

(Translation)

The Opinion Report of the Independent Financial Advisor Regarding Asset Disposal

of



Nation Multimedia Group Public Company Limited

Prepared by



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5 September 2019

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(Translation)

This English translation has been prepared solely for the convenience of the foreign shareholders of Nation Multimedia Group Public Company Limited and should not be relied upon as the definitive and official report regarding the opinion of the Independent Financial Advisor regarding asset disposal. The Thai language version of The Opinion Report of the Independent Financial Advisor Regarding Asset Disposal is the definitive and official document of the Advisor and shall prevail in all respects in the event of any inconsistency with this English translation.

Ref: Kor.Aor. 027/2019

5 September 2019

Subject The Opinion of the Independent Financial Advisor Regarding Asset Disposal of
Nation Multimedia Group Public Company Limited

To Shareholders
Nation Multimedia Group Public Company Limited

Spring 26 Company Limited ("Spring") (formerly known as Bangkok Business Broadcasting Company Limited) is granted the license 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 NOW 26 channel), effective from 25 April 2014 to 24 April 2029 ("License") for the period of 15 years with the total fees of 2,200 million Baht (excluding Value Added Tax).

SPRING 26 channel in the beginning positioned the channel and content under the concept of Biz Life Variety, which built up the strength of the news programs from the former channel, "Krungthep Turakij TV", and it was able to create audience base in general news and financial business news. And in the 4th quarter of 2015, it rearranged the program schedule by adding documentary programs, both domestic and international documentary programs. In February 2019, Spring restructured the employee section by recruiting additional 120 employees and rearranged the program schedule, from previously focusing on documentaries and boxing, by adding news and variety programs to support the operational plan as SPRING 26 channel changed to news and variety in the future.

Spring has paid the License fee for the amount of 1,271 million Baht from the total amount of 2,200 million Baht (excluding Vat Added Tax), and according to the Order of the National Council for Peace and Order No. 4/2019 Re: the Measures to Solve Problems in the Operation of Television and Telecommunications Business, issued on 11 April 2019 (Collectively called “the Rules on the License Return”), Spring was exempted from the License fee to be paid for the 5th and 6th installments for the total amount of 728 million Baht, causing Spring to have the remaining License fee to be paid for the amount of 201 million Baht (excluding Value Added Tax) which had to be paid within August 2019.

In addition to the fees of 2,200 million Baht (excluding Value Added Tax) and normal expenses for operating TV channel business, Spring has other expenses, such as rental expenses for television networks using the digital terrestrial spectrum (“MUX Digital TV Network Fee”), expenses for television satellite transmittance provided in general (“Must Carry Fee”), the annual fee of the License, etc.

Due to the policy decisions made by the former management of the Company in 2014 that allowed Spring to participate in the auction for digital television services, which was aimed to present the documentary, foreign movie series, sports and variety shows. However, the Company had no expertise in the management of such content types. Thus, Spring lost over the years since it won the bidding for the spectrum for digital television services, which were from 2014 to 2018. The total losses were approximately 2,474.99 million Baht according to the financial statements of Spring ended as of 31 December 2018, and that resulted in constant losses to the Company’s group causing greatly higher debts. Therefore, the Company planned to dispose all of its investments in Spring since the beginning of 2018 to reduce burdens on investment capital and expenditures of the Company to be at an appropriate level and to be ready to focus on operating strong main businesses in order to create growth in the future.

The Meeting of the Board of Directors of Nation Multimedia Group Public Company Limited (“the Company”) No. 9/2019, held on 8 July 2019, unanimously resolved to approve to propose to the shareholders’ meeting to consider approving Spring 26 Company Limited, a subsidiary in which the Company holds 149,999,999 ordinary shares with a par value of 10 Baht per share or equivalent to 99.99% of the total ordinary shares sold and is granted the License to return the License (“Transaction of the License Return”). As Spring submitted the request for the License Return to the Office of the National Broadcasting and Telecommunications Commission (“NBTC”) on 10 May 2019, NBTC delivered the notification letter regarding the result of consideration of the request for the return of the license to use the spectrum to provide digital terrestrial television services, dated 27 June 2019, 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 Spring shall publicize remedial measures for service users as proposed by Spring by publicizing the termination date of broadcasting service 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 termination date of broadcasting service. Moreover, NBTC set compensation as a result of the License Return to Spring for the amount of 890.83 million Baht according to the Notification of the 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 ("the Notification of NBTC on the Request for the License Return"), along with the Order of the National Council for Peace and Order No. 4/2019 Re: the Measures to Solve Problems in the Operation of Television and Telecommunications Business, issued on 11 April 2019.

The details of procedures regarding the License are as follows:

Date	Procedures
11 April 2019	The Order of the National Council for Peace and Order No. 4/2019 Re: the Measures to Solve Problems in the Operation of Television and Telecommunications Business allowed the persons who wished to return the License submitted the request to NBTC within 30 days.
2 May 2019	The Notification of NBTC 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 allowed the persons who wished to return the License submitted the request within 10 May 2019.
9 May 2019	The Board of Directors of the Company resolved to approve Spring to submit the request for the License Return of SPRING 26 channel.
10 May 2019	Spring submitted the request for the License Return to NBTC. The end of the schedule for submitting the request for the License Return to NBTC
27 June 2019	NBTC had the letter of approval to return the License and determined the service termination date on 16 August 2019.
8 July 2019	The Board of Directors of the Company unanimously resolved to approve to propose to the shareholders' meeting to consider approving Spring to return the License.
16 August 2019	SPRING 26 channel terminated the broadcasting service. NBTC paid the compensation to Spring.

From the time sequence above, on 2 May 2019, NBTC delivered the Notification 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 that allowed the persons who wished to return the License submitted the request within 10

May 2019, and Spring submitted the request for the License Return to NBTC on 10 May 2019. And when submitting the request for the License Return to NBTC, Spring could not cancel the request. The period from the Notification of NBTC until the date of the request for the License Return was a very short period, causing the Company not to be able to request a resolution of the shareholders' meeting to consider approving Spring to return the License before 10 May 2019.

To return the License this time, Spring shall receive the net compensation of 890.83 million Baht with the following details:

Unit : million Baht

No.	Item	Amount
1	The License fee for which the user of the License had paid until the 4 th installment during the validity period of the License that is unused	951.06
2	<u>Deduct</u> the benefits gained during the business operations, which are the subsidies of MUX Digital TV Network Fee ¹ and Must Carry Fee ²	60.23
3	<u>Deduct</u> the benefits gained from net profits from operation	None
4	The remaining amount of the compensation before deducting the accrued amount of the 4 th installment and the annual license fees of 2017 and 2019 (1 - 2 - 3)	890.83

Remark : ¹ MUX Digital TV Network Fee - rental expenses for television networks using the digital terrestrial spectrum

² Must Carry Fee - expenses for television satellite transmittance provided in general

Nevertheless, Spring has not completely paid the 4th installment of the License fee according to the Notification of NBTC on the Spectrum Bidding for the amount of 215.07 million Baht (including Value Added Tax) and the annual license fees of 2017, which is the unpaid balance, and 2019, which is the prepaid balance, for the amount of 4.16 million Baht (the annual license fee of 2018 has been fully paid). Thus, the remaining amount of the compensation shall equal 671.61 million Baht. And at the end of August, Spring shall have net cash to repay the Company for the amount of 486.62 million Baht with the details presented below:

Unit : million Baht

No.	Item	Amount
1	The remaining amount of the compensation before deducting the accrued amount of the 4 th installment and the annual license fees of 2017 and 2019	890.83
2	<u>Deduct</u> the 4 th installment of the License fee (including Value Added Tax)	215.07
3	<u>Deduct</u> the annual license fees of 2017 and 2019	4.16

Unit : million Baht

No.	Item	Amount
4	Net compensation (1 - 2 - 3)	671.61
5	Withholding tax from the compensation (1% of the compensation before deducting accrued expenses (890.83 million Baht))	8.91
6	Cash compensation (4 - 5)	662.70
7	Creditors for MUX Digital TV Network	70.87
8	Creditors for program productions	41.25
9	Other creditors	33.96
10	Severance pay	30.00
11	Remaining cash to repay the Company (6 - 7 - 8 - 9 - 10) ¹	486.62

Remark : ¹ As of 30 June 2019, Spring had accrued expenses with the Company for the amount of 717 million Baht.

For Spring's business plan after the License Return, the Company is in the process of studying and finding possibilities for new business as a replacement.

The entering into the Transaction of the License Return 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, dated 29 October 2004 (including the amendments thereof) ("the Notifications on Acquisition or Disposal of Assets"). The highest transaction size is 27.23% according to the calculation basis based on the total value of consideration which is the basis giving the highest result of transaction. The outcome is calculated from the interim reviewed version of the Company's consolidated financial statements for the 9-month period, ended as of 30 September 2018. And when including the transactions on the disposal of assets during the 6-month period prior to the date on which the Company's Board of Directors resolved to approve in principal for Spring to submit the request for the License Return to NBTC on 10 May 2019, of 3 transactions; it will result in the total highest transaction size of 51.72% according to the calculation basis based on the total value of consideration, considered as a Class 1 transaction under the Notifications on Acquisition or Disposal of Assets imposing the transaction value equivalent or higher than 50% but less than 100%.

Consequently, the Company is required to make a report, disclose the information memorandum on entering into such transaction to the Stock Exchange of Thailand ("SET"), and convene the shareholders' meeting in order to obtain an approval for entering into such transaction with affirmative votes of not less than three-fourths of the total votes of participating and voting shareholders, excluding the shareholders with special

interests. 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.

To be consistent with such criteria, the Board of Directors of the Company resolved to appoint Capital Link Advisory Limited as an Independent Financial Advisor for preparing the opinion report regarding the transaction of such asset disposal and proposing to the Company's shareholders for consideration and approval.

The Independent Financial Advisor has prepared this opinion report by studying the information from the following sources:

1. Information and documents received from the Company including the interview with management and employees of the Company
2. Information and the auditor's report of the Company
3. Meeting minutes of the Board of Directors of the Company
4. Information from the interview with management and employees of the subsidiary
5. Information and the auditor's report of the subsidiary
6. Meeting minutes of the Board of Directors of the subsidiary
7. Information and documents received from the subsidiary
8. Information and documents disclosure to the public, such as information from The Stock Exchange of Thailand, The Securities and Exchange Commission, news from newspaper, and economic and relevant industrial information, etc.

The Independent Financial Advisor has used the aforementioned information as a base for considering and preparing the opinion report of the Independent Financial Advisor by assuming that all the aforementioned information is completed and accurate, and has no event that will significantly affect the business operation of Spring and the Company. In addition, the Independent Financial Advisor cannot certify or guarantee either directly or indirectly or be responsible for the correctness of the information and any certifications of the Company.

In giving the opinion to the shareholders this time, the Independent Financial Advisor has considered and studied the said information carefully by using knowledge and capability, precaution as a professional, and take into consideration for the benefits of the shareholders and the Company as well as the rationale of the Transaction of the License Return and appropriateness of the price along with the relevant factors so that the shareholders can decide to "approve" or "disapprove" on the Transaction, which can be summarized as follows:

Definitions

The Rules on the License Return	The Notification of NBTC on the Request for the License Return and the Order of the National Council for Peace and Order No. 4/2019 Re: the Measures to Solve Problems in the Operation of Television and Telecommunications Business, issued on 11 April 2019
NBTC	The Office of the National Broadcasting and Telecommunications Commission
MUX Digital TV Network Fee	Rental expenses for television networks using the digital terrestrial spectrum
Must Carry Fee	Expenses for television satellite transmittance provided in general
SET	The Stock Exchange of Thailand
Independent Financial Advisor	Capital Link Advisory Limited
The Company	Nation Multimedia Group Public Company Limited
The License	The license 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
The Notification of NBTC on the Request for the License Return	The Notification of the 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
The Notifications on Acquisition or Disposal of Assets	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, dated 29 October 2004 (including the amendments thereof)
Notification of NBTC on the Spectrum Bidding	The Notification of the Office of the National Broadcasting and Telecommunications Commission Re: Criteria, Procedures, and Conditions of the bidding for the spectrum to provide digital terrestrial television services as a national business service type B.E. 2556
The Transaction of the License Return	Spring 26 Company Limited returns the License
Spring	Spring 26 Company Limited
SEC	The Securities and Exchange Commission
NBC	Nation Broadcasting Corporation Public Company Limited

Summary

The Meeting of the Board of Directors of Nation Multimedia Group Public Company Limited No. 9/2019, held on 8 July 2019, unanimously resolved to approve to propose to the shareholders' meeting to consider approving Spring 26 Company Limited (formerly known as Bangkok Business Broadcasting Company Limited), a subsidiary in which the Company holds 149,999,999 ordinary shares with a par value of 10 Baht per share or equivalent to 99.99% of the total ordinary shares sold and is granted the license 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 NOW 26 channel), effective from 25 April 2014 to 24 April 2029 to return the License. As Spring submitted the request for the License Return to the Office of the National Broadcasting and Telecommunications Commission on 10 May 2019, NBTC delivered the notification letter regarding the result of consideration of the request for the return of the license to use the spectrum to provide digital terrestrial television services, dated 27 June 2019, stating an approval to return and discontinue the License, and 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 Spring shall publicize remedial measures for service users as proposed by Spring for not less than 45 days prior to the termination date of broadcasting service. Moreover, NBTC set compensation as a result of the License Return to Spring for the amount of 890.83 million Baht (Spring shall receive the net compensation after deducting accrued expenses of 671.61 million Baht, and after deducting the withholding tax, Spring shall receive the cash compensation of 662.70 million Baht) according to the Notification of the 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, along with the Order of the National Council for Peace and Order No. 4/2019 Re: the Measures to Solve Problems in the Operation of Television and Telecommunications Business, issued on 11 April 2019.

The entering into the Transaction of the License Return 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, dated 29 October 2004 (including the amendments thereof). The highest transaction size is 27.23% according to the calculation basis based on the total value of consideration which is the basis giving the highest result of transaction. And when including the transactions on the disposal of assets during the 6-month period prior to the date on which the Company's Board of Directors resolved to approve in

principal for Spring to submit the request for the License Return to NBTC on 10 May 2019 of 3 transactions; it will result in the total highest transaction size of 51.72% according to the calculation basis based on the total value of consideration, considered as a Class 1 transaction under the Notifications on Acquisition or Disposal of Assets imposing the transaction value equivalent or higher than 50% but less than 100%.

Consequently, the Company is required to make a report, disclose the information memorandum on entering into such transaction to the Stock Exchange of Thailand, and convene the shareholders' meeting in order to obtain an approval for entering into such transaction with affirmative votes of not less than three-fourths of the total votes of participating and voting shareholders, excluding the shareholders with special interests. 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, to the shareholders not less than 14 days in advance prior to the date of the shareholders' meeting.

However, Spring has already submitted the request for the License Return to NBTC on 10 May 2019, and Spring has complied with the conditions of remedial measures for service users and terminated the broadcasting service on 16 August 2019 at 00.01 a.m., as well as having received the compensation from NBTC on 16 August 2019. But the shareholders' meeting will be held on 27 September 2019, which is the period after the termination of SPRING 26 channel's broadcasting. Therefore, in the case of shareholders not approving the Transaction of the License Return, Spring would not be able to cancel the License Return. The Independent Financial Advisor opines that to request for the approval from the shareholders' meeting on this transaction should be for ratification.

The Independent Financial Advisor opines that it is reasonable for the Company to enter into this transaction. It will help reduce the Company's expenses, because Spring has incurred losses since starting the business and the Company has to constantly support funding. And if Spring continues to operate the business, Spring will have to pay the license fee for the outstanding amount of 215.07 million Baht (including Value Added Tax) within August 2019, which will require the Company to further support funding. In addition, in case of Spring having revenues less than expenses in the future, it will be a burden of expense to the Company.

In the case of returning the License this time, Spring will receive compensation for the net amount of 671.61 million Baht with expenses in August 2019 as follows:

Unit : million Baht

No.	Item	Amount
1	Net compensation	671.61
2	Withholding tax from the compensation (1% of the compensation before deducting accrued expenses (890.83 million Baht))	8.91
3	Cash compensation (1 - 2)	662.70
4	Creditors for MUX Digital TV Network	70.87
5	Creditors for program productions	41.25
6	Other creditors	33.96
7	Severance pay	30.00
8	Remaining cash to repay the Company (3 - 4 - 5 - 6 - 7)	486.62

At the end of August, Spring will have net cash to repay the Company for the amount of 486.62 million Baht, allowing the Company to have cash flows to repay creditors, financial institutions to reduce interest. Initially, the Company will repay financial institutions of 250.64 million Baht and be able to continue operating business. Moreover, the Company can focus on main businesses, which are Nation TV 22 news channel (only 1 remaining channel), printing media, organizing related activities, and production of program contents as well as digital business.

The advantages of entering into the transaction are; (1) receiving cash from the compensation to repay debts of Spring and the Company, (2) decreasing future losses in the consolidated financial statements, (3) reducing the burden of the License fee to be paid, (4) the Company can focus fully on the business of Nation TV 22 news channel, and (5) recording the reversal of impairment loss on the License and a profit from the License Return in the consolidated financial statements. The disadvantage of entering into the transaction is losing the opportunity to operate the business. However, there is no risk of entering into the transaction.

From the valuation of the License; in the case of not returning the License, the fair value of the License according to the opinion of the Independent Financial Advisor, using the Discounted Cash Flow Approach, equals 0.00 Baht. It is because Spring's cash flows evaluated by the Independent Financial Advisor are negative from July 2019 – April 2029, which is the month that the License expires. When including all of free cash flows from July 2019 – April 2029, it will equal (1,068.61) million Baht.

In the case of not returning the License, Spring will have to pay the accrued amount of the License fee of 201 million Baht (excluding Value Added Tax) within August 2019, and the Company has to support such amount of money. Also, the Company will have to ongoing support capital funding, because from the projection, Spring has negative free cash flows every year until the License expires, and has operating results with a loss of

approximately 40 – 80 million Baht per year, causing a burden of expense to the Company. In order for Spring to have revenues equal to expenses, Spring must have a significant revenue growth, which will be highly uncertain.

In the case of returning the License, the value of the License equals 890.83 million Baht, which is equivalent to the compensation amount of the License before deducting accrued expenses, and the value is greater than the fair value of the License from the case of not returning the License.

Therefore, the Independent Financial Advisor is of the opinion that the shareholders should approve the Company to entering into the transaction this time. Moreover, the Independent Financial Advisor suggests the shareholders to consider other factors that may affect the decision making, such as advantages and disadvantages of entering into the transaction, risks of entering into the transaction, etc.

In considering on approval or disapproval on such Transaction this time, the shareholders could consider the rationale and the opinions, of which the Independent Financial Advisor presents in this report. Nevertheless, the shareholders could decide to “approve” or “disapprove” on the Transaction, mainly depending on the judgment of the shareholders.

1. Characteristics of Asset Disposal Transaction

1.1 Date of the Transaction

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

1.2 Related Parties and Relationship with the Company

The approval official for the License Return	The Office of The National Broadcasting and Telecommunications Commission
The user returning the License	Spring 26 Company Limited, which is a subsidiary of the Company
Relationship	None

1.3 General Characteristics of the Transaction

As NBTC issued the Notification of NBTC on the Request for the License Return in pursuant to the Order of the National Council for Peace and Order 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 by determining the service termination date on 16 August 2019 at 00.01 a.m. onwards, and determined remedial measures for service users to be implemented by Spring according to the notification letter regarding the result of consideration of the request for the return of the license to use the spectrum to provide digital terrestrial television services, dated 27 June 2019;

Spring 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, Spring shall implement remedial measures for service users as proposed by publicizing the termination date of broadcasting service 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 termination date of broadcasting service.

In this regard, Spring shall receive compensation as a result of the License Return for the amount of 890.83 million Baht within 60 days from the termination date of broadcasting service. However, Spring has not completely paid the 4th installment of the License fee according to the Notification of the Office of the National Broadcasting and Telecommunications Commission Re: Criteria, Procedures, and Conditions of the bidding for the spectrum to provide digital terrestrial television services as a national business service type B.E. 2556 ("Notification of NBTC on the Spectrum Bidding") for the amount of 215.07 million Baht (including Value Added Tax) and the annual license fees of 2017, which is the unpaid balance. and 2019, which is the prepaid balance, for the amount of 4.16 million Baht (the annual license fee of 2018 has been fully paid). Thus, the compensation as a result of the License Return shall be deducted by the accrued amount of the 4th installment of the License fee and the annual license fees. The remaining amount of the compensation shall equal 671.61 million Baht.

1.4 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 reviewed version of the consolidated financial statements for the 9-month period, ended as of 30 September 2018 which had been reviewed by the certified auditors of the Company, are as follows:

No.	Criteria	Formula	Transaction Size
1	Net Tangible Assets (NTA)	Cannot be calculated since the disposal assets are not securities.	N/A
2	Net Profit	Cannot be calculated since the disposal assets are not securities.	N/A
3	Total Value of Consideration	Total value of consideration x 100 / Total assets of the Company (890.83 x 100 / 3,271.13)	27.23%
4	Value of Securities Issued as Consideration	No new security issued	N/A
	Maximum Size		27.23%

In calculating the above transaction size, the highest transaction size is 27.23% according to calculation basis based on the total value of consideration, 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 resolved to approve in principal for Spring to submit the request for the License Return to NBTC on 10 May 2019, comprise of 3 transactions as follows:

- 1) The transaction of the sale of all investments in WPS (Thailand) Company Limited, having the highest transaction size of 13.99% according to calculation basis based on the total value of consideration which is calculated from the interim reviewed version of the Company's consolidated financial statements for the 6-month period, ended as of 30 June 2018,
- 2) The transaction of the sale of land and buildings in Khonkaen, having the highest transaction size of 0.37% according to calculation basis based on the total value of consideration which is calculated from the interim reviewed version of the Company's consolidated financial statements for the 9-month period, ended as of 30 September 2018, and
- 3) The transaction of the sale of 3 plots of land and buildings on Debaratna Road, Samut Prakan, having the highest transaction size of 10.13% according to calculation basis based on the total value of consideration which is calculated from the interim reviewed version of the Company's consolidated financial statements for the 9-month period, ended as of 30 September 2018.

Therefore, the combination between the Transaction of the License Return of Spring 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 resolved to approve in principal for Spring to submit the request for the License Return to NBTC on 10 May 2019 will result in the total highest transaction size of 51.72% according to calculation basis based on the total value of consideration, considered as a Class 1 transaction under the Notifications on Acquisition or Disposal of Assets imposing the value of transactions equivalent or higher than 50% but less than 100%.

Consequently, the Company is required to appoint an independent financial advisor to be responsible for giving opinions regarding the Transaction of License Return of Spring to the Company's shareholders, disclose the information memorandum on entering into the transaction to SET, and convene the shareholders' meeting in order to obtain an approval for entering into such transaction with affirmative votes of not less than three-fourths of the total votes of

participating and voting shareholders, excluding the shareholders with special interests. 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 Meeting of the Board of Directors 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.

1.5 Rationale and Background of the Transaction

Due to the policy decisions made by the former management of the Company in 2014 that allowed Spring to participate in the spectrum auction for digital television services, it was aimed to present the documentary, foreign movie series, sports and variety shows. However, the Company had no expertise in the management of such content types. As such, Spring lost over the years since it won the bidding for the spectrum for digital television services, which were from 2014 to 2018. The total losses were approximately 2,474.99 million Baht according to the financial statements of Spring ended as of 31 December 2018. Besides, Spring still had the expense of paying the License fee as of 9 May 2019 for the amount of 215.07 million Baht (including Value Added Tax) according to The Notification of NBTC on the Request for the License Return, and that resulted in constant losses to the Company's group causing greatly higher debts. Therefore, the Company planned to dispose its investment in Spring since the beginning of 2018 to reduce burdens on investment capital and expenditures of the Company to be at an appropriate level and to be ready to focus on operating strong main businesses in order to create growth in the future.

1.6 Total Value of Consideration

According to the Notification of NBTC on the Request for the License Return, Spring shall receive compensation as a result of the License Return for the amount of 890.83 million Baht within 60 days from 16 August 2019, which is the termination date of broadcasting service. However, Spring has not completely paid the 4th installment of the License fee according to the Notification of NBTC on the Spectrum Bidding for the amount of 215.07 million Baht (including Value Added Tax) and the annual license fees of 2017 and 2019 for the amount of 4.16 million Baht. Thus, the compensation as a result of the License Return shall be deducted by the accrued

amount of the 4th installment of the License fee and the annual license fees. The remaining amount of the compensation shall equal 671.61 million Baht.

1.7 Criteria Used to Determine the Value of Consideration

Spring received the License on 25 April 2014, and the License will expire on 24 April 2029. The total period of the License is 15 years with the total fees of 2,200 million Baht. The 1st – 4th installments of the License fee equal 1,472 million Baht, and the 5th – 6th installments equal 728 million Baht.

The value of consideration is based on the calculation method in accordance with the Notification of NBTC on the Request for the License Return, Article 5 and the notification letter regarding the result of consideration of the request for the return of the license to use the spectrum to provide digital terrestrial television services, dated 27 June 2019, which approved the return and discontinuance of the License, determined the service termination date on 16 August 2019 at 00.01 a.m. onwards, and determined remedial measures for service users to be implemented by Spring, as well as notifying the compensation as a result of the License Return for the amount of 890.83 million Baht. It can be shown below:

- (1) The License fee; the user of the License had paid until the 4th installment out of 6 installments. The validity period of the License that is unused can be calculated as follows:
- $$= \frac{\text{Paid license fee} \times \text{License validity period that the spectrum has not been used (day)}}{\text{License validity period (day)}}$$
- $$= 1,472 \text{ million Baht} \times 3,540 \text{ days} / 5,479 \text{ days}$$
- $$= 951.06 \text{ million Baht}$$

However, Spring is exempted from the 5th – 6th installments of the License fee.

- (2) Deducted by the benefits which the user of the Licensee had gained during the business operations, and they are as follows:
- (2.1) Subsidy for rental expenses for television networks using the digital terrestrial spectrum (“MUX Digital TV Network Fee”) in pursuant to the Order of the National Council for Peace and Order No. 9/2018 Re: the Measures to Relieve Impacts on Persons Operating Radio Broadcaster, Television,

Broadcasting, and Telecommunications Business, dated 23 May 2018, equaled the MUX amount of 1.75 million Baht per month, which was the monthly benefit gained from June 2018 to August 2019, totaling 26.25 million Baht;

(2.2) Subsidy for expenses for television satellite transmittance provided in general (“Must Carry Fee”) according to the Order of the National Council for Peace and Order No. 76/2016 Re: the Measures to Support Radio Broadcaster, 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, was equivalent to the Must Carry Fee of 33.98 million Baht, which was the benefit gained from December 2016 to August 2019.

(3) Deducting by the business performances of the user of the License that resulted from the operation using the license in each year throughout the period of business operation until 11 April 2019, and calculating using only the results with net profits

Unit : million Baht

Year	Operating Results: Net Profit (Loss)
2014	(118.37)
2015	(459.36)
2016	(505.24)
2017	(1,213.46)
2018	(178.55)
1 January 2019 - 11 April 2019	(43.65)

Spring had losses from 2014 until 11 April 2019; thus, a deduction of profits gained from operating business is not required.

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

Unit : million Baht

Transaction	Amount
The License fee for which the user of the License had paid until the 4 th installment during the validity period of the License that is unused according to item no. (1) above	951.06
<u>Deduct</u> the benefits gained during the business operations, which are the subsidies of MUX and Must Carry Fees according to item no. (2.1) and (2.2) above	60.23
<u>Deduct</u> the benefits gained from net profits from operation according to item no. (3) above	None
The remaining amount of the compensation before deducting the accrued amount of the 4th installment and the annual license fees of 2017 and 2019	890.83

However, Spring has not completely paid the 4th installment of the License fee according to the Notification of NBTC on the Spectrum Bidding for the amount of 215.07 million Baht (including Value Added Tax) and the annual license fees of 2017 and 2019 for the amount of 4.16 million Baht (the annual license fee of 2018 has been fully paid). Thus, the compensation as a result of the License Return shall be deducted by the accrued amount of the 4th installment of the License fee and the annual license fees. The remaining amount of the compensation shall equal 671.61 million Baht.

1.8 Expected Benefits for the Company

To enter into the Transaction of the License Return of Spring, the Company expects to gain benefits as follows:

- 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 interest-bearing debts with financial institutions and short-term loans for the approximate amount of 918 million Baht as of 9 May 2019. The Company shall spend the compensation on repaying accrued expenses to network creditors, trade payables, short-term liabilities, and long-term secured liabilities with financial institutions, and shall also use it as working capital for the business;

- 2) The request for the License Return shall help reduce the risk of capital structure management; resulting in generating cash flows for the Company and supporting the demand for using cash flows of the Company in a timely manner without having to bear high operating costs in each month;
- 3) The request for the License Return shall help reduce high interest expenses, because the Company shall be able to spend compensation on repaying debts;
- 4) The Company's group shall be able to focus on the main business operations that it truly has knowledge and expertise in, namely printing media, organizing related activities, television media business, which is Nation TV 22 channel, and production of program contents, including digital business, and emphasize on the intensive contents and brands in 4 main businesses through the integration and the development of platform from the Offline-Online-On ground so that the contents could reach more consumers and faster; and
- 5) The request for the License Return shall enable the Company to stop running the business that constantly suffers losses and can not estimate to have profitability, and the request for the License Return shall not affect the main businesses of the Company's group. Moreover, the Company has Nation Broadcasting Corporation Public Company Limited ("NBC"), a subsidiary of the Company that operates the television station with fully integrated services; such as TV program production, program providing, and air-time sales in the field of news, entertainment and new media. And NBC Next Vision Company Limited, a subsidiary of NBC that has a license to operate a digital television business in the category of news and contents (SD) with expertise under the name of Nation TV 22 channel.

However, an impact from the request for the License Return expected by the Company is that Spring will have to lay off some employees. As such, the Company has prepared remedial measures for such employees by providing severance pay as a result of the layoff in accordance with the labor law. Moreover, the Company will implement remedial measures for service users as proposed to NBTC by publicizing the termination date of broadcasting service 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 termination date of broadcasting service. For Spring's business plan after the License Return, the Company is in the process of studying and finding possibilities for new business as a replacement.

1.9 Plan of Using the Fund Received from Asset Disposal

Spring will receive compensation, after deducting the 4th installment of the License fee, which is not yet paid, and the annual license fees of 2017 and 2019, for the amount of 671.61 million Baht with expenses in August 2019 as follows:

Unit : million Baht

No.	Item	Amount
1	Net compensation	671.61
2	Withholding tax from the compensation (1% of the compensation before deducting accrued expenses (890.83 million Baht))	8.91
3	Cash compensation (1 - 2)	662.70
4	Creditors for MUX Digital TV Network	70.87
5	Creditors for program productions	41.25
6	Other creditors	33.96
7	Severance pay	30.00
8	Remaining cash to repay the Company (3 - 4 - 5 - 6 - 7)	486.62

At the end of August, Spring will have net cash to repay the Company for the amount of 486.62 million Baht (as of 30 June 2019, Spring had accrued expenses with the Company for the amount of 717 million Baht). The Company will use the money received from Spring to repay the Company's debts. Initially, the Company will repay financial institutions of 250.64 million Baht so that the Company could repay debts on schedule and reduce high interest burdens caused by such debts. In addition, the Company may use the remaining amount as working capital to increase financial liquidity in the main business that, in accordance with its policy, the Company has expertise in namely printing media, organizing related activities, television media business, and production of program contents in every channel that could reach more consumers and faster as mentioned above.

2. Details of the Disposed Assets

2.1 Details of the License

Disposed Assets	The License
The user requesting the License Return	Spring 26 Company Limited
Type of services	Providing digital terrestrial television services as a national business service type in a standard definition category
Channel	SPRING 26
Type of programs	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
Total fee	2,200 million Baht (excluding Value Added Tax)
Date of the License received	25 April 2014
Expiration date of the License	24 April 2029
Multiplex channel number	Multiplex 5
Television network provider	Royal Thai Army

2.2 Details of Spring 26 Company Limited

Company : Spring 26 Company Limited (formerly known as Bangkok Business
Name Broadcasting Company Limited)

Address : 1858/126, 30th Floor, Debaratna Road, Bangna-Tai Sub-district, Bangna
District, Bangkok

Registered and : 1,500,000,000 Baht divided into 150,000,000 shares with a par value of
Paid-up 10.00 Baht per share

Board of : (1) Mr. Somchai Meesen

Directors (2) Mrs. Warangkana Kalayanapradit
(3) Mr. Chutchai Tawantrong

2.3 Business Overview

Spring is engaged in the business of broadcast media advertising via SPRING 26 program channel in the general SD (Standard Definition) offering popular variety shows including documentary programs, sports programs, sitcom programs, entertainment programs, etc. Spring's target audiences are the group of urban lifestyle, businessmen, investors and new generation. The period of the License is 25 April 2014 – 24 April 2029.

<u>2012</u>	Established on 30 June 2012 with the registered and paid-up capital of 1 million Baht
<u>2014</u>	On 9 June 2014, registered and paid-up capital increased from 1 million Baht to 500 million Baht with being fully paid-up
<u>2015</u>	On 17 September 2015, registered and paid-up capital increased from 500 million Baht to 1,000 million Baht with being fully paid-up
<u>2016</u>	On 13 December 2016, registered and paid-up capital increased from 1,000 million Baht to 1,500 million Baht
<u>2019</u>	
February	Changed the name from Bangkok Business Broadcasting Company Limited to Spring 26 Company Limited and reorganized the company's structure as well as recruiting additional 120 employees to support the operational plan as SPRING 26 channel changed from documentary programs to news and variety, prior to the Order of the National Council for Peace and Order No. 4/2019 Re: the Measures to Solve Problems in the Operation of Television and Telecommunications Business, issued on 11 April 2019, to allow to return the License.
16 August	Terminated the broadcasting service

2.4 List of Shareholders

Spring has registered and paid-up capital of 1,500,000,000 Baht, which is divided into 150,000,000 ordinary shares with the par value of 10 Baht per share. The list of shareholders as of 14 February 2019 is shown below:

No.	Name	Number of Shares	% of Shareholding
1	Nation Multimedia Group Plc.	149,900,002	99.93%
2	Krungthep Turakij Media Co., Ltd ¹	99,997	0.07%
3	Mr. Somchai Meesen	1	0.00%
Total number of shares		150,000,000	100.00%

Remark : ¹ Krungthep Turakij Media Co., Ltd. is a subsidiary of the Company.

2.5 Summary of the Financial Position and Operating Result

The financial information from the financial statements for the year ended 31 December 2016, 31 December 2017, and 31 December 2018 was audited by the certified auditor of Spring. For the quarter ended 30 June 2019, they were the financial statements provided by the management, which had not yet recorded the account of the License Return.

(1) Statement of Financial Position

Unit : million Baht

Statement of Financial Position	Audited As of 31 December			Unaudited
	2016	2017	2018	30 Jun 2019
Assets				
Current assets				
Cash and bank deposits	12.74	0.94	6.22	0.92
Trade accounts receivable	599.08	278.20	27.41	31.27
Accrued income	2.97	15.26	26.54	40.02
Other receivables	19.89	8.06	3.40	5.88
Inventories	50.33	5.59	1.59	1.69
Other current assets	143.53	138.73	120.32	142.93
Total current assets	828.54	446.78	185.48	222.72
Non-current assets				
Leasing asset Improvement and equipment	21.51	7.02	15.96	14.31
Intangible assets	138.23	45.17	7.23	4.03
Licenses to use allocated frequencies and broadcast television	1,600.98	703.80	641.58	610.73 ¹
Deferred tax assets	29.15	26.16	-	-
Withholding income tax expense	0.07	10.01	19.51	-
Other non-current assets	5.92	7.05	7.58	31.07
Total non-current assets	1,795.86	799.21	691.86	660.15
Total assets	2,624.40	1,246.00	877.35	882.87
Liabilities and shareholders' equity				
Current liabilities				
Trade accounts payable	215.51	91.69	137.72	160.27
Other payables	859.41	1,042.17	744.40	770.13
Accrued portion of licenses to use allocated frequencies and broadcast television – due within one year ²	362.63	184.99	-	-
Accrued expenses	33.49	13.12	41.59	86.64
Other current liabilities	41.81	19.27	42.00	28.12

Unit : million Baht

Statement of Financial Position	Audited As of 31 December			Unaudited
	2016	2017	2018	30 Jun 2019
Total current liabilities	1,512.85	1,351.24	965.71	1,045.15
Non-current liabilities				
Accrued liability of licenses to use allocated frequencies and broadcast television	700.04	700.76	897.91	900.88 ³
Employee benefit obligations	8.26	4.22	2.49	17.36
Total non-current liabilities	708.31	704.98	900.40	918.24
Total liabilities	2,221.16	2,056.21	1,866.11	1,963.39
Shareholders' equity				
Share capital				
Authorized share capital				
Ordinary shares 150,000,000 shares at par value of 10 Baht each	1,500.00	1,500.00	1,500.00	1,500.00
Issued and fully paid-up share capital				
Ordinary shares 150,000,000 shares at par value of 10 Baht each	1,500.00	1,500.00	1,500.00	1,500.00
Retained earnings (deficit)	(1,096.76)	(2,310.22)	(2,488.76)	(2,580.52)
Total shareholders' equity	403.24	(810.22)	(988.76)	(1,080.52)
Total liabilities and shareholders' equity	2,624.40	1,246.00	877.35	882.87

Remark : ¹ Do not yet record the reversal of impairment loss on the License of 643.66 million Baht, the exemption of the License fee for the last two installments, and the License Return

² The Order of the National Council for Peace and Order No. 9/2018 Re: the Measures to Relieve Impacts on Persons Operating Radio Broadcaster, Television, Broadcasting, and Telecommunications Business specifies the suspension period of the payment for the fee for not more than 3 years, issued on 23 May 2018.

³ Do not yet record the exemption of the License fee for the last two installments and the License Return of Spring

(2) Statement of Comprehensive Income

Unit : million Baht

Statement of Comprehensive Income	Audited / Annual Year			Unaudited
	2016	2017	2018	6M/2019
Revenues				
Revenue from services	175.29	186.25	193.14	142.58
Other income ¹	2.26	10.26	30.92	16.91
Total revenues	177.49	196.51	224.06	159.49
Expenses				
Cost of services	(520.31)	(433.10)	(222.61)	(194.29)
Selling expenses	(21.89)	(43.71)	(14.64)	(20.52)
Administrative expenses	(18.77)	(34.21)	(118.76)	(29.84)
Impairment loss on assets	-	(864.17) ²	-	-
Total expenses	(560.97)	(1,375.19)	(356.01)	(244.66)
Profit (loss) before finance costs and income tax expense	(383.48)	(1,178.68)	(131.95)	(85.17)
Finance costs	(63.99)	(31.79)	(20.43)	(6.58)
Profit (loss) before income tax expense	(447.48)	(1,210.47)	(152.39)	(91.75)
Income tax expense	(57.77)	(2.99)	(26.16)	-
Profit for the year/period	(505.24)	(1,213.46)	(178.55)	(91.75)

Remark : ¹ Other income since 2017 mostly are (1) subsidy for Must Carry Fee for a maximum of 384,000 U.S. dollars per year from 20 December 2016 – 19 December 2019 and (2) subsidy for MUX Digital TV Network Fee for the rate of 50% of MUX Digital TV Network Fee from 1 June 2018 – 31 May 2020.

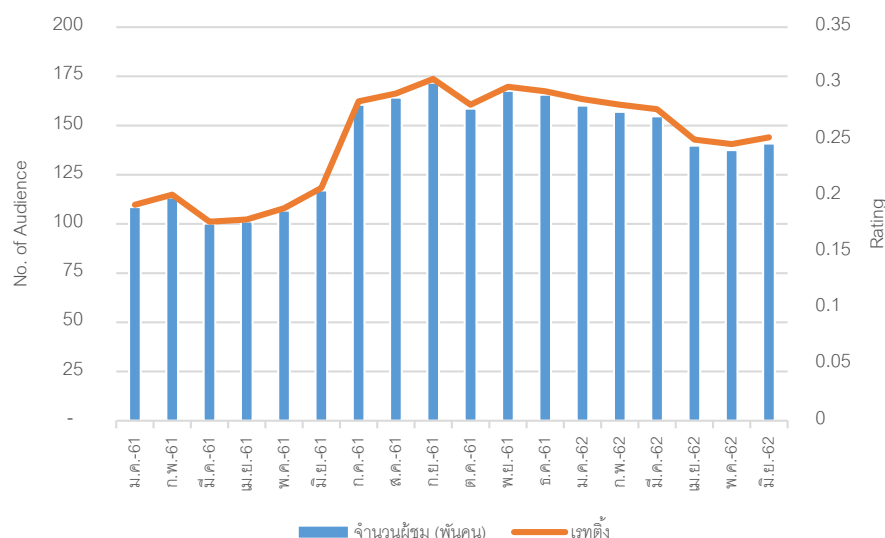
² Impairment loss on the License of 785.51 million Baht

(3) Statement of Cash Flows

Unit : million Baht

Statement of Cash Flows	Audited / Annual Year			Unaudited
	2016	2017	2018	6M/2019
Net cash provided by (used in) operating activities	68.67	264.96	18.39	2.08
Net cash provided by (used in) investing activities	(553.13)	(271.27)	(2.88)	(0.79)
Net cash provided by (used in) financing activities	492.85	(5.49)	(10.23)	(6.59)
Net increase (decrease) in cash and cash equivalents	8.39	(11.79)	5.28	(5.30)
Opening balance of cash and cash equivalents	4.35	12.74	0.94	6.22
Closing balance of cash and cash equivalents	12.74	0.94	6.22	0.92

2.6 Nationwide Rating of SPRING 26 Channel from 2018 - Present



For the number of audience and rating from AGB Nielsen Media Research (Thailand) Ltd. of SPRING 26 channel at the beginning of 2018; the average number of audience was approximately 100,000 persons, and rating was approximately 0.19. The number of audience increased quickly in July 2018 due to the event of the 13 members of the Moo Pa (Wild Boars) Football Academy trapped in Tham Luang Cave in Chiang Rai. But after that, the number of audience declined continually until presently in the 2nd quarter of 2019, the average number of audience was approximately 140,000 persons, and rating was approximately 0.25.

2.7 Industry Outlook

It has been the past 5 years since free TV channels increased to 22 channels from the auction of digital television business, and the digital television industry remains highly competitive. Also, the expansion of digital platforms, which has no cost or very low costs, causing most of the digital television operators of 22 channels to experience losses since advertising revenues decline due to the economic slowdown and additional free TV channels and new platforms to share the market.

Although NBTC had provided ways to help operators in 2016 by extending the payments of the license fee for the 4th - 6th installments, paying 100% of Must Carry fee in 2017 for the period of 3 years, and supporting 50% of MUX Digital TV Network Fee for the period of 2 years, many operators still experienced losses. Eventually, the order of Section 44 was applied again on 11 April 2019, allowing digital TV operators to return the license and receive compensation, and there were digital TV operators of 7 channels to return the license, which were (1) Bright TV 20, (2)

Spring News 19, (3) Spring 26 or formerly, Now 26, (4) Voice TV 21, (5) MCOT Family, (6) Channel 3 Family, and (7) Channel 3 SD.

For advertising spending in digital TV in 2016, the amount of spending was 67,545 million Baht; in 2017 declined to 62,873 million Baht, which was a 7% decline from the previous year; and in 2018 increased to 66,000 million Baht, which was a 5% increase from the previous year. In 2019, the Media Agency Association of Thailand (MAAT) estimates advertising spending in digital TV to be equal to the spending amount in 2018 or 66,000 million Baht. There is no growth, because there is a pressure on companies to reduce costs and spend more efficiently on advertisement. Moreover, there is not yet any signal to be seen on more advertising spending from telecommunication companies, retailers, restaurants, banks, as well as FMCG companies.

3. Opinion of the Independent Financial Advisor

As Spring submitted the request for the License Return to the Office of the National Broadcasting and Telecommunications Commission on 10 May 2019, NBTC delivered the notification letter regarding the result of consideration of the request for the return of the license to use the spectrum to provide digital terrestrial television services, dated 27 June 2019, stating an approval to return and discontinue the License, and 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 Spring shall publicize remedial measures for service users as proposed by Spring for not less than 45 days prior to the termination date of broadcasting service.

However, Spring has complied with the conditions of remedial measures for service users and terminated the broadcasting service on 16 August 2019 at 00.01 a.m., as well as having received the compensation from NBTC on 16 August 2019. But the shareholders' meeting will be held on 27 September 2019, which is the period after the termination of SPRING 26 channel's broadcasting. Therefore, in the case of shareholders not approving the Transaction of the License Return, Spring would not be able to cancel the License Return.

3.1 Rationale and Benefits of the Transaction to the Listed Company

To return the digital TV license of Spring will help reduce the Company's expenses, because Spring has incurred losses since starting the business. Currently, Spring has retained losses of approximately 2,581 million Baht, and the Company has to constantly support funding. And if Spring continues to operate the business, Spring will have to pay the license fee for the outstanding amount of 215.07 million Baht (including Value Added Tax) within August 2019 according to the Order of the National Council for Peace and Order No. 4/2019 Re: the Measures to Solve Problems in the Operation of Television and Telecommunications Business, issued on 11 April 2019, which will require the Company to further support funding. In addition, in case of Spring having revenues less than expenses in the future, it will be a burden of expense to the Company.

In the case of returning the License this time, Spring will receive compensation for the net amount of 671.61 million Baht (already deducting accrued expenses with NBTC) with expenses in August 2019 as follows:

Unit : million Baht

No.	Item	Amount
1	Net compensation	671.61
2	Withholding tax from the compensation (1% of the compensation before deducting accrued expenses (890.83 million Baht))	8.91
3	Cash compensation (1 - 2)	662.70
4	Creditors for MUX Digital TV Network	70.87
5	Creditors for program productions	41.25
6	Other creditors	33.96
7	Severance pay	30.00
8	Remaining cash to repay the Company (3 - 4 - 5 - 6 - 7)	486.62

At the end of August, Spring will have net cash to repay the Company for the amount of 486.62 million Baht, allowing the Company to have cash flows to repay creditors, financial institutions to reduce interest. Initially, the Company will repay financial institutions of 250.64 million Baht and be able to continue operating business.

After returning the License, the Company can focus on main businesses, which are Nation TV 22 news channel (only 1 remaining channel), printing media, organizing related activities, and production of program contents as well as digital business.

The Independent Financial Advisor is of the opinion that the objective of entering into the Transaction of the License Return this time is reasonable and appropriate.

3.2 Advantages and Disadvantages of Entering into the Transaction

3.2.1 Advantages of entering into the transaction

- (1) Receiving cash from the compensation to repay debts of Spring and the Company

Currently, Spring has accrued expenses with the Company for the amount of approximately 717 million Baht (referred to the financial statements as of 30 June 2019). Spring will receive compensation for the net amount of 671.61 million Baht (already deducting accrued expenses with NBTC). NBTC will deduct the withholding tax from the compensation of 8.91 million Baht (1% of the compensation before deducting accrued expenses (890.83 million Baht)); therefore, Spring will receive cash compensation of 662.70 million Baht. In August, Spring will use such amount of cash to repay debts and expenses of 176.08 million Baht. At the end of

August, Spring will have net cash to repay the Company for the amount of 486.62 million Baht. And the Company will then use such money received to repay the Company's debts and use as working capital. Initially, the Company will repay financial institutions of 250.64 million Baht.

In the case of not returning the License, Spring will have to pay the license fee for the outstanding amount of 215.07 million Baht (including Value Added Tax) within August 2019, which will require the Company to support such amount of money. Also, the Company has to constantly support funding, because Spring has incurred losses since starting the business. Currently, Spring has retained losses of approximately 2,581 million Baht, it will be a burden to the Company, and the Company may not be able to receive the accrued amount to be repaid by Spring if Spring continues to incur losses.

(2) Decreasing future losses in the consolidated financial statements

During 2016 – 2018, Spring incurred losses; in 2016, a loss of 505 million Baht; in 2017, a loss of 1,213 million Baht; and in 2018, a loss of 179 million Baht. In the current situation, Spring continues to incur losses. In the case that Spring continues to incur losses in the future, to return the License will allow the Company to no longer recognize losses in the consolidated financial statements.

Even though there are 6 digital TV operators to return the licenses (not including Spring), in the economic situation that both domestic and global economies are highly uncertain and sensitive, there is a pressure on companies to reduce costs and spend more efficiently on advertisement, and this causes advertising spending via digital TV to experience no growth. But there is a significant growth of advertising spending via internet. Also, Spring tries to rearrange the program schedule from initially business news to documentaries, and later becoming news and variety programs, but it remains unsuccessful. Thus, to continue operating the business will possibly cause Spring to incur continual losses.

(3) Reducing the burden of the License fee to be paid

If continuing to operate the business, Spring will have to pay the License fee for the outstanding amount of 215.07 million Baht (including Value Added Tax)

within August 2019. To return the License will allow the Company to no longer have to find money to pay for the accrued amount of the license fee.

- (4) The Company can focus fully on the business of Nation TV 22 news channel.

SPRING 26 channel presents documentary programs, sports, news and variety shows, in which the Company had no expertise to manage. Whereas for Nation TV 22 channel, the Company has high expertise because the Company has been operating news business for a long time.

During 2016 – 2018, Spring incurred losses; in 2016, a loss of 505 million Baht; in 2017, a loss of 1,213 million Baht; and in 2018, a loss of 179 million Baht, whereas NBC Next Vision Company Limited, who receives the license of Nation TV 22 news channel, incurred a loss in 2016 of 242 million Baht, in 2017 a loss of 728 million Baht, and in 2018 a loss of 8 million Baht. As can be seen, NBC Next Vision Company Limited incurs losses much lower than Spring.

If returning the License of Spring, the Company will only have one digital television channel, which is Nation TV 22 news channel. Therefore, the Company will be able to fully invest resources; no overlapping among customer groups in advertising sales or air time renting.

For Spring's business plan after the License Return, the Company is in the process of studying and finding possibilities for new business as a replacement.

- (5) Recording the reversal of impairment loss on the License and a profit from the License Return in the consolidated financial statements

In 2017, the Company recorded an impairment loss on the License of Spring for the amount of 785.51 million Baht in the consolidated financial statements. From the exemption of the License fee given by NCPO, it allowed the Company to record the reversal of impairment loss on the License of 643.66 million Baht in the 2018 consolidated financial statements. Also, the Company can record a profit from the License Return of 309.23 million Baht (estimated by the Company) from the compensation received in the consolidated financial statements within the 3rd quarter of 2019. Profit gained from the License Return is calculated from the compensation from returning the License less the value of the license to use allocated frequencies and broadcast television.

3.2.2 Disadvantage of entering into the transaction

Losing the opportunity to operate the business

In the case of not returning the License, Spring will have the accrued amount of the License fee of 215.07 million Baht (including Value Added Tax). For the remaining amount of the License fee, NCPO will give an exemption, and NBTC will be responsible for all rental expenses of MUX Digital TV Network Fee after May 2020, allowing expenses after that to be only direct costs for operating digital TV business, such as employee salaries, program copyrights, studio rent, satellite signal fee, etc.

To return the License will cause Spring to lose the opportunity to operate the business in the future. Spring will have a chance to sell more advertising due to the fact that other 6 digital TV operators return the license. But, still there is a lot of uncertainty toward future revenues, and Spring will be able to have profitable results.

3.3 Risks of Entering into The Transaction

- None -

4. Appropriateness of the Price

The Independent Financial Advisor considers the appropriateness of the License value in 2 cases; which are 1) in the case of not returning the License and 2) in the case of returning the License.

1) In the case of not returning the License

The Independent Financial Advisor evaluates the appropriateness of the License value by using the following approaches:

- (1) Book Value Approach
- (2) Adjusted Book Value Approach
- (3) Discounted Cash Flow Approach

(1) Book Value Approach

The valuation of the License under this approach evaluates the book value of the License in reference to the unaudited financial statements of Spring as of 30 June 2019. The details are as follows:

Unit : million Baht

Item	Financial Statements as of 30 June 2019
License to use allocated frequencies and broadcast television	610.73

From the valuation of the License under the Book Value Approach, the value of the License equals 610.73 million Baht.

The Book Value Approach of the License is the approach that only reflects Spring's book value of the License as of 30 June 2019, but this approach does not take into account the ability of Spring in generating profit in the future. Therefore, the Independent Financial Advisor considers as not appropriate for this valuation method to evaluate the License value of Spring.

(2) Adjusted Book Value Approach

In the case of not returning the License, according to the Order of the National Council for Peace and Order No. 4/2019 Re: the Measures to Solve Problems in the Operation of Television and Telecommunications Business issued on 11 April 2019, Spring shall be exempted from the

License fee to be paid for the last 2 installments. Therefore, the Adjusted Book Value Approach can be used for the valuation as presented afterwards.

The valuation of the License under this approach evaluates the book value of the License in reference to the unaudited financial statements of Spring as of 30 June 2019; adjusting the License fee that Spring would be exempted and the reversal of impairment loss on the License. The details are as follows:

The Adjustment under the Adjusted Book Value Approach

Unit : million Baht

Item	Financial Statements as of 30 June 2019
License to use allocated frequencies and broadcast television	610.73
Adjustment:	
The License (decrease from the exemption of the fee) ¹	(702.29)
The reversal of impairment loss on the License ²	643.66
The adjusted value of the License	552.11

Remark : ¹ Calculating from the License value that is declined from the exemption of the License fee for the last two installments

² Calculating from the compensation to be received from NBTC less expenses that might occur from the License Return

From the valuation of the License under the Adjusted Book Value Approach, the value of the License equals 552.11 million Baht.

The Adjusted Book Value Approach of the License is the approach that fixes the disadvantage in using the Book Value Approach by adjusting various assets' values to reflect the current values, but it does not reflect the ability of Spring in generating profit in the future. Therefore, the Independent Financial Advisor considers as not appropriate for this valuation method to evaluate the License value of Spring.

(3) Discounted Cash Flow Approach

The valuation of the License under this approach concerns the future operating performance of the company by calculating the net present value of projected free cash flow with Weighted Average Cost of Capital (WACC) as the discount rate.

The Independent Financial Advisor prepares the financial projection of Spring during July 2019 – April 2029, following the period of the digital television license, under the following assumptions:

Spring began to adjust the way to generate revenues from only having advertising revenue to additionally have revenue from renting air time since the mid-year of 2018. The original way of selling advertising was via the Company causing Spring to have a lot of outstanding trade accounts receivable. And Spring began to sell all of advertising via Spring's employees since February 2019.

In February 2019, Spring restructured the employee section by recruiting additional 120 employees and rearranged the program schedule by adding news and variety programs to support the operational plan as SPRING 26 channel changed from documentaries to news and variety in the future.

Therefore, the Independent Financial Advisor uses the information from January – June 2019 to evaluate future performance as revenues and costs reflect the current operational plan of Spring.

(1.1) Revenues

Revenue from renting air time

The Independent Financial Advisor estimates revenue from renting air time from 2 periods, which are:

Period 1 : 06.00 a.m. – 12.00 a.m.

1) Number of hours per day

The number of hours per day during July – December 2019 equals the average number during March – June 2019, since it is the time that Spring has used the latest program schedule.

The number of hours per day during the year 2020 – 2029 equals the number of hours per day of February 2019, which is the highest number during January – June 2019.

2) Sales price per hour

The sales price per hour during July – December 2019 equals the average number during March – June 2019, since it is the time that Spring has used the latest program schedule.

The sales price per hour during the year 2020 – 2029 is estimated to increase by 3% per year following the average growth rate of advertising expenditure during the year 2016 – 2019 in accordance with the Media Agency Association of Thailand.

Period 2 : 00.00 a.m. – 06.00 a.m.

1) Number of hours per day

The number of hours per day during July – December 2019 equals the average number during March – June 2019, since it is the time that Spring has used the latest program schedule.

The number of hours per day during the year 2020 – 2029 equals the number of hours per day of March 2019, which is the highest number during January – June 2019.

2) Sales price per hour

The sales price per hour during July – December 2019 equals the average number during March – June 2019, since it is the time that Spring has used the latest program schedule.

The sales price per hour during the year 2020 – 2029 is estimated to increase by 3% per year following the average growth rate of advertising expenditure during the year 2016 – 2019 in accordance with the Media Agency Association of Thailand.

Item	Actual						Projection			
	Jan 19	Feb 19	Mar 19	Apr 19	May 19	Jun 19	2H/19	2020	2021	2022
06.00 a.m. – 12.00 a.m.										
Number of days (days)	31	28	31	30	31	30	184	366	365	365
Sales time (hours/day)	3.22	4.29	3.89	3.21	3.17	4.00	3.57	4.29	4.29	4.29
Sales price (Baht/hour)	90,238	95,787	101,689	125,653	112,154	93,187	108,171	111,416	114,758	118,201
Growth rate of price								3%	3%	3%
Revenue (million Baht)	9.00	11.50	12.27	12.09	11.04	11.19	71.04	174.86	179.61	185.00
00.00 a.m. – 06.00 a.m.										
Number of days (days)	31	28	31	30	31	30	184	366	365	365
Sales time (hours/day)	3.76	4.25	4.50	3.43	4.10	4.50	4.13	4.50	4.50	4.50
Sales price (Baht/hour)	19,285	26,319	20,424	23,280	18,413	18,753	20,217	20,824	21,448	22,092
Growth rate of price								3%	3%	3%
Revenue (million Baht)	2.25	3.13	2.85	2.40	2.34	2.53	15.37	34.30	35.23	36.29
Total revenues (million Baht)	11.25	14.63	15.12	14.49	13.38	13.72	86.42	209.16	214.84	221.29

Item	Projection						
	2023	2024	2025	2026	2027	2028	Jan-Apr 29
06.00 a.m. – 12.00 a.m.							
Number of days (days)	365	366	365	365	365	366	120
Sales time (hours/day)	4.29	4.29	4.29	4.29	4.29	4.29	4.29
Sales price (Baht/hour)	121,747	125,400	129,162	133,036	137,028	141,138	145,372
Growth rate of price	3%	3%	3%	3%	3%	3%	3%
Revenue (million Baht)	190.55	196.81	202.16	208.22	214.47	221.51	74.80
00.00 a.m. – 06.00 a.m.							
Number of days (days)	365	366	365	365	365	366	120
Sales time (hours/day)	4.50	4.50	4.50	4.50	4.50	4.50	4.50
Sales price (Baht/hour)	22,755	23,437	24,140	24,865	25,611	26,379	27,170
Growth rate of price	3%	3%	3%	3%	3%	3%	3%
Revenue (million Baht)	37.37	38.60	39.65	40.84	42.07	43.45	14.67
Total revenues (million Baht)	227.93	235.41	241.81	249.06	256.53	264.95	89.48

Advertising revenue

1) Advertising minutes

Based on the average advertising time specified by law, which is an average of not exceeding 10 minutes per hour, and the occupancy rate of advertisement during July – December 2019, it equals the average number during March – June 2019, since it is the time that Spring has used the latest program schedule. And the occupancy rate of advertisement during the year 2020 – 2029 equals the occupancy rate of March 2019, which is the highest number during January – June 2019.

2) Average advertising price

The average advertising price during July – December 2019 equals the average number during March – June 2019, since it is the time that Spring has used the latest program schedule.

The average advertising price during the year 2020 - 2029 is estimated to increase by 3% per year following the average growth rate of advertising expenditure during the year 2016 – 2019 in accordance with the Media Agency Association of Thailand.

Item	Actual						Projection			
	Jan 19	Feb 19	Mar 19	Apr 19	May 19	Jun 19	2H/19	2020	2021	2022
Number of days (days)	31	28	31	30	31	30	184	366	365	365
Advertising time per hour (minutes)	10	10	10	10	10	10	10	10	10	10
Sales of advertising time per day (hours/day) ¹	14.78	13.71	14.11	14.79	14.83	14.00	14.43	13.71	13.71	13.71
Sales time (minutes)	4,583	3,839	4,373	4,438	4,596	4,199	26,552	50,186	50,048	50,048
Actual sales time (minutes)	2,863	2,518	3,519	3,427	3,308	2,784	19,648	40,389	40,278	40,278
Occupancy rate	62.48%	65.58%	80.48%	77.22%	71.98%	66.30%	74.00%	80.48%	80.48%	80.48%
Advertising price (Baht/minute)	2,106	2,362	3,175	2,464	1,812	3,898	2,837	2,922	3,010	3,100
Growth rate of advertising expenditure								3%	3%	3%
Revenue (million Baht)	6.03	5.95	11.18	8.44	5.99	10.85	55.74	118.03	121.24	124.87

Remark : ¹ Sales of advertising time per day (hours/day) is calculated from the period of 18 hours from 06.00 a.m. – 12.00 a.m.

deducting rental air time sold from 06.00 a.m. – 12.00 a.m.

Item	Projection						
	2023	2024	2025	2026	2027	2028	Jan-Apr 29
Number of days (days)	365	366	365	365	365	366	120
Advertising time per hour (minutes)	10	10	10	10	10	10	10
Sales of advertising time per day (hours/day) ¹	13.71	13.71	13.71	13.71	13.71	13.71	13.71
Sales time (minutes)	50,048	50,186	50,048	50,048	50,048	50,186	16,454
Actual sales time (minutes)	40,278	40,389	40,278	40,278	40,278	40,389	13,242
Occupancy rate	80.48%	80.48%	80.48%	80.48%	80.48%	80.48%	80.48%
Advertising price (Baht/minute)	3,193	3,289	3,388	3,489	3,594	3,702	3,813
Growth rate of advertising expenditure	3%	3%	3%	3%	3%	3%	3%
Revenue (million Baht)	128.62	132.84	136.45	140.55	144.76	149.51	50.49

Remark : ¹ Sales of advertising time per day (hours/day) is calculated from the period of 18 hours from 06.00 a.m. – 12.00 a.m. deducting rental air time sold from 06.00 a.m. – 12.00 a.m.

Other income

1) Revenue from online media

Revenue from online media includes Facebook, Google, YouTube, Line, etc. The Independent Financial Advisor estimates revenue from online media during July – December 2019 to equal the average number during March – June 2019, since it is the time that Spring began to have revenue from online media. Revenue from online media during the year 2020 – 2029 is estimated to increase by 1.42% per year following the inflation rate in the last 10 years.

Item	Actual						Projection			
	Jan 19	Feb 19	Mar 19	Apr 19	May 19	Jun 19	2H/19	2020	2021	2022
Revenue from online media	-	-	1.11	0.72	1.06	1.10	1.00	1.01	1.03	1.04
Growth rate								1.42%	1.42%	1.42%

Item	Projection						
	2023	2024	2025	2026	2027	2028	Jan-Apr 29
Revenue from online media	1.06	1.07	1.09	1.10	1.12	1.13	0.38
Growth rate	1.42%	1.42%	1.42%	1.42%	1.42%	1.42%	1.42%

2) Subsidy for Must Carry Fee

The Order of the National Council for Peace and Order No. 76/2016 Re: the Measures to Support Radio Broadcaster, Television, Broadcasting, and Telecommunications Business for Public Interest is given to allow NBTC to provide a subsidy for expenses for television satellite transmittance provided in general for 3 years from 20 December 2016 to 19 December 2019. Spring shall receive the subsidy for a maximum of 384,000 U.S. dollars per year or 11.82 million Baht per year (referring to the Weighted-average Interbank Exchange Rate at 30.774 Baht/U.S. dollar of the Bank of Thailand as of 31 July 2019). Therefore, the Independent Financial Advisor estimates income from the subsidy for Must Carry Fee pursuant to the said announcement.

3) Subsidy for MUX Digital TV Network Fee

The Order of the National Council for Peace and Order No. 9/2018 Re: the Measures to Relieve Impacts on Persons Operating Radio Broadcaster, Television, Broadcasting, and Telecommunications Business is given to allow NBTC to provide a subsidy for MUX Digital TV Network Fee to the License user for the rate of 50% of MUX Digital TV Network Fee for 24 months from 1 June 2018 – 31 May 2020. Therefore, the Independent Financial Advisor estimates income from the subsidy for MUX Digital TV Network Fee pursuant to the said announcement.

Item	Projection										
	2H/19	2020	2021	2022	2023	2024	2025	2026	2027	2028	Jan-Apr 29
Revenue from online media	1.00	1.01	1.03	1.04	1.06	1.07	1.09	1.10	1.12	1.13	0.38
Growth rate	-	1.42%	1.42%	1.42%	1.42%	1.42%	1.42%	1.42%	1.42%	1.42%	1.42%
Subsidy of Must Carry Fee	5.91	-	-	-	-	-	-	-	-	-	-
Subsidy of MUX Digital TV Network Fee	10.50	8.75	-	-	-	-	-	-	-	-	-
Other income – total (million Baht)	17.41	9.76	1.03	1.04	1.06	1.07	1.09	1.10	1.12	1.13	0.38

(1.2) Cost of services

1) Satellite rental fee

According to the contract, currently Spring incurs the satellite rental fee of 384,000 U.S. dollars per year or 11.82 million Baht per year (referring to the Weighted-average Interbank Exchange Rate at 30.774 Baht/U.S. dollar of the Bank of Thailand as of 31 July 2019), and the rental fee shall not be increased after the contract expires.

2) MUX Digital TV Network Fee

According to the contract, currently Spring incurs the rental fee of 3.50 million Baht, and after May 2020, NBTC shall be responsible for all rental expenses of MUX Digital TV Network Fee pursuant to the Order of the National Council for Peace and Order No. 4/2019 Re: the Measures to Solve Problems in the Operation of Television and Telecommunications Business, issued on 11 April 2019.

3) Cost of other services, such as program production cost, Production employee salaries, etc.

The Independent Financial Advisor estimates the costs during July – December 2019 to equal the average number during March – June 2019, since it is the time that Spring has already restructured working procedures and employees. The costs during the year 2020 – 2029 are estimated to increase by 1.42% per year following the inflation rate in the last 10 years.

Unit : million Baht

Item	Actual						Projection			
	Jan 19	Feb 19	Mar 19	Apr 19	May 19	Jun 19	2H/19	2020	2021	2022
Satellite rental fee	1.05	1.04	1.01	1.00	1.00	1.01	5.91	11.82	11.82	11.82
Network fee	3.50	3.50	3.50	3.50	3.50	3.50	21.00	17.50	-	-
Cost of other services	10.01	19.84	25.48	25.21	23.99	24.48	148.75	301.73	306.01	310.36
Growth rate								1.42%	1.42%	1.42%
Total costs of services	14.55	24.38	29.99	29.71	28.50	28.99	175.66	331.04	317.83	322.17

Unit : million Baht

Item	Projection						
	2023	2024	2025	2026	2027	2028	Jan-Apr 29
Satellite rental fee	11.82	11.82	11.82	11.82	11.82	11.82	3.94
Network fee	-	-	-	-	-	-	-
Cost of other services	314.76	319.23	323.77	328.36	333.03	337.75	114.18
Growth rate	1.42%	1.42%	1.42%	1.42%	1.42%	1.42%	1.42%
Total costs of services	326.58	331.05	335.58	340.18	344.84	349.57	118.12

(1.3) Selling and administrative expenses

1) Commission fee

The Independent Financial Advisor estimates the commission fee during July – December 2019 to equal the average number during March – June 2019, since it is the time that Spring has already restructured working procedures. The commission fee during the year 2020 – 2029 is estimated to increase by 1.42% per year following the inflation rate in the last 10 years.

2) Selling and administrative expenses, such as, wages, employee salaries, accounting fee, etc.

The Independent Financial Advisor estimates selling and administrative expenses during July – December 2019 to equal the average number during March – June 2019, since it is the time that Spring has already restructured working procedures. Selling and administrative expenses during the year 2020 – 2029 are estimated to increase by 1.42% per year following the inflation rate in the last 10 years.

Unit : million Baht

Item	Actual						Projection			
	Jan 19	Feb 19	Mar 19	Apr 19	May 19	Jun 19	2H/19	2020	2021	2022
Commission fee	0.50	0.28	6.12	1.51	1.86	(1.11) ¹	12.57	25.50	25.86	26.23
Selling and administrative expenses	2.66	4.86	5.93	6.06	6.27	4.73	34.47	69.91	70.91	71.91
Growth rate								1.42%	1.42%	1.42%

Remark : ¹ There was a reversal of commission fee in the previous month.

Unit : million Baht

Item	Projection						
	2023	2024	2025	2026	2027	2028	Jan-Apr 29
Commission fee	26.60	26.98	27.36	27.75	28.15	28.55	9.65
Selling and administrative expenses	72.94	73.97	75.02	76.09	77.17	78.26	26.46
Growth rate	1.42%	1.42%	1.42%	1.42%	1.42%	1.42%	1.42%

(1.4) Working capital for business operation

Item	Assumption
Average collection days	
- Trade accounts receivable	Average number of the 1 st and 2 nd quarters of 2019
- Other receivables	Average number of the 1 st and 2 nd quarters of 2019
Average payment days	
- Trade accounts payable	Average number of the 1 st and 2 nd quarters of 2019
- Other payables	Average number of the 1 st and 2 nd quarters of 2019
Accrued income	% of total revenues referring to the average number of the 1 st and 2 nd quarters of 2019
Accrued expenses	% of total expenses referring to the average number of the 1 st and 2 nd quarters of 2019

Remark : Using the average number of the 1st and 2nd quarters of 2019 to reflect the current situation

Item	Actual					Projection
	Q2/18	Q3/18	Q4/18	Q1/19	Q2/19	Jul 19 - 2029
Average collection days (days)						
- Trade accounts receivable	178	49	36	34	33	33
- Other receivables	4	2	3	2	4	3
Average payment days (days)						
- Trade accounts payable	258	126	119	128	128	128
- Other payables	138	55	47	49	42	45
Accrued income (% of total revenues)	21.00	22.34	12.21	20.84	13.48	17.16
Accrued expenses (% of total expenses)	7.54	9.48	9.84	20.55	19.43	19.99

(1.5) Investment budget

The Independent Financial Advisor estimates the investment budget of office supplies, vehicles and computer program of the year 2024 to equal 1.74 million Baht following the investment amount in 2018, since 2024 is the year that depreciation and amortization of the assets invested in 2018 have been completely depreciated.

Unit : million Baht

Item	Actual				Projection
	2016	2017	2018	Jan-Jun 19	2024
Office supplies	1.69	-	0.35	-	0.35
Vehicles	-	-	1.01	-	1.01
Computer program	0.11	-	0.38	-	0.38
Total investment budget	1.80	-	1.74	-	1.74

(1.6) Projection of free cash flow

The Income Statements

Unit : million Baht

Item	Actual				Projection			
	2016	2017	2018	Jan-Jun 19	Jul-Dec 19	2020	2021	2022
Revenue from renting air time	0.00	0.50	48.57	82.59	86.42	209.16	214.84	221.29
Revenue from advertising	150.28	185.75	144.57	48.44	55.74	118.03	121.24	124.87
Other income	0.28	8.33	29.97	20.90	17.41	9.76	1.03	1.04
Total revenues	150.56	194.58	223.11	151.93	159.57	336.95	337.11	347.20
Cost of services	(305.52)	(223.39)	(147.52)	(156.12)	(175.66)	(331.04)	(317.83)	(322.17)
Commission fee	-	-	(5.68)	(9.16)	(12.57)	(25.50)	(25.86)	(26.23)
Selling and administrative expenses	(38.80)	(55.60)	(88.12)	(30.50)	(34.47)	(69.91)	(70.91)	(71.91)
Total expenses	(344.32)	(278.99)	(241.32)	(195.78)	(222.70)	(426.46)	(414.60)	(420.32)
Profit (loss) before interest, income tax and depreciation	(193.76)	(84.42)	(18.21)	(43.85)	(63.13)	(89.51)	(77.49)	(73.12)

Unit : million Baht

Item	Projection						
	2023	2024	2025	2026	2027	2028	Jan-Apr 29
Revenue from renting air time	227.93	235.41	241.81	249.06	256.53	264.95	89.48
Revenue from advertising	128.62	132.84	136.45	140.55	144.76	149.51	50.49
Other income	1.06	1.07	1.09	1.10	1.12	1.13	0.38
Total revenues	357.60	369.32	379.35	390.71	402.41	415.60	140.35
Cost of services	(326.58)	(331.05)	(335.58)	(340.18)	(344.84)	(349.57)	(118.12)
Commission fee	(26.60)	(26.98)	(27.36)	(27.75)	(28.15)	(28.55)	(9.65)
Selling and administrative expenses	(72.94)	(73.97)	(75.02)	(76.09)	(77.17)	(78.26)	(26.46)
Total expenses	(426.12)	(432.00)	(437.97)	(444.02)	(450.16)	(456.38)	(154.23)
Profit (loss) before interest, income tax and depreciation	(68.52)	(62.68)	(58.62)	(53.31)	(47.74)	(40.78)	(13.88)

Projection of cash flow

Unit : million Baht

Item	Jul-Dec 19	2020	2021	2022	2023	2024	2025	2026
Profit (loss) before interest, income tax and depreciation	(63.13)	(89.51)	(77.49)	(73.12)	(68.52)	(62.68)	(58.62)	(53.31)
Change in working capital ¹	6.29	(24.15)	(10.43)	1.13	1.10	0.80	1.31	1.01
Accrued license fee	(201.00) ²							
Capital investment	-	-	-	-	-	(1.74)	-	-
Free cash flow	(257.84)	(113.67)	(87.92)	(71.99)	(67.42)	(63.62)	(57.31)	(52.30)

Remark : ¹ Change in working capital is calculated from the change in current assets less current liabilities of the current period compared with the previous period.

² The 4th installment of the License fee, which is not yet paid (excluding Value Added Tax)

Unit : million Baht

Item	2027	2028	Jan-Apr 29
Profit (loss) before interest, income tax and depreciation	(47.74)	(40.78)	(13.88)
Change in working capital	0.97	0.63	(195.74)
Accrued license fee			
Capital investment	-	-	-
Free cash flow	(46.77)	(40.15)	(209.62)

(1.7) The License value

Spring's cash flows evaluated by the Independent Financial Advisor are negative from July 2019 – April 2029, which is the month that the License expires. When including all of free cash flows from July 2019 – April 2029, it will equal (1,068.61) million Baht and this has not yet been calculated as the present value.

Therefore, the License value of Spring equals 0 Baht according to the valuation of the License under the Discounted Cash Flow Approach.

Spring will have to pay the accrued amount of the License fee of 201 million Baht (excluding Value Added Tax) within August 2019, and the Company has to support such amount of money. Also, the Company will have to ongoing support capital funding, because from the projection, Spring has negative free cash flows every year until the License expires, and has operating results with a loss of approximately 40 – 80 million Baht per year, causing a burden of expense to the Company. In order for Spring to have

revenues equal to expenses, Spring must have a significant revenue growth, which will be highly uncertain.

The Discounted Cash Flow Approach is an approach that analyzes the past performance of the business, as well as taking into consideration the potential of profit making of the company in the future under the on-going business, and it allows for better reflection of the value of the License than other approaches. Therefore, the Independent Financial Advisor considers **as appropriate** in valuing the License of Spring.

The Summary Table of the Valuation for the License of Spring by Various Approaches

Valuation Approach	Projected Value (million Baht)	Appropriateness of the Approach
1. Book Value Approach	610.73	Not appropriate
2. Adjusted Book Value Approach	552.11	Not appropriate
3. Discounted Cash Flow Approach	0.00	Appropriate

2) In the case of returning the License

The Independent Financial Advisor evaluates the appropriateness of the License value by considering the compensation given by NBTC from returning the License without any deduction for accrued expenses as can be seen below:

Unit : million Baht

Item	Amount
The compensation before deducting the 4 th installment that is unpaid and the annual license fees of 2017 and 2019 ¹	890.83 ²

Remark : ¹ Referring to No. 1.7 Criteria Used to Determine the Value of Consideration

² Spring shall receive the net compensation after deducting accrued expenses of 671.61 million Baht, and after deducting the withholding tax, Spring shall receive the cash compensation of 662.70 million Baht

Therefore, the value of the License equals 890.83 million Baht, which is equivalent to the compensation received.

The Summary Table of the Valuation for the License of Spring

Unit : million Baht

Valuation Approach	Projected Value
1. In the case of not returning the License	0.00
2. In the case of returning the License	890.83

The License value in the case of returning the License, which equals 890.83 million Baht, is higher than the License value in the case of not returning the License, which equals 0.00 Baht.

5. Summary of the Opinion of the Independent Financial Advisor

The Meeting of the Board of Directors of Nation Multimedia Group Public Company Limited No. 9/2019, held on 8 July 2019, unanimously resolved to approve to propose to the shareholders' meeting to consider approving Spring 26 Company Limited (formerly known as Bangkok Business Broadcasting Company Limited), a subsidiary in which the Company holds 149,999,999 ordinary shares with a par value of 10 Baht per share or equivalent to 99.99% of the total ordinary shares sold and is granted the license 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 NOW 26 channel), effective from 25 April 2014 to 24 April 2029 to return the License. As Spring submitted the request for the License Return to the Office of the National Broadcasting and Telecommunications Commission on 10 May 2019, NBTC delivered the notification letter regarding the result of consideration of the request for the return of the license to use the spectrum to provide digital terrestrial television services, dated 27 June 2019, stating an approval to return and discontinue the License, and 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 Spring shall publicize remedial measures for service users as proposed by Spring for not less than 45 days prior to the termination date of broadcasting service. Moreover, NBTC set compensation as a result of the License Return to Spring for the amount of 890.83 million Baht (Spring shall receive the net compensation after deducting accrued expenses of 671.61 million Baht, and after deducting the withholding tax, Spring shall receive the cash compensation of 662.70 million Baht) according to the Notification of the 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, along with the Order of the National Council for Peace and Order No. 4/2019 Re: the Measures to Solve Problems in the Operation of Television and Telecommunications Business, issued on 11 April 2019.

The entering into the Transaction of the License Return 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, dated 29 October 2004 (including the amendments thereof). The highest transaction size is 27.23% according to the calculation basis based on the total value of consideration which is the basis giving the highest result of transaction. And when including the transactions on the disposal of assets during the 6-month period prior to the date on which the Company's Board of Directors resolved to approve in principal for Spring to submit the request for the License Return to NBTC on 10 May 2019 of 3 transactions; it

will result in the total highest transaction size of 51.72% according to the calculation basis based on the total value of consideration, considered as a Class 1 transaction under the Notifications on Acquisition or Disposal of Assets imposing the transaction value equivalent or higher than 50% but less than 100%.

Consequently, the Company is required to make a report, disclose the information memorandum on entering into such transaction to the Stock Exchange of Thailand, and convene the shareholders' meeting in order to obtain an approval for entering into such transaction with affirmative votes of not less than three-fourths of the total votes of participating and voting shareholders, excluding the shareholders with special interests. 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, to the shareholders not less than 14 days in advance prior to the date of the shareholders' meeting.

However, Spring has already submitted the request for the License Return to NBTC on 10 May 2019, and Spring has complied with the conditions of remedial measures for service users and terminated the broadcasting service on 16 August 2019 at 00.01 a.m., as well as having received the compensation from NBTC on 16 August 2019. But the shareholders' meeting will be held on 27 September 2019, which is the period after the termination of SPRING 26 channel's broadcasting. Therefore, in the case of shareholders not approving the Transaction of the License Return, Spring would not be able to cancel the License Return. The Independent Financial Advisor opines that to request for the approval from the shareholders' meeting on this transaction should be for ratification.

The Independent Financial Advisor opines that it is reasonable for the Company to enter into this transaction. It will help reduce the Company's expenses, because Spring has incurred losses since starting the business and the Company has to constantly support funding. And if Spring continues to operate the business, Spring will have to pay the license fee for the outstanding amount of 215.07 million Baht (including Value Added Tax) within August 2019, which will require the Company to further support funding. In addition, in case of Spring having revenues less than expenses in the future, it will be a burden of expense to the Company.

In the case of returning the License this time, Spring will receive compensation for the net amount of 671.61 million Baht with expenses in August 2019 as follows:

Unit : million Baht

No.	Item	Amount
1	Net compensation	671.61
2	Withholding tax from the compensation (1% of the compensation before deducting accrued expenses (890.83 million Baht))	8.91
3	Cash compensation (1 - 2)	662.70

Unit : million Baht

No.	Item	Amount
4	Creditors for MUX Digital TV Network	70.87
5	Creditors for program productions	41.25
6	Other creditors	33.96
7	Severance pay	30.00
8	Remaining cash to repay the Company (3 - 4 - 5 - 6 - 7)	486.62

At the end of August, Spring will have net cash to repay the Company for the amount of 486.62 million Baht, allowing the Company to have cash flows to repay creditors, financial institutions to reduce interest. Initially, the Company will repay financial institutions of 250.64 million Baht and be able to continue operating business. Moreover, the Company can focus on main businesses, which are Nation TV 22 news channel (only 1 remaining channel), printing media, organizing related activities, and production of program contents as well as digital business.

The advantages of entering into the transaction are; (1) receiving cash from the compensation to repay debts of Spring and the Company, (2) decreasing future losses in the consolidated financial statements, (3) reducing the burden of the License fee to be paid, (4) the Company can focus fully on the business of Nation TV 22 news channel, and (5) recording the reversal of impairment loss on the License and a profit from the License Return in the consolidated financial statements. The disadvantage of entering into the transaction is losing the opportunity to operate the business. However, there is no risk of entering into the transaction.

From the valuation of the License; in the case of not returning the License, the fair value of the License according to the opinion of the Independent Financial Advisor, using the Discounted Cash Flow Approach, equals 0.00 Baht. It is because Spring's cash flows evaluated by the Independent Financial Advisor are negative from July 2019 – April 2029, which is the month that the License expires. When including all of free cash flows from July 2019 – April 2029, it will equal (1,068.61) million Baht.

In the case of not returning the License, Spring will have to pay the accrued amount of the License fee of 201 million Baht (excluding Value Added Tax) within August 2019, and the Company has to support such amount of money. Also, the Company will have to ongoing support capital funding, because from the projection, Spring has negative free cash flows every year until the License expires, and has operating results with a loss of approximately 40 – 80 million Baht per year, causing a burden of expense to the Company. In order for Spring to have revenues equal to expenses, Spring must have a significant revenue growth, which will be highly uncertain.

In the case of returning the License, the value of the License equals 890.83 million Baht, which is equivalent to the compensation amount of the License before deducting accrued expenses, and the value is greater than the fair value of the License from the case of not returning the License.

Therefore, the Independent Financial Advisor is of the opinion that the shareholders should approve the Company to entering into the transaction this time. Moreover, the Independent Financial Advisor suggests the shareholders to consider other factors that may affect the decision making, such as advantages and disadvantages of entering into the transaction, risks of entering into the transaction, etc.

In considering on approval or disapproval on such Transaction this time, the shareholders could consider the rationale and the opinions, of which the Independent Financial Advisor presents in this report. Nevertheless, the shareholders could decide to “approve” or “disapprove” on the Transaction, mainly depending on the judgment of the shareholders.

Yours sincerely,
Capital Link Advisory Limited

- Mr. Kiangkrai Siravanichkan -

(Mr. Kiangkrai Siravanichkan)
Authorized Director

- Mr. Kasin Theanchai -

(Mr. Kasin Theanchai)
Authorized Director

- Mr. Kasin Theanchai -

(Mr. Kasin Theanchai)
Operational Controller

Appendix

Information of the Company

1. History and Major Development of the Company

Nation Multimedia Group Public Company Limited established as a limited company under the name of "Business Reviews Company Limited" in 1976, with registered capital of 500,000 Baht for producing and distributing the English business newspaper "The Nation". In 1988, the Company was renamed "Nation Publishing Group Company Limited" and listed on the SET. Then it became a public company in 1993 and in 1996, renamed the company as the "Nation Multimedia Group Public Company Limited".

Significant changes and developments in term of funds, administration and the business operations of the Company's group during 2012 - 2019 are detailed below:

Year	Significant Changes and Developments
2012	<ul style="list-style-type: none"> - Nation Broadcasting Corporation PLC. ("NBC") has established a subsidiary, NBC Next Media Co., Ltd. ("NMM"), to produce television program in various formats to broadcast through television and new media by NBC holding of NMM for 99.99%. - Decreased the par value of 1.00 Baht to 0.53 Baht and reduced the registered capital from 1,647,740,300 Baht to 873,302,359 Baht - The subsidiary of the Company established a subsidiary to produced items in various formats through television and new media as follows: <ol style="list-style-type: none"> 1) NBC Next Vision Co., Ltd ("NNV"); 99.99% owned by NBC 2) NBC Next Screen Co., Ltd.; 99.99% owned by NBC 3) Nation Kids Co., Ltd.; 99.99% owned by Nation International Edutainment PLC. ("NINE") 4) Bangkok Business Broadcasting Co., Ltd. (currently renamed to Spring 26 Co., Ltd. ("Spring")); 99.99% owned by Krungthep Turakij Media Co., Ltd. ("KTM") 5) NNN Next Frontier Co., Ltd.; 99.99% owned by Nation News Network Co., Ltd. ("NNN")
2013	<ul style="list-style-type: none"> - The General Meeting of Shareholders of the Company on 25 April 2013, has approved the issuance and offering of warrants to purchase common stock of the Company to the existing shareholders to subscribe for shares without charge for the amount of not exceeding 1,647,740,300 units and to the directors, management and/or employees of the Company and/or its subsidiary (ESOP) without charge for the amount of not exceeding 82,387,015 units. In addition, the Company authorized to increase the share capital from 873,302,359 Baht to 2,663,572,195 Baht. - NBC increased the share capital by the issuance amount of not exceeding 541,843,962 shares at a par value of 1.00 Baht per share to support for recapitalization and the

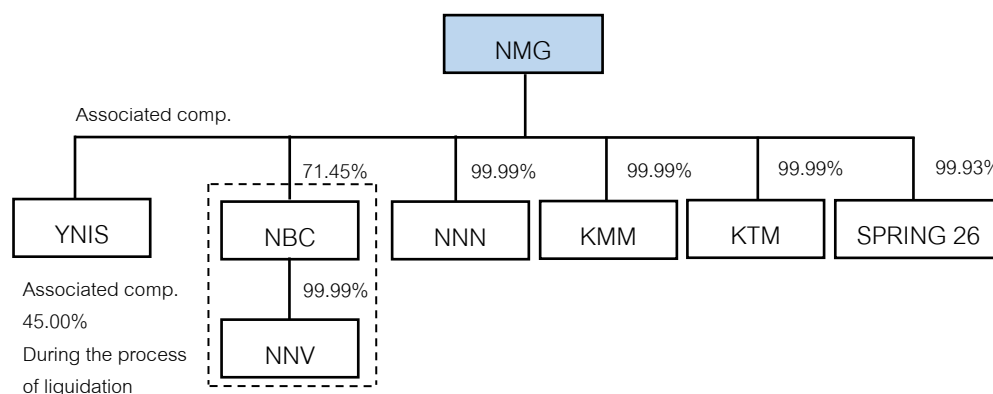
Year	Significant Changes and Developments
	<p>exercise of the warrants. The registered capital increased from 178,500,000 Baht to 720,343,962 Baht.</p> <ul style="list-style-type: none"> - NINE increased the share capital by the issuance amount of not exceeding 174,250,000 shares at a par value of 1.00 Baht per share to support for recapitalization and the exercise of the warrants. The registered capital increased from 85,000,000 Baht to 259,250,000 Baht. - NINE has established a subsidiary, Nine Be Bright Co., Ltd. The type of business is tutor - related knowledge in all fields of study. - Spring was the bidder in the Standard Definition Category at a price of 2,200 million Baht, and NNV was the bidder in the News Category at a price of 1,338 million Baht, respectively.
2014	<ul style="list-style-type: none"> - The Meeting of the Board of Directors of the Company resolved to approve the restructuring of shareholding in Spring, apart from previously that the Company held shares indirectly via KTM for 99.99% to be holding directly for 99.80%. - The Meeting of the Board of Directors of NINE resolved to approve the purchase of the investment in the subsidiary, Nation Egmont Edutainment Co., Ltd. ("NEE") from the existing shareholder, which was Egmont International Holding A/S for 24,900 shares, or 49.00% for the value of 10 million Baht, and this caused the shareholding of NINE in NEE from 49.99% to be 98.99%. NEE also changed the name to Nation Global Edutainment Co., Ltd. ("NGE").
2016	<ul style="list-style-type: none"> - The Meeting of the Board of Directors of NINE acknowledged the merger of 2 subsidiaries, which were Nation Edutainment Co., Ltd.; engaging in comics book business on the East side (NINE held shares for 99.99% of the registered and paid-up capital) and NGE; engaging in publications of educational contents (NINE held shares for 98.99% of the registered and paid-up capital). After the merger, the indirect subsidiary used the name of Global Edutainment Co., Ltd. to operate all of printing businesses.
2018	<ul style="list-style-type: none"> - The Extraordinary General Meeting of Shareholders No. 1/2018, held on 28 February 2018, approved the disposal of the Company's assets by the bidding process, and the assets proposed to the shareholders' meeting for consideration were as follows: <ol style="list-style-type: none"> 1) Sale of all investments in Nation U Co., Ltd. 2) Sale of all investments in WPS (Thailand) Co., Ltd. 3) Sale of all investments in NML Co., Ltd. 4) Land and structures comprise of: <ol style="list-style-type: none"> 4.1) Land and buildings on Theparat Road km. 29.5 4.2) Land on Theparat Road km. 5

Year	Significant Changes and Developments
	<p>4.3) Land and buildings in Chiang Mai</p> <p>4.4) Land and buildings in Khon Kaen</p> <p>4.5) Land and buildings in Songkhla</p> <ul style="list-style-type: none"> - The Extraordinary General Meeting of Shareholders No. 2/2018, held on 19 June 2018, resolved to cancel the approval of the disposal of the Company's assets as proposed in the Extraordinary General Meeting of Shareholders No. 1/2018 with the transaction list previously mentioned. - The Meeting of The Board of Directors of the Company resolved to approve of entering into the transactions of the sale of investments in Nation U Co., Ltd. ("NU"), a subsidiary, the total amount of which equaled 256.50 million Baht; the sale of investments in NML Co., Ltd. ("NML"), a subsidiary, the total amount of which equaled 9 million Baht; and the sale of investments in WPS (Thailand) Co., Ltd. ("WPS"), a subsidiary, the total amount of which equaled 407.50 million Baht.
2019	<ul style="list-style-type: none"> - The Meeting of The Board of Directors of the Company resolved to approve of entering into the transactions of the sale of land and buildings in Khon Kaen for the value of 12 million Baht; and the sale of land on Soi Kiatthani, Theparat Road (TorLor.34), Bang Bo Sub-district, Bang Bo District, Samut Prakan for the value of 275 million Baht. - The Meeting of The Board of Directors of the Company resolved to approve in principal for Spring 26 Co., Ltd. (formerly known as Bangkok Business Broadcasting Co., Ltd.) to submit the request for the License Return to NBTC. - The Meeting of The Board of Directors of the Company resolved to approve the sale of investments in NINE, an associated company of the Company, by offering to public investors who were not connected persons via SET. <ul style="list-style-type: none"> - The Company gradually sold all NINE's shares of 120,808,387 shares, accounted for 33.06% of all NINE's voting rights, to public investors via SET within August.

2. The Structure of Shareholding in Subsidiaries and the Nature of Business

As of 5 September 2019, the Company has 6 subsidiaries and 1 associated company as follows:

No.	Company Name	Shareholding Proportion	Nature of Business
Subsidiaries that the Company holds shares directly			
1	Nation Broadcasting Corporation Public Company Limited ("NBC") Paid-up capital: 535.44 million Baht	71.45%	Production of TV and radio programmes and providing advertisements through TV, radio and new media forms
2	Nation News Network Company Limited ("NNN") Paid-up capital: 50 million Baht	99.99%	Production of digital publishing and advertising media of The Nation
3	Kom Chad Luek Media Company Limited ("KMM") Paid-up capital: 25 million Baht	99.99%	Production of Kom Chad Luek newspaper
4	Krungthep Turakij Media Company Limited ("KTM") Paid-up capital: 25 million Baht	99.99%	Production of Krungthep Turakij newspaper
5	Spring 26 Company Limited ("SPRING 26") (formerly known as Bangkok Business Broadcasting Company Limited) Paid-up capital: 1,500 million Baht	99.93%	Owner and operator of digital TV Station through SPRING 26 channel
Subsidiaries that the Company holds shares indirectly			
6	NBC Next Vision Company Limited ("NNV") (invested by NBC) Paid-up capital: 800 million Baht	99.99%	Owner and operator of digital TV Station through Nation TV 22 channel
Associated companies			
7	Yomiuri-Nation Information Service Company Limited ("YNIS") Paid-up capital: 4 million Baht (currently, during the process of liquidation)	45.00%	General news publications related to the Japanese language



The revenue structure of the Company's group during 2016 – 2018 is shown below:

Business Group	2016		2017		2018	
	million Baht	%	million Baht	%	million Baht	%
Publishing and advertising	1,018.91	39.62	820.96	36.62	723.95	38.39
Broadcast and new media	793.49	30.85	770.76	34.38	687.75	36.47
Printing services (Discontinued operations) ¹	282.38	10.98	201.04	8.97	173.36	9.19
Educational and entertainment media (Discontinued operations) ²	176.47	6.86	150.90	6.73	87.62	4.65
Others	300.49	11.68	298.31	13.31	213.25	11.31
Total revenues	2,571.74	100.00	2,241.96	100.00	1,885.93	100.00

Remark : ¹ The Company sold all of the investments in WPS (Thailand) Co., Ltd. in 2018.

² The Company sold all of the investments in Nation International Edutainment Plc. in 2019.

3. Major Shareholders

The Company has registered capital of 2,663,572,194.95 Baht and paid-up capital of 2,155,959,048.86 Baht, which is divided into 4,067,970,362 ordinary shares with the par value of 0.53 Baht per share. The 10 major shareholders of the Company as of 24 July 2019 (most updated) are shown below:

No.	Name	Number of Shares	% of Shareholding
1	U-City Public Company Limited ¹	406,390,000	9.99%
2	News Network Corporation Public Company Limited ²	404,985,000	9.96%
3	CGS-CIMB SECURITIES (SINGAPORE) PTE. LTD.	391,972,000	9.64%
4	Mr. Sombat Panichewa	290,000,000	7.13%
5	Mr. Suthichai Sae-Yoon	212,878,542	5.23%

No.	Name	Number of Shares	% of Shareholding
6	Miss Kanjanarat Wongpan	206,641,200	5.08%
7	Mr. Pakkawan Wongopasi	185,000,000	4.55%
8	KIM ENG SECURITIES (HONGKONG) LIMITED	172,104,000	4.23%
9	General Insurance Fund	141,400,000	3.48%
10	DOW JONES & COMPANY, INC., NEW YORK	120,000,000	2.95%
	Total number of shares of 10 major shareholders	2,531,370,742	62.23%
	Other shareholders	1,536,599,620	37.77%
	Total number of shares	4,067,970,362	100.00%

Remark: ¹ The list of shareholders of U-City Public Company Limited as of 3 April 2019 consists of:

No.	Name	Number of Shares	% of Shareholding
1	BTS Group Holding Public Company Limited	2,030,631,152	36.17%
2	TROPHY CAPITAL GROWTH FUND	605,228,108	10.78%
3	Thai NVDR Company Limited	98,127,006	1.75%
4	Mrs. Sukanya Thongphanh	91,513,757	1.63%
5	Mr. Vichit Chinwongvorakul	86,980,000	1.55%
6	Mr. Komol Jungreangkit	86,445,427	1.54%
7	SOUTH EAST ASIA UK (TYPE C) NOMINEES LIMITED	80,526,024	1.43%
8	Mr. Somkiet Chatsakulwilai	49,530,916	0.88%
9	Mr. Chaiyan Chakarakul	49,004,896	0.87%
10	Mr. Thongplew Siripornpitak	42,458,542	0.76%

² The list of shareholders of News Network Corporation Public Company Limited as of 24 May 2019 consists of:

No.	Name	Number of Shares	% of Shareholding
1	Mr. Siritaj Rojanapruk	15,476,913,911	22.80%
2	Mrs. Pantipa Setthapanich	6,180,000,000	9.10%
3	Miss Kanjanarat Wongpan	6,000,000,069	8.84%
4	Miss Kingkarakade Chuenruetainaidhama	3,700,000,000	5.45%
5	Mr. Pisit Pipatvilai	2,815,679,500	4.15%
6	General Insurance Fund	1,570,000,000	2.31%
7	Mr. Sombat Panichcheva	1,412,043,300	2.08%
8	Mr. Chairat Kovitmongkol	1,400,000,000	2.06%

No.	Name	Number of Shares	% of Shareholding
9	Thai NVDR Company Limited	1,082,721,170	1.59%
10	Miss Wannee Rojanavanichayakorn	899,817,487	1.33%

4. Board of Directors

As of 5 September 2019 (most updated), the Board of Directors of the Company consists of:

No.	Name	Position
1	Mr. Marut Arthakaivalvatee	Chairman of the Board of Directors
2	Mr. Shine Bunnag	Chairman of Executive Committee and Vice Chairman of the Board of Directors
3	Mr. Somchai Meesen	Chief Executive Officer and Director
4	Mr. Sontiyon Chuenruetainaidhama	Vice Chairman of the Board of Directors
5	Mrs. Warangkana Kalayanapradit	Director
6	Mr. Ka Ming Jacky Lam	Director
7	Mr. Apivut Thongkam	Independent Director and Chairman of the Audit Committee
8	Mr. Chaiyasit Puvapiromquan	Independent Director and Audit Committee
9	Mr. Thanachai Santichaikul	Independent Director and Audit Committee
10	Mrs. Salinee Wangtal	Independent Director

5. Management of the Company

As of 5 September 2019 (most updated), the management of the Company consists of:

No.	Name	Position
1	Mr. Somchai Meesen	Chief Executive Officer
2	Mrs. Warangkana Kalayanapradit	Assistant Chief Executive Officer
3	Mr. Supawat Sanguanngam	Managing Director - Publishing Business
4	Mr. Prakit Chompukam	Assistant Chief Executive Officer
5	Mr. Pornprayoon Issarasak Na Ayutthaya	Assistant Chief Executive Officer - Corporate Communication
6	Miss Mathaya Osathanond	Senior President of Finance and Corporate Secretary
7	Miss Natenapa Pusittanont	Senior President of Accounting

6. Financial Position and Operating Result

6.1 Statement of Financial Position

Unit : million Baht

Statement of Financial Position (Consolidated)	Audited As of 31 December		
	2016 (Revised)	2017	2018
Current assets			
Cash and cash equivalents	233.69	186.40	168.89
Temporary investments	422.38	125.42	0.23
Trade accounts receivable – net	398.05	274.77	205.43
Accrued income	99.47	77.07	87.32
Other receivables	89.84	59.61	68.13
Inventories - net	136.93	68.12	2.96
Other current assets	321.56	285.79	203.25
Total current assets	1,701.92	1,077.17	736.22
Non-current assets			
Restricted bank deposits	0.86	0.48	1.15
Investment in associated company	23.16	23.23	188.47
Long-term investment in other companies	7.42	4.02	2.26
Investment properties	75.45	70.66	81.08

Unit : million Baht

Statement of Financial Position (Consolidated)	Audited As of 31 December		
	2016 (Revised)	2017	2018
Property, plant and equipment - net	1,488.48	1,462.59	407.10
Intangible assets - net	171.18	66.98	17.35
Licenses to use allocated frequencies and broadcast television - net	2,574.17	1,049.29	2,086.90
Deferred tax assets	112.05	77.32	-
Other non-current assets	230.75	238.20	234.96
Total non-current assets	4,683.52	2,992.76	3,019.27
Total assets	6,385.43	4,069.93	3,755.49
Current liabilities			
Bank overdrafts and short-term loans from financial institutions	549.43	864.67	620.05
Trade accounts payable	99.26	105.02	212.60
Other payables	146.14	67.39	70.99
Accrued portion of licenses to use allocated frequencies and broadcast television – due within one year	584.07	297.96	-
Current portion of long-term loans from financial institutions – due within one year	121.07	156.00	187.17
Short-term loans	550.00	553.50	323.53
Income tax payable	0.01	-	-
Other current liabilities	436.01	456.11	348.48
Total current liabilities	2,485.99	2,500.67	1,762.82
Non-current liabilities			
Accrued liability of licenses to use allocated frequencies and broadcast television	1,130.07	1,131.22	1,448.81
Long-term loans from financial institutions	158.83	47.00	-
Liabilities under finance lease agreement	-	-	-
Deferred tax liabilities	20.91	31.23	8.05
Employee benefit obligations	167.25	137.98	103.50
Other non-current liabilities	105.06	87.32	48.23
Total non-current liabilities	1,582.13	1,434.74	1,608.59
Total liabilities	4,068.11	3,935.41	3,371.40
Shareholders' equity			
Share capital			
<u>Authorized share capital</u>			
Ordinary shares 5,025,608,000 shares at par value of 0.53 Baht each	2,663.57	2,663.57	2,663.57

Unit : million Baht

Statement of Financial Position (Consolidated)	Audited As of 31 December		
	2016 (Revised)	2017	2018
Issued and fully paid-up share capital			
Ordinary shares 4,067,847,262 shares at par value of 0.53 Baht each	2,155.96	2,155.96	-
Ordinary shares 4,067,970,362 shares at par value of 0.53 Baht each	-	-	2,156.02
Premium on ordinary shares			
Premium on ordinary shares	1,169.69	1,169.69	1,169.75
Premium on ordinary shares of subsidiary	96.60	96.94	80.72
Warrants	30.01	35.35	-
Reserve of Warrants	(91.01)	(91.01)	-
Retained earnings (deficit)			
Appropriated			
Legal reserve	32.70	32.70	32.70
Unappropriated	(1,399.69)	(3,556.27)	(3,235.33)
Other components of shareholders' equity	(4.23)	167.16	32.20
Equity attributable to owners of the parent	1,990.04	10.52	236.07
Non-controlling interests	327.28	124.00	148.02
Total shareholders' equity	2,317.32	134.52	384.09
Total liabilities and shareholders' equity	6,385.43	4,069.93	3,755.49

6.2 Statement of Comprehensive Income

Unit : million Baht

Statement of Comprehensive Income (Consolidated)	Audited / Annual Year		
	2016 (Revised)	2017	2018
Revenues			
Revenue from sales and services	2,021.67	1,650.66	1,374.39
Revenue from investments	-	2.68	0.40
Other income	84.67	57.51	113.65
Total revenues	2,106.34	1,710.85	1,488.44
Expenses			
Cost of sales and services	(2,000.46)	(1,482.61)	(1,029.95)
Selling and administrative expenses	(1,114.44)	(807.44)	(853.98)
Reversal of impairment loss on assets	-	(1,479.09)	1,127.05

Unit : million Baht

Statement of Comprehensive Income (Consolidated)	Audited / Annual Year		
	2016 (Revised)	2017	2018
Reversal of loss from allowance for doubtful account	-	7.03	57.48
Finance costs	(152.36)	(169.15)	(153.48)
Total expenses	(3,267.26)	(3,931.26)	(852.87)
Share of profit from investments in associated company	1.08	0.07	(3.89)
Profit (loss) before income tax expense from continued operations	(1,159.84)	(2,220.34)	631.69
Income tax revenue (expense)	(157.82)	(21.57)	(71.94)
Profit (loss) for the year from continued operations	(1,317.66)	(2,241.90)	559.74
Discontinued operations			
Loss for the year from discontinued operations – net from taxes	-	(136.45)	(269.25)
Profit (loss) for the year	(1,317.66)	(2,378.35)	290.50

6.3 Statement of Cash Flows

Unit : million Baht

Statement of Cash Flows (Consolidated)	Audited / Annual Year		
	2016 (Revised)	2017	2018
Net cash provided by (used in) operating activities	(164.73)	(65.15)	(45.14)
Net cash provided by (used in) investing activities	(431.76)	(97.26)	683.86
Net cash provided by (used in) financing activities	622.66	115.12	(570.06)
Net increase (decrease) in cash and cash equivalents	26.17	(47.30)	68.66
Cash and cash equivalents as of 1 January	207.53	233.69	186.40
Effect of discontinued operations	-	-	(86.16)
Cash and cash equivalents as of 31 December	233.69	186.40	168.89

6.4 Financial Ratios

Financial Ratio	2016 (Revised)	2017	2018
1. Liquidity Ratios			
1.1 Current ratio (times)	0.68	0.43	0.42
1.2 Quick ratio (times)	0.42	0.23	0.21
1.3 Cash flow current ratio before change in working capital (times)	(0.16)	(0.10)	(0.05)
1.4 Account receivable turnover (times)	4.10	4.91	5.72
1.5 Average collection period (days)	88	73	63
1.6 Inventory turnover (times)	7.74	14.46	28.98
1.7 Days sales of inventory (days)	47	25	12
1.8 Account payable turnover (times)	17.17	14.51	6.49
1.9 Payment days (days)	21	25	56
1.10 Cash Cycle (days)	113	73	20
2. Profitability Ratios			
2.1 Gross profit margin (%)	1.05%	10.18%	25.06%
2.2 Operating profit margin (%)	(49.89%)	(127.92%)	49.11%
2.3 Cash before change in working capital to profit ratio (%)	(16.88%)	(14.79%)	(7.20%)
2.4 Net profit margin (%)	(62.56%)	(139.02%)	19.52%
2.5 Return on equity (%)	(59.27%)	(22,617.47%)	123.06%
3. Efficiency Ratios			
3.1 Return on assets (%)	(18.81%)	(45.50%)	7.42%
3.2 Return on fixed assets (%)	(71.15%)	(149.24%)	44.27%
3.3 Asset turnover (times)	0.33	0.42	0.40
4. Financial Policy Ratios			
4.1 Debt to equity ratio (times)	1.76	29.26	8.78
4.2 Interest-bearing debt to equity ratio (times)	1.33	22.68	6.72
4.3 Interest coverage ratio (times)	0.95	0.74	1.17
4.4 Profit before interest and tax to interest expense ratio (times)	(6.61)	(12.13)	5.12
4.5 Commitment coverage ratio (Cash Basis) (times)	(0.11)	(0.29)	0.86

6.5 The Analysis of Financial Position and Performance Results

The Analysis of Financial Position and Performance Results of Year 2018

Total Assets

Total assets had the outstanding balance of 3,755.49 million Baht, decreasing by 314.44 million Baht or 7.73% when compared with the previous year that had the outstanding balance of 4,069.93 million Baht. The transactions that were significantly changed can be summarized as follows:

- Cash and cash equivalents decreased by 17.50 million Baht or 9.39%, mainly because the Company received money from the sale of investments in subsidiaries for the net amount of 665 million Baht, and decreased from discontinued operations (from the sale of investments in subsidiaries and the loss of controlling interests in subsidiaries) of 86 million Baht. Moreover, such money was used as working capital in the operation and paid for short-term and long-term loans.
- Temporary investments declined by 125.42 million Baht or 99.82%, mainly because during the year 2018 the Company lost controlling interests in subsidiaries causing trading securities to decrease by 103 million Baht, and the Company's group sold and transferred trading securities of 20 million Baht.
- Trade accounts receivable - net decreased by 69.34 million Baht or 25.24%, because overall revenues from advertising and publishing business declined, and the competitive situation of digital TV was relatively high causing trade accounts receivable to decline from the previous year. In addition, the Company had the average collection period equal to 63 days, reducing from the previous year which had the average collection period equal to 73 days, and the sale of investments in subsidiaries caused trade accounts receivable to decline as well.
- Accrued income increased by 10.25 million Baht or 13.30%. Most of accrued income were from the television business involving advertising-contract transactions that overlapped between years and not yet invoiced. Also, it was from revenues from special events that the Company provided services but invoiced case-by-case when the project ended. Most of the customers were government agencies and state enterprises that had procedures and schedule to check documents before delivery.

- Inventories – net reduced by 65.15 million Baht or 95.65%, mainly because the inventories from the educational and entertainment media business reduced following the change in consumer trends. In 2018, the loss of controlling interests in subsidiaries from educational and entertainment media business and the sale of investments in subsidiaries from printing service business caused inventories to decrease. When calculating the days sales of inventory ratio as of 31 December 2018, it equaled 12 days, decreasing by 13 days from the previous year which was at 25 days.
- Other current assets decreased by 82.45 million Baht or 28.86% mainly due to the decrease in the suspense input tax of 71 million Baht. It was from trade accounts receivable from related parties that were paid, which were related to the sale of investments in subsidiaries; Value Added Tax refundable from the Revenue Department declined by 11 million Baht.
- Investment in associated company increased by 165.24 million Baht or 711.45%, mainly because NINE increased the capital but the Company's group did not invest more in NINE, causing the investment proportion to change from 71.04% to 33.05%. And this made the Company's group lose controlling interests in subsidiaries, and NINE was transferred to be the investment in associated company of 169 million Baht.
- Long-term investment declined by 1.76 million Baht or 43.69% mainly due to the record of the impairment loss on investment during 2018.
- Investment properties increased by 10.43 million Baht or 14.76%, mainly because the Company's group received condominiums by exchanging services with assets of 12 million Baht, appraised by an independent appraiser, and recorded the impairment loss on the condominiums, appraised by an independent appraiser using the Market Approach, for the amount of 10 million Baht. Also, there was a transfer of buildings' value from the property, plant and equipment item for the net amount of 12 million Baht.
- Property, plant and equipment – net decreased by 1,055.48 million Baht or 72% from the depreciation during the year of 123 million Baht and the purchase of assets during the year 2018, which mostly were equipment, decorative accessories, installation and office supplies, and vehicles, for the amount of approximately 62 million Baht. Also, there were disposal and amortization of assets, most of which were operating equipment and vehicles, for the net amount

of 65 million Baht. There were a transfer of buildings' value to the investment properties item for the net amount of 12 million Baht and impairment loss on assets of 51 million Baht. In addition, the sale of investments in subsidiaries and the loss of controlling interests in subsidiaries caused the transfer from the property, plant and equipment item for the net amount of 867 million Baht.

- Intangible assets decreased by 49.63 million Baht or 74.10% from the amortization during the year of 16.11 million Baht. There were disposal and amortization of computer programs, software copyrights, and rights of broadcasting for the total amount of 89.04 million Baht, since the subsidiaries amortized the rights of broadcasting because they had been broadcasted until the end of the contract for the amount of 89.02 million Baht. And there was a reversal of impairment loss on the rights of broadcasting of 58.59 million Baht. Moreover, there was the additional investment in computer programs and software copyrights for the total amount of 7.69 million Baht, and the loss of controlling interests in subsidiaries caused the transfer from the intangible assets for the net amount of 11 million Baht.
- Licenses to use allocated frequencies and broadcast television increased by 1,037.61 million Baht or 98.89% from the amortization during the year of 93 million Baht, and reversing the record of impairment loss of the license and related assets of 2 TV channels for the amount of 1,130 million Baht. Due to the fact that, on 11 April 2019, the National Council for Peace and Order ("NCPO") gave the order No. 4/2019 Re: the Measures to Solve Problems in the Operation of Television and Telecommunications Business, and on 2 May 2019, NBTC announced the Notification on 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, the subsidiary, Spring, submitted the request for the License Return to NBTC and was approved for such return on 27 June 2019. However, the Company's group considered the recoverable amount based on the fair value less cost of sales, which was the compensation to be received from NBTC as specified in the clarification letter of an approval to pay compensation on 26 July 2019, deducting expenses that would occur from returning the License. Therefore, the Company's group considered to reverse the impairment loss on the License in the consolidated financial statements for the year ended 31 December 2018 of 643.66 million Baht. Later on 26 July 2019,

NBTC delivered the notification letter of an approval to pay compensation, due to the return of the license, to the subsidiary for the amount of 890.83 million Baht and deducting the accrued amount of the 4th installment of the License fee of 215.07 million Baht (including Value Added Tax), as a result, the remaining amount of compensation was 675.76 million Baht. In addition, an indirect subsidiary, NNV, did not request to return the license, thus, it would be exempted from the License fee, as well as receiving support for rental expenses for television networks using the digital terrestrial spectrum throughout the remaining period of the license to provide digital television services. This would be effective after the end of the Measures to Relieve Impacts under Article 8, paragraph one of NCPO's order No. 9/2018. Therefore, the Company's group considered to reverse the impairment loss on the License in the consolidated financial statements for the year ended 31 December 2018 of 486.70 million Baht.

- Deferred tax assets declined by 77.32 million Baht or 100.00%, because the Company's group did not recognize deferred tax assets yet due to the uncertainty of the profitability of the Company's group that might not be sufficient to gain tax benefits.

Total Liabilities

Total liabilities had the outstanding balance of 3,371.40 million Baht, decreasing by 564.01 million Baht or 14.33% when compared with the previous year that had the outstanding balance of 3,935.41 million Baht. The transactions that were significantly changed can be summarized as follows:

- Bank overdrafts and short-term loans from financial institutions decreased by 244.63 million Baht or 28.29% due to the repayment for the short-term Bill of Exchange during the year, and the repayment money was from the sale of investments in subsidiaries.
- Trade accounts payable increased by 107.58 million Baht or 102.43% from liabilities to other persons or businesses. When calculating the payment days in 2018, on average it equaled 56 days, which was higher when compared with the previous year at 25 days. This was because the Company extended repayment periods, allowing trade accounts payable to increase from the previous year.

- Other current payables decreased by 32.31 million Baht or 19.84% from the decrease in unearned revenue. Revenues were recognized as completed services were provided according to the contracts.
- Short-term loans decreased by 229.97 million Baht or 100.00% due to the repayment for short-term loans during the year.
- Total long-term loans from financial institutions decreased by 15.83 million Baht or 7.80% due to the repayment for long-term loans to financial institutions during the year.
- Accrued liability of licenses to use allocated frequencies and broadcast television increased by 19.63 million Baht or 1.37% from the accrued interest for the License fee during the year.
- Other current liabilities declined by 71.72 million Baht or 19.89% because of the suspense output tax. It was from the repayment for related parties, which were related to the sale of investments in subsidiaries.
- Employee benefit obligations declined by 34.48 million Baht or 24.99% from the transfer due to the loss of controlling interests in subsidiaries for the amount of 36 million Baht.
- Other non-current liabilities decreased by 39.09 million Baht or 44.77% from the decrease in unearned revenue from advertising fees. Revenues were recognized according to the actual amount of advertising on screen.

Total Shareholders' Equity

Total shareholders' equity had the outstanding balance of 384.09 million Baht, increasing by 249.57 million Baht or 185.52% when compared with the previous year that had the outstanding balance of 135 million Baht. The transaction that was significantly changed can be summarized as follows:

- A net profit in 2018 was 215.20 million Baht, and a profit attributable to non-controlling interests was 75.30 million Baht, totaling to net profits for the whole year of 290.50 million Baht.

Statement of Comprehensive Income

The consolidated financial statements of Nation Multimedia Group Public Company Limited and its subsidiaries for the year ended 31 December 2018 showed a profit from continued operations of 559.74 million Baht, compared with the same period of 2017 at a loss of 2,241.90 million Baht, increasing in profit by 124.97%. If including a loss from discontinued

operations in 2018 of 269.24 million Baht, the Company's group would have a net profit of 290.50 million Baht, and when compared with the same period of 2017 at a loss of 2,378.35 million Baht, it was a gain in profit by 112.21%. But if excluding reversal transactions of impairment on assets and allowance for doubtful accounts of 1,184.53 million Baht, the Company's group would have a net loss of 894.03 million Baht. Thus, the Company would like to clarify the operating results of the Company's group that were significantly changed as summarized below:

1. Revenue from sales and services for the year 2018 decreased by 276.27 million Baht or 16.74% when compared with the same period of 2017. It was mainly due to the slowdown of the economy, and this resulted in the decrease in the revenue from advertisement by 15% and the decrease in the revenue from printing media by 26%.
2. Cost of sales and expenses for the year 2018 decreased by 3,078.39 million Baht or 78.31% when compared with the same period of 2017, which were mainly from:
 - Cost of sales and services decreased by 452.66 million Baht or 30.53%, which was in line with the revenue from sales and services that declined.
 - Selling and administrative expenses increased by 46.54 million Baht or 5.76%, because there were losses from selling and amortization of assets of 161 million Baht.
 - On 11 April 2019, the NCPO gave the order No. 4/2019 Re: the Measures to Solve Problems in the Operation of Television and Telecommunications Business, and on 2 May 2019, NBTC announced the Notification on 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. The license user who wished to return the license could submit the letter of request to NBTC within 10 May 2019, and the return of such license would be considered as the cancellation of the license to operate digital terrestrial television services. Spring (formerly known as Bangkok Business Broadcasting Company Limited) submitted the request for the License Return to NBTC and was approved for such return on 27 June 2019. However, the Company's group considered the recoverable amount based on the fair value less cost of sales, which was the compensation to be received from NBTC as specified in the clarification letter of an approval to pay compensation on 26 July 2019, deducting expenses that would occur from returning the License. Therefore, the Company's group considered to reverse the impairment loss on the

License in the consolidated financial statements for the year ended 31 December 2018 of 643.66 million Baht. Later on 26 July 2019, NBTC delivered the notification letter of an approval to pay compensation, due to the return of the license, to subsidiaries for the amount of 890.83 million Baht and deducting the accrued amount of the 4th installment of the License fee of 215.07 million Baht (including Value Added Tax), as a result, the remaining amount of compensation was 675.76 million Baht. In addition, NBC Next Vision Company Limited did not request to return the license, thus, it would be exempted from the License fee, as well as receiving support for rental expenses for television networks using the digital terrestrial spectrum throughout the remaining period of the license to provide digital television services. This would be effective after the end of the Measures to Relieve Impacts under Article 8, paragraph one of NCPO's order No. 9/2018. Therefore, the Company's group considered to reverse the impairment loss on the License in the consolidated financial statements for the year ended 31 December 2018 of 486.70 million Baht.

- During the year 2018, the Company sold the investments in subsidiaries in order to restructure the Group's businesses which included Nation U Co., Ltd.; NML Co., Ltd.; WPS (Thailand) Co., Ltd. And the Company reduced its investment proportion in Nation International Edutainment PLC., and this changed such company from being a subsidiary (shares held by 71.04%) to be an associated company (shares held by 33.06%).

For the summary of performance results for the year ended 31 December 2018, the Company's group had the net profit of 290.50 million Baht, which was from reversing the transactions of impairment loss on assets and loss from allowance for doubtful accounts of 1,184.53 million Baht; compared with the same period of 2017 at the loss of 2,378.35 million Baht.

The Analysis of Financial Position and Performance Results of Year 2017

Total Assets

Total assets had the outstanding balance of 4,069.93 million Baht, decreasing by 2,315.50 million Baht or 36.26% when compared with the previous year that had the outstanding balance of 6,385.43 million Baht. The transactions that were significantly changed can be summarized as follows:

- Cash and cash equivalents decreased by 47.30 million Baht or 20.24%, mainly because they were used as working capital in the operation and used for the investments in digital TV business, such as payments for the License and copyright of television programs, etc.
- Temporary investments declined by 296.95 million Baht or 70.31%, mainly because during the year 2017 the Company's group repaid promissory notes to financial institutions for the amount of 195 million Baht, and it sold and transferred trading securities of 224 million Baht. However, there were additional debt securities held for trading of 122 million Baht.
- Trade accounts receivable - net decreased by 123.28 million Baht or 30.97%, because overall revenues from advertising and publishing business declined, and the competitive situation of digital TV was relatively high causing trade accounts receivable to decline from the previous year. In addition, the Company had the average collection period equal to 73 days, reducing from the previous year which had the average collection period equal to 88 days.
- Accrued income decreased by 22.40 million Baht or 22.52%. Most of accrued income were from the television business involving advertising-contract transactions that overlapped between years and not yet invoiced. Also, it was from revenues from special events that the Company provided services but invoiced case-by-case when the project ended. Most of the customers were government agencies and state enterprises that had procedures and schedule to check documents before delivery.
- Inventories – net reduced by 68.81 million Baht or 50.25%, mainly because the inventories from the educational and entertainment media business reduced following the change in consumer trends. In 2016, there was a money reserve for finished goods in the educational and entertainment media business of 194 million Baht, and the reduction of Newsprint paper materials of 9 million Baht. When

calculating the days sales of inventory ratio as of 31 December 2017, it equaled 25 days, decreasing by 22 days from the previous year which was at 47 days.

- Other current assets decreased by 35.77 million Baht or 11.12% mainly due to the decrease in the suspense input tax, which was from trade accounts receivable from related parties that were paid, for the amount of 32 million Baht; Value Added Tax refundable from the Revenue Department declined by 0.64 million Baht; and program royalty fees and others decreased totally by 3.65 million Baht.
- Long-term investment declined by 3.40 million Baht or 45.80% mainly due to the sale of investments for the whole amount during the year.
- Investment properties decreased by 4.79 million Baht or 6.35% mainly because of the record of the impairment loss on the condominiums, appraised by an independent appraiser using the Market Approach.
- Property, plant and equipment – net decreased by 25.90 million Baht or 1.74% from the depreciation during the year of 175 million Baht and the purchase of assets during the year 2017, which mostly were equipment, decorative accessories, installation and office supplies, and vehicles, for the amount of approximately 10 million Baht. Also, there was the revaluation increment on land of 205 million Baht, and impairment loss on assets of 51 million Baht.
- Intangible assets decreased by 104.20 million Baht or 60.87% from the amortization during the year of 116 million Baht and the record of the impairment loss of 69 million Baht. There was the amortization of computer programs, software copyrights, and rights of broadcasting for the amount of 17 million Baht. Moreover, there were additional investments in the copyright of television programs in the digital TV business, computer programs and software copyrights, and book copyrights for the total amount of 81 million Baht.
- Deferred tax assets declined by 34.74 million Baht or 31.00%, because the Company's group used tax benefits from allowances, such as allowances for trade accounts receivable, inventories, provision for liabilities of licenses to use allocated frequencies and broadcast television. And from the tax losses, there were then some adjustments of the said transactions during the year.
- Other non-current assets increased by 4.37 million Baht or 14.95%, because the Company had the withholding income tax refundable from the Revenue Department.

Total Liabilities

Total liabilities had the outstanding balance of 3,935.41 million Baht, decreasing by 147.38 million Baht or 3.26% when compared with the previous year that had the outstanding balance of 4,068.11 million Baht. The transactions that were significantly changed can be summarized as follows:

- Bank overdrafts and short-term loans from financial institutions increased by 315.24 million Baht or 57.38% from the short-term Bill of Exchange during the year to use as working capital in the business.
- Trade accounts payable increased by 5.76 million Baht or 5.80% from liabilities to other persons or businesses. When calculating the payment days in 2017, on average it equaled 25 days, which was insignificantly different when compared with the previous year at 21 days.
- Short-term loans increased by 3.50 million Baht or 0.64% because of borrowing short-term loans during the year to use as working capital in the business.
- Total long-term loans from financial institutions decreased by 75.83 million Baht or 27.20% due to the repayment for long-term loans to financial institutions during the year.
- Accrued liability of licenses to use allocated frequencies and broadcast television decreased by 284.96 million Baht or 16.62% from the payment of the license to use allocated frequencies during the year for 2 TV channels.

Total Shareholders' Equity

Total shareholders' equity had the outstanding balance of 134.52 million Baht, decreasing by 2,182.80 million Baht or 94.20% when compared with the previous year that had the outstanding balance of 2,317.32 million Baht. The transaction that was significantly changed can be summarized as follows:

- A net loss in 2017 was 2,156.49 million Baht, and a loss attributable to non-controlling interests was 221.87 million Baht, totaling to net losses for the whole year of 2,378 million Baht.

Statement of Comprehensive Income

The consolidated financial statements of Nation Multimedia Group Public Company Limited and its subsidiaries for the year ended 31 December 2017 showed a loss of 2,156.49 million Baht, compared with the same period of 2016 at a loss of 1,179.47 million Baht (revised),

incurring additional loss of 977.01 million Baht or 82.83%. Thus, the Company would like to clarify the operating results of the Company's group that were significantly changed as summarized below:

1. Revenue from sales and services for the year 2017 decreased by 371.01 million Baht or 18.35% when compared with the same period of 2016. It was mainly due to the slowdown of the economy, and this resulted in the decrease in the revenue from advertisement by 10% and the decrease in the revenue from printing media; pocket books, comics and kid books, by 25%.
2. Cost of sales and expenses for the year 2017 increased by 663.99 million Baht or 20.32% when compared with the same period of 2016, which were mainly from:
 - Cost of sales and services decreased by 517.85 million Baht or 25.89%, which was in line with the revenue from sales and services that declined.
 - Selling and administrative expenses declined by 99.61 million Baht or 10.98%, because in the 2nd Quarter of 2016, the subsidiaries recorded the allowance for diminishing in value of inventories and amortization of copyright for publications from business restructuring for the amount of 204.45 million Baht.
 - The subsidiaries and indirect subsidiaries recorded the impairment loss from the license to use allocated frequencies for digital terrestrial television services and related assets for the amount of 1,479.09 million Baht in 2017. However, for the impairment of the assets related to the License, the value was estimated to be recovered from the use of the assets by evaluating the discounted future cash flows. The growth and discount rates were applied under the assumptions from the management of the subsidiaries and indirect subsidiaries, which relied on past experiences and business plan, as well as depending on the forecast of the future under the belief that it was reasonable for the current situation, and compared it with the book value of the assets related to the License.

In addition, the Company's group revised accounting transactions and adjusted the previous financial statements, which had an effect on the consolidated financial position as of 31 December 2016. This made accrued income decline by 690.80 million Baht, and retained losses increased by 690.74 million Baht. And also, there was an effect on the performance results causing revenue from sales and services in the consolidated statement of comprehensive income for the year ended 31 December 2016 to decline by 75.73 million Baht.

Because the board of directors and the management of the Company had a doubt on recognizing advertising revenues in 2017 and the previous years, the directors and the management of the Company investigated accounting procedures and methods related to the recognition of advertising revenues of the Company's group, and the Company found that the recognition of the previous advertising revenues for a certain amount did not sufficiently have proper evidences to support. As a result, the management revised and adjusted the previous financial statements that were related to the transactions mentioned earlier.