

**- Translation -**

**Information Memorandum on the Asset Disposal of  
Nation Multimedia Group Public Company Limited**

Reference is made to the Board of Directors' Meeting of Nation Multimedia Group Public Company Limited (the "**Company**") No. 7/2018, convened on 19 July 2018 has a resolution for the Company to dispose all investments in Nation U Company Limited ("**NU**") (a subsidiary of the Company holding the license and operating the Nation University business), i.e., disposing ordinary shares of NU of 30,599,999 shares, equivalent to 90 percent of the total NU shares to Chirasak Chiyachantana Ph.D. Asso.Prof. at an approximate price of Baht 8.3824 per share, amounting the total of Baht 256,500,000 as per the Sale of Shares Agreement of NU dated 13 July 2018, with the precedent condition that the Company as the Seller must receive the approval from the Board of Directors before selling the ordinary shares of NU to Chirasak Chiyachantana Ph.D. Asso.Prof.

The investment mentioned above is considered as an acquisition of assets in accordance with the Notification of the Capital Market Supervisory Board No. TorJor. 20/2551 Re: Rule on Entering into Material Transactions Deemed as Acquisition or Disposal of Asset dated 31 August 2008 (as amended), and the Notification of the Board of Governors of the Stock Exchange of Thailand Re: Disclosure of Information and Other Acts of Listed Companies Concerning the Acquisition or Disposition of Asset B.E. 2547 (2004) dated 29 October 2004 (as amended) (the "**Notification of Acquisition or Disposal of Assets**"). The highest transaction value equals to 45.04 percent based on the net tangible asset basis, being considered as a Class 2 transaction in accordance with the Notification on Acquisition or Disposal of Assets. As a result, the Company is required to disclose the information memorandum on entering into such transaction to the Stock Exchange of Thailand (the "**SET**") and to send a circular letter to the shareholders of the Company within 21 days from the date on which the information memorandum on entering into such transaction is disclosed to the SET.

Therefore, the Company would like to disclose the details of the transaction as prescribed by the Notification of Acquisition or Disposal of Assets as follows:

**1. Transaction Date**

The Company will enter into the transaction after the approval of the meeting of Board of Directors No. 7/2018, held on 19 July 2018. The Company is expected to complete the shares purchase agreements and/or other related agreements signing (if any) and receive all assets payments from all parties involved within the third quarter of the year 2018, and for the conditions in relation to the repayment of debts under the sale of shares agreement of NU dated 13 July 2018, the seller agrees to proceed for the Nation University to repay for the last installment of the debt within 31 January 2019.

**2. Involved Parties and Relationships between the Parties**

<b>Shares Purchase Agreement of Nation U Company Limited dated 13 July 2018</b>	
<b>Seller</b>	The Company
<b>Purchaser</b>	Chirasak Chiyachantana Ph.D. Asso.Prof. is not a connected person of the Company pursuant to the

	Notification of the Capital Market Supervisory Board No. TorChor. 21/2551 Re: Rules on Connected Transactions dated 31 August 2008 (as amended) and the Notification of the Board of Governors of the Stock Exchange of Thailand Re: Disclosure of Information and Other Acts of Listed Companies Concerning the Connected Transactions, dated 19 November 2003 (as amended) (collectively, the <b>“Notifications on Connected Transactions”</b> ).
<b>Detail of the asset to be disposed</b>	30,599,999 ordinary shares of NU, the equivalent of 90 of the total shares of NU at the approximate price of Baht 8.3824, the total of Baht 256,500,000.
<b>Conditions for the debt payment</b>	The seller agrees to proceed for the Nation University to repay the debt for the loans and/or other debts between the Nation University and the Company of Baht 17,920,000 to the Company. The seller agrees for the Nation University to repay such debt in six instalments, Baht 3,000,000 per instalment and the last instalment of Baht 2,920,000, without the interest and will repay each instalment within the last working day of the calendar month, and repay for the first installment within 31 August 2018 and the last installment within 31 January 2019. Furthermore, in the case that Nation University is in default of the debt payment, the buyer agrees for the Nation University to pay the default interest to the Company at the rate of 7.5 percent per year of the default amount.

### 3. General characteristics of the transaction and transaction value and details of the asset disposal

#### 3.1 General Characteristics

The Company will sell all its investment in NU, which is the subsidiary of the Company and holds the license and operating the Nation University business, in other words, selling 30,599,999 ordinary shares of NU, equivalent to 90 of the total shares of NU to Chirasak Chiyachantana Ph.D. Asso.Prof., amounting the totaling of Baht 256,500,000 under the Shares Purchase Agreement of Nation U Company Limited dated 13 July 2018 with the precedent condition for the Company, as the Seller, must receive the approval from the Board of Directors before selling the ordinary shares of NU to Chirasak Chiyachantana Ph.D. Asso.Prof, and this disposal of NU ordinary shares will result in NU not being a subsidiary of the Company.

#### 3.2 Calculation of transaction value

The calculation under the Notifications on Connected Transactions bases on the latest audited consolidated 9- month financial statements of the Company and NU ending 30 September 2017 has the details as follows:

### **1. Book Value of the Net Tangible Asset Criteria**

Book Value of the Net Tangible Asset	$= \frac{(\text{NTA of the investment value in the company} \times \text{disposed or acquired portion}) \times 100}{\text{NTA of the Company}}$
Net Tangible Asset (NTA)	$= \text{Total assets} - \text{Intangible asset} - \text{Deferred Tax Asset} - \text{Total debts} - \text{Uncontrollable equity}$
NTA of the Investment in the Company	$= 229.91 - 0.01 - 42.12$
NTA of the Registered Company	$= 187.78$ $= 4,654.84 - 76.27 - 102.70 - 3,979.15 - 121.48$
Book Value of the Net Tangible Asset	$= 375.24$ $= \frac{(187.78 \times 90) \times 100}{375.24}$ $= 45.04\%$

### **2. Net Profits from Usual Operation Criteria**

Cannot be calculated, as the Company's net profit is negative.

### **3. Total Value of Consideration Criteria**

Total Value of Consideration	$= \frac{(\text{Paid or received transaction value} \times 100)}{\text{NTA of the Company}}$
	Total asset of the registered company
Paid or received transaction value	$= \text{Selling price} + \text{Outstanding loans burden with the Company}$ $= 256.50 + 17.92$ $= 274.42$
Total Value of Consideration	$= \frac{(274.42 \times 100)}{4,654.84}$ $= 5.90\%$

### **4. Value of Securities Issued as Consideration for the Acquisition of the Asset Criteria**

Cannot be calculated, as the Company did not issue securities for the assets acquisition.

From the calculation of the transaction value above, the highest transaction value equals to 45.04 percent, which under the net tangible asset basis is considered as the Class 2 of the Notification of Acquisition or Disposal of Assets. As a result, the Company is required to disclose the information memorandum on entering into such transaction to the SET and to send a circular letter to the shareholders of the Company within 21 days from the date on which the information memorandum on entering into such transaction is disclosed to the SET.

### 3.3 Reasons of entering into the transaction

Currently, the Company encounters the situation of the lack of financial liquidity and the cash flow for the business operation, as the Company has continuous accumulated loss. Thus, the Company considers the business restructure of the Company for purpose of handling the impacts from the downturn of the current economy, including the downturn of several industries other than the main businesses of the Company, i.e. university business. After the disposal of its investment in NU, the Company would proceed with its strategies and policies to engage in the core business of media and content, in which it has expertise, i.e. the production of media business, television media business, and news contents. The asset disposal transaction is not the main business of the Company; thus, it does not have any impact on the operation of the Company. Furthermore, this asset disposal will help reduce debt burden of the Company, resulting in that the Company is able to repay the debt within time specified and operate the business on a continuous basis.

Furthermore, the asset disposal above helps reduce the risk from the management of the financial structure, resulting in the increase of the liquidity of the Company, accommodating the need for the cash flow of the Company by its demand.

## 4. Description of Asset to be disposed

Details of NU are as follows:

### 4.1 General Information

Name of the Company	Nation U Company Limited
Registered Number	0105554027538
Type of Business	Operate the business in relation to the education, having license to form the Nation University, having Bachelor and Master degree, located in Lampang Province , and have the education outside the campus program at Nation Center, Bang Na.
Head office	1854 Bang Na-Trad Rd. Bang Na, Bang Na, Bangkok
Registered capital	Baht 340,000,000
Paid up capital	Baht 340,000,000
Ordinary share	34,000,000 shares
Preferred shares	- None -
Par value	Baht 10 per share



#### 4.2 List of Shareholders as of 19 July 2018

No.	List of shareholders of Nation U Company Limited	Ordinary share (share(s))	Percentage
1.	Nation Multimedia Group Public Company Limited	30,599,999	90.00
2.	Southeast Asia University <sup>1</sup>	3,400,000	10.00
3.	Miss Mathaya Osathanond	1	0.00
	<b>Total</b>	<b>34,000,000</b>	<b>100.00</b>

#### 4.3 List of the Directors of the Company as of 19 July 2018

No.	List of directors of Nation U Company Limited	Position
1.	Mr. Supoth Piansiri	Director
2.	Miss Netnapha Phusittanon	Director
3.	Mr. Somchai Meesen	Director

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<sup>1</sup> The list of the university council is as follows:

- |    |                              |                    |
|----|------------------------------|--------------------|
| 1. | Mr. Sermsin Samalapa         | Chairman           |
| 2. | Mr. Chattavut Peechapol      | Member & President |
| 3. | Mr. Natwut Amornvivat        | Member             |
| 4. | Mr. Weerawat Wattanatchariya | Member             |
| 5. | Mr. Piyapong Paowanich       | Member             |
| 6. | Mr. Rungyos Chantapasa       | Member             |
| 7. | Mr. Visit Satitjindavong     | Member             |
| 8. | Mr. Chartchai Suthiklom      | Member             |
| 9. | Miss Wilai Jearrungsang      | Member             |

## 4.4 Financial information

### 1) Consolidated Financial Statements of NMG of the year 2014-2016 and the 9-month period of the year 2017

(in thousand Baht)

Statement of financial position	2014	%	2015	%	2016	%	Q3-2017	%
Cash and cash equivalents	652,870	8%	207,525	3%	233,694	3%	238,968	5%
Current investments	694,500	8%	822,150	10%	422,376	6%	92,496	2%
Trade accounts receivable	550,644	6%	588,557	7%	398,049	6%	276,944	6%
Accrued income	427,950	5%	782,780	10%	790,269	11%	702,739	15%
Other receivables	77,600	1%	85,826	1%	89,842	1%	78,060	2%
Inventories	386,599	5%	379,968	5%	136,926	2%	92,356	2%
Other current assets	254,646	3%	288,077	3%	381,310	5%	361,802	8%
<b>Total current assets</b>	<b>3,044,809</b>	<b>36%</b>	<b>3,154,883</b>	<b>38%</b>	<b>2,452,466</b>	<b>35%</b>	<b>1,843,365</b>	<b>40%</b>
Long-term investments	69,037	1%	32,419	0%	30,572	0%	27,118	1%
Property, plant and equipment	1,697,384	20%	1,646,419	20%	1,485,521	21%	1,339,476	29%
Investment properties	38,000	0%	44,678	1%	75,447	1%	68,101	1%
Intangible assets	68,878	1%	115,517	1%	174,142	2%	76,271	2%
Digital television licences	3,376,188	39%	2,783,780	34%	2,574,171	36%	1,014,644	22%
Deferred tax assets	115,664	1%	262,922	3%	112,053	2%	102,699	2%
Other non-current assets	165,924	2%	196,600	2%	171,858	2%	183,162	4%
<b>Total non-current assets</b>	<b>5,531,075</b>	<b>64%</b>	<b>5,082,335</b>	<b>62%</b>	<b>4,623,764</b>	<b>65%</b>	<b>2,811,471</b>	<b>60%</b>
<b>Total assets</b>	<b>8,575,884</b>	<b>100%</b>	<b>8,237,218</b>	<b>100%</b>	<b>7,076,230</b>	<b>100%</b>	<b>4,654,836</b>	<b>100%</b>
Bank overdrafts and short-term loans from financial institu	628,680	7%	590,385	7%	939,431	13%	1,222,789	26%
Trade accounts payable	108,345	1%	133,706	2%	99,264	1%	109,366	2%
Current portion of digital television licences payable	473,800	6%	556,204	7%	584,069	8%	296,381	6%
Current portion of long-term loans from financial institutio	100,800	1%	-	0%	120,000	2%	132,000	3%
Short-term borrowings	-	0%	-	0%	160,000	2%	207,405	4%
Current portion of finance lease liabilities	2,968	0%	1,561	0%	1,066	0%	-	0%
Other payables	206,719	2%	119,649	1%	146,136	2%	181,505	4%
Accrued expenses	235,418	3%	216,232	3%	187,345	3%	154,123	3%
Current income tax payable	3,830	0%	1,369	0%	50	0%	-	0%
Other current liabilities	207,674	2%	236,238	3%	248,669	4%	213,038	5%
<b>Total current liabilities</b>	<b>1,968,234</b>	<b>23%</b>	<b>1,855,344</b>	<b>23%</b>	<b>2,486,030</b>	<b>35%</b>	<b>2,516,607</b>	<b>54%</b>
Digital television licences payable	2,470,400	29%	1,714,138	21%	1,130,070	16%	1,125,205	24%
Long-term loans from financial institutions	15,356	0%	-	0%	158,833	2%	85,625	2%
Finance lease liabilities	2,832	0%	1,271	0%	-	0%	-	0%
Deferred tax liabilities	-	0%	17,826	0%	20,909	0%	21,613	0%
Employee benefit obligations	149,358	2%	163,856	2%	167,253	2%	135,134	3%
Other non-current liabilities	153,539	2%	130,432	2%	105,061	1%	94,970	2%
<b>Total non-current liabilities</b>	<b>2,791,485</b>	<b>33%</b>	<b>2,027,523</b>	<b>25%</b>	<b>1,582,126</b>	<b>22%</b>	<b>1,462,547</b>	<b>31%</b>
<b>Total liabilities</b>	<b>4,759,719</b>	<b>56%</b>	<b>3,882,867</b>	<b>47%</b>	<b>4,068,156</b>	<b>57%</b>	<b>3,979,154</b>	<b>85%</b>
Share capital	1,757,663	20%	2,155,849	26%	2,155,959	30%	2,155,959	46%
Premium on ordinary shares	802,590	9%	1,169,345	14%	1,169,694	17%	1,169,694	25%
Share premium on ordinary shares of subsidiaries	94,329	1%	95,398	1%	96,605	1%	96,939	2%
Warrants	14,287	0%	18,665	0%	30,012	0%	34,041	1%
Reserve on acquisition of warrants	-	0%	(91,013)	-1%	(91,013)	-1%	(91,013)	-2%
Other components of equity	24,844	0%	(4,250)	0%	(4,232)	0%	95	0%
Retained earnings (Deficit)								
- Legal reserves	19,700	0%	32,700	0%	32,700	0%	32,700	1%
- Unappropriated (Deficit)	641,394	7%	522,640	6%	(708,949)	-10%	(2,844,215)	-61%
Non-controlling interests	461,358	5%	455,017	6%	327,298	5%	121,482	3%
<b>Total equity</b>	<b>3,816,165</b>	<b>44%</b>	<b>4,354,351</b>	<b>53%</b>	<b>3,008,074</b>	<b>43%</b>	<b>675,682</b>	<b>15%</b>
<b>Total liabilities and equity</b>	<b>8,575,884</b>	<b>100%</b>	<b>8,237,218</b>	<b>100%</b>	<b>7,076,230</b>	<b>100%</b>	<b>4,654,836</b>	<b>100%</b>

(in thousand Baht)

Statement of income	2014	%	2015	%	2016	%	Q3-2017	%
Revenue from sale of goods and rendering of services	2,827,711	96%	3,014,590	95%	2,097,393	96%	1,305,374	96%
Investment income	41,501	1%	28,810	1%	22,604	1%	7,891	1%
Gain on disposal of investments	-	0%	61,521	2%	1,228	0%	-	0%
Gain from bargain purchase	7,579	0%	-	0%	-	0%	-	0%
Other income	74,011	3%	60,115	2%	60,838	3%	49,981	4%
<b>Total income</b>	<b>2,950,802</b>	<b>100%</b>	<b>3,165,036</b>	<b>100%</b>	<b>2,182,063</b>	<b>100%</b>	<b>1,363,246</b>	<b>100%</b>
Cost of sale of goods and rendering of services	1,983,778		2,209,915		2,000,460		1,347,165	
Selling and administrative expenses	795,445		863,492		1,107,572		2,219,787	
<b>Total expenses</b>	<b>2,779,223</b>		<b>3,073,407</b>		<b>3,108,032</b>		<b>3,566,952</b>	
<b>Profit (loss) before finance cost and income tax expense</b>	<b>171,579</b>		<b>91,629</b>		<b>(925,969)</b>		<b>(2,203,706)</b>	
Finance costs	(71,167)		(166,022)		(152,358)		(128,928)	
Income tax (expense) benefit	(30,748)		101,035		(163,781)		(8,966)	
Share of profit (loss) of associate	427		320		1,080		(57)	
<b>Profit (loss) for the year</b>	<b>70,091</b>		<b>26,962</b>		<b>(1,241,028)</b>		<b>(2,341,657)</b>	
<b>Non-controlling interests</b>	<b>(5,633)</b>		<b>8,620</b>		<b>138,183</b>		<b>206,492</b>	
<b>Profit (loss) to owners of parent</b>	<b>64,458</b>		<b>35,582</b>		<b>(1,102,845)</b>		<b>(2,135,165)</b>	

2) Financial Statements of NU and the Nation University of the year 2014-2016  
and the 9-month period of the year 2017

(in thousand Baht)

Statement of financial position	2014	%	2015	%	2016	%	Q3-2017	%
Cash and cash equivalents	10,738	4%	14,646	6%	22,188	9%	17,654	8%
Trade accounts receivable	10,479	4%	4,624	2%	3,842	2%	7,704	3%
Accrued income	-	0%	26	0%	475	0%	9	0%
Other receivables	3,672	1%	2,635	1%	3,462	1%	2,073	1%
Inventories	384	0%	266	0%	197	0%	156	0%
Other current assets	10,855	4%	-	0%	-	0%	-	0%
<b>Total current assets</b>	<b>36,128</b>	<b>13%</b>	<b>22,197</b>	<b>9%</b>	<b>30,164</b>	<b>12%</b>	<b>27,596</b>	<b>12%</b>
Property, plant and equipment	237,721	85%	231,326	91%	213,427	87%	202,295	88%
Intangible assets	339	0%	218	0%	89	0%	12	0%
Other non-current assets	4,604	2%	1,698	1%	275	0%	12	0%
<b>Total non-current assets</b>	<b>242,664</b>	<b>87%</b>	<b>233,242</b>	<b>91%</b>	<b>213,791</b>	<b>88%</b>	<b>202,319</b>	<b>88%</b>
<b>Total assets</b>	<b>278,792</b>	<b>100%</b>	<b>255,439</b>	<b>100%</b>	<b>243,955</b>	<b>100%</b>	<b>229,915</b>	<b>100%</b>
Trade accounts payable	2,945	1%	1,135	0%	1,119	0%	1,616	1%
Other payables	147,300	53%	159,241	62%	6,758	3%	10,277	4%
Accrued expenses	4,230	2%	2,087	1%	1,868	1%	1,945	1%
Other current liabilities	1,451	1%	1,120	0%	2,259	1%	130	0%
<b>Total current liabilities</b>	<b>155,926</b>	<b>56%</b>	<b>163,583</b>	<b>64%</b>	<b>12,004</b>	<b>5%</b>	<b>13,968</b>	<b>6%</b>
Employee benefit obligations	4,879	2%	6,036	2%	7,332	3%	8,081	4%
Other non-current liabilities	26,856	10%	24,510	10%	18,196	7%	20,075	9%
<b>Total non-current liabilities</b>	<b>31,735</b>	<b>11%</b>	<b>30,546</b>	<b>12%</b>	<b>25,528</b>	<b>10%</b>	<b>28,156</b>	<b>12%</b>
<b>Total liabilities</b>	<b>187,661</b>	<b>67%</b>	<b>194,129</b>	<b>76%</b>	<b>37,532</b>	<b>15%</b>	<b>42,124</b>	<b>18%</b>
Share capital	170,000	61%	170,000	67%	340,000	139%	340,000	148%
Retained earnings (Deficit)	-	0%	-	0%	-	0%	-	0%
- Legal reserves	-	0%	-	0%	-	0%	-	0%
- Unappropriated (Deficit)	(78,869)	-28%	(108,690)	-43%	(133,577)	-55%	(152,209)	-66%
<b>Total equity</b>	<b>91,131</b>	<b>33%</b>	<b>61,310</b>	<b>24%</b>	<b>206,423</b>	<b>85%</b>	<b>187,791</b>	<b>82%</b>
<b>Total liabilities and equity</b>	<b>278,792</b>	<b>100%</b>	<b>255,439</b>	<b>100%</b>	<b>243,955</b>	<b>100%</b>	<b>229,915</b>	<b>100%</b>

(in thousand Baht)

Statement of income	2014	%	2015	%	2016	%	Q3-2017	%
Education service income	51,795	70%	81,323	85%	72,992	80%	50,469	82%
Interest income	97	0%	94	0%	180	0%	98	0%
Other income	21,604	29%	14,260	15%	18,165	20%	10,912	18%
<b>Total income</b>	<b>73,496</b>	<b>100%</b>	<b>95,677</b>	<b>100%</b>	<b>91,337</b>	<b>100%</b>	<b>61,479</b>	<b>100%</b>
Cost of sale of goods and rendering of services	48,246		49,567		48,021		32,560	
Selling and administrative expenses	56,130		75,532		67,756		47,234	
<b>Total expenses</b>	<b>104,376</b>		<b>125,099</b>		<b>115,777</b>		<b>79,794</b>	
<b>Profit (loss) before finance cost and income tax expense</b>	<b>(30,880)</b>		<b>(29,422)</b>		<b>(24,440)</b>		<b>(18,315)</b>	
Finance costs	(323)		(399)		(448)		(206)	
Income tax (expense) benefit	-		-		-		-	
<b>Profit (loss) for the year</b>	<b>(31,203)</b>		<b>(29,821)</b>		<b>(24,888)</b>		<b>(18,521)</b>	

## 5. Total value of consideration

The Company will dispose all the investment in NU, disposal of 30,599,999 ordinary shares of NU, the equivalent of 90 percent of the total shares of NU to Chirasak Chiyachantana Ph.D. Asso.Prof. at the approximate price of Baht 8.3824, amounting the total value of Baht 256,500,000. Furthermore, the seller agrees to proceed for the Nation University to repay the debt for the loans and/or other debts between the Nation University and the Company of Baht 17,920,000 to the Company. The seller agrees for the Nation University to repay such debt in six instalments, Baht 3,000,000 per instalment and the last instalment of Baht 2,920,000.

The value of consideration has been taken into account of the appraisal of the shares of the business by different approaches, i.e. book value approach, adjusted book value approach, price to book value approach and discounted cash flow approach, which appraised By Orion Advisory Company Limited as the financial advisor of the Company. Nevertheless, the financial advisor of the Company has the opinion that the adjusted book value approach is the most appropriate approach; as such, approach reflects the current market value of the total assets of NU. Furthermore, the period from 2014 to 2016, NU had suffered loss in operation; thus, the discounted cash flow approach would not reflect the true value of NU.

In this regard, the Board of Directors has considered and had the opinion that the pricing criteria are appropriate for the Company to be able to dispose the assets at the price that is consistent with the market conditions during the downturn of the economy and the growth of the industry of the business group that will be disposed has the trend to be continuously decline during the past years, and the fact that the Company has the need to use the cash flow, and such price is higher than the book value. The appraisal is done base on the adjusted book value approach of the total investment in NU in the range of Baht 219.73 and 320.44 million. The mentioned range is calculated from the value of all assets deducted with the value of all liabilities of the Nation University and adjusted with the value of the asset according to the appraised price of the market value of the asset as well as the forced sale value. Taken into account of the value of the investment in NU in proportion that the Company has the shareholding in NU, the disposing price of the shares in NU, totaling Baht 256,500,000 is higher than the book value according to the consolidated financial statements of the Company. Nevertheless, even though the negotiated price received from the buyer of this transaction is lower than the “standard price” that will be used in the tender offer at Baht

317,860,000, as approved by the Extraordinary General Meeting of Shareholders No. 1/2018, which was held on 28 February 2018, the Company has tried to proceed with the tender offer for the disposal of assets for two times in March and April 2018. However, it appears that there was no other interested party submitted the offer for the asset; as such, the Company has to have the resolution of the Extraordinary General Meeting of Shareholders No. 2/2018, which was held on 19 June 2018, to approve the cancellation of the disposal of assets as per the agenda item 3 of the Extraordinary General Meeting of Shareholders No. 1/2018, which was held on 28 February 2018. For the reason that the “standard price” that was approved by the Extraordinary General Meeting of Shareholders No. 1/2018 is inconsistent and not in accordance with the market conditions of each of the asset during the tender offer process.

**6. Criteria to determine total value of consideration**

The disposal of all the investment in NU of 30,599,999 shares or the equivalent of 90 percent if the total shares of NU equals to Baht 256,500,000 are the prices and conditions from the negotiation between the purchaser and the Company, together with the business valuation.

**7. Expected benefits to the company from the asset disposal**

- 7.1 The transactions are part of restructuring plan of business group with a view to withstand the potential impacts from the downturn of the current economy, as well as, to commit in pursuing its strategies and policies to engage in the core business of media and content, in which it has expertise (the newspaper: Bangkok Biz, The Nation, Kom Chad Luek), organizing of relevant activities, production of the contents, and television media (Digital television station: Nation 22) of NBC group and business of NINE group) and the production of the program contents, which are all business that the Company has the experiences and expertise, and are truly the strength of the Nation Group.
- 7.2 The asset disposal will help reduce the debt burden of the Company, resulting in the Company being able to repay the debts within time specified and operate the business smoothly. Currently, the Company has the debts with interest with the third parties of approximately Baht 1,584 million, and the Company will use the proceeds received from the transaction to repay for the short-term debts of the Company, which are the bills of exchange and the promissory notes, and the Company will repay the short-term debts with high interest rate and the debts that have assets of the Company as the collateral first.
- 7.3 The asset disposal above helps reduce the risk from the management of the financial structure, resulting in the increase of the liquidity of the Company, accommodating the need for the cash flow of the Company.

**8. Use of proceeds from the assets disposal transaction plan**

Proceeds received from the disposal of the investments in NU would use to reduce the debt burden of the Company, as the Company has the debt with the financial institution and short-term loan of Baht 1,647.82 million, and also the debt of the digital television license fee of approximately Baht 1,421.59 million, totaling of Baht 3,069.41 million, based on the information as of 30 September 2017. This is for the Company to be able to repay the debt within the specified time and to be able to reduce the burden of increasing interest that occurs from the debt burden.

Furthermore, the Company may use the proceeds as the working capital for the main business of the Company that it has the expertise and in accordance with the policy of the Company, i.e. printing media, organizing of relevant activities, production of the contents,



television media, and the production of the program contents, including the relevant businesses that have the potential to grow and support the main business of the Company, for the Company to be able to continuously operate.

**9. Condition for the entering into the transaction**

As this entering into the transaction is considered as the Class 2 of the Notification of Acquisition or Disposal of Assets, after the meeting of Board of Directors No. 7/2018, held on 19 July 2018, the Company is therefore required to disclose the information memorandum on entering into such transaction to the SET and to send a circular letter to the shareholders of the Company within 21 days from the date on which the information memorandum on entering into such transaction is disclosed to the SET.

The Company will complete the shares purchase agreements and/or other related agreements signing (if any) and receive all assets payments from all parties involved within the third quarter of the year 2018. As for the conditions in relation to the repayment of debts under the sale of shares agreement of NU dated 13 July 2018, the seller agrees to proceed for the Nation University to repay for the last installment of the debt within 31 January 2019.

**10. Opinion of the Board of Directors on the entering into the transaction**

The meeting of Board of Directors No. 7/2018, held on 19 July 2018, has carefully considered this investment, by considering both the conditions of the entering into transaction, the appropriateness of the sale value as specified in no. 5, the ability to repay of the buyer in a manner than the buyer has demonstrated reliable evidence that the buyer has the ability to pay as the conditions specified above, and the seller has agreed to pay the consideration in three cashier's cheques and agreed to use the safe of a commercial bank to keep the cheques from 13 July 2018, and for the person specified by the buyer and the Company to be authorized to access the safe. The benefits occurred from the entering into the transaction and other factors in relation to the entering into transaction, and has an opinion that the entering into the transaction is appropriate and for the benefits of the Company and the shareholders, and under reasonable conditions.

**11. Opinion of the Audit Committee and/or opinion of the Director which is different from the opinion in No. 10**

The Company's Board of Directors has an opinion which is consistent with the Board of Directors' resolution above (unanimous) and no member of the Audit Committee has a different opinion from that of the Board of Directors.

## **Information Memorandum 2**

### **1. Responsibility of the Board of Directors on Information Memorandum which is sent to Shareholders**

The Board of Directors of the Company have reviewed and examined the information of this memorandum with care and certified that the information contained in this memorandum is accurate, complete, truth, not materially misleading and no important information, which should be disclosed, are omitted.

### **2. The Qualification of Independent Financial Advisor to Express the Opinion of the Transaction**

-None-

### **3. Financial Statements**

#### **Nation Multimedia Group Public Company Limited and its Subsidiaries**

#### **Statement of financial position**

#### **Consolidated financial statements**

<b>Assets</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>Q3 2017</b>
<i><b>Current assets</b></i>					
Cash and cash equivalents	1,467,849,138	652,869,443	207,525,311	233,693,922	238,968,329
Current investments	138,320,000	694,500,000	822,149,643	422,376,193	92,496,084
Trade accounts receivables	757,771,277	550,643,694	588,556,740	398,048,724	276,944,440
Accrued income	165,420,566	427,950,416	782,780,106	790,269,095	702,739,201
Other receivables	68,579,402	77,600,289	85,826,136	89,842,411	78,059,344
Inventories	274,048,248	386,599,141	379,967,569	136,926,036	92,356,323
Other current assets	200,974,578	254,646,276	288,077,194	381,309,520	361,801,325
<b>Total current assets</b>	<b>3,072,963,209</b>	<b>3,044,809,259</b>	<b>3,154,882,699</b>	<b>2,452,465,901</b>	<b>1,843,365,045</b>
<i><b>Non-current assets</b></i>					
Restricted deposits	2,589,301	3,330,908	2,682,654	861,618	1,250,100
Investment in associate companies	27,791,492	21,756,420	22,076,249	23,156,526	23,099,649
Investments in subsidiaries	-	-	-	-	-
Long-term investments in related parties	-	-	-	-	-
Long-term investments in other companies	31,199,517	47,280,600	10,342,497	7,415,844	4,019,185

Investment properties	38,000,000	38,000,000	44,677,757	75,446,583	68,100,638
Property, plants and equipment	1,740,049,863	1,700,949,217	1,646,419,498	1,485,520,797	1,339,475,205
Intangible assets	83,929,434	65,312,990	115,517,353	174,142,242	76,270,900
Digital television licenses	-	2,992,824,303	2,783,779,533	2,574,170,702	1,014,644,337
Deferred tax assets	98,775,128	129,280,587	262,921,978	112,053,123	102,699,697
Other non-current assets	255,721,922	162,592,750	193,917,736	170,996,910	181,911,497
<b>Total non-current assets</b>	<b>2,278,056,657</b>	<b>5,161,327,775</b>	<b>5,082,335,255</b>	<b>4,623,764,345</b>	<b>2,811,471,208</b>
<b>Total assets</b>	<b>5,351,019,866</b>	<b>8,206,137,034</b>	<b>8,237,217,954</b>	<b>7,076,230,246</b>	<b>4,654,836,253</b>

#### **Liabilities and shareholders' equity**

##### *Current liabilities*

Bank overdrafts and short-term loans from financial institutions	293,915,945	628,680,584	590,384,836	939,430,992	1,222,788,850
Trade accounts payable	115,357,241	108,345,331	133,706,003	99,264,197	109,366,094
Other payables	206,368,243	206,718,660	119,649,313	146,135,435	181,505,446
Current amount of digital television license payables		358,579,929	556,203,640	584,068,719	296,380,330
Current amount of long-term liabilities from financial institutions	120,331,250	100,800,000	-	120,000,000	132,000,000
Short-term loans		-	-	160,000,000	207,404,897
Current amount of finance lease liabilities	7,825,544	2,967,817	1,561,041	1,066,172	-
Accrued expenses	235,409,631	235,417,986	216,231,989	187,344,952	154,123,120
Current income tax payable	2,795,427	3,830,147	1,369,142	50,181	-
Other current liabilities	144,863,158	207,673,815	236,238,259	248,669,057	213,038,571
<b>Total current liabilities</b>	<b>1,126,866,439</b>	<b>1,853,014,269</b>	<b>1,855,344,223</b>	<b>2,486,029,705</b>	<b>2,516,607,307</b>

##### *Non-current liabilities*

Digital television licenses

payables		2,270,342,030	1,714,138,390	1,130,069,671	1,125,205,314
Long-term loans from financial institutions	152,217,879	15,356,293	-	158,833,333	85,625,000
Finance lease liabilities	5,799,642	2,831,825	1,270,784	-	-
Deferred tax liabilities	-	-	17,826,173	20,909,398	21,613,146
Employee benefits obligations	134,458,894	149,357,718	163,856,203	167,252,750	135,133,979
Other non-current liabilities	147,047,965	153,538,659	130,431,918	105,061,289	94,970,138
<b>Total non-current liabilities</b>	<b>439,524,380</b>	<b>2,591,426,525</b>	<b>2,027,523,468</b>	<b>1,582,126,441</b>	<b>1,462,547,577</b>
<b>Total liabilities</b>	<b>1,566,390,819</b>	<b>4,444,440,794</b>	<b>3,882,867,691</b>	<b>4,068,156,146</b>	<b>3,979,154,884</b>
<b><i>Shareholders' equity</i></b>					
Share capital					
Authorised share capital	2,663,572,195	2,663,572,195	2,663,572,195	2,663,572,195	2,663,572,195
Issued and paid-up share capital	1,751,120,832	1,757,662,976	2,155,848,809	2,155,959,049	2,155,959,049
Share premium		-	-	-	-
Premium on ordinary shares	784,501,401	802,589,749	1,169,344,804	1,169,694,244	1,169,694,244
Premium on ordinary shares of subsidiaries	94,372,016	94,328,676	95,397,593	96,604,862	96,939,173
Warrants	5,135,848	14,287,705	18,665,439	30,012,457	34,040,577
		-	-	-	-
Reserve on acquisition of warrants		-	(91,013,286)	(91,013,286)	(91,013,286)
Retained earnings (Deficit)		-	-	-	-
Appropriated earnings		-	-	-	-
Legal reserve	11,700,000	19,700,000	32,700,000	32,700,000	32,700,000
Unappropriated earnings (Deficit)	650,840,315	592,911,367	522,640,169	(708,949,691)	(2,844,211,788)
Other components of shareholders' equity	11,979,210	24,844,077	(4,250,405)	(4,231,727)	95,121
<b>Equity attributable to owners of the parent company</b>	<b>3,309,649,622</b>	<b>3,306,324,550</b>	<b>3,899,333,123</b>	<b>2,680,775,908</b>	<b>554,203,090</b>
Non-controlling interests	474,979,425	455,371,690	455,017,140	327,298,192	121,478,279
<b>Total shareholders' equity</b>					

	3,784,629,047	3,761,696,240	4,354,350,263	3,008,074,100	675,681,369
<b>Total liabilities and shareholders' equity</b>	<b>5,351,019,866</b>	<b>8,206,137,034</b>	<b>8,237,217,954</b>	<b>7,076,230,246</b>	<b>4,654,836,253</b>
	-	-	-	-	(0.00)

**Nation Multimedia Group Public Company Limited and its Subsidiaries**

**Statement of comprehensive income**

**Consolidated financial statements**

	2013	2014	2015	2016	Q3 2017
<b><i>Income</i></b>					
Revenue from sale of goods and rendering of services	2,949,252,788	2,827,711,317	3,014,589,717	2,097,392,625	1,305,374,204
Investment income	27,455,893	41,501,285	28,809,932	22,603,972	7,890,979
Gains from disposal of investments	-	-	61,521,601	1,228,398	
Other income	83,157,067	74,478,893	60,115,007	60,837,862	49,981,285
<b>Total revenue</b>	<b>3,059,865,748</b>	<b>2,943,691,495</b>	<b>3,165,036,257</b>	<b>2,182,062,857</b>	<b>1,363,246,468</b>
<b><i>Expenses</i></b>					
Costs of sales of goods and rendering of services	1,795,387,440	1,964,813,254	2,209,914,777	2,000,459,926	1,347,164,653
Sales expenses	292,663,761	259,812,841	296,531,100	212,949,366	75,008,048
Administrative expenses	547,154,144	528,521,362	566,961,134	690,177,550	2,144,779,397
Losses on business restructuring of subsidiaries					
Finance costs	76,673,764	158,217,893	166,022,727	152,358,315	128,928,486
<b>Total expenses</b>	<b>2,711,879,109</b>	<b>2,911,365,350</b>	<b>3,239,429,738</b>	<b>3,260,390,449</b>	<b>3,695,880,584</b>
Share of profits from investments in associate companies	806,301	426,928	319,829	1,080,277	(56,877)
<b>Profits (loss) before income tax expenses</b>	<b>348,792,940</b>	<b>32,753,073</b>	<b>(74,073,652)</b>	<b>(1,077,247,315)</b>	<b>(2,332,690,993)</b>
Income tax (expenses) benefit	(71,157,113)	(17,130,907)	101,035,433	(163,780,961)	(8,965,369)
<b>Total Profit (Loss) for the period</b>	<b>277,635,827</b>	<b>15,622,166</b>	<b>26,961,781</b>	<b>(1,241,028,276)</b>	<b>(2,341,656,361)</b>
<b>Other comprehensive income</b>					
<b><i>Items that will not be reclassified as profit or loss</i></b>					

Defined benefits plan actuarial losses	(44,928,055)	132,054	-	(11,968,306)	(111,208)
Income tax relating to components of other comprehensive income	8,985,611	-	-	2,393,661	-
	<b>(35,942,444)</b>	<b>132,054</b>	<b>-</b>	<b>(9,574,645)</b>	<b>(111,208)</b>
<i>Items that may be reclassified as profit or loss</i>					
Net change in fair value of available-for-sale investments	1,739,797	16,081,083	(338,103)	386,247	6,134
Net change in fair value of available-for-sale investments transferred to profit or loss	-	-	(36,030,000)	(362,900)	5,452,889
Income tax on other comprehensive income	(501,293)	(3,216,216)	7,273,621	(4,669)	(1,091,805)
	<b>1,238,504</b>	<b>12,864,867</b>	<b>(29,094,482)</b>	<b>18,678</b>	<b>4,367,218</b>
<b>Other comprehensive income (loss) for the period, net of income tax</b>	<b>(34,703,940)</b>	<b>12,996,921</b>	<b>(29,094,482)</b>	<b>(9,555,967)</b>	<b>4,256,010</b>
<b>Total comprehensive income (loss) for the period</b>	<b>242,931,887</b>	<b>28,619,087</b>	<b>(2,132,701)</b>	<b>(1,250,584,243)</b>	<b>(2,337,400,351)</b>
<b>Profit (loss) attributable to:</b>					
Owners of the Company	251,721,409	15,975,611	35,582,435	(1,102,845,279)	(2,135,164,780)
Non-controlling interests	25,914,418	(353,445)	(8,620,654)	(138,182,997)	(206,491,581)
<b>Total Losses for the year</b>	<b>277,635,827</b>	<b>15,622,166</b>	<b>26,961,781</b>	<b>(1,241,028,276)</b>	<b>(2,341,656,361)</b>
	-	-	-	-	-
<b>Total comprehensive income (loss) attributable to:</b>					
Owners of the Company	211,894,340	28,959,327	6,487,953	(1,109,560,462)	(2,130,937,770)
Non-controlling interests	31,037,547	(340,240)	(8,620,654)	(141,023,781)	(206,462,581)
<b>Total comprehensive income (loss) for the period</b>	<b>242,931,887</b>	<b>28,619,087</b>	<b>(2,132,701)</b>	<b>(1,250,584,243)</b>	<b>(2,337,400,351)</b>
	-	-	-	-	-

Nation Multimedia Group Public Company Limited and its Subsidiaries

Statement of Cash Flow

Consolidated financial statements

2014                      2015                      2016                      Q3 2017



*Cash flow from operating activities*

Profit (loss) for the year	15,622,166	26,961,781	(1,241,028,276)	(2,341,656,361)
<i>Adjustments for:</i>				
Depreciation	221,634,537	203,084,848	202,460,891	135,976,290
Amortisation of assets	73,649,269	119,346,385	106,856,703	101,692,095
Amortisation of digital television licenses	142,847,260	209,044,770	209,608,831	156,516,365
Investment income	(41,501,285)	(28,809,932)	(22,603,972)	(7,890,979)
Finance costs	158,217,893	166,022,727	152,358,315	128,928,486
Bad and doubtful debts expenses	(9,551,067)	5,194,126	6,680,120	1,942,644
Reversal of allowance for goods return	(134,908)	(9,456,585)	(2,545,742)	(3,451,561)
(Reversal of) losses on decline in value of inventories	3,147,960	4,070,674	127,380,630	2,013,260
Impairment losses on assets				1,493,770,000
Impairment losses from long-term investment in other companies	(56,000,000)	-	2,950,000	
Gains from bargain purchases	(7,579,285)			
Losses from the measurement in fair value of prior non-controlling interest of acquiree	7,110,884			
(Gains) losses on disposal of investments in subsidiary	48,035,197	(31,341,723)	-	
Gains on disposal of long-term investments in other companies	-	(30,105,160)	(362,900)	5,914,027
Gains on disposal of debt securities in private funds				(937,583)
Gains on disposal of investments in debt securities	-	(70,031)	(865,968)	(1,774,498)
Unrealised (gains) losses on valuation adjustment of investment in debt securities	-	(4,687)	(280,643)	(312,623)
Reversal of impairment losses in investment property	-	(6,677,757)	-	
Gains on disposal of buildings and equipment	(2,903,000)	(641,478)	(796,461)	(450,997)
Losses on amortisation of assets	1,125,820	774,407	17,459,221	10,345,797
Losses on decline in value of other non-current assets				861,019
Losses on disposal of investment properties				2,110,442
Employee benefits obligations	11,540,862	11,726,981	(11,828,151)	(35,190,365)
Share-based payment transactions	22,373,753	19,561,447	12,135,314	3,886,425
Share of profits from investments in associate companies, net of tax	(426,928)	(319,829)	(1,080,277)	56,877

Income tax expenses (benefits)	17,130,907	(101,035,433)	163,780,961	8,965,369
	604,340,035	557,325,531	(279,721,404)	(338,685,872)

*Changes in operating assets and liabilities*

Trade accounts receivables	216,641,249	(33,977,492)	163,776,595	121,758,519
Accrued income	(262,529,850)	(354,829,690)	(7,488,989)	87,529,894
Other receivables	(10,669,511)	(5,110,418)	(6,097,077)	11,390,339
Inventories	(115,921,961)	2,571,902	115,659,107	34,116,453
Other current assets	(78,591,570)	(74,275,254)	(82,796,475)	13,523,659
Restricted deposits	(302,397)	648,254	1,821,036	(388,482)
Deferred tax assets	(11,215,903)			
Other non-current assets	132,830,303	12,818,861	5,264,757	61,489
Trade accounts payables	(10,186,171)	15,399,250	(39,471,572)	14,557,685
Other payables	(3,195,895)	(77,765,059)	(2,234,551)	33,220,921
Accrued expenses	22,210,566	(29,975,134)	(13,139,112)	(32,961,274)
Other current liabilities	51,559,679	26,227,033	12,430,798	(35,630,487)
Employee benefits obligations	(2,145,945)	(3,500,530)	(1,848,560)	(0)
Other non-current liabilities	116,560,633	(23,106,741)	(25,370,629)	(10,091,150)
Cash generated from (used in) operating activities	649,383,262	12,450,513	(159,216,076)	(101,598,305)
Income taxes paid	(84,056,228)	(55,115,233)	(66,261,227)	(53,179,333)
Withholding tax refunded	-	-	60,748,025	47,031,553
<b>Net cash used in operating activities</b>	<b>565,327,034</b>	<b>(42,664,720)</b>	<b>(164,729,278)</b>	<b>(107,746,085)</b>

*Cash flow from investment activities*

Interest received	40,384,692	28,354,508	25,320,078	5,837,836
Dividends received	7,578,593	840,152	36	24,322
Current investments	(556,180,000)	(102,580,838)	598,302,300	195,731,667
Private funds				(88,337,381)

Purchase of investments in debt securities	-	(185,516,000)	(1,301,400,000)	(1,033,100,000)
Net cash inflow from disposal of investments in debt securities	-	160,521,912	1,104,017,760	1,258,784,776
Cash inflow from refundable deposit guarantees for licencing auction	14,000,000	-	-	-
Digital television licence payments	(533,800,000)	(473,800,000)	(647,600,000)	(323,800,000)
Proceeds from sales of investment properties				8,709,460
Purchase of buildings and equipment	(181,759,635)	(166,751,861)	(27,574,311)	(5,752,588)
Proceeds from sales of equipment	9,357,252	5,186,316	1,971,099	900,800
Purchase of programme licences	(71,778,645)	(94,697,957)	(174,335,587)	(69,946,248)
Purchase of intangible assets	(16,182,770)	(11,549,219)	(10,827,295)	(16,859,016)
Net cash inflow from disposal of long-term investments in other companies	-	30,675,160	362,900	2,767,406
<b>Net cash from (used in) investment activities</b>	<b>(1,288,380,513)</b>	<b>(809,317,827)</b>	<b>(431,763,020)</b>	<b>(65,038,966)</b>
				<b>0.00</b>

***Cash flow from financing activities***

Interest paid	(95,207,449)	(43,260,848)	(55,207,841)	(98,494,112)
Dividends paid to owners of the Company	(66,050,084)	(92,853,633)	(122,025,831)	-
Dividends paid to non-controlling interests of subsidiaries	(20,460,289)	(9,683,459)	(16,985,245)	(2,712,500)
Bank overdrafts and short-term loans from financial institutions	334,764,639	(38,295,748)	349,046,156	288,505,254
Short-term loans	-	-	160,000,000	50,000,000
Finance lease payments	(8,189,980)	(3,160,967)	(1,850,172)	(1,072,880)
Proceeds from long-term loans from financial institutions	-	-	300,000,000	-
Repayment of long-term loans from financial institutions	(157,150,000)	(117,600,000)	(20,000,000)	(60,000,000)
Proceeds from exercise of share options	12,764,387	752,332,338	208,000	-
Net cash inflow on disposal of investments in subsidiaries	26,412,216	49,496,994	13,975,842	-
Net cash outflow on acquisition of investments in subsidiaries	(10,000,000)	-	-	-
Net cash outflow on acquisition of Warrants of the Company	-	(91,013,286)	-	-
Proceeds from paid-up share capital of non-controlling interests	169,681	677,024	-	-
Cash outflow for long-term loan fees		-		

	(304,677)		(1,500,000)	(2,000,000)
Repayment of long-term loans from other companies	(110,069,940)			
Acquisition of non-controlling interests	-	-	17,000,000	3,833,695
<b>Net cash from financing activities</b>	<b>(93,321,496)</b>	<b>406,638,415</b>	<b>622,660,909</b>	<b>178,059,458</b>
				-
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>(816,374,975)</b>	<b>(445,344,132)</b>	<b>26,168,611</b>	<b>5,274,407</b>
Cash and cash equivalents as at 1 January	1,469,244,418	652,869,443	207,525,311	233,693,922
<b>Cash and cash equivalents as at 31 December</b>	<b>652,869,443</b>	<b>207,525,311</b>	<b>233,693,922</b>	<b>238,968,329</b>
	-	-	-	(0)
<i>Non-cash transactions</i>				
Payables for purchases of buildings and equipment	15,341,160	1,968,599	305,742	338,923
Payables for purchase of programme licences	12,074,242	31,544,084	22,242,415	17,631,441
Payables for purchases of intangible assets	-	3,573,200	3,218,552	605,275
Digital television licences payables	2,628,921,959	2,270,342,030	1,714,138,390	1,421,585,644
Barter assets from rendering of services	-	-	52,699,881	8,785,441

## **Management Discussion and Analysis**

According to the Financial Statement of Nation Multimedia Group Public Company Limited and its subsidiaries for the nine-month period ending 30 September 2017, the Company's total losses were THB 2,135.17 million, an increase of 243 percent compared to the losses of same period of 2016, which was THB 622.76 million. The Company would like to summarise the significant changes in operational results of the Company Group as follows:

1. Revenue from sales of goods and rendering of services for the nine-month period of 2017 decreased by 19 percent compared to the same period of 2016, primarily due to the economic downturn, resulting in a decrease in revenue from the sales of advertisements by 24 percent and a decrease in revenue from the sales of print media, pocket books, comics, and children's books by 19 percent.
2. Costs and expenses for the nine-month period of 2017 increased by 47 percent compared to the same period of 2016, primarily due to the following:

- Costs arising from sales and services decreased by 11 percent, in accordance with the decrease in the revenue from sales of goods and rendering of services.
- Distribution costs and Administrative expenses decreased by 19 percent, because in the second quarter (Q2) of 2016, the subsidiary recorded a decrease in the allowance for product values and amortisation for copyrights of print media from the business restructuring amounting to THB 204.45 million.
- The direct and indirect subsidiaries recorded losses from the impairment of the Digital Terrestrial Television Broadcasting License and relevant assets of THB 1,493.77 million in the third quarter (Q3) of 2017. In calculating the impairment of assets with respect to the licence, a valuation of the amount expected to be received in return for the use determined by discounting the future cash flow, with the growth rate and discount rate applied thereto are based on the assumptions of the Management, according to past operating experience and the business plan, as well as a forecast reasonable to the current situation, which shall be compared with the book value of the assets with respect to the licence.

### **Summary:**

Under the operational results for the nine-month period ending 30 September 2017, the Company Group incurred losses amounting THB 2,135.17 million, an increase of 243 percent compared to the losses of the same period of 2016 which were THB 622.76 million.

**Total assets** were THB 4,655 million (in 2016 they were THB 7,076 million), a decrease of THB 2,421 million. The significant changes in the assets are as follows:

**Current Investment** decreased by THB 330 million (-78%) primarily due to its use in the business operation as the working capital of the Company.

**Trade account receivables – Net** decreased by THB 121 million (-30%) due to a decrease in the revenue from the sale of advertisements and print media, and a reduction in the average debt collection period of 2017 which was 70 days (a decrease of 15 days compared to the same period of 2016 which was 85 days).

**Accrued income** decreased by THB 88 million (-11%). Most of the accrued income was attributable to the unissued invoices under the advertising agreements in the television business. The Company also gained income from the organization of various special activities. In some cases, service provision has already commenced, but the corresponding invoice will be issued after the completion of each project. The decrease in accrued income was primarily due to a decrease in revenue from the sales of print media.

**Inventories - Net** decreased by THB 45 million (-33%), primarily due to the realisation of costs with respect to the produced television programmes which were ready to be broadcast with the value of THB 34 million.

**Property, plants, and equipment - Net** decreased by THB 146 million (-10%), primarily due to an amortisation of the depreciation costs during the period amounting to THB 135 million, and an amortisation of unused assets amounting THB 10 million.

**Intangible assets** decreased by THB 98 million (-56%) due to an amortisation during the period and an additional investment in copyrights of digital television programmes of THB 65 million, and an allowance for losses arising from impairment of copyrights of digital television programmes of approximately THB 73 million.

**Digital television licences** decreased by THB 1,560 million due to an amortisation during the period of THB 156 million, and an allowance for losses in impairment of the digital television licences for two television channels of THB 1,403 million (BBB = THB 842 million, and NNV = THB 561 million).

**Total liabilities** were THB 3,979 million (in 2016 they were THB 4,068 million), a decrease of THB 89 million or 2 percent. The significant changes are as follows:

**Bank overdrafts and short-term loans from financial institutions** increased by THB 283 million (+30%) due to the short-term bills of exchange of THB 252 million, bank overdrafts of THB 27 million, and others of THB 4 million, which were used as the working capital of the business.

**Other current payables** increased by THB 48 million (+185%), primarily due to outstanding advertising fees in other medias of approximately THB 45 million.

**Other current liabilities** decreased by THB 36 million (-14%), primarily due to an acceptance of debt repayment within the Company Group resulting in a decrease in the deferred sales tax and a decreased in the Revenue Department payables of THB 2 million.

**Short-term loans** increased by THB 47 million (+30%) due to the Company's securing of short-term loans from natural persons in order to use as working capital in the business.

**Long-term loans from financial institutions** decreased by THB 61 million (-22%) due to the fact that a long-term loan was taken out from a certain financial institution in 2016 of THB 300 million in order to pay the fourth instalment of the Digital Television Licence and as working capital, as well as due to the repayment of loans for the period in the whole amount.

**Outstanding Television Broadcasting Business Licencing Fee** decreased by THB 293 million (-17%) due to the payment of the fourth instalment of the licence fee during the period and the change in payment period with the NBTC in the first quarter of 2017.



#### **4. Significant Lawsuits and Claims**

- ☒ The Company and its group's directors were accused in a civil case concerning the violation of Securities and Exchanges Act B.E. 2535 (1992) with the amount of claim of THB 51.9 million. As at 30 September 2017, the case is under the consideration of the Court of First Instance. The Executive and the legal advisor believe that the Court will render its judgment in favour of the Company and its group's directors, and is of the opinion that the outcome of the litigation will not have a material effect on the financial statement;
- On 16 May 2017, the Court of Appeal rendered its judgment in a civil case concerning the revocation of the resolutions of the 2015 Annual General Meeting of Shareholders convened on 29 April 2015. The Company subsequently appealed to the Supreme Court in July 2017. As at 30 September 2017, the case is under the consideration of the Supreme Court. The Executive and the legal advisor believe that the Company shall not be liable for the damages claimed, and is of the opinion that the outcome of the litigation will not have a material effect on the financial statement;

#### **5. Details of the related person transactions of the Company and the persons who may have a conflict of interest, occurring during the first 9-month period of the year 2017**

The material connected transactions of the Company are summarized as follows (information from 2016, adjusted by applying the material connected transactions of 2017) (Scale: THB million):

	NBC	NINE	NNN	NML	KMM	KTM	BBB	WPS	NTU	NED	NBC- NV	NGE	TOTAL	
Revenue from sales and services	8.96	6.88	29.54	3.61	55.26	146.04	11.86	4.60	5.19		6.98	1.84	280.76	0.09
Costs arising from sales of goods and rendering of services	4.69	5.71	0.21	1.18	2.95	1.84	0.77	1.48				1.71	20.54	
Proceeds from sale of equipment									0.01				0.01	
Payables for purchase of equipment	0.03								0.01				0.04	
Dividends received								14.79					14.79	
Other income	0.65	2.30	0.54	1.12	0.18	0.28	3.66	0.30	0.83		1.10	0.05	11.01	
Distribution costs and Administrative expenses		1.43	0.14	0.95		0.05		1.89	4.52				8.98	
Trade accounts receivables	1.89	2.01	203.01	30.10	514.71	215.94	2.16	1.19	0.04		7.13	0.39	978.57	
Accrued income	0.08	0.05	2.63	0.06	14.14	53.37	0.30	0.02	0.19		0.07	0.02	70.93	
Other current receivables	0.13	0.52	9.93	40.38	5.99	3.66	1,095.46	0.08	1.93		1.83	0.23	1,160.14	
Trade accounts payables	19.72	23.65	217.92	0.77	458.93	378.69	348.65	2.31				1.35	1,451.99	
Other current payables	8.28	4.63	0.72	0.07	3.05	1.56	1.41	3.00	1.00			1.95	25.67	
Accrued expenses			8.38		18.35	75.39	249.79	0.49					352.40	
<b>Total</b>	<b>44.43</b>	<b>47.18</b>	<b>473.02</b>	<b>78.24</b>	<b>1073.56</b>	<b>876.82</b>	<b>1714.06</b>	<b>30.15</b>	<b>13.72</b>	<b>0.00</b>	<b>17.11</b>	<b>7.54</b>	<b>4,375.83</b>	<b>0.09</b>

#

(unit : THB million)

Connected Parties / Nature of Business	Relationship	Material Connected Transactions	Transaction Value / 9-Month Balance of 2017
<b>Nation Broadcasting Corporate Public Company Limited</b>  : Production of TV programs, radio programs, and advertising services via TV, radio, and other new-generation media platforms	A subsidiary of the Company in which the Company holds 71.45 percent of the total shares, sharing the directors with the Company	Revenue from sales and services	8.96
		Costs of sales of goods and rendering of services	4.96
		Purchase of equipment	0.03
		Other income	0.65
		Trade accounts receivables	1.89
		Accrued income	0.08
		Other current receivables	0.13
		Trade accounts payables	19.72
		Other current payables	8.28
<b>Nation International Edutainment Public Company Limited</b>  : Importation, production, and distribution of print media (domestically and internationally), production of TV programs, and provision of advertising services via TV and digital media, and copyright management	A subsidiary of the Company in which the Company holds 71.04 percent of the total shares, sharing the directors with the Company	Revenue from sales and services	6.88
		Costs of sales of goods and rendering of services	5.71
		Other income	2.30
		Distribution costs and administrative expenses	1.43
		Trade accounts receivables	2.01
		Accrued income	0.05
		Other current receivables	0.52
		Trade accounts payables	23.65
		Other current payables	4.63
<b>Nation News Network Co., Ltd.</b>  : Production and distribution of English-language newspapers, print media, digital media, and advertising media	A subsidiary of the Company in which the Company holds 99.99 percent of the total shares, sharing the directors with the Company	Revenue from sales and services	29.54
		Costs of sales of goods and rendering of services	0.21
		Distribution costs and administrative expenses	0.14
		Other income	0.54
		Trade accounts receivables	203.01
		Accrued income	2.63
		Other current receivables	9.93

Connected Parties / Nature of Business	Relationship	Material Connected Transactions	Transaction Value / 9-Month Balance of 2017
		Trade accounts payables	217.92
		Other current payables	0.72
		Accrued expenses	8.38
<b>NML Co., Ltd.</b>  : Distribution of newspapers and other print media	A subsidiary of the Company in which the Company holds 99.99 percent of the total shares, sharing the directors with the Company	Revenue from sales and services	3.61
		Costs of sales of goods and rendering of services	1.18
		Other income	1.12
		Distribution costs and administrative expenses	0.95
		Trade accounts receivables	30.10
		Accrued income	0.06
		Other current receivables	40.38
		Trade accounts payables	0.77
		Other current payables	0.07
<b>Kom Chad Luek Media Co., Ltd.</b>  : Production and distribution of newspapers, print media, digital media, and advertising media	A subsidiary of the Company in which the Company holds 99.99 percent of the total shares, sharing the directors with the Company	Revenue from sales and services	55.26
		Costs of sales of goods and rendering of services	2.95
		Other income	0.18
		Trade accounts receivables	514.71
		Accrued income	14.14
		Other current receivables	5.99
		Trade accounts payables	458.93
		Other current payables	3.05
		Accrued expenses	18.35
<b>Krungthep Media Co., Ltd.</b>  : Production and distribution of newspapers, print media, digital media, and advertising media	A subsidiary of the Company in which the Company holds 99.99 percent of the total shares, sharing the directors with the Company	Revenue from sales and services	146.04
		Costs of sales of goods and rendering of services	1.84
		Other income	0.28
		Distribution costs and administrative expenses	0.05
		Trade accounts receivables	215.94
		Accrued income	53.37

Connected Parties / Nature of Business	Relationship	Material Connected Transactions	Transaction Value / 9-Month Balance of 2017
		Other current receivables	3.66
		Trade accounts payables	378.69
		Other current payables	1.56
		Accrued expenses	75.39
<b>Bangkok Business Broadcasting Co., Ltd.</b>  : Production of TV programs and advertising services via TV media	A subsidiary of the Company in which the Company holds 99.93 percent of the total shares, sharing the directors with the Company	Revenue from sales and services	11.86
		Costs of sales of goods and rendering of services	0.77
		Distribution costs and administrative expenses	3.66
		Trade accounts receivables	2.16
		Accrued income	0.30
		Other current receivables	1,095.46
		Trade accounts payables	348.65
		Other current payables	1.41
		Accrued expenses	249.79
<b>WPS (Thailand) Co., Ltd.</b>  : Production of newspapers and books, and printing services	A subsidiary of the Company in which the Company holds 84.50 percent of the total shares, sharing the directors with the Company	Revenue from sales and services	4.60
		Costs of sales of goods and rendering of services	1.48
		Dividends received	14.79
		Other income	0.30
		Distribution costs and administrative expenses	1.89
		Trade accounts receivables	1.19
		Accrued income	0.02
		Other current receivables	0.08
		Trade accounts payables	2.31
		Other current payables	3.00
		Accrued expenses	0.49
<b>Nation University</b>  : Education	A university from which Nation U Co., Ltd. Accepted transfer of its license	Revenue from sales and services	5.19
		Proceeds from sales of equipment	0.01
		Payables for purchases of equipment	0.01

Connected Parties / Nature of Business	Relationship	Material Connected Transactions	Transaction Value / 9-Month Balance of 2017
		Other income	0.83
		Distribution costs and administrative expenses	4.52
		Trade accounts receivables	0.04
		Accrued income	0.19
		Other current receivables	1.93
		Other current payables	1.00
<b>Nation Global Edutainment Co., Ltd.</b>  : Print media business	A company in which Nation International Edutainment Public Company Limited holds 99.74 percent of the total shares, sharing the directors	Revenue from sales and services	1.84
		Costs of sales of goods and rendering of services	1.71
		Other income	0.05
		Trade accounts receivables	0.39
		Accrued income	0.02
		Other current receivables	0.23
		Trade accounts payables	1.35
		Other current payables	1.95
<b>NBC Next Vision Co., Ltd.</b>  : Production of TV programs and advertising services via TV media	A company in which Nation Broadcasting Corporation Public Company Limited holds 99.99 percent of the total shares, sharing the directors	Revenues from sales and services	6.98
		Other income	1.10
		Trade accounts receivables	7.13
		Accrued income	0.07
		Other current receivables	1.83
<b>Nation Global Edutainment Co., Ltd.</b>  : Print media business	A company in which Nation International Edutainment Public Company Limited holds 99.47 percent of the total shares, sharing the directors with Nation International Edutainment Public Company Limited	Revenue from sales and services	2.12
		Costs arising from sales of goods and rendering of services	1.90
		Other income	0.07
		Trade accounts receivables	0.27
		Other current receivables	0.18
		Trade accounts payables	0.71
		Other current payables	0.76
<b>Yomiuri-Nation Information Service</b>	An associated company of the Company in which	Revenues from sales and services	0.09



Connected Parties / Nature of Business	Relationship	Material Connected Transactions	Transaction Value / 9-Month Balance of 2017
<b>Limited</b>  : Advertising sales representative	the Company holds 45.00 percent of the total shares, sharing the directors with the Company	Trade accounts receivables	0.01

**Policy on connected transactions of the Company with its subsidiaries and associated companies of the same level comprising two parts, as follows:**

1. Procedures and steps in approving the entering into of the connected transactions of the Company with its subsidiaries and associated companies of the same level
2. Policy or tendency in the entering into of any future connected transactions of the Company with its subsidiaries and associated companies of the same level

1. Procedures and steps in approving the entering into of the connected transactions

The Company has established measures for controlling the entering into of connected transactions between the Company and its subsidiaries and joint venture companies of the same level, and persons which have or may have conflicts of interest under the Notifications of the SEC and the Stock Exchange.

The Audit Committee is responsible for giving an opinion on the necessity of and the appropriateness of the price of such connected transactions. The conditions of a connected transaction shall be in line with the general trade terms, and the price thereof shall be comparable with the price applicable to transactions on an arm's length basis. If a comparison of the price of a connected transaction and an arm's length transaction cannot be made, the parties to such transaction shall jointly determine the appropriate price of the goods and services.

If the Audit Committee lacks the expertise required for the consideration of a connected transaction, the Company shall procure an independent expert or auditor to give their opinion on the said transaction, which will then be used for decision-making by the Board of Directors and/or Audit Committee and/or shareholders, as the case may be. A person that has or may have conflicts of interest shall not be entitled to cast a vote in respect of the transaction in which such person has a conflict of interest.

Furthermore, the Company will disclose the information on the connected transactions and material asset acquisition or disposal transactions of the Company and its subsidiaries in compliance with the requirements of the SEC and the Stock Exchange, as well as the accounting standards prescribed by the Federation of Accounting Professions under the Royal Patronage of His Majesty the King.

## 2. Policy or tendency in the entering into of any future connected transactions

The Company and its subsidiaries and joint venture companies of the same level may enter into connected transactions with persons with potential conflicts of interest.

The Company's policy with regard to transactions entered into in the ordinary course of business with conditions that are in line with the general trade terms, and involving a person with potential conflicts of interest, particularly a Group company of Nation Multimedia Group Public Company Limited, and which involves printing, goods distribution, purchasing paper, purchasing of advertising space on various media platforms, and collection of service fees, is as follows: all terms and conditions under connected transactions shall be in line with the general trade terms, and the market price, as would be applicable to non-connected transactions carried out on an arm's length basis, shall be used. This policy is in accordance with the principles approved by the Board of Directors and in compliance with the Securities and Exchange Act. In this regard, the parties shall strictly adhere to the agreements entered into, and jointly determine prices and conditions that are clear, fair, and that do not cause the transfer of benefits.

In the case of new transactions or changes to the existing prices and conditions, the Internal Audit Department shall review the information and prepare a report for consideration by the Audit Committee in giving an opinion on the appropriateness of the price and reasonableness of those transactions at least once a year.

The Company will take the abovementioned procedures and steps applicable to the approval of connected transactions prior to entering into business transactions or business support transactions in the ordinary course of business that do not use general trade terms, and other connected transactions.

### **Necessity and reasonableness of the connected transactions**

The majority of the businesses and operations of the Company and its subsidiaries are interrelated with and/or support the businesses of the subsidiaries, joint venture companies, and related companies. Some of the assets, debts, income, and expenses of the Company and its subsidiaries also involve transactions with the Company's other subsidiaries, joint venture companies, and related companies. These companies are related to one another given that they sometimes have an overlap of the shareholders and/or directors and key Management members, or directors and employees whose scope of duties and responsibilities include planning, giving of instructions, and controlling the operations of the Company, and its subsidiaries, joint venture companies, and related companies. The policy on pricing of the Company and its subsidiaries is detailed below:

### **Policy on pricing**

Revenue from sales and services: General market price and the price as mutually agreed

Costs of sales and services: Actual cost allocation rate and negotiable rate which is similar to the market price

Disposal of equipment: Book value plus margin

Purchase of equipment:	Book value plus margin
Interest received from loans:	Rate similar to the interest rate of the financial institutions
Dividends received:	As announced in the shareholders meeting
Other income:	As mutually agreed
Sales and administrative expenses:	As mutually agreed

The abovementioned connected transactions are the transactions made by the Company or its subsidiaries and the parties which may have conflicts of interest, and under the ordinary course of business of the Company with no connected loan transaction. The approval thereof shall be made in accordance with the Company's policy, and the approval procedures are subject to the transaction value, in compliance with the Articles of Association. In addition, the new connected transactions and outstanding transactions shall be reviewed by the independent auditors both on a quarterly and annual basis. In the case of a material transaction, the auditors would verify any agreement and important documents related thereto, and disclose such transaction in the Notes to the Financial Statement, whereby the Financial Statement shall be proposed to the Board of Directors for its consideration. Subsequently, the Board of Directors shall propose the Financial Statement to the shareholders meeting for its consideration and give the shareholders an opportunity to ask any question with regard thereto, whereby each financial statement has been approved by the shareholders meeting.

For the policy on connected transactions, the Company ensures that there shall be only transactions necessary for and relevant to its core businesses, i.e. with businesses involved in print media, radio, and television. Additionally, the Company has a policy not to grant additional loans to any unrelated business. In the case of any connected transaction between the Company and a party with a conflict of interest, the Company shall ensure that there are consideration procedures in place as required by the Stock Exchange of Thailand (the “**Stock Exchange**”) and the Securities and Exchange Commission (the “**SEC**”) as a measure for protecting the investors.

The Board of Directors certifies that all information contained in this Information Memorandum is true, complete and accurate.

Please be informed accordingly.

Yours sincerely,

-Signature-

(Mr. Somchai Meesen)  
Chief Executive Officer

