



**Nation Multimedia Group Public Co., Ltd.**

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Date 19 July 2018

**Subject:** The entering into the transaction of the disposal of all investments in Nation U Co., Ltd., the subsidiary of the Company, and change in the accounting policy regarding the record of the land appraisal

**To:** President  
The Stock Exchange of Thailand

**Attachment:** Information Memorandum on the Asset Disposal Schedule 1 of Nation Multimedia Group Public Company Limited

The Board of Directors' Meeting of Nation Multimedia Group Public Company Limited (the "**Company**") No. 7/2018, held on 19 July 2018 has the resolutions as follows:

1. To dispose all investments in Nation U Co., Ltd. ("**NU**") (a subsidiary of the Company holding the license and operating the Nation University business), i.e., disposing ordinary shares of NU of 30,599,999 shares, equivalent to 90 percent of the total NU shares to Chirasak Chiyachantana Ph.D. Asso.Prof. at an approximate price of Baht 8.3824 per share, amounting the total of Baht 256,500,000 as per the Sale of Shares Agreement of NU dated 13 July 2018, with the precedent condition that the Company as the seller must receive the approval from the Board of Directors before selling the said ordinary shares of NU to Chirasak Chiyachantana Ph.D. Asso.Prof.

The entering into the transaction of the disposal of all investments in NU has the total value of Baht 256,500,000 is considered as an acquisition of assets in accordance with the Notification of the Capital Market Supervisory Board No. TorJor. 20/2551 Re: Rule on Entering into Material Transactions Deemed as Acquisition or Disposal of Asset dated 31 August 2008 (as amended), and the Notification of the Board of Governors of the Stock Exchange of Thailand Re: Disclosure of Information and Other Acts of Listed Companies Concerning the Acquisition or Disposition of Asset B.E. 2547 (2004) dated 29 October 2004 (as amended) (the "**Notification of Acquisition or Disposal of Assets**"), with the highest transaction value of 45.04 percent base on the net tangible asset basis, calculated from the latest audited consolidated 9-month financial statements ending 30 September 2017 of the Company, as such the highest transaction value of 45.04 percent based on the net tangible asset basis is considered as Class 2 transaction in accordance with the Notification on Acquisition or Disposal of Assets. As a result, the Company is required to disclose the information memorandum on entering into such transaction to the Stock Exchange of Thailand (the "**SET**") and to send a circular letter to the shareholders of the Company within 21 days from the date on which the information memorandum on entering into such transaction is disclosed to the SET.

The details of the transaction as prescribed by Information Memorandum on the Asset Disposal of Nation Multimedia Group Public Company Limited (Attachment).

2. To change in the accounting policy of the Company's group regarding the record of the land appraisal from a cost basis to a reappraisal basis, to be effective from the financial statements of the financial year 2017 onwards (effective from 30 December 2017). The reappraisal shall be made every three years. The Company's group may conduct the reappraisal before the three-year period in the case that there is any change affecting the fair value of land on a material basis. In this regard, the Company's group has hired an appraiser approved by the Securities and Exchange Commission, with Fast And Fair Valuation Co.,Ltd., who is the appraiser, using market approach for the appraisal.

The change is the result of the Thai Accounting Standard No. 16 (revised 2017), regarding Property, Plant and Equipment has prescribed for the businesses to be able to choose the accounting policy for property, plant and equipment appraisal between the cost basis and the reappraisal basis, if the businesses can reliably appraise the fair value. Under the reappraisal basis, such reappraisal shall be made with a sufficient frequency to ensure that the book value does not differ from the fair value at the end of the accounting period on a material basis. The frequency of the reappraisal depends upon the changes in the fair values of the assets. The change in the aforementioned accounting policy will have impact on the assets, liabilities and shareholders' equity of the Company's group as follows:

Impacted Items to the Companies Group	Estimated as at 30 December 2017		
	Cost Basis (Before Change)	Reappraisal Basis (After Change)	Increase (Decrease)
Assets			
- Lands	553.29	795.12	249.70
- Allowance for Impairment Losses of Lands	-	-	(7.87)
Liabilities			
- Deferred tax liabilities	-	49.94	49.94
Shareholders' Equity			
- Appraisal Surplus of Assets	-	199.76	199.76
- Provision for impairment of land	-	-	(7.87)

Please be informed accordingly,

Yours faithfully,  
Nation Multimedia Group Public Company Limited

(Mr. Somchai Meesen)  
Chief Executive Officer

**Information Memorandum on the Asset Disposal Schedule 1 of  
Nation Multimedia Group Public Company Limited**

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

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

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

**1. Transaction Date**

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

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

<b>Shares Purchase Agreement of Nation U Company Limited dated 13 July 2018</b>	
<b>Seller</b>	The Company
<b>Purchaser</b>	Chirasak Chiyachantana Ph.D. Asso.Prof. is not a connected person of the Company pursuant to the Notification of the Capital Market Supervisory Board No. TorChor. 21/2551 Re: Rules on Connected Transactions dated 31 August 2008 (as amended) and the Notification of the Board of Governors of the Stock Exchange of Thailand Re: Disclosure of Information and Other Acts of Listed Companies Concerning the Connected Transactions, dated 19 November 2003 (as amended) (collectively, the “ <b>Notifications on Connected Transactions</b> ”).
<b>Detail of the asset to be</b>	30,599,999 ordinary shares of NU, the equivalent of 90 of the total shares of NU at the approximate price of Baht

<b>disposed</b>	8.3824, the total of Baht 256,500,000.
<b>Conditions for the debt payment</b>	The seller agrees to proceed for the Nation University to repay the debt for the loans and/or other debts between the Nation University and the Company of Baht 17,920,000 to the Company. The seller agrees for the Nation University to repay such debt in six instalments, Baht 3,000,000 per instalment and the last instalment of Baht 2,920,000, without the interest and will repay each instalment within the last working day of the calendar month, and repay for the first installment within 31 August 2018 and the last installment within 31 January 2019. Furthermore, in the case that Nation University is in default of the debt payment, the buyer agrees for the Nation University to pay the default interest to the Company at the rate of 7.5 percent per year of the default amount.

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

#### 3.1 General Characteristics

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

#### 3.2 Calculation of transaction value

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

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

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

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

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

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

Total Value of Consideration	=	(Paid or received transaction value x 100)/ NTA of the Company)
Paid or received transaction value	=	Total asset of the registered company Selling price + Outstanding loans burden with the Company
	=	256.50 + 17.92
	=	274.42
Total Value of Consideration	=	(274.42 x 100)
	=	4,654.84
	=	5.90%

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

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

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

#### **3.3 Reasons of entering into the transaction**

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

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

#### **4. Description of Asset to be disposed**

Details of NU are as follows:

##### **4.1 General Information**

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

Par value	Baht 10 per share
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#### 4.2 List of Shareholders as of 19 July 2018

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

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

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

The list of the university council is as follows:

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

## 4.4 Financial information

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

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

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



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

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

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

## 5. Total value of consideration

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

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

In this regard, the Board of Directors has considered and had the opinion that the pricing criteria are appropriate for the Company to be able to dispose the assets at the price that is consistent with the market conditions during the downturn of the economy and the growth of the industry of the business group that will be disposed has the trend to be continuously decline during the past years, and the fact that the Company has the need to use the cash flow, and such price is higher than the book value. The appraisal is done base on the adjusted book value approach of the total investment in NU in the range of Baht 219.73 and 320.44 million. The mentioned range is calculated from the value of all assets deducted with the value of all liabilities of the Nation University and adjusted with the value of the asset according to the appraised price of the market value of the asset as well as the forced sale value. Taken into account of the value of the investment in NU in proportion that the Company has the shareholding in NU, the disposing price of the shares in NU, totaling Baht 256,500,000 is higher than the book value according to the consolidated financial statements of the Company. Nevertheless, even though the negotiated price received from the buyer of this transaction is lower than the "standard price" that will be used in the tender offer at Baht 317,860,000, as approved by the Extraordinary General Meeting of Shareholders No. 1/2018, which was held on 28 February 2018, the Company has tried to proceed with the tender offer for the disposal of assets for two times in March and April 2018. However, it appears that there was no other interested party submitted the offer for the asset; as such, the Company has to have the resolution of the Extraordinary General Meeting of Shareholders No. 2/2018, which was held on 19 June 2018, to approve the

cancellation of the disposal of assets as per the agenda item 3 of the Extraordinary General Meeting of Shareholders No. 1/2018, which was held on 28 February 2018. For the reason that the “standard price” that was approved by the Extraordinary General Meeting of Shareholders No. 1/2018 is inconsistent and not in accordance with the market conditions of each of the asset during the tender offer process.

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

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

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

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

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

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

Furthermore, the Company may use the proceeds as the working capital for the main business of the Company that it has the expertise and in accordance with the policy of the Company, i.e. printing media, organizing of relevant activities, production of the contents, television media, and the production of the program contents, including the relevant businesses that have the potential to grow and support the main business of the Company, for the Company to be able to continuously operate.

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

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

The Company will complete the shares purchase agreements and/or other related agreements signing (if any) and receive all assets payments from all parties involved within the third quarter of the year 2018. As for the conditions in relation to the repayment of debts under the sale of shares

agreement of NU dated 13 July 2018, the seller agrees to proceed for the Nation University to repay for the last installment of the debt within 31 January 2019.

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

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

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

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

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

Please be informed accordingly.

Yours sincerely,

(Mr. Somchai Meesen)  
Chief Executive Officer