANY.INC.,NEW YORK	120,000,000	2.95
Others	1,536,599,620	37.77
<b>Total</b>	<b>4,067,970,362</b>	<b>100.00</b>

3. Names of the Board of Directors and Executives

The Board of Directors consists of 10 members as follows:

- |    |              |                     |  |
|----|--------------|---------------------|--|
| 1. | Mr.Marut     | Arthakaivalvatee    | Chairman of the Board of Directors                       |
| 2. | Mr.Shine     | Bunnag              | Vice Chairman of the Board of Director No.1              |
| 3. | Mr.Sontiyon  | Chuenruetainaidhama | Vice Chairman of the Board of Director No.2              |
| 4. | Mr.Somchai   | Meesen              | Director / Chief Executive Office                        |
| 5. | Mr.Apivut    | Thongkam            | Independent Director and Chairman of the Audit Committee |
| 6. | Mr.Chaiyasit | Puvapiromquan       | Independent Director and Member of the Audit Committee   |

- |     |                       |                |  |
|-----|-----------------------|----------------|--|
| 7.  | Mr. Thanachai         | Santichaikul   | Independent Director and Member of the Audit Committee |
| 8.  | Mrs.Salinee           | Wangtal        | Independent Director                                   |
| 9.  | Mrs.Warangkana        | Kalayanapradit | Director   |
| 10. | Mr. Ka Ming Jacky Lam |                | Director   |

Name of Directors who are authorized to sign on behalf of the Company are: “two out of four directors, Mr.Marut Arthakaivalvatee, Mr.Somchai Meesen, Ms.Warangkana Kalayanapradit and Mr. Shine Bunnag, jointly sign together with the Company seal affixed.”.

The Audit Committee consists of 3 members as follows:

- |    |               |               |                                 |
|----|---------------|---------------|---------------------------------|
| 1. | Mr. Apivut    | Thongkam      | Chairman of the Audit Committee |
| 2. | Mr. Chaiyasit | Puvapiromquan | Member of the Audit Committee   |
| 3. | Mr. Thanachai | Santichaikul  | Member of the Audit Committee   |

The 4 first executives according to the SEC definition are as follows:

- |    |                  |                       |   |
|----|------------------|-----------------------|---|
| 1. | Mr. Somchai      | Meesen                | Chief Executive Office  |
| 2. | Mrs. Warangkana  | Kalayanapradit        | Assistant to Chief Executive Office                           |
| 3. | Mr. Supawat      | Sa-nguan-ngam         | Managing Director – Publishing Business                       |
| 4. | Mr. Prakit       | Chompukam             | Assistant to Chief Executive Office                           |
| 5. | Mr. Phornprayoon | Issarasak Na Ayuthaya | Assistant to Chief Executive Office – Corporate Communication |
| 6. | Ms. Mathaya      | Osathanond            | Senior Vice President – Finance                               |
| 7. | Ms. Natenapa     | Pusittanont           | Senior Vice President – Account                               |

## 2 Summary of financial status and overall operation results

### 1. Summary of financial status and overall operation results of the Company and subsidiaries

Unit : Thousand Baht

Consolidated statement of financial position	31 December 2019 (Adjusted)	%	31 December 2017	%	31 December 2018	%
<b>Assets</b>						
<i>Current Assets</i>						
Cash and cash equivalents	233,694	4%	186,399	5%	168,895	5%
Current investments	422,376	6%	125,421	3%	230	-
Trade accounts receivable	398,049	6%	274,768	7%	205,429	6%
Accrued income	99,469	2%	77,070	2%	87,317	2%
Other receivables	89,842	2%	59,605	1%	68,134	2%
Inventories	136,926	2%	68,116	1%	2,961	-
Other current assets	321,559	5%	285,793	7%	203,251	5%
<b>Total Current assets</b>	<b>1,701,915</b>	<b>27%</b>	<b>1,077,172</b>	<b>26%</b>	<b>736,217</b>	<b>20%</b>
<i>Non-current assets</i>						
Restricted deposits	861	-	479	-	1,150	-
Investments in associates	23,156	-	23,226	1%	188,468	5%
Long-term investments	7,416	-	4,019	-	2,263	-
Investment properties	75,447	1%	70,655	2%	81,083	2%
Property, plant and equipment	1,488,481	23%	1,462,585	36%	407,103	11%
Intangible assets	171,182	3%	66,984	2%	17,350	-
Digital television licenses	2,574,171	40%	1,049,289	26%	2,086,896	56%
Deferred tax assets	112,053	2%	77,317	2%	-	-
Other non-current assets	230,748	4%	238,204	6%	234,957	6%
<b>Total non-current assets</b>	<b>4,683,515</b>	<b>73%</b>	<b>2,992,758</b>	<b>74%</b>	<b>3,019,270</b>	<b>80%</b>
<b>Total assets</b>	<b>6,385,430</b>	<b>100%</b>	<b>4,069,930</b>	<b>100%</b>	<b>3,755,487</b>	<b>100%</b>

Unit : Thousand Baht

Consolidated statement of financial position	31 December 2019 (Adjusted)	%	31 December 2017	%	31 December 2018	%
<b>Liabilities and equity</b>						
<i>Current liabilities</i>						
Bank overdrafts and short-term loans from financial institutions	549,431	9%	864,674	21%	620,047	17%
Trade accounts payable	99,264	1%	105,023	3%	212,604	6%
Other payables	146,136	2%	162,913	4%	130,599	3%
Current portion of television licenses payable	584,069	9%	297,964	7%	-	-
Current portion of long-term loans from financial institutions and liabilities under financial agreements	121,066	2%	156,000	4%	187,167	5%
Short-term loans	550,000	9%	553,500	14%	323,528	9%
Current income tax payable	8	-	-	-	-	-
Other current liabilities	436,014	7%	360,592	9%	288,870	7%
<b>Total current liabilities</b>	<b>2,485,988</b>	<b>39%</b>	<b>2,500,666</b>	<b>62%</b>	<b>1,762,815</b>	<b>47%</b>
<i>Non-current liabilities</i>						
Digital television licenses payable	1,130,070	18%	1,131,218	28%	1,448,808	39%
Long-term loans and liabilities under financial agreements	158,833	2%	47,000	1%	-	-
Deferred tax liabilities	20,909	-	31,230	1%	8,051	-
Employee benefit obligations	167,253	3%	137,981	3%	103,501	3%
Other non-current liabilities	105,061	2%	87,315	2%	48,226	1%
<b>Total non-current liabilities</b>	<b>1,582,126</b>	<b>25%</b>	<b>1,434,744</b>	<b>35%</b>	<b>1,608,586</b>	<b>43%</b>
<b>Total liabilities</b>	<b>4,068,114</b>	<b>64%</b>	<b>3,935,410</b>	<b>97%</b>	<b>3,371,401</b>	<b>90%</b>
<i>Equity</i>						
Share capital	2,155,959	34%	2,155,959	53%	2,156,024	57%
Premium on ordinary shares	1,169,694	18%	1,169,694	29%	1,169,752	31%
Share premium on ordinary shares of subsidiaries	96,605	2%	96,939	2%	80,722	2%
Warrants to purchase ordinary shares	30,013	-	35,345	1%	-	-
Reserve on acquisition of warrants	(91,013)	-1%	(91,013)	-2%	-	-
Retained earnings (deficit)						
Appropriated – legal reserve	32,700	-	32,700	-	32,700	1%
Unappropriated (Deficit)	(1,399,685)	-22%	(3,556,270)	-87%	(3,235,332)	-86%
Other components of equity	(4,232)	-	167,161	4%	32,201	1%
<b>Equity attributable to owners of the parent</b>	<b>1,990,041</b>	<b>31%</b>	<b>10,515</b>	<b>-</b>	<b>236,067</b>	<b>6%</b>
Uncontrollable interests	327,275	5%	124,005	3%	148,019	4%
<b>Total equity</b>	<b>2,317,316</b>	<b>36%</b>	<b>134,520</b>	<b>3%</b>	<b>384,086</b>	<b>10%</b>
<b>Total liabilities and equity</b>	<b>6,385,430</b>	<b>100%</b>	<b>4,069,930</b>	<b>100%</b>	<b>3,755,487</b>	<b>100%</b>

Unit : Thousand Baht

Consolidated statement of income	2016 (Adjusted)	%	2560	%	2561	%
<b>Income</b>						
Revenue from sale of goods and rendering of services	2,021,669	95%	1,650,658	96%	1,374,387	92%
Other income	84,670	5%	60,191	4%	114,057	8%
<b>Total income</b>	<b>2,106,339</b>	<b>100%</b>	<b>1,710,849</b>	<b>100%</b>	<b>1,488,444</b>	<b>100%</b>
<b>Expenses</b>						
Cost of sale of goods and rendering of services	2,000,460	95%	1,482,608	87%	1,029,946	69%
Selling and administrative expenses	1,111,494	53%	807,437	47%	853,979	57%
Loss from assets impairment (Reversal of)	2,950	-	1,479,091	86%	(1,127,054)	-76%
Loss from allowance for doubtful account (Reversal of)	-	-	(7,033)	-	(57,477)	-4%
Financial costs	152,358	7%	169,153	10%	153,475	10%
<b>Total expenses</b>	<b>3,267,262</b>	<b>148%</b>	<b>3,931,256</b>	<b>230%</b>	<b>852,869</b>	<b>57%</b>
Share of profit (loss) of associate	1,080	-	70	-	(3,889)	-
<b>Profit (loss) before income tax expense</b>	<b>(1,159,843)</b>	<b>-48%</b>	<b>(2,220,337)</b>	<b>-130%</b>	<b>631,686</b>	<b>43%</b>
Income tax (expense) benefit	(157,819)	-7%	(21,566)	-1%	(71,941)	-5%
<b>Profit (loss) from continuing operations</b>	<b>(1,317,662)</b>	<b>-63%</b>	<b>(2,241,903)</b>	<b>-131%</b>	<b>559,745</b>	<b>38%</b>
Loss from discontinued operation	-	-	)136,449)	-8%	(269,247)	-18%
<b>Profit (loss)</b>	<b>(1,317,662)</b>	<b>-63%</b>	<b>(2,378,352)</b>	<b>-126%</b>	<b>290,498</b>	<b>20%</b>
Uncontrollable interests	138,189	7%	221,867	13%	75,297	5%
<b>Profit (loss) to owners of parent</b>	<b>(1,179,473)</b>	<b>-56%</b>	<b>(2,156,485)</b>	<b>-126%</b>	<b>215,201</b>	<b>15%</b>
<b>Other comprehensive income</b>						
Items that will be reclassified subsequently to profit or loss	19		4,228		-	
Items that will not be reclassified subsequently to profit and loss	(9,575)		184,940		12,512	
<b>Total comprehensive income</b>	<b>(1,327,218)</b>		<b>(2,189,184)</b>		<b>303,010</b>	
Uncontrollable interests	(141,030)		(203,992)		78,570	
<b>Total comprehensive income to owners of parent</b>	<b>(1,186,188)</b>		<b>(1,985,192)</b>		<b>224,440</b>	

## Management Discussion and Analysis (MD&A)

The consolidated financial statements of Nation Multimedia Group Public Company Limited and its subsidiaries for the year ended 31 December 2018 represented a profit from continuing operations of Baht 559.74 million. Compared to the same period in 2017 when the loss was Baht 2,241.90 million, the profit increased by 125 percent. Due to total loss from discontinued operations for the year 2018 of Baht 269.24 million, the group of the Company represented a net profit of Baht 290.50 million. Compared to the same period in 2017 when the loss was Baht 2,378.35 million, the profit increased by 112 percent. Excluding the reversal of loss from asset impairment and the allowance for doubtful accounts of Baht 1,184.53 million, the group of the Company had a net loss of Baht 894.03 million. The Company would like to clarify a significance change of Group's operation results which could be summarized as follows:

1. Revenue from sales of goods and rendering of services for the year 2018 decreased by 17 percent, compared to the same period in 2017. The main reason was from economic slowdown which affected revenue from sales of advertisement to decrease by 15 percent and circulation revenues decreased by 26 percent.

2. Costs and expenses for the year 2018 decreased by 81 percent, compared to the same period in 2017. The main reasons were:

- Cost of sales and services decreased by 31 percent which was in line with the decrease in revenue from sales of goods and rendering of services.
- Distribution costs and administrative expenses increased by 5 percent, due to loss on disposal and written-off of assets of Baht 161 million.
- On 11 April 2019, the National Council for Peace and Order (“NCPO”) released the Order No. 4/2019 Re: a Measure to Solve the Problems from the Operations of the Television and Telecommunication. On 2 May 2019, NBTC released the Order Re: Criteria, Procedures and Conditions for Compensation as a Result of the Return of the License to Use the Spectrum to Provide Digital Television Services, allowing the service users who had intended to return the license to notify NBTC in writing by 10 May 2019. The said request for a return of the license is considered a request to cancel the license to provide digital terrestrial television services.
- Bangkok Business Broadcasting Company Limited (currently renamed as Spring 26 Company Limited) submitted a request to return the license to NBTC and obtained an approval on 27 June 2019. The group of the Company had considered an amount

expected to be received from the fair value, deducted by cost of disposal, which is compensation to be received from NBTC as specified in the Notification letter regarding an approval of payment of compensation, dated 26 July 2019, and expenses to be occurred as a result of the return of the license. Thus, the group of the Company had considered to reverse the loss from impairment of Digital TV license in the consolidated financial statements for the year ended 31 December 2018 amounting to Baht 643.66 million. On 26 July 2019, NBTC issued the notification letter to approve the compensation for the subsidiary amounting to Baht 890.83 million. Deducted by the outstanding fourth installment of license fee of Baht 215.07 million (including VAT), the remaining compensation would be Baht 675.76 million.

- In addition, not having desired to return the license, NBC Next Vision Company Limited is exempted from the license fee and a subsidy for rental expenditures of television network in a category of using the spectrum to provide digital terrestrial television broadcasting network service to the licensees over the remaining period of the licenses. To receive the subsidy shall be effective after termination of the measure to relieve in accordance with paragraph one, section 8 of NCPO's Order No. 9/2018. Therefore, the Group of the Company had considered to reverse of loss from License impairment in the consolidated financial statements ended 31 December 2018, amounting to Baht 486.70 million.
- In 2018, for the purpose of the business restructuring, the Company disposed its investments in its subsidiaries, i.e. Nation U Company Limited, NML Company Limited and WPS Company Limited, and decrease the investment proportion in Nation International Edutainment Public Company Limited, causing a subsidiary (to be held 71.04 percent of shares) to become an associated company (to be held 33.05 percent of shares)

#### Conclusion:

According to the operating results for the year ended 31 December 2018, the group of the Company had a net profit of Baht 290.60 million, resulting from the reversal of loss from asset impairment and the allowance for doubtful accounts of Baht 1,184.53 million. Compared to the same period in 2017, the loss was Baht 2,378.35 million.



### Analysis of Financial Position

**Total assets**, at the end of 2018, were equal to Baht 3,755 million, decreasing by Baht 315 million, or equivalent to 8 percent from the remaining amount of Baht 4,070 million in a previous year. Details of the significant changes are as follows:

**Cash and cash equivalent** decreased by Baht 17 million, or equivalent to 9 percent. The main reason is that the Company received sum of money in the net amount of Baht 665 million from disposal of the investments in the subsidiaries, decreasing by Baht 86 million from discontinued operation (from the disposal of the investments and loss of control in the subsidiaries) and spent such money as working capital and repayment of short-term and long-term loans.

**Current investment** decreased by Baht 125 million, or equivalent to 100 percent. The main reason is that, in 2018, the Company lost control over the subsidiaries, decreasing trading securities by Baht 103 million and the group of the Company had sold and transferred trading securities, amounting to Baht 20 million.

**Trade account receivables - net** decreased by Baht 69 million, or equivalent to 25 percent, due to a decrease in overall revenue from sales of advertisement and printing media and high competitive environment, causing the trade accounts receivable had decreased from the previous year. In addition, the company has an average debt-collection period of 63 days which is less than an average debt-collection period in the previous year of 73 days. Moreover, decrease in the trade accounts receivable is also caused by the disposal of the investments in the subsidiaries.

**Accrued income** increased by Baht 10 million, or equivalent to 13 percent. Most of the accrued income was attributable to unissued invoices under the overlapped advertising agreements in the television business. In addition, it is also caused by income from projects of operating the various special events. Some of these service had already rendered but invoice would be issued after completion of each project. Most of customer are governmental sectors and state enterprises which are required to follow procedures and take time to examine documents before work delivery.

**Net Inventories** decreased by Baht 65 million, or equivalent to 96 percent, due to a decrease in inventories from education and entertainment media business which is resulted from changing trend of consumers. In 2018, the Company lost control over its subsidiaries, which operate education and entertainment media business and disposed the investments in its subsidiaries, which operate printing service business, causing a decrease in inventories. As calculated, a period for sale of inventories in 2018 is 12 days, decreasing by 13 days from 25 days in a previous year.

**Other current asset** decreased by Baht 82 million, or equivalent to 29 percent. The main reason is a decrease in input value added tax which does not yet reach due date in the amount of Baht 71 million, arising from the collection from trade accounts receivable related to the disposal of the investments in its subsidiaries. Value added tax to be refunded from the Revenue Department decreased by Baht 11 million.

**Investments in associates** increased by Baht 165 million, or equivalent to 711 percent. The main reason is that Nation International Edutainment Public Company Limited (“**NINE**”) increased its capital while the group of the Company did not increasingly invest in NINE, causing the investment proportion from 71.04 percent to be 33.05 percent. As a result, the group of the Company lost control over its subsidiaries. NINE ceased to be a subsidiary and became an associated company in the amount of Baht 169 million.

**Long-term investment** decreased by Baht 2 million, or equivalent to 44 percent. The main reason is impairment of the investments in 2018.

**Investment properties** increased by Baht 10 million, or equivalent to 15 percent. The main reason is that the group of the Company gained condominiums and rendering services in exchange in the amount of Baht 12 million, valued by an independent, appraised by independent appraiser. Besides, the loss from condominium impairment is Baht 10 million, appraised by the independent appraiser, based on the market price comparison method. In addition, buildings are transferred from property, plant and equipment at net book value of Baht 12 million.

**Property, plants, and equipment - net** decreased by Baht 1,055 million, or equivalent to 72 percent, due to depreciation for the year 2018 by Baht 123 million and assets purchased in 2018 which most of them are equipment, furniture fixture and office equipment and vehicles, having value of Baht 62 million. In addition, it is also caused by distribution and amortization of assets which most of them are equipment used for operations and vehicles, having value of Baht 65 million, transfer of building as investment properties in the amount of Baht 12 million, loss from asset impairment of Baht 51 million and disposal of the investments and loss of control in the subsidiaries. Therefore, property, plant and equipment decreased by Baht 867 million in total.

**Intangible assets** decreased by Baht 50 million, or equivalent to 74 percent, due to amortization in 2018 of Baht 16 million. Distribution and amortization of computer programs, software licenses and right to broadcast in the amount of Baht 89.04 million, since a subsidiary amortized the right to broadcast which reached the contractual maturity in the amount of Baht 89.02 million and reversed impairment of such right in the amount of Baht 58.59 million. Moreover, the Group of the Company has invested in computer programs and software licenses in the total amount of Baht 8 million. Furthermore, the Company lost control over its subsidiaries, causing a decrease in intangible assets by Baht 11 million in total.

**Licenses to use the spectrum to provide digital terrestrial television services** increased by Baht 1,038 million, or equivalent to 99 percent, due to amortization in 2018 in the amount of Baht 93 million and the reversal of loss from impairment of license and assets related to 2 TV channels in the amount of Baht 1,130 million. Since, on 11 April 2019, the National Council for Peace and Order (“NCPO”) released the Order No. 4/2019 Re: a Measure to Solve the Problems from the Operations of the Television and Telecommunication and ,on 2 May 2019, NBTC released the Order Re: Criteria, Procedures and Conditions for Compensation as a Result of the Return of the License to Use the Spectrum to Provide Digital Television Services, a subsidiary (Spring) submitted notice of intent to request for the License return and obtained an approval of the said return on 27 June 2019. The group of the Company had considered an amount expected to be received from the fair value, deducted by cost of disposal, which is compensation to be received from NBTC as specified in the Notification letter regarding an approval of payment of compensation, dated 26 July 2019, and expenses to be occurred as a result of the return of the license. Thus, the group of the Company had considered to reverse the loss from impairment of Digital TV license in the consolidated financial statements for the year ended 31 December 2018 amounting to Baht 643.66 million. On 26 July 2019, NBTC issued the notification letter to approve the compensation for the subsidiary amounting to Baht 890.83 million. Deducted by the outstanding fourth installment of license fee of Baht 215.07 million (including VAT), the remaining compensation would be Baht 675.76 million.

In addition, not having desired to return the license, the indirect subsidiary (NNV) is exempted from the license fee and a subsidy for rental expenditures of television network in a category of using the spectrum to provide digital terrestrial television broadcasting network service to the licensees over the remaining period of the licenses. To receive the subsidy shall be effective after termination of the measure to relieve in accordance with paragraph one, section 8 of NCPO’s Order No. 9/2018. Therefore, the Group of the Company had considered to reverse of loss from License impairment in the consolidated financial statements ended 31 December 2018, amounting to Baht 486.70 million.

**Deferred tax assets** decreased by Baht 77 million, or equivalent to 100 percent. The reason is that the group of the Company does not recognize deferred tax assets because it is no certain possibility that the group of the Company shall have enough taxable profit for the tax benefits.

**Total liabilities**, at the end of 2018, were equal to Baht 3,371 million, decreasing by Baht 564 million, or equivalent to 14 percent, from the remaining amount of Baht 3,935 million in a previous year. Details of the significant changes are as follows:

**Bank overdrafts and short-term loans from financial institutions** decreased by Baht 245 million, or equivalent to 28 percent, due to the repayment of short-term bill of exchange during the year. An amount of money to be repaid was from disposal of investment in its subsidiaries.

**Trade accounts payable** increased by Baht 108 million, or equivalent to 102 percent, due to debts from other parties. As calculated, average repayment period in 2018 was 56 days, increasing by 25 days from a previous year. On the ground of the Company's slow down payment, trade accounts payable increase from the previous year.

**Other payables** decreased by Baht 32 million, or equivalent to 20 percent, due to a decrease in advance received income as a result of recognition of revenue in accordance with the completed service agreements.

**Short-term loans** decreased by Baht 230 million, or equivalent to 42 percent, due to repayment of short-term loans during the year.

**Long-term loans from financial institutions** decreased by Baht 16 million, or equivalent to 8 percent, due to repayment of long-term loans from financial institutions during the year.

**Accrued fee for licenses to use the spectrum to provide digital terrestrial television services** increased by Baht 20 million, or equivalent to 1 percent, due to the interest expense of license fee during the year.

**Other current liabilities** decreased by Baht 72 million, or equivalent to 20 percent, due to output value added tax which does not yet reach due date. There was settlement of debts for the relevant parties, related to the disposal of the investments in the subsidiaries.

**Employee benefit obligations** decreased by Baht 34 million, or equivalent to 28 percent, due to loss of control in its subsidiaries in the amount of Baht 36 million.

**Other non-current liabilities** decreased by Baht 39 million, or equivalent to 45 percent, due to a decrease in advance received advertising income as a result of recognition of advertising revenue according to frequency of broadcasting occurred.

**Total equity**, at the end of 2018, were equal to Baht 384 million, increasing by Baht 249 million, or equivalent to 186 percent, from the remaining amount of Baht 135 million in a previous year. Details of the significant changes are as follows:

**Net profit** for the year of 2018 was equal to Baht 215 million and profit from uncontrollable vested interest was equal to Baht 75 million. Total net profit for the whole year was equal to Baht 290 million.

**Warrants to purchase ordinary shares and reserve on acquisition of warrants to purchase shares** decreased by Baht 35 million and increased by Baht 91 million, respectively, due to the expiration of the Company and its subsidiaries' warrants to purchase ordinary shares for shareholders, directors, managements and/or employees of the Company and its subsidiaries during the year which were recorded to retained earnings on the expiration date of warrants.

**Deficit** decreased by Baht 321 million, or equivalent to 9 percent, due to the Group of the Company's net profit from operations results in 2018 in the amount of Baht 215 million.

Shareholders' equity structure in the amount of Baht 384 million, consists of paid-up ordinary shares amounting to Baht 2,156 million (divided into 4,068 million shares at a par value of Baht 0.53 per share), share premium on ordinary shares amounting to Baht 1,169 million and share premium of a subsidiary (NBC) in the total number of Baht 81 million, legal reserve amounting to Baht 33 million, other components of shareholders' equity amounting to Baht 32 million, deficit amounting to Baht 3,235 million and uncontrollable amounting to Baht 148 million.

### 3. Liabilities

#### 3.1. Total amount of bill of exchange

##### Details of bill of exchange

Unit : Thousand Baht

List	As at 31 Dec 18
Short-term loans from asset management companies	75,000
Deducted by Prepaid Interest	(756)
	<b>74,244</b>
Short-term loans from asset management companies	95,000
Deducted by Prepaid Interest	(536)
	<b>94,464</b>
Short-term loans from asset management companies	11,000
Short-term loans from individual	75,000
Deducted by Prepaid Interest	(569)
	<b>74,431</b>
Total loans	<b>254,139</b>
Short-term loans from individual	70,000
Deducted by Prepaid Interest	(706)
	<b>69,294</b>
<b>Total</b>	<b>323,434</b>

3.2. Loans with due date of the Company and its subsidiaries as at 31 December 2018 and obligation to place assets as securities

**Loans with due date**

**Unit : Thousand Baht**

<b>List</b>	<b>Securities</b>	<b>As at 31 Dec 18</b>
Bank overdrafts - unsecured	- None -	91,684
Short-term loans from financial institutions - unsecured	- None -	528,363
Current portion of long-term loans from financial institutions - Secured	Land and buildings of 3 companies and 4 subsidiaries guaranteed	187,167
<b>Total loans from financial institutions</b>		<b>807,214</b>

3.3. Total amount of other liabilities of the Company and its subsidiaries as at 31 December 2018 and obligation to place assets as securities are as follows:

3.3.1. Accrued fee for licenses to use the spectrum to provide digital terrestrial television services to be paid to NBTC as at 31 December 2018, having details as follows:

	Future value of the amount of money to be paid	Interest
Due after one year but within five years	911,400	(46,353)
Due after five years	587,600	(3,839)
<b>Total</b>	<b>1,499,000</b>	<b>(50,192)</b>

Change of accrued fee for licenses to use the spectrum to provide digital terrestrial television services as at 31 December 2018 were as follows:

Present value as at 1 January	1,429,183
Interest expense	19,625
<b>Present value as at 31 December</b>	<b>1,448,808</b>

#### 4. Contingent liabilities

- The Company, a subsidiary (“Krungthep Turakij Media Company Limited”), directors and employees of the Group of the Company were accused of defamation by advertising, violating the Computer Crime Act B.E. 2550 (2007) and others in criminal case. The capital of the case was Baht 2,343 million. Subsequently, on 2 April 2018, the court dismissed the plaintiff's complaint on the subsidiary's case. However, on 1 June 2018, the plaintiff withdrew an accusation against all defendants. The court allowed to withdraw and released the case from the case file. The case is finally ended and resolved.
- The Company and directors of the Group of the Company were accused of violating the Limited Public Company Act B.E. 2535 (1992) in civil case. The capital of the case was Baht 42.5 million. However, on 6 October 2016, the Phrakhanong Provincial Court passed a judgement to dismiss the case against the Company and directors of the Group of the Company. The judgement was appealed by a plaintiff in January 2017 and the plaintiff filed a petition to withdraw the appeal in February 2018. In July 2018, the Court of Appeal passed a judgement to dismiss the Court of First Instance's judgement, having the Court of First Instance to wait for an final outcome of the civil case in relation to revocation of resolution of the 2015 Annual General Meeting of Shareholders in order to pass a new judgement in accordance with the merit of the case. Subsequently, according to such civil case, the Supreme Court passed a judgement to uphold the Court of Appeal's judgement, revoking the resolution of the 2015 Annual General Meeting of Shareholders.
- The Company and directors of the Group of the Company were accused of violating the Securities and Exchange Act B.E. 2535 (1992) in civil case. The capital of the case was Baht 51.9 million. Subsequently, on 11 September 2018, the Court of First Instance passed a judgement to dismiss the Company's case.
- On 16 May 2017, the Court of Appeal passed a judgement to revoke the resolution of the 2015 Annual General Meeting of Shareholders of the Company, held on 29 April 2015.



Subsequently, the Company filed a petition to the Supreme Court in July 2017. On 12 February 2019, The Supreme Court passed a judgement to uphold the Court of Appeal's judgement, revoking the resolution of the 2015 Annual General Meeting of Shareholders.

- On 18 September 2018, a former employee as a plaintiff filed a lawsuit against the Company and the Provident Fund to the Central Labor Court, demanding from the Company to pay approximately Baht 47.8 million on 31 December 2018. On 30 April 2019, the court passed a judgement that the plaintiff had no right to receive contribution and benefits from the Provident Fund. The case is currently in the process of extending the time to appeal. However, the Company has not recorded any provision against this claim in the financial statements for year ended 31 December 2018.

## 5. Lawsuits

The Details can be found in the No. 5 Contingent liabilities.

## 6. Benefits or connected transactions between the Company and related parties

Unit : Million Baht

Related Parties / Nature of Business	Relationship	Material Characteristics of Connected Transaction	Transaction Value / Balance of 2018
Nation Broadcasting Corporation Public Company Limited / Production of TV and radio programs, and providing advertisement via TV media, radio media and new-media forms	A subsidiary in which the Company holds 71.45 percent of shares and has common directors	Revenue from sale of goods and rendering of services	25.30
		Sale of equipment	9.04
		Other income	0.27
		Trade accounts receivables	2.15
		Accrued income	0.99
		Other receivables	2.87
		Trade accounts payables	39.29
		Other payables	11.92
		Accrued expenses	2.24
Nation News Network Company Limited / Publishing and distribution of English newspaper, publishing, advertising and new media	A subsidiary in which the Company holds 99.99 percent of shares and has common directors	Revenue from sale of goods and rendering of services	23.26
		Costs of goods sold and rendering of services	0.50
		Sale of equipment	0.42
		Other income	1.30
		Distribution costs and administrative expenses	0.05

Related Parties / Nature of Business	Relationship	Material Characteristics of Connected Transaction	Transaction Value / Balance of 2018
		Trade accounts receivables	19.55
		Accrued income	0.11
		Other receivables	0.08
		Trade accounts payables	19.55
		Other payables	0.08
		Accrued expenses	0.60
Kom Chad Luek Media Company Limited / Publishing and distribution of newspaper, publishing, advertising and new media	A subsidiary in which the Company holds 99.99 percent of shares and has common directors	Revenue from sale of goods and rendering of services	33.09
		Costs of sales of goods and rendering of services	2.04
		Sale of equipment	1.23
		Other income	0.05
		Trade accounts receivables	266.30
		Accrued income	0.45
		Other receivables	0.57
		Trade accounts payables	266.30
		Other payables	0.57
		Accrued expenses	3.95
Krungthep Turakij Media Company Limited / Publishing and distribution of newspaper, publishing, advertising and new media	A subsidiary in which the Company holds 99.99 percent of shares and has common directors	Revenue from sale of goods and rendering of services	89.20
		Costs of sales of goods and rendering of services	7.62
		Sale of equipment	6.04
		Other income	0.25
		Trade accounts receivables	68.50
		Accrued income	0.33
		Other receivables	4.97
		Trade accounts payables	213.44
		Other payables	5.20
		Accrued expenses	7.00
Bangkok Business Broadcasting Company Limited / Production of TV programs and providing advertisements through TV media	A subsidiary in which the Company holds 99.93 percent of shares and has common directors	Revenue from sale of goods and rendering of services	18.29
		Sale of equipment	30.80
		Other income	0.08

Related Parties / Nature of Business	Relationship	Material Characteristics of Connected Transaction	Transaction Value / Balance of 2018
		Trade accounts receivables	4.40
		Accrued income	0.12
		Other receivables	492.02
		Trade accounts payables	5.14
		Other payables	0.06
		Accrued expenses	0.73
NBC Next Vision Company Limited / Production of TV programs and providing advertisements through TV media	A company in which Nation Broadcasting Corporation Public Company Limited holds 99.99 percent of shares and has the common directors	Revenue from sale of goods and rendering of services	2.89
		Other income	0.45
NML Company Limited / Delivery of newspaper and printing	A subsidiary in which the Company holds 99.99 percent of shares and has common directors until 19 September 2018 (the completion date of the disposal of the investments)	Revenue from sale of goods and rendering of services	1.52
		Costs of sales of goods and rendering of services	0.93
		Sale of equipment	0.20
		Other income	0.30
		Distribution costs and administrative expenses	0.66
Nation University / Providing academic service	A University which Nation U Company Limited holds a license and the Company disposed all investments in Nation U Company Limited on 25 July 2018	Revenue from sale of goods and rendering of services	6.59
		Other income	0.66
		Distribution costs and administrative expenses	3.52
Nation International Edutainment Public Company Limited / Importing, producing and distributing local and foreign printing media, production of TV programs and providing advertisements through TV media, digital media and copyright management	A subsidiary in which the Company holds 71.04 percent of shares and has common directors and an associated company in which the Company holds 33.05 percent of shares since 29 November 2018	Revenue from sale of goods and rendering of services	8.14
		Costs of sales of goods and rendering of services	2.50
		Other income	0.93
		Distribution costs and administrative expenses	0.36
		Trade accounts receivables	0.65
		Other receivables	0.09

Related Parties / Nature of Business	Relationship	Material Characteristics of Connected Transaction	Transaction Value / Balance of 2018
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		Accrued income	0.12
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		Costs of sales of goods and rendering of services	2.50
		Other income	0.93
		Distribution costs and administrative expenses	0.36
		Trade accounts receivables	0.65
		Other receivables	0.09

Company shall spend sum of money received from Spring26 on debt repayment of the Company, primarily for financial institutions' debts in the amount of Baht 250.64 million in order that the Company is able to pay its debt within the due date and reduce burden of high interest. Moreover, the Company may spend the residual amount of money as working capital to increase financial liquidity for core businesses in which the Company has an expertise and in accordance with the Company's policy, i.e. printing media, relevant events organization, television business and content production via every channel which can reach customers more and faster as mentioned above. The Board of Directors of the Company viewed that compensation received from the entering into this transaction was sufficient and appropriate.

**8. Material issues under agreements in the past 2 years**

-None-

**9. Asset appraisalment by an independent appraiser**

-None-

**10. Proxy form**

Details of which can be found in the enclosure of the invitation notice of the Extraordinary General Meeting of Shareholders No. 1/2019, Enclosure 8

**11. Audit Committee of the Company who can be a proxy of the shareholders in voting.**

Mr. Apiwut Thongkam, a director not having vested interest on agendas proposed to Extraordinary General Meeting of Shareholders No. 1/2019, Enclosure 6

Please be informed accordingly.

Respectfully yours

Nation Multimedia Group Public Company Limited



Mr. Somchai Meesen

Chief Executive Officer