



August 17, 2018

Subject: Capital Increase for Offering for Sale to Specific Investors (Private Placement), Connected Transaction, Amendments to Articles of Association/Objectives of the Company and Determination of the Date of Extraordinary General Meeting of Shareholders No. 1/2018

To: President

The Stock Exchange of Thailand

- Enclosures:
1. Information Memorandum on the Offering of Newly Issued Ordinary Shares to Specific Investors (Private Placement) at the Offering Price with a Discount of not more than ten percent of the Market Price
  2. Capital Increase Report Form (F53-4)
  3. Information Memorandum on the Connected Transaction Regarding the Offering of Newly Issued Ordinary Shares to the Specific Investors (Private Placement), i.e. Silom Road Limited and Mr. Viroj Tangjettanaporn

The Board of Directors' meeting No. 7/2018 of Nation International Edutainment Public Company Limited (the "**Company**"), held on Friday, August 17, 2018 has resolved the significant matters as follows:

1. Approved to propose the Extraordinary General Meeting of Shareholders No. 1/2018 considers and approves the amendments to the Company's Articles of Association in Article 10 regarding the issuance and transfer of shares, Article 27 regarding the board of directors' meeting and Article 36 regarding the shareholders' meeting to (1) increase the foreign shareholding ratio to support the allocation of newly issued ordinary shares under the specific objective basis to specific investors (Private Placement) from not exceeding 35 percent in aggregate to not exceeding 49 percent in aggregate of the total number of shares sold; (2) be in accordance with the Announcement of the National Council for Peace and Order No. 74/2557 (2014) Re: Electronic Conferencing which specifies that meetings may be held via electronic media which shall have the same effect as the meetings proceeded according to the procedures required by law, provided that such meetings shall comply with the security policy and standards of the meetings via electronic media prescribed by the Ministry of Communication and Information Technology by publishing in the Government Gazette; and (3) be in accordance with Section 100 of the Public Limited Company Act, B.E. 2535 (1992) (including the amendments thereof) which has been amended by the Order of the Leader of the National Council for Peace and Order No. 21/2560 (2017) Re: Amendment of Laws to Facilitate Business Operations in relation to Shareholders' Meetings.

A person designated by the Board of Directors to proceed the registration of the amendments to the Articles of Association with the Department of Business Development, Ministry of Commerce, shall be authorized to make a change of and an addition to wordings in order to comply with the order of the registrar as well as carry out any necessary or related acts in order to duly effect the registration.

2. Approved to propose the Extraordinary General Meeting of Shareholders No. 1/2018 considers and approves the reduction of the Company's registered capital by Baht 89,200,714 from the existing Baht 259,250,000 to Baht 170,049,286, by means of reduction of 89,200,714 unissued shares of the Company at a par value of Baht 1.00 per share, reserved for the exercise of warrants to purchase ordinary shares no. 1, issued and offered to the existing shareholders and the exercise of warrants to purchase ordinary shares, issued and offered to directors, executives and/or employees no. 1; and the amendment of Clause 4 of the Memorandum of Association to be in line with the capital reduction.
3. Approved to propose the Extraordinary General Meeting of Shareholders No. 1/2018 considers and approves the increase of the Company's registered capital under the specific objective basis by Baht 220,500,000 from the existing registered capital of Baht 170,049,286 to Baht 390,549,286, by the issuance of 220,500,000 newly issued ordinary shares at a par value of Baht 1.00 per share to accommodate the allocation of the newly issued ordinary shares under the specific objective basis to specific investors (Private Placement) for purpose of increasing the liquidity and supporting the expansion of the Company's core business, as well as investing in various projects; and the amendment of Clause 4 of the Memorandum of Association to be in line with the capital increase.

The details of which appear in Enclosure 2 (Capital Increase Report Form (F53-4)).

4. Approved to propose the Extraordinary General Meeting of Shareholders No. 1/2018 considers and approves the allocation of newly issued ordinary shares under the specific objective basis in the number of 220,500,000 shares at a par value of Baht 1.00 per share at the price of Baht 1.4000 per share, totaling Baht 308,700,000, to the specific investors (Private Placement) as follows:
  1. Silom Road Limited of 175,950,000 shares, totaling Baht 246,330,000, equivalent to 45.05 percent of the registered and paid-up capital after subscription of newly issued ordinary shares;

2. Mr. Viroj Tangjettanaporn of 19,550,000 shares, totaling Baht 27,370,000, equivalent to 5.01 percent of the registered and paid-up capital after subscription of newly issued ordinary shares; and
3. Mrs. Tuenjai Purintaraphiban of 25,000,000 shares, totaling Baht 35,000,000, equivalent to 6.40 percent of the registered and paid-up capital after subscription of newly issued ordinary shares.

All of them are corporate and individual investors with a stable financial position who are able to invest in the Company to support and increase the liquidity of the Company.

The offering price of the newly issued ordinary shares to be allocated under the specific objective basis to the specific investors (Private Placement) will be discounted at the rate of not more than ten percent of the market price.

“Market price” means the weighted average price of the Company’s shares on the Stock Exchange of Thailand (the “SET”) for the past seven but not more than 15 consecutive business days prior to the date on which the Board of Directors of the Company has resolved to propose the shareholders’ meeting approves the Company to offer newly issued ordinary shares. The prices used to calculate for the weighted average must be the daily average price for trading. The weighted average price of the Company’s shares for the past 15 consecutive business days, i.e. from July 24, 2018 to August 16, 2018 is Baht 1.5526 (from SETSMART data of the SET), according to the Notification of the Capital Market Supervisory Board No. TorChor. 72/2558 (2015) Re: Approval for Listed Companies to Offer Newly Issued Shares to Specific Investors (Private Placement).

In addition, the offering of the newly issued ordinary shares to Silom Road Limited and Mr. Viroj Tangjettanaporn is considered a connected transaction according to the Notification of the Capital Market Supervisory Board No. TorChor. 21/2551 (2008) Re: Rules on Connected Transactions 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, B.E. 2546 (2003) (including the amendments thereof) (the “**Notifications on Connected Transactions**”). The approval from the shareholders’ meeting on the entering into the connected transaction is then also required with votes of not less than three-quarters of the total votes of the shareholders attending the meeting and eligible to vote, excluding the votes of interested shareholders, in accordance with Agenda 8 re: consideration and approval on the entering into the connected transaction, i.e. the offering of the newly issued ordinary shares to Silom Road Limited and Mr. Viroj Tangjettanaporn of the Extraordinary General Meeting of Shareholders No. 1/2018.

The details of which appear in Enclosure 3 (Information Memorandum on the Connected Transaction Regarding the Offering of Newly Issued Ordinary Shares to the Specific Investors (Private Placement), i.e. Silom Road Limited and Mr. Viroj Tangjettanaporn)

Mrs. Tuenjai Purintaraphiban is not regarded as a connected person of the Company. As such, the offering of the newly issued ordinary shares to Mrs. Tuenjai Purintaraphiban is not a connected transaction under the Notifications on Connected Transactions.

In this regard, the Board of Directors' meeting resolved to approve the Board of Directors and/or Chief Executive Officer and/or a person assigned by the Board of Directors and/or Chief Executive Officer to be empowered to consider and determine other details in relation to such allocation of the newly issued ordinary shares, for example:

- (1) To determine conditions and other details in connection with the allocation of the newly issued ordinary shares, for example, the allocation of the newly issued ordinary shares, whether in single or several allocation, the offering period, the payment for the subscription price and other conditions and details relating to the allocation of the newly issued ordinary shares;
- (2) To negotiate, agree and sign relevant documents and agreements, including to carry out relevant actions relating to the allocation of the newly issued ordinary shares; and
- (3) To sign applications, waiver applications, and evidence necessary and related to the allocation of the newly issued ordinary shares, including to contact and file such applications or waiver applications, documents and evidence with any relevant government authorities and/or agencies and to list the newly issued ordinary shares on the Stock Exchange of Thailand, as well as to carry out any other actions which are necessary for, and appropriate with the allocation of the newly issued ordinary shares.

The details of which appear in Enclosure 1 (Information Memorandum on the Offering of Newly Issued Ordinary Shares to Specific Investors (Private Placement) at the Offering Price at a Discount of Not More than ten percent of the Market Price).

5. Approved to propose the Extraordinary General Meeting of Shareholders No. 1/2018 considers and approves the entering into the connected transaction, i.e. the offering of the newly issued ordinary shares to Silom Road Limited and Mr. Viroj Tangjettanaporn at the price of Baht 1.4000 per share, which is considered the offering of newly issued ordinary shares with a discount of not more than ten percent of the market price as defined in the Notification of the Capital Market

Supervisory Board No. TorChor. 72/2558 (2015) Re: Approval for Listed Companies to Offer Newly Issued Shares to Specific Investors (Private Placement) (including the amendments thereof).

After the newly issued ordinary shares of the Company have been subscribed to by Silom Road Limited and Mr. Viroj Tangjettanaporn, Silom Road Limited and Mr. Viroj Tangjettanaporn will be a major shareholder and a controlling person of the Company of the Company and considered connected persons of the Company according to the Notifications on Connected Transactions and will be holding shares at 45.05 and 5.01 percent of the registered and paid-up capital after the capital increase, respectively, totaling 50.06 percent of the registered and paid-up capital after the capital increase and entitled to nominate two persons to be elected as directors of the Company to replace the existing directors, out of the total of seven directors, four of which are directors and three of which are independent directors/audit committee members. Therefore, Silom Road Limited is a juristic person to be nominated as a controlling person of the Company and regarded as a connected person of the Company. Mr. Viroj Tangjettanaporn will hold shares at 5.01 percent of the registered and paid-up capital. In the joint purchase of the Company's newly issued ordinary shares by Silom Road Limited and Mr. Viroj Tangjettanaporn, who know each other from business relationship through joint investments in various businesses such as real estate business for a long time, they agree to exercise their voting rights in the same direction and agree to jointly manage a business, which is considered to be acting in concert as a result of the nature of a relationship or behaviour according to Clause 2 (1) of the Notification of the Capital Market Supervisory Board No. TorChor. 7/2552 (2009) Re: Acting in Concert as a result of the Nature of a Relationship or Behaviour and Requirements under Sections 246 and 247 (including the amendments thereof). As a result, the offering of the newly issued ordinary shares to Silom Road Limited and Mr. Viroj Tangjettanaporn will be considered a connected transaction according to the Notifications on Connected Transactions with the maximum transaction size of 236.05 percent of the value of the net tangible assets (NTA) of the Company. The Company has not entered into any other connected transaction with the same connected persons or their related persons or close relatives during six months before the date of agreement to enter into this transaction. This transaction size is more than three percent of the value of the net tangible assets of the Company, calculated from the reviewed interim consolidated financial statements of the Company for the six-month period ended June 30, 2018. The Company has a duty to disclose the information memorandum regarding such transaction to the SET and appoint an independent financial advisor to provide opinions on the transaction as well as arrange to obtain approval from its shareholders' meeting on the entering into the connected transaction with votes of not less than three-quarters of the total votes of the

shareholders attending the meeting and eligible to vote, excluding the votes of interested shareholders.

The details of which appear in Enclosure 3 (Information Memorandum on the Connected Transaction Regarding the Offering of Newly Issued Ordinary Shares to the Specific Investors (Private Placement), i.e. Silom Road Limited and Mr. Viroj Tangjettanaporn)

6. Approved to propose the Extraordinary General Meeting of Shareholders No. 1/2018 considers and approves the amendment of the Company's Objectives and the amendment of Clause 3 of the Memorandum of Association regarding the Company's Objectives to accommodate the Company's bidding with government agencies as there will be requirements on specific objectives and the Company's scope of work acceptance to increase revenue generating channels for the Company. The details of additional proposed nine objectives are as follows:

Clause	Amended Wording
26	To carry on the business of counselling and making recommendations on public relation work, event organization, printing, TV, online radio, meeting and seminar organization and production of documentary/hot news
27	To carry on the business of providing contracting work, planning, marketing and publicizing for goods, stores, persons, organizations and government agencies to be well known and to procure well known persons, such as singers and actors to join the event for public relations purposes
28	To carry on a service business of event organization, design and grand opening event organization for products; to organize press conferences, exhibitions, trade shows, fashion shows, public relations events, meetings, trainings, seminars, parties, both onsite or at the arranged place; to provide lights and sounds and other entertainment programs
29	To carry on the business of hire of work and trading of consumer goods and souvenirs
30	To carry on the business of design and production of radio media, television media, advertising media, public relations, electronic media, internet, booth and store designs, and other related printing media of all types in any forms; to design and create websites and applications; to rent out light equipment and other equipment for production of plays and movies; to produce television

Clause	Amended Wording
	programs, record tapes and film videos onsite; to produce television and radio advertisements and videos; to rent out audio recording rooms, sound works and music production studios and equipment; and to edit, design, create, produce and distribute CDs, movies, television programs, books, newspaper and magazines
31	To carry on the business of design and production of multimedia, presentation, electronic media and internet for advertising and public relations for any person, body of persons, juristic person, government agency and state enterprise
32	To carry on the business of advertising agency, digital media, advertisement, printing, advertising signs, radio, online public relations via TV and information system work
33	To carry on a service business of being a lecturer, to organize seminars, and to provide counselling services
34	To carry on a service business of recruitment of entertainment personnel

The amendment of Clause 3 of the Memorandum of Association regarding the Company's Objectives to be in line with the amended Objectives is detailed below:

**Existing wording:**

“ Clause 3. The Company's Objectives consist of 25 clauses as detailed in the attached BorMorJor. 002 Form”

**Revised wording:**

“ Clause 3. The Company's Objectives consist of 34 clauses as detailed in the attached BorMorJor. 002 Form”

A person designated by the Board of Directors to proceed the registration of the amendments to the Company's Objectives and Clause 3 of the Memorandum of Association regarding the Company's Objectives with the Department of Business Development, Ministry of Commerce, shall be authorized to make a change of and an addition to wordings in order to comply with the order of the registrar as well as carry out any necessary or related acts in order to duly effect the registration.

7. Approved the appointment of Avantgarde Capital Company Limited as an independent financial advisor to provide opinions regarding the entering into the transaction of offering of newly issued ordinary shares to Silom Road Limited and Mr. Viroj Tangjetanaporn, which is considered a connected transaction under the Notifications on Connected Transactions.
8. Approved the determination of the date of the Extraordinary General Meeting of Shareholders No. 1/2018 to be on Monday, October 8, 2018 at 10.00 a.m. at Meeting Room 9B, Interlink Tower (former Nation Tower), Bangna Trad Road, Bangna, Bangkok 10260, and the authorization to the Company's Chief Executive Officer to consider amending agenda items, date, time and venue of the Extraordinary General Meeting of Shareholders No. 1/2018 as appropriate taking into account benefits and impacts to the Company.

However, as per mentioned in the Company's disclosure letter dated 3 October 2018, the Chief Executive Officer authorized by the Meeting has considered changing the date, and time of the Extraordinary General Meeting of Shareholders no. 1/2018 as follows:

**From** Monday, October 8, 2018 at 10.00 hrs. at Meeting Room 9B, Interlink Tower Building (Former Nation Tower Building), Bang Na-Trat road, Bang Na subdistrict, Bang Na district, Bangkok, 10260

**Postpone to** Tuesday, October 30, 2018 at 14.00 hrs. at Meeting Room 9B, Interlink Tower Building (Former Nation Tower Building), Bang Na-Trat road, Bang Na subdistrict, Bang Na district, Bangkok, 10260 (within 2 months from the Record Date i.e. Friday, August 31, 2018).

The agenda items of the Extraordinary General Meeting of Shareholders no. 1/2018 remain unchanged as follows:

- |          |  |
|----------|--|
| Agenda 1 | To certify the minutes of the 2018 Annual General Meeting of Shareholders, held on April 30, 2018  |
| Agenda 2 | To consider and approve the reduction of the Company's capital   |
| Agenda 3 | To consider and approve the amendment of Clause 4 of the Company's Memorandum of Association to be in line with the capital reduction  |
| Agenda 4 | To consider and approve the amendments to the Company's Articles of Association in Article 10 regarding the issuance and transfer of shares, Article 27 regarding the board of directors' meeting and Article 36 regarding the shareholders' meeting |



- Agenda 5 To consider and approve the increase of the Company's registered capital under the specific objective basis by Baht 220,500,000 from the existing registered capital of Baht 170,049,286 to Baht 390,549,286 by the issuance of 220,500,000 newly issued ordinary shares at a par value of Baht 1.00 per share
- Agenda 6 To consider and approve the amendment of Clause 4 of the Company's Memorandum of Association to be in line with the capital increase
- Agenda 7 To consider and approve the allocation of newly issued ordinary shares under the specific objective basis to the specific investors (Private Placement) at a par value of Baht 1 per share
- Agenda 8 To consider and approve the entering into the connected transaction, i.e. the offering of the newly issued ordinary shares to Silom Road Limited and Mr. Viroj Tangjettanaporn
- Agenda 9 To consider and approve the amendment of the Company's Objectives and the amendment of Clause 3 of the Company's Memorandum of Association (Objectives)
- Agenda 10 To consider other matters (if any)

**Remark:**

*In the case where Agenda 4 regarding the consideration and approval of the amendments to the Company's Articles of Association in Article 10 regarding the issuance and transfer of shares, Article 27 regarding the board of directors' meeting and Article 36 regarding the shareholders' meeting is not approved by the shareholders' meeting, Agenda 5 to Agenda 8 will not be considered and the next agenda to be considered will be Agenda 9.*

*In the case where Agenda 8 regarding the consideration and approval of the entering into the connected transaction, i.e. the offering of the newly issued ordinary shares to Silom Road Limited and Mr. Viroj Tangjettanaporn is not approved by the shareholders' meeting, the Company will not offer the newly issued ordinary shares to Silom Road Limited and Mr. Viroj Tangjettanaporn as they are connected persons of the Company, but the Company will still offer the newly issued ordinary shares to Mrs. Tuenjai Purintaraphiban in an amount of 25,000,000 shares at the price of Baht 1.4000 per share, totaling Baht 35,000,000. After the increase of the registered capital this time, Mrs. Tuenjai Purintaraphiban will hold 25,023,800 shares in the Company or 6.41 percent of the registered and paid-up capital*

*after the capital increase (as of August 31, 2018, Mrs. Tuenjai Purintaraphiban held 23,800 shares in the Company or 0.01 percent of the registered and paid-up capital).*

9. Approved the record date for specifying the list of shareholders who are entitled to attend the Extraordinary General Meeting of Shareholders No. 1/2018 to be on Friday, August 31, 2018.

Please be informed accordingly.

Yours sincerely,

Mr. Pana Janviroj  
Chief Executive Officer

**Attached Document No.1**

**Information Memorandum on the Offering of Newly Issued Ordinary Shares to Specific Investors (Private Placement) at the Offering Price with a Discount of not more than ten percent of the Market Price**

The Board of Directors' meeting No. 7/2018 of Nation International Edutainment Public Company Limited (the "**Company**"), held on Friday, August 17, 2018, approved the Company to issue newly issued ordinary shares under the specific objective basis in the number of 220,500,000 shares at a par value of Baht 1.00 per share for offering for sale to the specific investors (Private Placement), i.e. Silom Road Limited of 175,950,000 shares at the price of Baht 1.4000 per share, totaling Baht 246,330,000, Mr. Viroj Tangjettanaporn of 19,550,000 shares at the price of Baht 1.4000 per share, totaling Baht 27,370,000 and Mrs. Tuenjai Purintaraphiban of 25,000,000 shares at the price of Baht 1.4000 per share, totaling Baht 35,000,000 (as of August 31, 2018, Mrs. Tuenjai Purintaraphiban held 23,800 shares in the Company or 0.01 percent of the registered and paid-up capital), equivalent to the total value of Baht 308,700,000. After this registered capital increase, Silom Road Limited, Mr. Viroj Tangjettanaporn and Mrs. Tuenjai Purintaraphiban will hold shares in the Company at 45.05 percent, 5.01 percent and 6.41 percent of the registered and paid-up capital after the capital increase, respectively, and Mrs. Tuenjai Purintaraphiban will hold 25,023,800 shares in the Company in total. The offering of the Company's newly issued ordinary shares to Silom Road Limited, Mr. Viroj Tangjettanaporn and Mrs. Tuenjai Purintaraphiban at the price of Baht 1.4000 per share is considered the offering of newly issued ordinary shares with a discount of not more than ten percent of the market price as defined in the Notification of the Capital Market Supervisory Board No. TorChor. 2558/72(2015) Re: Approval for Listed Companies to Offer Newly Issued Shares to Specific Investors (Private Placement) (including the amendments thereof) ("**Notification No. TorChor. 72/2558**") (the "**Offering of Newly Issued Ordinary Shares to Silom Road Limited, Mr. Viroj Tangjettanaporn and Mrs. Tuenjai Purintaraphiban**").

The offering of the newly issued ordinary shares to Silom Road Limited, Mr. Viroj Tangjettanaporn and Mrs. Tuenjai Purintaraphiban is subject to the approval from the Company's shareholders' meeting with votes of not less than three-quarters of the total votes of the shareholders attending the meeting and eligible to vote, excluding the votes of interested shareholders. In addition, the offering of the newly issued ordinary shares to Silom Road Limited and Mr. Viroj Tangjettanaporn is considered a connected transaction according to the Notification of the Capital Market Supervisory Board No. TorChor. 21/2551 (2008) Re: Rules on Connected Transactions 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, B.E. 2546 (2003) (including the amendments thereof) (the "**Notifications on Connected Transactions**"). The approval from the shareholders' meeting on the entering into the connected transaction is also required with votes of not less than three-quarters of the total votes of the shareholders attending the meeting and eligible to vote, excluding the votes of interested shareholders, in accordance with Agenda 8 re: consideration and approval on the entering into the connected transaction, i.e. the offering of the newly issued ordinary shares to

Silom Road Limited and Mr. Viroj Tangjettanaporn of the Extraordinary General Meeting of Shareholders No. 1/2018 (please see more details in Clause 1.1: Details of the offering).

In addition to the approval from the Extraordinary General Meeting of Shareholders No. 1/2018 on the offering of the newly issued ordinary shares to Silom Road Limited, Mr. Viroj Tangjettanaporn and Mrs. Tuenjai Purintaraphiban, the Company must (a) obtain approval from the Extraordinary General Meeting of Shareholders No. 1/2018 on the amendment of Article 10 of the Company's Articles of Association regarding the issuance and transfer of shares to increase the foreign shareholding ratio, at any time, to not exceeding 49 percent in aggregate of the total number of shares sold; (b) obtain approval from the Extraordinary General Meeting of Shareholders No. 1/2018 on the entering into the connected transaction, i.e. the offering of the newly issued ordinary shares to Silom Road Limited and Mr. Viroj Tangjettanaporn; and (c) obtain approval on the offering of newly issued ordinary shares to specific investors from the Office of the Securities and Exchange Commission as required by Notification No. TorChor. 72/2558 before offering the newly issued ordinary shares to Silom Road Limited, Mr. Viroj Tangjettanaporn and Mrs. Tuenjai Purintaraphiban.

If Silom Road Limited and Mr. Viroj Tangjettanaporn subscribe to the newly issued ordinary shares offered to them in the amount of 175,950,000 shares and 19,550,000 shares, respectively, totaling 195,500,000 shares, Silom Road Limited and Mr. Viroj Tangjettanaporn will hold shares in the Company at 45.05 percent and 5.01 percent of the registered and paid-up capital after the capital increase, respectively, or 50.06 percent in total of the registered and paid-up capital after the capital increase, or if Silom Road Limited and Mr. Viroj Tangjettanaporn subscribe to some of the newly issued ordinary shares, resulting in their joint shareholding in the Company to reach at least 65,016,429 shares or at least 25 percent of the registered and paid-up capital after the capital increase, Silom Road Limited and Mr. Viroj Tangjettanaporn will hold the shares of the Company in the number that reaches or exceeds the trigger point to make a tender offer for the securities as required by the Notification of the Capital Market Supervisory Board No. TorChor. 12/2554 (2011) Re: Rules, Conditions and Procedures for the Acquisition of Securities for Business Takeovers (including the amendments thereof) (“**Notification No. TorChor. 12/2554**”).

In addition, in the joint purchase of the Company's newly issued ordinary shares by Silom Road Limited and Mr. Viroj Tangjettanaporn, who know each other from business relationship through joint investments in various businesses such as real estate business for a long time, they agree to exercise their voting rights in the same direction and agree to jointly manage a business, which is considered to be acting in concert as a result of the nature of a relationship or behavior according to Clause 2 (1) of the Notification of the Capital Market Supervisory Board No. TorChor. 7/2552 (2009) Re: Acting in Concert as a Result of the Nature of a Relationship or Behaviour and Requirements under Sections 246 and 247 (including the amendments thereof) (“**Notification No. TorChor. 7/2552**”). In this regard, Silom Road Limited and Mr. Viroj Tangjettanaporn shall have a duty to make a tender offer for all securities of the Company by filing a Tender Offer in 247-4 Form and carry out any other actions in accordance with the Notification No. TorChor. 12/2554. In addition, after Silom Road Limited and Mr. Viroj Tangjettanaporn have subscribed to the newly issued ordinary shares allotted to them, they will become major shareholders and controlling persons of the Company according to the

Notifications on Connected Transactions, and as a result Silom Road Limited, Mr. Viroj Tangjettanaporn, Mr. V-Nee Yeh, Mr. Kin Chan, Ms. Angie Yick Yee Li, ASM, ASHM, Go Excel Investments Limited, WTN Limited and Salas Street Limited, including their close relatives and related persons (as defined in the Notifications on Connected Transactions) and the directors of Silom Road Limited, ASHM, Go Excel Investments Limited, WTN Limited and Salas Street Limited are considered connected persons of the Company after the offering of the newly issued ordinary shares to Silom Road Limited and Mr. Viroj Tangjettanaporn this time is completed. In this regard, any related persons and/or juristic persons of Silom Road Limited and Mr. Viroj Tangjettanaporn as defined in the Notifications on Connected Transactions are also considered connected persons of the Company pursuant to the Notifications on Connected Transactions. (Please consider more details in Clause 1.1: Details of the offering).

Silom Road Limited and Mr. Viroj Tangjettanaporn do not have business relationship or any relation or involvement with Mrs. Tuenjai Purintaraphiban and Mrs. Tuenjai Purintaraphiban does not intend to be acting in concert with Silom Road Limited or Mr. Viroj Tangjettanaporn as a result of the nature of a relationship or behavior according to Notification No. TorChor. 7/2552.

The making of tender offer for all securities of the Company by Silom Road Limited and Mr. Viroj Tangjettanaporn is subject to the following conditions:

1) The Company has obtained all relevant approvals as follows:

(a) the Company must obtain approval from the Extraordinary General Meeting of Shareholders No. 1/2018 on the amendment of Article 10 of the Company's Articles of Association regarding the issuance and transfer of shares to increase the foreign shareholding ratio, at any time, to not exceeding 49 percent in aggregate of the total number of shares sold;

(b) the Company must obtain approval from the Extraordinary General Meeting of Shareholders No. 1/2018 on the reduction and increase of the Company's registered capital and the allocation of the newly issued ordinary shares under specific objective basis to specific investors (Private Placement), i.e. Silom Road Limited, Mr. Viroj Tangjettanaporn and Mrs. Tuenjai Purintaraphiban;

(c) the Company must obtain approval from the Extraordinary General Meeting of Shareholders No. 1/2018 on the entering into the connected transaction, i.e. the offering of the newly issued ordinary shares of the Company to Silom Road Limited and Mr. Viroj Tangjettanaporn; and

(d) the Company must obtain approval on the offering of newly issued ordinary shares to specific investors from the Office of the Securities and Exchange as required by the Notification No. TorChor. 72/2558 prior to the offering of the newly issued ordinary shares to Silom Road Limited, Mr. Viroj Tangjettanaporn and Mrs. Tuenjai Purintaraphiban;

2) Silom Road Limited and Mr. Viroj Tangjettanaporn will subscribe to and make payment for the allotted newly issued ordinary shares only when Silom Road Limited and Mr. Viroj Tangjettanaporn are satisfied with the result of the due diligence on the Company and there is no change which might have a material adverse impact to the Company's status, operation, business and/or property, deviating from the information obtained from the due diligence. The due diligence is being conducted and is expected to be completed within October 2018; and

3) Silom Road Limited and Mr. Viroj Tangjettanaporn have subscribed to and paid for all allotted newly issued ordinary shares, i.e. 175,950,000 shares and 19,550,000 shares, respectively, totaling 195,500,000 shares, equivalent to 45.05 percent and 5.01 percent of the registered and paid-up capital after the capital increase, respectively, or 50.06 percent in total of the registered and paid-up capital after the capital increase and as a result, the joint shareholding by Silom Road Limited and Mr. Viroj Tangjettanaporn in the Company will reach or exceed the trigger point to make a tender offer for the securities as required by the Notification No. TorChor. 12/2554.

Nevertheless, in the case where Silom Road Limited and Mr. Viroj Tangjettanaporn have not fully subscribed to and made payment for the whole allotted shares, Silom Road Limited and Mr. Viroj Tangjettanaporn will have a duty to make a tender offer for all securities of the Company by filing a Tender Offer in 247-4 Form and carry out any other actions in accordance with the Notification No. TorChor. 12/2554 when they aggregately hold at least 65,016,429 shares in the Company or at least 25 percent of the registered and paid-up capital after the capital increase.

The information important for the shareholders' decision making is as follows:

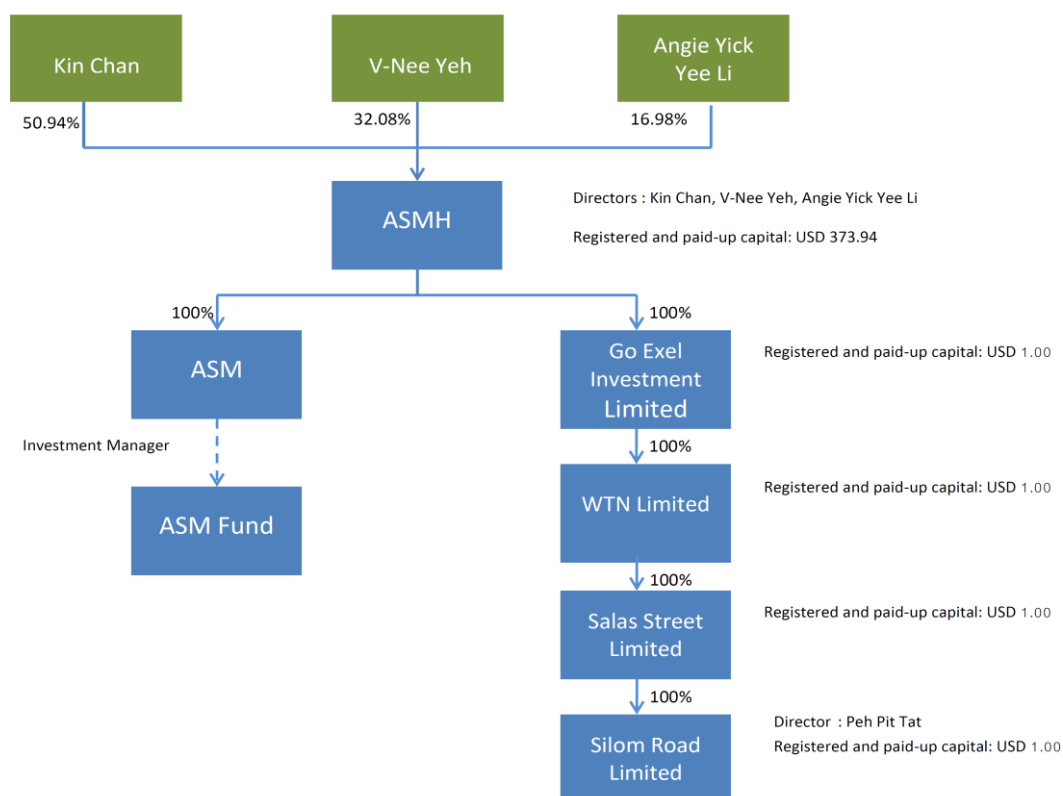
**1. Details of the offering, determination and appropriateness of the offering price and determination of the market price**

**1.1. Details of the offering**

a) The Company issues 175,950,000 newly issued ordinary shares at a par value of Baht 1.00 per share for offering for sale to Silom Road Limited at the price of Baht 1.4000 per share, totaling Baht 246,330,000. The offering of the newly issued ordinary shares with a discount to Silom Road Limited at the price of Baht 1.4000 per share is considered the offering of newly issued ordinary shares with a discount of not more than ten percent of the market price as defined in the Notification No. TorChor. 72/2558. After this registered capital increase, Silom Road Limited will become a shareholder of the Company holding 45.05 percent of the registered and paid-up capital after the capital increase and Silom Road Limited will pay the price for the offered shares within November 30, 2018.

**Silom Road Limited** is a company limited by shares, incorporated in the British Virgin Islands (BVI) and having Mr. Peh Pit Tat, with Malaysian nationality, as a director, who supervises the Company's registration work. The ultimate beneficial owners of this company are Mr. V-Nee Yeh, Mr. Kin Chan and Ms. Angie Yick Yee Li. Silom Road Limited is considered a corporate investor with a stable financial position who is able to invest in the Company to support and increase the liquidity of the Company. Such company is a wholly-owned subsidiary of the ultimate parent company, namely Argyle Street Management Holding Limited ("ASM<sup>H</sup>"). ASM<sup>H</sup> is a holding company incorporated in the British Virgin Islands (BVI) for investing in various businesses, owned by a group of persons, consisting of three members, namely Mr. Kin Chan, Ms. Angie Yick Yee Li and Mr. V-Nee Yeh. The shareholding structure is shown below:

(Translation)



\* According to the inquiry made to Silom Road Limited, the Company was informed that Silom Road Limited and Chit lom Limited (a shareholder of Nation Multimedia Group Public Company Limited (NMG), holding 391,972,000 shares or 9.64 percent of the total number of sold shares (information as of August 31, 2018)) do not have common ultimate shareholders. However, both companies are only investment tools for ASM. Besides, from the question to Mr. Viroj Tangjettanaporn, the Company was informed that Chit Lom Limited does not have any relationship or connection with Mr. Viroj Tangjettanaporn.

In addition, a group of persons who are major shareholders and ultimate beneficial owners of ASMH are Mr. V-Nee Yeh, Mr. Kin Chan and Ms. Angie Yick Yee Li, who have knowledge, capability and experience in various businesses. The details are as follows:

**Mr. V-Nee Yeh** is currently a chairperson of the board of ASM. He graduated with a doctoral degree from Columbia University's School of Law, the USA. He is currently a chairman of the board of directors of Cheetah Investment Management Group, a company providing investment consultation services in Hong Kong. Mr. V-Nee Yeh is experienced in management and administration. He held a director position in Next Media Limited (currently Next Digital Limited), a company engaging in a large newspaper and magazine business in Hong Kong, for nine years (2000-2009). Next Digital Limited is a company listed on the Hong Kong Stock Exchange ([www.nextdigital.com.hk](http://www.nextdigital.com.hk)), operating in printing media business in various categories such as news, politics, sports, tourism, automobiles and education to serve the readers in Hong Kong and Taiwan. He also has experience in finance and investment in many companies, such as Value Partners Limited. Currently, Mr. V-Nee Yeh is a honorary chairperson of the board of such company and Lazard Group in New York, London and Hong

Kong. Lazard Group provides financial consultation services and asset management services, having experience in the investment and provision of financial consultation for various types of business, including media and telecommunication business, technology business and others. In addition to his business management experience, he also held positions in governmental agencies such as Executive Council of the Hong Kong Government and Director of Hong Kong Stock Exchange.

**Mr. Kin Chan** is currently a chief investment officer of ASM. He graduated with a bachelor's degree in administration from Princeton University, the USA and master's degree in administration from Wharton School of the University of Pennsylvania, the USA. Currently, Mr. Kin Chan also holds the position of chairperson of the board of TIH Limited, a listed company in the Singapore Stock Exchange, engaging in the management of private funds which invest in equity instruments, having experience in the investment in various types of business such as consumer goods business and real estate business and the investment in media and telecommunication business. TIH Limited's 2017 operating performance reported the total investment income of Singapore dollar 9.20 million and total comprehensive income of Singapore dollar 8.60 million. Mr. Kin Chan is also a director of OUE Limited, engaging in asset management for various types of business such as advertising business, retail business, residential business and others. Both of the above companies are listed companies in the Singapore Stock Exchange. Mr. Kin Chan was also an independent director of Mount Gibson Iron Limited, a company engaging in an ore mining business and listed on the Australia Stock Exchange, and a director of Citic Resources Holdings Limited, a listed company in the Hong Kong Stock Exchange. In addition, Mr. Kin Chan has experience in finance and investment. He was a director in Goldman, Sachs & Co., a well-known investment banking company in the USA, having offices located worldwide. This company provides financial consultation services, investment management services and other financial services. Mr. Kin Chan was also a chairman of the executive committee and a managing director of Lazard Asia Limited in Hong Kong, which provides financial consultation and asset management services and has experience in the investment and financial consulting in various businesses, including media and telecommunication business.

**Ms. Angie Yick Yee Li** is currently a director of ASM. She graduated with a bachelor's degree in administration and liberal arts from California at Berkeley, the USA. She received scholarship from Sir Edward Youde Memorial Fund Scholarship from Hong Kong Government. Ms. Angie Yick Yee Li also graduated with a master's degree in economics from Columbia University, the USA and an executive MBA from Beijing University, the Republic of China. In addition to her role in ASM, Ms. Angie Yick Yee Li is also a director in TIH Limited, a listed company in the Singapore Stock Exchange, engaging in the management of private funds which invest in equity instruments, having experience in the investment in various types of business such as consumer goods business and real estate business and the investment in media and telecommunication business. In addition, Ms. Angie Yick Yee Li also has experience in finance and investment from Lazard & Co. in San Francisco and Lazard Asia Limited in Hong Kong, both of which are subsidiaries of Lazard group, providing financial consultation and asset management services, having experience in the investment and financial consulting for various types of business such as media and telecommunication business, technology business and others.



(Translation)

ASM<sup>H</sup> was incorporated in 2004 and holds 100 percent of the shares in Argyle Street Management Limited (“ASM<sup>H</sup>”), a company incorporated in the British Virgin Islands (BVI), which provides asset management services for the funds which invest in many countries especially in Asia, having around 53 team members in Hong Kong, Thailand, Indonesia, the Philippines, Singapore and the USA. These funds invest in various types of business in various forms, such as investing in capital market and money market, providing loans or holding property. As of June 30, 2018, ASM<sup>H</sup>'s assets under its management were valued at USD 1,000 million. ASM<sup>H</sup> received EurekaHedge Best Asia ex-Japan Hedge Fund award in 2011, AsiaHedge Fund award in 2010 and EurekaHedge Best Asian Distressed Debt Fund award in 2007.

ASM<sup>H</sup>'s experience regarding the printing and media business which is in line with the Company's business is as follows:

- Investing in the television business in the company, which operates one of the largest free-to-air TV businesses in Indonesia, owning four out of 11 stations, with the investment value of around USD 500 million;
- Being a strategic equity investor in the company, which also operates one of the largest free-to-air TV and online media businesses in Indonesia;
- Investing in the large home shopping company with various service platforms, including televisions, online media, mobile phones and catalogs and with more than three million members in Taiwan, with the investment value of around USD 20 million;
- Being a strategic investor in the company, which operates the largest cable TV business in Taiwan. ASM<sup>H</sup>'s investment in this company was subsequently sold to another investor in 2006.

Currently, ASM<sup>H</sup>'s investment in the printing and media business is valued around USD 120 million, USD 100 million of which is an investment in Indonesia and USD 20 million of which is an investment in Taiwan. ASM<sup>H</sup> has experience in printing and media business in Asia for more than ten years.

With regard to a group of the four companies appearing on the right side of the shareholding structure, i.e. Go Excel Investments Limited, WTN Limited, Salas Street Limited and Silom Road Limited, they are all incorporated in the British Virgin Islands (BVI) having the objective of incorporation to manage ASM<sup>H</sup>'s finance and administration according to ASM<sup>H</sup>'s corporate governance for investment purposes.

The reasons for this investment are supported by the fact that Silom Road Limited and its ultimate beneficial owners are all knowledgeable, expertise and experienced in various types of business, especially publishing business, media business and online business in many countries, especially in Asia. The ultimate beneficial owners of Silom Road Limited, i.e. Mr. V-Nee Yeh, Mr. Kin Chan and Ms. Angie Yick Yee Li have many experiences. For example, Mr. V-Nee Yeh has experience in administration and management,

including development of business operation policies and guidelines from his directorship for more than nine years (2000-2009) in Next Media Limited (currently Next Digital Limited), which is a company operating a large newspaper and magazine business in Hong Kong. Next Digital Limited is a company listed on the Hong Kong Stock Exchange ([www.nextdigital.com.hk](http://www.nextdigital.com.hk)), operating in printing media business in various categories such as news, politics, sports, tourism, automobiles and education to serve the readers in Hong Kong and Taiwan. Mr. Kin Chan has experience and expertise in various businesses from his positions as a chief investment officer of ASM, a chairman of the board of directors of TIH Limited, operating private fund management, a director of OUE Limited, operating asset management and his previous positions as a chairman of the executive committee and a managing director of Lazard Asia Limited in Hong Kong, providing financial consultation and asset management services. Ms. Angie Yick Yee Li is a director of ASM and director of TIH Limited, who also has experience in finance and investment from Lazard & Co. in San Francisco and Lazard Asia Limited in Hong Kong, both of which are subsidiaries of Lazard group, providing financial consultation and asset management services, having experience in the investment and financial consulting for various types of business such as media and telecommunication business, technology business and others. All of the funds of which Mr. V-Nee Yeh, Mr. Kin Chan and Ms. Angie Yick Yee Li are directors make investments in media, telecommunication and advertising businesses, which are in line with the Company's business. In making investment decisions for each business of the funds, directors of the funds are the persons who make such decisions considering various relevant information and details. The directors must understand businesses and their nature, conduct due diligence and study industrial conditions and business trends in support of their valuation of the businesses and then make appropriate investment decisions. It can be seen that Mr. V-Nee Yeh, Mr. Kin Chan and Ms. Angie Yick Yee Li all have knowledge and understanding about printing media business, media business, telecommunication business and advertising business. With such experiences and successes, Silom Road Limited is interested in investing in printing media business and media business which are within its expertise, including newspaper for free distribution business in South East Asia. Silom Road Limited has viewed that the newspaper for free distribution business in Hong Kong can well generate income and has tended to grow and success. Silom Road Limited is therefore interested in investing in such business in South East Asia, for example, Thailand where there is room to grow in a large market and there are small competitors, and thus there is a growth potential in this market. Silom Road Limited's investment appetite is in line with the business nature of the Company and its subsidiaries which invest in printing media business, media business and printed matters for free distribution business under the name "Rabbit Today", "Rabbit Today" covers contents about daily lives of city people and there are distribution points spread all around BTS stations, MRT stations and intensive traffic areas, including other significant places to easily and broadly reach its readers. This printed matters for free distribution business has a growth trend. From the above reasons, Silom Road Limited is interested in injecting funds into the Company for its capital increase this time.

Although Mr. V-Nee Yeh, Mr. Kin Chan and Ms. Angie Yick Yee Li are directors in the private fund management business, investing in equity instruments as mentioned above, the Company is confident that Mr. V-Nee Yeh, Mr. Kin Chan and Ms. Angie Yick Yee Li's expertise and experience from their directorship in such business will be beneficial to the Company because the Company will have more strategic partners and good relationships with the directors of the private fund management business, investing in equity instruments in

various types of business in various countries as mentioned above, which will help to expand the Company's customer base and welcome new types of customers of advertising business, and eventually the Company's competitiveness in the printing media business will be enhanced.

The source of fund of Silom Road Limited for this capital increase will be obtained from the fund in ASMH. Currently, the Company has seen the bank reference letter of ASMH issued by China Construction Bank showing that there is a sufficient fund for the capital increase. Such fund is obtained from ASMH's major shareholders, who are also its ultimate beneficial owners, i.e. Mr. V-Nee Yeh, Mr. Kin Chan and Ms. Angie Yick Yee Li. The Company is therefore confident that Silom Road Limited has a sufficient fund for its subscription of the newly issued ordinary shares, apart from the source of fund of Mr. Viroj Tangjettanaporn.

In addition, according to the shareholding structure of Silom Road Limited, each of the shareholders of Silom Road Limited, beginning from its ultimate shareholders to immediate shareholders, including each of Silom Road Limited's connected persons, is not a connected juristic person/ person of the Company or its executives, controlling persons or major shareholders or Nation Multimedia Group Public Company Limited.

Silom Road Limited and Mr. Viroj Tangjettanaporn are eligible to jointly nominate two persons to be elected as directors of the Company to replace the existing directors, out of the total of seven directors, four of which are directors and three of which are independent directors/audit committee members, to manage the Company's business. This shows that both investors will hold the shares in the Company for a long run, rather than to speculate in a short period.

b) The Company issues 19,550,000 newly issued ordinary shares at a par value of Baht 1.00 per share for offering for sale to Mr. Viroj Tangjettanaporn at the price of Baht 1.4000 per share, totaling Baht 27,370,000. The offering of the newly issued ordinary shares with a discount to Mr. Viroj Tangjettanaporn at the price of Baht 1.4000 per share is considered the offering of newly issued ordinary shares with a discount of not more than ten percent of the market price as defined in the Notification No. TorChor. 72/2558. After this registered capital increase, Mr. Viroj Tangjettanaporn will become a shareholder of the Company holding 5.01 percent of the registered and paid-up capital after the capital increase and Mr. Viroj Tangjettanaporn will pay the price for the offered shares within November 30, 2018.

**Mr. Viroj Tangjettanaporn** graduated with a bachelor's degree in finance from Australia. He currently is a senior advisor of Grand Canal Land Public Company Limited, chairperson of the audit committee and independent director of UOB Kay Hian Securities (Thailand) Public Company Limited and independent director of Food Capitals Public Company Limited. He is considered an individual investor with a stable financial position who is able to invest in the Company to support and increase the liquidity of the Company. Currently, the Company has seen the credit information letter from United Overseas Bank (Thai) Public Company Limited, dated September 3, 2018, showing that there is a sufficient fund for the purchase of the newly issued ordinary shares. The Company is therefore confident that Mr. Viroj Tangjettanaporn has a sufficient fund for his subscription of the newly issued ordinary shares, apart from the source of fund of Silom Road Limited. Mr. Viroj Tangjettanaporn is also a

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shareholder in Pranburi Beach Resort Co., Ltd., holding 51 percent of the registered and paid-up capital and an authorized director of this company. The shareholding structure of Pranburi Beach Resort Co., Ltd. is as follows:

Information of Pranburi Beach Resort Co., Ltd.			
Date of Incorporation	June 17, 2013		
Location of Principal Office	9 Moo 5, Pak Nam Pran Sub-district, Pran Buri District, Prachuabkhirikhan 77220		
Registered Capital	Baht 20,000,000		
Paid-up Capital	Baht 20,000,000		
Business Operation	Operating Evason Hua Hin Hotel in Prachuabkhirikhan		
Major shareholders	List of Shareholders	No. of Shares	%
	Mr. Viroj Tangjettanaporn	10,200.00	51.00
	Fullerton Bay Limited	1,912.00	9.56
	Feitou Holding Limited	1,912.00	9.56
	Taoyuan Holding Limited	1,912.00	9.56
	Media World Holding Limited	1,912.00	9.56
	Other shareholders	2,152.00	10.76
	<b>Total</b>	<b>20,000.00</b>	<b>100.00</b>

The shareholders in Pranburi Beach Resort Co., Ltd. appearing in the above table do not have any relation or connection with the Company or its connected persons.

Silom Road Limited and Mr. Viroj Tangjettanaporn are eligible to jointly nominate two persons to be elected as directors of the Company to replace the existing directors, out of the total of seven directors, four of which are directors and three of which are independent directors/audit committee members, to manage the Company's business. This shows that both investors will hold the shares in the Company for a long run, rather than to speculate in a short period.

c) The Company issues 25,000,000 newly issued ordinary shares at a par value of Baht 1.00 per share for offering for sale to Mrs. Tuenjai Purintaraphiban at the price

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of Baht 1.4000 per share, totaling Baht 35,000,000. The offering of the newly issued ordinary shares with a discount to Mrs. Tuenjai Purintaraphiban at the price of Baht 1.4000 per share is considered the offering of newly issued ordinary shares with a discount of not more than ten percent of the market price as defined in the Notification No. TorChor. 72/2558. After this registered capital increase, Mrs. Tuenjai Purintaraphiban will hold the shares in the Company in an amount of 25,023,800 shares or 6.41 percent of the registered and paid-up capital after the capital increase (as of August 31, 2018, Mrs. Tuenjai Purintaraphiban held 23,800 shares in the Company, equivalent to 0.01 percent of the registered and paid-up capital). Mrs. Tuenjai Purintaraphiban will pay the price for the offered shares within November 30, 2018.

**Mrs. Tuenjai Purintaraphiban** is interested in making investment in the businesses with capability and growth potential. Currently, she is a managing director and shareholder of Lanta Moonlight Co., Ltd., holding 30.91 percent of the registered and paid-up capital. This company engages in a hotel business in the Southern part of Thailand. Such company has income around Baht ten million per year. At the end of 2017, its total assets were valued at around Baht 44 million. Mrs. Tuenjai also has experience in the administration of a hotel business and related businesses for a long time. She is considered an individual investor with a stable financial position who is able to invest in the Company to support and increase the liquidity of the Company. Currently, the Company has seen evidence of a sufficient fund in the form of financial position statement issued by Siam Commercial Bank Plc., dated September 10, 2018. The Company is therefore confident that Mrs. Tuenjai Purintaraphiban has a sufficient fund for the subscription of the newly issued ordinary shares allotted to her. The shareholding structure of Lanta Moonlight Co., Ltd. is as follows:

Information of Lanta Moonlight Co., Ltd.			
Date of Incorporation	July 28, 2003		
Location of Principal Office	69 Moo 8, Koh Lanta Yai Sub-district, Koh Lanta District, Krabi		
Registered Capital	Baht 11,000,000		
Paid-up Capital	Baht 11,000,000		
Business Operation	Operating a hotel business in Krabi province		
Major shareholders	List of Shareholders	No. of Shares	%
	1. Mrs.Tuenjai Purintaraphiban	34,000.00	30.91
	2. Mr.P.Panja Purintaraphiban	10,000.00	9.09

(Translation)

<b>Information of Lanta Moonlight Co., Ltd.</b>			
	3. Miss Rati Purintaraphiban	26,000.00	23.64
	4. Mr. Shin Purintaraphiban	20,000.00	18.18
	5. Miss Jitjira Purintaraphiban	20,000.00	18.18
	<b>Total</b>	<b>110,000.00</b>	<b>100.00</b>

The shareholders in Lanta Moonlight Co., Ltd. appearing in the above table do not have any relation or connection with the Company or its connected persons.

Mrs. Tuenjai Purintaraphiban does not intend to propose any person for election as a director of the Company.

The investors who will purchase the newly issued shares are all experienced in various businesses, especially printing media, advertising, television and media businesses, which are in line with the Company's current business. In addition to such related businesses, such investor group also has knowledge and capability in the administration of investment in limited companies and listed companies in Thailand, Hong Kong, Singapore and Australia stock exchanges for a long time. In addition to the proceeds to be received from the capital increase, which will be used for the Company's business expansion and investment, the Company will be joined by a group of shareholders having experience and capability to assist and ensure well and more efficient policy determination, administration and management of the Company. Also, the Company will receive an opportunity to increase its distribution channels to cover more reference customers and alliances from the investment experience in various businesses in many countries. This will increase the Company's income channels in the future through, for example, an increase of customer base for offline and online advertising media through One World Media Co., Ltd., a subsidiary of the Company.

In this regard, after the newly issued ordinary shares of the Company have been subscribed to by Silom Road Limited and Mr. Viroj Tangjettanaporn, Silom Road Limited and Mr. Viroj Tangjettanaporn will be major shareholders and controlling persons of the Company and considered connected persons of the Company according to the Notifications on Connected Transactions. Silom Road Limited and Mr. Viroj Tangjettanaporn will hold 45.05 and 5.01 percent of the registered and paid-up capital after the capital increase, respectively, totaling 50.06 percent of the registered and paid-up capital after the capital increase and will be eligible to jointly nominate two persons to be elected as directors of the Company to replace the existing directors, out of the total of seven directors, four of which are directors and three of which are independent directors/audit committee members. In the joint purchase of the Company's newly issued ordinary shares by Silom Road Limited and Mr. Viroj Tangjettanaporn, who know each other from business relationship through joint investments in various businesses

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such as real estate business for a long time, they agree to exercise their voting rights in the same direction and agree to jointly manage a business, which is considered to be acting in concert as a result of the nature of a relationship or behavior according to Clause 2 (1) of the Notification No. TorChor. 7/2552. As a result, the offering for sale of the newly issued ordinary shares to Silom Road Limited and Mr. Viroj Tangjettanaporn is considered a connected transaction according to the Notifications on Connected Transactions, with the maximum transaction size of 236.05 percent of the value of the net tangible assets (NTA) of the Company. The transaction size is calculated from the value of the transaction at Baht 273.70 million, divided by the net tangible assets (NTA) of the Company at Baht 115.95 million, based on the reviewed interim consolidated financial statements of the Company for the six-month period ended June 30, 2018. The Company has not entered into any other connected transaction with the same connected persons or their related persons or close relatives during six months before the date of agreement to enter into this transaction. This transaction size is more than three percent of the value of the net tangible assets of the Company, calculated from the reviewed interim consolidated financial statements of the Company for the six-month period ended June 30, 2018. The Company has a duty to disclose the information memorandum regarding such transaction to the Stock Exchange of Thailand (the “**SET**”) and appoint an independent financial advisor to provide opinions on the transaction as well as arrange to obtain approval from its shareholders’ meeting on the entering into the connected transaction with votes of not less than three-quarters of the total votes of the shareholders attending the meeting and eligible to vote, excluding the votes of interested shareholders.

Please see more details in the Information Memorandum on the Connected Transaction regarding the Offering of Newly Issued Ordinary Shares to Specific Investors (Private Placement), i.e. Silom Road Limited and Mr. Viroj Tangjettanaporn (Enclosure 3).

Before the offering of the newly issued ordinary shares, Silom Road Limited and Mr. Viroj Tangjettanaporn, including their connected persons and juristic persons are not connected persons or do not have any connection with the Company or Nation Multimedia Group Public Company Limited (“**NMG**”) according to the Notifications on Connected Transactions (as of August 31, 2018). However, because of the offering of the newly issued ordinary shares to Silom Road Limited and Mr. Viroj Tangjettanaporn this time, Silom Road Limited, Mr. Viroj Tangjettanaporn, Mr. V-Nee Yeh, Mr. Kin Chan, Ms. Angie Yick Yee Li, ASM, ASHM, Go Excel Investments Limited, WTN Limited and Salas Street Limited, including their close relatives and related persons (as defined in the Notifications on Connected Transactions) and the directors of Silom Road Limited, ASHM, Go Excel Investments Limited, WTN Limited and Salas Street Limited are considered connected persons of the Company after the offering of the newly issued ordinary shares to Silom Road Limited and Mr. Viroj Tangjettanaporn this time is completed. In this regard, any related persons and/or juristic persons

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of Silom Road Limited and Mr. Viroj Tangjettanaporn as defined in the Notifications on Connected Transactions are also considered connected persons of the Company pursuant to the Notifications on Connected Transactions as reasoned above. Mrs. Tuenjai Purintaraphiban and her close relatives and related persons (as defined in the Notifications on Connected Transactions) (i.e. Mr. P. Panja Purintaraphiban, the spouse, holding 38,600 shares in the Company, representing 0.01 percent of the total number of shares sold after the allocation) are another group of investors who do not have any relation with Silom Road Limited and Mr. Viroj Tangjettanaporn, and Mrs. Tuenjai Purintaraphiban is not a connected person or does not have any connection with the Company or NMG. Therefore, the offering of the newly issued ordinary shares to Mrs. Tuenjai Purintaraphiban is not considered a connected transaction under the Notifications on Connected Transactions (as of August 31, 2018).

In addition, Silom Road Limited and Mr. Viroj Tangjettanaporn, including their related persons or juristic persons are not connected persons or do not have any connection with Mrs. Tuenjai Purintaraphiban according to the Notifications on Connected Transactions (as of August 31, 2018).

**Shareholding structure before and after the allocation of the newly issued ordinary shares under specific objective basis to specific investors (Private Placement)**

<b>Shareholding List of Shareholders</b>	<b>Before the Allocation *(as of August 31, 2018, calculated from paid-up capital)</b>		<b>After the Allocation *(estimated information as of the subscription date for specific investors, calculated from paid-up capital)</b>	
	<b>No. of Shares</b>	<b>Shareholding (%)</b>	<b>No. of Shares</b>	<b>Shareholding (%)</b>
1. Nation Multimedia Group Public Company Limited	120,808,387	71.04	120,808,387	30.93
2. Mr. Sombat Panichewa	6,000,000	3.53	6,000,000	1.54
3. Mr. Phakawan Wong-o-phasi	2,670,000	1.57	2,670,000	0.68
4. Mr. Chainarong Sangthongarama	1,953,000	1.15	1,953,000	0.50
5. Mr. Sakunthon Jungreangkit	1,264,000	0.74	1,264,000	0.32
6. Mr. Wanon Wanpan	1,000,000	0.59	1,000,000	0.26



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7. Miss Niranut Noranattrakul	900,000	0.53	900,000	0.23
8. Silom Road Limited	-	-	175,950,000	45.05
9. Mr. Viroj Tangjettanaporn	-	-	19,550,000	5.01
10. Mrs. Tuenjai Purintaraphiban	23,800	0.01	25,023,800	6.41
11. Mr. P. Panja Purintaraphiban	38,600	0.02	38,600	0.01

**Note:** 1. Mr. P. Panja Purintaraphiban is considered the person under section 258 of the Securities and Exchange Act, B.E. 2535 (1992) (as amended) of Mrs. Tuenjai Purintaraphiban (spouse).

2. Silom Road Limited and Mr. Viroj Tangjettanaporn are considered to be acting in concert as a result of the nature of a relationship or behavior according to Clause 2 (1) of the Notification of the Capital Market Supervisory Board No. TorChor. 7/2552 (2009) Re: Acting in Concert as a Result of the Nature of a Relationship or Behaviour and Requirements under Sections 246 and 247 (including the amendments thereof).

3. Silom Road Limited, Mr. Viroj Tangjettanaporn, Mr. V-Nee Yeh, Mr. Kin Chan, Ms. Angie Yick Yee Li, ASM, ASHM, Go Excel Investments Limited, WTN Limited and Salas Street Limited, including their close relatives and related persons (as defined in the Notifications on Connected Transactions) and the directors of Silom Road Limited, ASHM, Go Excel Investments Limited, WTN Limited and Salas Street Limited are connected persons of the Company. In this regard, any related persons and/or juristic persons of Silom Road Limited and Mr. Viroj Tangjettanaporn as defined in the Notifications on Connected Transactions are also considered connected persons of the Company pursuant to the Notifications on Connected Transactions.

**Board structure before and after the allocation of the newly issued ordinary shares under specific objective basis to specific investors (Private Placement)**

No.	Before the Allocation *(as of August 31, 2018)		After the Allocation	
	List of Directors	Position	List of Directors	Position
1.	Mr. Pana Janviroj	Chairman of the Board/Chief Executive Officer	Silom Road Limited and Mr. Viroj Tangjettanaporn are eligible to jointly nominate two persons to be elected as directors of the Company to replace the existing directors, out	
2.	Mr. Voraphot	Director		

(Translation)

	Chanyakamol		of the total of seven directors, four of which are directors and three of which are independent directors/audit committee members.	
3.	Mr. Somchai Meesen	Director		
4.	Mr. Ka Ming Jacky Lam	Director		
5.	Mr. Phunwarit Martmuang	Independent director/audit committee member	Mr. Phunwarit Martmuang	Independent director/audit committee member
6.	Mr. Stephen Joseph Camilleri	Independent director/audit committee member	Mr. Stephen Joseph Camilleri	Independent director/audit committee member
7.	Mr. Pundit Jiranapapan	Independent director/audit committee member	Mr. Pundit Jiranapapan	Independent director/audit committee member

The Company has not received information regarding the list of persons to be nominated as directors of the Company. Any update or change in the directors of the Company will be informed to the shareholders and general investors via the SET.

## **1.2. Determination of the offering price and appropriateness of the price of the newly issued shares**

The offering price of the newly issued ordinary shares is determined from the weighted average price of the Company's shares on the SET for the past 15 consecutive business days prior to the date on which the Board of Directors of the Company has resolved to propose the Extraordinary General Meeting of Shareholders No. 1/2018 approves the offering of the newly issued ordinary shares to Silom Road Limited, Mr. Viroj Tangjettanaporn and Mrs. Tuenjai Purintaraphiban with a discount at 9.83 percent of such market price. This price is suitable considering the benefits to be received by the Company, i.e. using the proceeds derived from the offering for working capital for its business, increasing the liquidity and supporting the Company and its subsidiaries' expansion of their core business as well as investing in the business of providing offline and online news through One World Media Co., Ltd. - all of these will eventually enable the Company and its subsidiaries to operate business continually and create an opportunity to generate income and profit in the future.

If the offering price of the shares is less than 90 percent of the weighted average price of the Company's shares on the SET for the past seven but not more than 15 consecutive business days prior to the first subscription date of the newly issued ordinary shares to Silom Road Limited, Mr. Viroj Tangjettanaporn and Mrs. Tuenjai Purintaraphiban, the Company shall prohibit Silom Road Limited, Mr. Viroj Tangjettanaporn and Mrs. Tuenjai Purintaraphiban from selling any of their shares derived from the offering under the Private Placement basis within a period of one year from the day on which such shares are first traded on the SET (Silent Period). Nonetheless, Silom Road Limited, Mr. Viroj Tangjettanaporn and Mrs. Tuenjai Purintaraphiban may gradually sell not more than 25 percent of the lock-up shares after such newly issued ordinary shares have been traded on the SET for six months according to the

Notification of the Stock Exchange of Thailand Re: Criteria, Conditions, and Procedures Governing the Listing of Ordinary or Preference Shares Issued for Capital Increase, B.E. 2 5 5 8 (2 0 1 5 ) and the Circular Letter Re: Determination of Silent Period for the Offering of Shares or Convertible Securities under Private Placement Basis, dated April 29, 2015.

### **1.3. Determination of the market price**

The market price means the weighted average price of the Company's shares on the SET for the past 15 consecutive business days prior to the date on which the Board of Directors of the Company has resolved to propose the Extraordinary General Meeting of Shareholders No. 1/2018 approves the offering of the newly issued ordinary shares to Silom Road Limited, Mr. Viroj Tangjettanaporn and Mrs. Tuenjai Purintaraphiban, i.e. from July 24, 2018 to August 16, 2018, which is Baht 1.5526 (based on SETSMART data of the SET). The prices used to calculate for the weighted average must be the daily average price for trading. In the case where the Board of Directors of the Company deems it appropriate taking into account the best interest of the Company, it may determine the offering price at a discount of not more than ten percent of the market price as calculated above. In determining the discount rate, the Board of Directors shall consider the then market conditions according to the Notification No. TorChor. 72/2558.

### **1.4. Offering plan**

The subscription is determined to take place within November 30, 2018 after the Extraordinary General Meeting of Shareholders No. 1/2018 has resolved to approve the amendment of Article 10 of the Company's Articles of Association regarding the issuance and transfer of shares to increase the foreign shareholding ratio, at any time, to not exceeding 49 percent in aggregate of the total number of shares sold; the offering of the newly issued ordinary shares to Silom Road Limited, Mr. Viroj Tangjettanaporn and Mrs. Tuenjai Purintaraphiban; and the entering into the connected transaction, i.e. the offering of the newly issued ordinary shares of the Company to Silom Road Limited and Mr. Viroj Tangjettanaporn, and the Company must obtain approval on the offering of newly issued ordinary shares to specific investors from the Office of the Securities and Exchange Commission as required by the Notification No. TorChor. 72/2558 prior to the offering of the newly issued ordinary shares to Silom Road Limited, Mr. Viroj Tangjettanaporn and Mrs. Tuenjai Purintaraphiban and the Company has duly registered the amendment of Article 10 with the Department of Business Development, Ministry of Commerce.

## **2. Objectives of the offering of the newly issued ordinary shares, plans for utilizing the proceeds and details**

### **2.1. Objectives of the offering of the newly issued ordinary shares and plans for utilizing the proceeds**

The Company will use the proceeds from the capital increase for working capital for its business, increasing the liquidity and supporting the business expansion of the Company and its subsidiaries as well as investing in the business of providing offline and online news through One World Media Co., Ltd. - all of these will eventually enable the Company and its subsidiaries to operate business continually and create an opportunity to generate income and profit in the future.

(Translation)

## 2.2. Details of the operation of the Company and/or its subsidiaries in which the proceeds will be utilized

Currently, the Company needs to use fund as working capital and to invest in developing the websites and computer programmes of the Company and its subsidiaries in order to support their business operations. During the past years, the Company and its subsidiaries had suffered loss continually mainly from the recession of printing media industry and change in consumers' behavior which focuses more in digital pattern reading, including more book purchasing online, causing the cash flow the Company has at present is insufficient for its business operation in the future. If considering the operating results and net cash flows from operating activities of the Company and its subsidiaries previously in 2015, 2016 and 2017 and the 2nd quarter ended June,30 2018, they demonstrated the operating result at loss and negative cash flows of the Company and its subsidiaries. The brief details of which are as follows:

### Table of the Summary of the previous operating results of each company from 2015 to the 2<sup>nd</sup> quarter of 2018

(Unit: Million Baht)

	2015	2016	2017	Jan – June 2018
Total Revenue	227.62	182.21	158.27	54.53
<b>Costs:</b>				
The Company	142.16	114.50	92.36	44.03
NGE	95.49	73.69	52.30	21.60
OWM	—	—	—	16.13
Total Cost	237.65	188.19	144.66	81.76
Profit (Loss) before depreciation and income tax (EBITDA)	(10.03)	(5.98)	13.61	(27.23)
Net Profit (Loss)	(18.35)	(212.70)	7.17	(83.64)

### Table of the Summary of the cash flow of the Company and its subsidiaries from 2015 to the 2<sup>nd</sup> quarter of 2018

(Unit: Million Baht)

Details	ข้อมูลตามงบการเงินรวมของบริษัทฯ			
	2015	2016	2017	Jan – June 2018
Cash flows from (used in) operating activities	6.81	(43.72)	(61.62)	(19.20)
Cash flows from (used in) investing activities	(148.33)	10.35	133.48	(10.94)

(Translation)

Cash flows from (used in) financing activities	(12.56)	(14.21)	(0.48)	(3.11)
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From the tables of the summary of operating results and cash flows above, total revenue of the Company and its subsidiaries has continually decreased since 2015 which equals to Baht 227.62 million, 2016 which equals to Baht 182.21 million, 2017 which equals to Baht 158.27 million and the first half of 2018 to Baht 54.53 million. The main causes of the decrease of total revenue are from the decline of printing and publishing business and the change in consumers' behaviour which focuses more in digital pattern reading, including more book purchasing online. Besides, even though the Company and its subsidiaries have tried to reduce any expenses in order to be consistent with the decreased total revenue, such reduction is insufficient to the decrease of total revenue, especially the fixed costs which cannot be reduced in proportion to the decreased revenue. The Company and its subsidiaries have total cost in the amount of Baht 237.65 million, Baht 188.19 million, Baht 144.66 million and Baht 81.76 million in 2015, 2016, 2017 and the first half of 2018, respectively. Therefore, the Company and its subsidiaries had net loss in the amount of Baht 18.35 million in 2015 and Baht 212.70 million in 2016, respectively. While in 2017, the Company and its subsidiaries experienced slight profits in the amount approximately Baht 7.17 million but the operating results for the first half of 2018 was back to loss in the amount of Baht 83.64 million. Furthermore, such operating results at loss cause the Company's group to continually use the net cash flows in the operating activities. In 2015, the Company and its subsidiaries had the net cash flows from operating activities received in the positive amount of Baht 6.81 million but in the following years, the Company and its subsidiaries had problems from the net cash flows used in operating activities in the amount of Baht 43.72 million, Baht 61.62 million, and Baht 19.20 million in 2015, 2016 and the first half of 2018, respectively.

From the decreased total revenue and the continual use of cash flows in operating activities, the cash and current investment of the Company and its subsidiaries as of June 30, 2018 remain merely Baht 149.30 million. From the analysis and estimation of expenses expected to be incurred in the future with the reference to the actual structure of cost incurred in the first six months of 2018 (January to June 2018), the cash and current investment at present may be insufficient for the business operation in the near future. In this regard, the Company estimates the number of costs which will be incurred in the future (July to December 2018) as follows:

□ Costs of the Company for the last six months of 2018 (July to December 2018) will equal to the actual total cost of the Company incurred in the first six months of 2018 (January to June 2018) in the amount of Baht 44.03 million, deducting the costs regarding the business of production and distribution of printing media from overseas which the Company stopped the operation from October 1, 2018 onwards. As such, the Company will not have the costs regarding the business of production and distribution of printing media from overseas in the last three months of 2018 in the amount of Baht 8.15 million. Therefore, the Company estimates

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total cost of the Company for the last six months of 2018 (July to December 2018) will be approximately Baht 35.88 million.

□ Total cost of NGE for the last six months of 2018 (July to December 2018) will equal to the actual total cost of NGE incurred in the first six months of 2018 (January to June 2018) in the amount of Baht 21.60 million since it is unlikely that the cost structure of NGE will be significantly changed.

□ In this regard, as OWM has launched its business on June 11, 2018, the absorption costing estimation of OWM for the last six months of 2018 cannot use the number of actual total cost of OWM incurred in the first six months of 2018 as the reference. Therefore, the cost estimation of OWM for the last six months of 2018 (July to December 2018) will be from the expected expenses incurred of the OWM which consist of fixed cost (such as personnel related expenses, rental expenses and related expenses) and variable cost (such as content and article writing fees by blogger, in both printing and online media, clip making fees, publishing and distributing expenses and advertising and public relation expenses.), totaling cost in the amount of Baht 58.80 million for the last six months of 2018 (July to December 2018). In this regard, such total cost structure has fixed cost and variable costs in the proportion approximately 40:60 percent of overall total cost. The variable cost proportion is higher than the fixed cost since the variable cost consists of the expenses in hiring external bloggers to write contents and articles to be published in offline printing and online media of the company, the expenses in hiring staffs to film and montage clips, expenses in the publishing and distributing of printing in any places, as well as the expenses in advertising and public relation of the media of the company which is necessary for the company in the first year or first two years of the business for the purpose of Brand Awareness. While the majority of fixed cost is the expenses regarding the salary of staffs and office rental expenses.

**Table of Absorption Costing Estimation**

*(Unit: Million Baht)*

	<b>January - June 2018 (Actually incurred)</b>	<b>July - December 2018 (Estimated)</b>
The Company	44.03	35.88
NGE	21.60	21.60
OWM	16.13 <sup>1/</sup>	58.80
Total cost	81.76	116.28

*Remark: 1/Since OWM has launched its business on June 11, 2018, such number of costs cannot reflect the actual total cost of OWM in the first six months of 2018.*

In this regard, from the absorption costing estimation expected to be incurred in the last six months of 2018 (July to December 2018), the Company and its

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subsidiaries will have total cost in the amount approximately Baht 35.88 million, Baht 21.60 million and Baht 58.80 million for the Company, NGE and OWM, respectively, totaling overall total cost in the amount approximately Baht 116.28 million. When considering the cash and current investment the Company and its subsidiaries have as of June 30, 2018 in the amount of Baht 149.30 million, such cash and current investment is expected to be sufficient to be used as the working capital of the Company's group until only the first half of 2019. However, this absorption costing estimation is the estimation with the reference to the actual costs incurred in the first six months of 2018 for the Company and NGE and with the reference to the actual expenditure incurred and the expected expenses for OWM under current industrial and economic state, including the business restructuring and development plan. Accordingly, if there is a situation which significantly affects the Company and its subsidiaries from such factors, there may be a change in the absorption costing estimation. As a result, it is necessary for the Company to seek additional funds to support and accommodate expenses which will be incurred in the future and for the smooth and continual operation of the Company and its subsidiaries. Such additional funds will also be utilized in the business restructuring and development and to enhance its potential and competitiveness in the future. In addition, the Company viewed that for the seeking for such additional sources of fund, it is necessary for the fundraising in advance prior to the Company and its subsidiaries run out of cash and current investment which will result in the liquidity crisis and interruption in operating the business of the Company and its subsidiaries and may also affect the stock prices of the Company. Those will result in the difficulty in fundraising, either by capital increase or applying for loans from financial institutions.

The Board of Directors of the Company considered the suitability of additional sources of fund in various aspects and was of the opinion that the fundraising by applying for loans on which debt interests are incurred is not suitable for current situation of the Company's group which is under the restructuring and development of business as it will increase expenses burden. Besides, due to the operating result at loss of the Company's group and continual negative amount of net cash flows from operating activities, it is difficult for the financial institutions to approve the loans in a short period. Also, even though the D/E ratio of the Company is relatively low, or equals to 0.43, according to the consolidated financial statements of the Company as of June 30, 2018, the majority of financial institutions will consider the debt capacity together therewith. If considering the debt capacity of the Company from the Debt Service Coverage Ratio (DSCR) by calculating Earning Before Interest, Tax, Depreciation and Amortization (EBITDA) dividing by current portion of long-term liabilities, including short-term and long-term interests upon loans, the ratio of which is specified by the financial institution. The Company's group does not have debt burden from the loans from financial institutions at present since previously, the Company's group utilized proceeds from the issuing of newly-issued ordinary shares to existing shareholders, in this case, the major shareholder of the Company is NMG. Therefore, the debt capacity of NMG with the reference to the DSCR is approximately 1.1

-1.2. In this regard, due to the operating results of the Company having EBITDA for the period of last twelve months according to the consolidated financial statements as of June 30, 2018 in the negative amount of Baht 65.85 million (Baht -65.85 million), the DSCR is negative thus it is not accordance with the conditions/rules of financial institutions. In addition, if considering the financial liquidity of the Company from the Liquidity Ratio according to the consolidated financial statements as of June 30, 2018 which equals to 2.88, the Company still has financial liquidity but it will be gradually reduced from the operating results at loss and continual negative cash flows of the Company until 2019 that the Company may have insufficient cash flows for the business operation mentioned above.

Furthermore, the fundraising through issuance and offering of newly issued shares to the existing shareholders in proportion to their shareholding (Rights Offering) is the method which cannot ensure that the Company would receive the amount demanded because the major shareholder of the Company, i.e. NMG has experienced losses in the performance and is also under the business restructuring. The capital increase by offering newly-issued ordinary shares to general public (Public Offering) requires rather long preparation period and the permission and approval from relevant organizations which the Company is not able to control and specify the certain period of time. Moreover, the continual operating result at loss of the Company will not be able to attract general public to subscribe for newly-issued ordinary shares in the amount demanded. Therefore, two methods of fundraising above are not suitable for current situation of the Company. Also, if the Company does not receive the proceeds as per the capital increase specified, there will be an effect to the financial liquidity and business operation of the Company in the future.

Accordingly, the Company considered and was of the opinion that the fundraising by the offering of newly-issued ordinary shares to specific investors (Private Placement) is the most suitable method for the Company's situation. In this capital increase, the Company receives the interest from a group of investors (Silom Road Limited and Mr. Viroj Tangjetanaporn) who have potential, knowledge and experience in relation to the business operation of the Company's group in the form of funds, knowledge, competence and experience for the Company to be able to operate the business according to the plan. In this regard, such group of investors expressed their intentions to invest in the Company in the total investing proportion of 50.06 percent of the paid-up capital of the Company. Such high investing proportion can be an evidence to ensure that this group of investors intends to invest in long terms. Becoming the shareholders with shareholding proportion that enables the participation in determining policy is also a proof that this group of investors is interested in the business operation of the Company's group and truly foresees good trend of the business operation.

Therefore, if this capital increase obtains the approval from the meeting of the shareholders and relevant organisations and the investors pay the share prices in full, the Company will receive the proceeds from the capital increase in the amount approximately Baht



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308.70 million. The sources in which the proceeds will be utilized and the objectives of utilising the proceeds will be as the following table:

*(Unit:Million Baht)*

	2019	2020	Total
The Company :			
- Working capital	71.76	66.94	138.70
- Investment fund in website and software system development	10.00	-	10.00
NGE :			
- Working capital	30.00	-	30.00
- Investment fund in website and software system development	-	-	-
OWM :			
- Working capital	100.00	-	100.00
- Investment fund in website and software system development	30.00	-	30.00
Total proceeds from the capital increase expected to be utilised	241.76	66.94	308.70

**1. The businesses under the operation of the Company**, i.e. the production and distribution of pocket books, the working capital and investment fund will be utilized in website and software system development in the amount not exceeding Baht 148.70 million. The utilization of which will be divided into 2 parts as follows:

□ Investment fund in website and software system development in the amount not exceeding Baht 10.00 million will be utilised for the development and improvement of online bookstore website of the Company (Nstore.net), inventory system, including eBook programme so as to increase the efficiency in usage, support the increasing amount of products and increase digital form of books. The Online Community function such as Chat Room and article writing function (Blog) will be added into such website for target readers to participate in and exchange ideas and opinions together. Also, the Online Community for those who love reading will be eventually built and make the Company's website become not only an online bookstore but a center website for reading lovers. The Company anticipated that the building of Online Community will increase the frequency and visiting rates of target customers

and thus increase the sale of the products of the Company. The Company expects the to utilize such investment fund within 2019.

□ Working capital to support the business of the Company in the amount not exceeding Baht 138.70 million will be utilized to accommodate the expenses expected to be incurred in 2019 and 2020. In this regard, the Company determines the amount of proceeds to be used as working capital with the reference to the absorption costing estimation for the last six months of 2018 (July to December 2018) mentioned above of which the total cost is approximately Baht 35.88 million, or approximate total cost of Baht 71.76 million if such estimation is annualized. Therefore, the Company will use this costing estimation with the reference to actual incurred amount to determine the amount of proceeds to be used as working capital in 2019 to be not exceeding Baht 71.76 million and the amount not exceeding Baht 66.94 for the working capital in 2020.

In this regard, the Company firmly believes that the reputation of Nation Books Publisher of which the quality of pocket books produced is recognized among readers, especially pocket books regarding business matters, together with the investment in the website and software system development so as to increase the efficiency of online distribution channels, including with the business restructuring such as the selection of quality books from various copyright owners, the improvement of the speed in the delivery of books and the result from the adjustment of distribution channels proportion by reducing the distribution through modern trade of which the distributing cost is approximately 40 - 45 percent of the sale price and increasing the proportion of sale distribution via online channels of which the distributing cost is approximately 20 - 25 percent of the sale price, will considerably help the Company reduces the costs relating to the distribution, including decreasing the expenses relating the employment of staffs coordinating the distribution through physical bookstores. In addition, the Company seeks additional printing houses in which the pocket books in small amount can be printed in each time for more suitable match of market demand which will result in the reduction of inventories of the Company and storage warehouse rental cost and other costs relating the warehouse maintenance and management. In this regard, if the business restructuring plan achieves the goal targeted, the Company is of the confidence that the amount of such working capital will be sufficient to accommodate and support the business operation at least until 2020 and may be able to generate profits to the Company in the future.

**2. For the business under the operation of Nation Global Edutainment Co., Ltd. (“NGE”)**, the subsidiary in which the Company holds 99.74 percent of the shares, engaging in the production and distribution of copyrighted cartoon books of leading international printing houses, the proceeds will be used as working capital in the amount not exceeding Baht 30.00 million in order to accommodate the expenses which will be incurred in 2019. In this regard, the determination of the amount of working capital for NGE referring to the absorption costing estimation for the last six months of 2018 (July to December 2018) mentioned above of which the total cost is approximately Baht 21.60 million, or approximate total cost of Baht 43.20 million if such estimation is annualized. Nevertheless, NGE has planned the

restructuring of cartoon book business by reducing the production and distribution of cartoon books in 2019 at least 30 percent when comparing to 2018 production plan. The main reason for reducing cartoon book production and distribution amount is from the limitation of the determination of cartoon book sale price which is currently approximately Baht 65 to 100 per book. Such relatively low price is because the majority of readers are children and youth who have low purchasing power, as well as currently, the majority of children and youth are already able to access to read cartoon published online. Therefore, the Company viewed that the business of NGE requires certain periods for the study and planning in additional business restructuring together with the group of investors for another time in order to specify the business plan which is suitable for cartoon book industry. As a result, the Company determines the working capital for NGE in 2019 in the amount not exceeding Baht 30.00 million. Provided that there is any change which significantly affects the Company, the Company will further proceed with relevant rules and regulations.

**3. For the business under the operation of One World Media Co., Ltd. (“OWM”),** the subsidiary in which the Company holds 99.99 percent of the shares, engaging in providing offline news services i.e. newspaper for free distribution under the name ‘Rabbit Today’ and online channels, such as Facebook, Twitter and Instagram. OWM has distributed the free newspaper at BTS and MRT main stations, including offices and certain important places in Bangkok and the offline and online media of OWM have been well recognized. OWM sees the potential that readers around these areas have high purchasing power and are interested in the contents of these newspaper, focusing on lifestyle content. Aside from general advertisements which can be published in such free copies, the advertisements and article written relating to the contents of the newspaper can also be targeted. The proceeds for OWM will be utilized as investment fund in computer hardware and software in the amount not exceeding Baht 30.00 million and as working capital in the amount not exceeding Baht 100.00 million, totaling not exceeding Baht 130.00 million.

□ Investment fund in equipment and computer software in the amount not exceeding Baht 30.00 million will be utilised for the development of online media of OWM such as websites and Facebook, and software systems to support customer database systems for future business use. Such amount is expected to be utilized within 2019.

□ Working capital to accommodate the business operation of OWM in 2020 in the amount not exceeding Baht 100.00 million. OWM has started to launch the newspaper for free distribution (only on working days) under the name ‘Rabbit Today’ on June 11, 2018, as this is a newly launched business, it will take certain times for people to recognize the brand and be interested in reading contents in the free newspaper and for the product owners and agencies who contact the company for advertisement in the newspaper to be ensured that they can reach their target customers through this newspaper. Moreover, as the competitors of this business are printed matters already in the market, such as newspapers and magazines, OWM requires certain periods for the target customers to be confident and decide to have their advertisement appearing on newspaper for free distribution and online media of the company. Besides, advertising budget is normally available during the end to the beginning of a year, and as such the operating plan of the company at the initial stage will focus on public relation work and brand awareness, including providing contents which can attract and persuade customers with the lifestyle contents as the main feature, and making video clips to increase the traffic of

online readers of the company in order to assure to the product owners and agencies that their product advertisement will optimally meet their target customers.

In this regard, the amount of working capital consists of (1) fixed cost of OWM such as personnel related expense, rental expenses and related expenses of which the estimation is made with the reference to the actual expenses incurred in the previous month and the plan specified and (2) variable cost such as content and article writing fees by blogger, in both printing and online media, clip making fees, publishing and distributing expenses and advertising and public relation expenses, totaling the total cost approximately Baht 9.00 - 10.00 million per month. In this regard, such total cost structure has fixed cost and variable costs in the proportion approximately 40:60 percent of overall total cost. The variable cost proportion is higher than the fixed cost since the variable cost consists of the expenses in hiring external bloggers to write contents and articles to be published in offline printing and online media of the company, the expenses in hiring staffs to film and montage clips, expenses in the publishing and distributing of printing in any places, as well as the expenses in advertising and public relation of the media of the company which is necessary for the company in the first year or first two years of the business for the purpose of brand awareness building. While the majority of fixed cost is the expenses regarding the salary of staffs and office rental expenses. Therefore, the Company expects that the amount not exceeding Baht 100.00 million estimated as the working capital in 2019 will be sufficient for the business operation of OWM. If the business development plan of OWM achieves as targeted, the use of working capital in 2020 will be from the operating results of OWM itself. While if the estimated amount is insufficient for the expenses, the Company firmly believes that from certain periods that OWM has operated its business, OWM will be able to seek other sources of fund such as applying for loans from financial institutions or offering of bills of exchange. Nonetheless, when the group of investors (Silom Road Limited and Mr. Viroj Tangjettanaporn) becomes the major shareholder of the Company, the Company will consult and jointly plan the business development plan with such investors who are knowledgeable and experienced for the complete and clear business development plan. If there is any change which significantly affects the Company, the Company will further proceed with relevant rules and regulation.

As mentioned above, the Company expects that all of the proceeds derived from this capital increase in the amount approximately Baht 308,700,000 will be used as working capital and investment fund in website and software system development for the business operation of the Company, NGE and OWM at least until 2020.

### **3. Potential impacts of the capital increase or allocation of the newly issued shares to the specific investors**

The Company's offering of shares set out above will affect the shareholders in the following manner:

#### **3.1. Price Dilution**

$$= \frac{\text{Market price prior to the offering} - \text{Market price after the offering}}{\text{Market price prior to the offering}}$$

(Translation)

Where “Market price after the offering” = (market price x no. of paid-up shares) + (offering price of the newly issued ordinary shares for specific investors x no. of newly issued ordinary shares offered to specific investors) / (no. of paid-up shares + no. of newly issued ordinary shares offered to specific investors)

$$= \frac{(1.5526 \times 170,049,286) + (1.4000 \times 220,500,000)}{(170,049,286 + 220,500,000)}$$
$$= 1.4664$$

Price dilution is:

$$= \frac{1.5526 - 1.4664}{1.5526}$$
$$= 5.55 \text{ percent}$$

### 3.2. Control Dilution

$$= \frac{\text{No. of shares offered for sale}^*}{\text{No. of paid-up shares} + \text{No. of shares offered for sale}^*}$$
$$= \frac{220,500,000}{170,049,286 + 220,500,000}$$
$$= 56.46 \text{ percent}$$

### 3.3. Earnings per Share (EPS) Dilution

$$= \frac{\text{Earnings per Share prior to the offering} - \text{Earnings per Share after the offering}}{\text{Earnings per Share prior to the offering}}$$

Where “EPS prior to the offering” = Company’s net profit for the last 4 quarters / no. of paid-up shares

“EPS after the offering” = Company’s net profit for the last 4 quarters / (no. of paid-up shares + no. of newly issued ordinary shares offered to specific investors)

EPS dilution is:

$$= \text{Calculation cannot be made as the Company has deficit operating results during the last 4 quarters, i.e. Baht -75.98 million.}$$

Silom Road Limited is considered a corporate investor with a stable financial position who is able to invest in the Company and the Company has seen the bank reference letter of ASMH issued by China Construction Bank, showing a sufficient fund for the capital

(Translation)

increase. This capital increase will help to support and increase the liquidity of the Company. Such company is a wholly-owned subsidiary of the ultimate parent company, namely ASMH. ASMH is a holding company investing in various businesses. ASMH was incorporated in 2004 and holds 100 percent of the shares in ASM, a company, incorporated in the British Virgin Islands (BVI), which provides asset management services for a number of funds, which invest in various types of businesses in various forms, such as investing in capital market and money market, providing loans or holding property in many countries especially in Asia, such as Indonesia and Taiwan. As of June 30, 2018, ASM's assets under its management were valued at USD 1,000 million. The funds under the management of ASM are all experienced in the investment in printing and advertising business. The ultimate beneficial owners of Silom Road Limited, i.e. Mr. V-Nee Yeh, Mr. Kin Chan and Ms. Angie Yick Yee Li have expertise and experience from their directorship in the companies and funds, investing in several businesses, such as media business, printing business, television business, mining business and other service businesses. In making investment decisions for each business of the funds, directors of the funds are the persons who make such decisions considering various relevant information and details. The directors must understand businesses and their nature, conduct due diligence, study industrial conditions and business trends in support of their valuation of the businesses and make investment decisions. All of the above-mentioned experiences are in line with the business operation of the Company. The experience in investing in printing media business, advertising business, media business and television business in foreign countries can be adapted to the Company's business in terms of development of the business guidelines and policies. Also, the Company will receive an opportunity to increase its distribution channels to cover more reference customers and alliances from the investment experience in various businesses in many countries. This will increase the Company's income channels in the future through, for example, an increase of customer base for offline and online advertising media through One World Media Co., Ltd., a subsidiary of the Company, and will ensure more efficient organization management. The operation plan is in a study process with the investors. If there is any significant change or effect, the Company will comply with the rules and regulations of the SET. The details of which appear in Clause 1.1: Details of the offering.

Mr. Viroj Tangjettanaporn is an advisor and independent director in listed companies and a securities company. He is considered an individual investor with a stable financial position who is able to invest in the Company and the Company has seen the credit information letter from United Overseas Bank (Thai) Public Company Limited, showing that Mr. Viroj Tangjettanaporn has a sufficient fund for the capital increase to support and increase the liquidity of the Company. His knowledge, experience and expertise in finance and investment can be adapted for the benefit of the Company's business. The details of which appear in Clause 1.1: Details of the offering.

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Mrs. Tuenjai Purintaraphiban is considered an individual investor with a stable financial position who is able to invest in the Company and the Company has seen financial position statement of Mrs. Tuenjai Purintaraphiban issued by Siam Commercial Bank Plc. Her fund will support and increase the liquidity of the Company in a long term. She is capable of responding to the Company's fundraising plans. The details of which appear in Clause 1.1: Details of the offering.

When comparing between the benefits to be received by the shareholders from the offering of the newly issued ordinary shares at a discount to Silom Road Limited, Mr. Viroj Tangjetanaporn and Mrs. Tuenjai Purintaraphiban and the impacts to the share price or voting rights of the shareholders or earnings per share as detailed above, the Board of Directors of the Company has considered and viewed that the offering of the newly issued ordinary shares at a discount to Silom Road Limited, Mr. Viroj Tangjetanaporn and Mrs. Tuenjai Purintaraphiban would provide more benefits to the shareholders when compared to the impacts of the price and control dilutions because Silom Road Limited and the ultimate beneficial owners have knowledge and experience in publishing and advertising business, which is the Company's core business and in other businesses mentioned above and Mr. Viroj Tangjetanaporn is knowledgeable and experienced in various businesses which would assist the Company in adopting appropriate plans and policies and ensuring more efficient administration and management of the Company. The Company would receive sufficient funds for the investment in publishing business, involving production and distribution of pocket books and free copies, and digital business which provides contents on websites, mobile phones and other digital equipment, which would generate profit to the Company in the future. Mrs. Tuenjai Purintaraphiban is an investor with a stable financial position who is able to invest in the Company to support and increase the liquidity of the Company in a long term and is capable of responding to the Company's fundraising plans. In addition, Silom Road Limited, Mr. Viroj Tangjetanaporn and Mrs. Tuenjai Purintaraphiban, including their connected persons according to the Notifications on Connected Transactions do not carry out a business in any manner similar to, or in competition with the business of the Company, and according to the examination by the Company, the three investors do not have a plan to carry out a business in any manner similar to, or in competition with the business of the Company.

The Board of Directors of the Company has opined that the price with a 9.83-percent discount from the market price is appropriate because the Company requires sufficient funds for investment in its businesses, i.e. production and distribution of pocket books and production and distribution of cartoon books and new businesses, namely advertising and public relation services through newspaper for free distribution (Rabbit Today) and through the website ([www.rabbittoday.com](http://www.rabbittoday.com)), including other online media such as Facebook and Instagram, the success of which will also increase revenue and profit to the Company in the future. If considering the operating results and net cash flows from operating activities of the Company and its subsidiaries previously in 2015, 2016 and 2017 and the 2nd quarter ended June 30, 2018,

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they demonstrated the operating result at loss and negative cash flows of the Company and its subsidiaries. Total revenue of the Company and its subsidiaries has continually and considerably decreased since 2015 which equals to Baht 227.62 million, 2016 which equals to Baht 182.21 million, 2017 which equals to Baht 158.27 million and the first half of 2018 to Baht 54.53 million. The main causes of the decrease of total revenue are from the decline of printing and publishing business and the change in consumers' behaviour which focuses more in digital pattern reading, including more book purchasing online. Besides, even though the Company and its subsidiaries have tried to reduce any expenses in order to be consistent with the decreased total revenue, such reduction is insufficient to the decrease of total revenue, especially the fixed costs which cannot be reduced in proportion to the decreased revenue. Therefore, the Company and its subsidiaries had net loss in the amount of Baht 18.35 million in 2015 and Baht 212.70 million in 2016, respectively. While in 2017, the Company and its subsidiaries experienced slight profits in the amount approximately Baht 7.17 million but the operating results for the first half of 2018 was back to loss in the amount of Baht 83.64 million. Furthermore, such operating results at loss cause the Company's group to continually use the net cash flows in the operating activities. In 2015, the Company and its subsidiaries had the net cash flows from operating activities received in the positive amount of Baht 6.81 million but in the following years, the Company and its subsidiaries had problems from the net cash flows used in operating activities in the amount of Baht 43.72 million, Baht 61.62 million, and Baht 19.20 million in 2015, 2016 and the first half of 2018, respectively. From the decreased total revenue and the continual use of cash flows in operating activities, the cash and current investment of the Company and its subsidiaries as of June 30, 2018 remain merely Baht 149.30 million. From the absorption costing estimation expected to be incurred in the last six months of 2018 (July to December 2018), the Company and its subsidiaries will have total cost approximately Baht 35.88 million, Baht 21.60 million and Baht 58.80 million for the Company, NGE and OWM, respectively, totaling overall total cost approximately Baht 116.28 million. When considering the cash and current investment the Company and its subsidiaries have as of June 30, 2018 in the amount of Baht 149.30 million, such cash and current investment is expected to be sufficient to be used as the working capital of the Company's group until only the first half of 2019. However, this absorption costing estimation is the estimation with the reference to the actual costs incurred in the first six months of 2018 for the Company and NGE and with the reference to the actual expenditure incurred and the expected expenses for OWM under current industrial and economic state, including the business restructuring and development plan. Accordingly, if there is a situation which significantly affects the Company and its subsidiaries from such factors, there may be a change in the absorption costing estimation. As demonstrating that if the Company does not obtain fund from this capital increase, the current cash flow may be available for the operation only until 2019 which may cause the interruption to the business operation of the Company's group. Thus, this capital increase will provide the Company with a fund for working capital and investment in the businesses mentioned above.



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As a result, it is necessary for the Company to seek additional funds to support and accommodate expenses which will be incurred in the future and for the smooth and continual operation of the Company and its subsidiaries. Such additional funds will also be utilized in the business restructuring and development and to enhance its potential and competitiveness in the future. In addition, the Company viewed that for the seeking for such additional sources of fund, it is necessary for the fundraising in advance prior to the Company and its subsidiaries run out of cash and current investment which will result in the liquidity crisis and interruption in operating the business of the Company and its subsidiaries and may also affect the stock prices of the Company. Those will result in the difficulty in fundraising, either by capital increase or applying for loans from financial institutions.

The Board of Directors of the Company considered the suitability of additional sources of fund in various aspects and was of the opinion that the fundraising by applying for loans on which debt interests are incurred interest is not suitable for current situation of the Company's group which is under the restructuring and development of business as it will increase expenses burden. Besides, due to the operating results at loss of the Company's group and continual negative amount of net cash flows from operating activities, it is difficult for the financial institutions to approve the loans in a short period. Also, even though the D/E ratio of the Company is relatively low, or equals to 0.43, according to the consolidated financial statements of the Company as of June 30, 2018, the majority of financial institutions will consider the debt capacity together therewith. If considering the debt capacity of the Company from the Debt Service Coverage Ratio (DSCR) by calculating Earning Before Interest, Tax, Depreciation and Amortization (EBITDA) dividing by current portion of long-term liabilities, including short-term and long-term interests upon loans, the ratio of which is specified by the financial institution. The Company's group does not have debt burden from the loans from financial institutions at present since previously, the Company's group utilized proceeds from the issuing of newly-issued ordinary shares to existing shareholders, in this case, the major shareholder of the Company is NMG. Therefore, the debt capacity of NMG with the reference to the DSCR is approximately 1.1 -1.2. In this regard, due to the operating results of the Company having EBITDA for the period of last twelve months according to the consolidated financial statements as of June 30, 2018 in the negative amount of Baht 65.85 million (Baht -65.85 million), the DSCR is negative thus it is not accordance with the conditions/rules of financial institutions. In addition, if considering the financial liquidity of the Company from the Liquidity Ratio according to the consolidated financial statements as of June 30, 2018 which equals to 2.88, the Company still has financial liquidity but it will be gradually reduced from the operating results at loss and continual negative cash flows of the Company until 2019 that the Company may have insufficient cash flows for the business operation mentioned above.

From the above reasons, the Board of Directors of the Company has viewed that the allocation of the newly issued ordinary shares to specific investors (Private Placement) would enable the Company to obtain funds in the amount desired, while the fundraising through

issuance and offering of newly issued shares to the existing shareholders according to their shareholding (Rights Offering) is the method which cannot ensure that the Company would receive full support from its existing shareholders as they might not be ready to subscribe to the new shares in whole according to their rights because the major shareholder of the Company, i.e. NMG has experienced losses in the performance and is also under the business restructuring. The capital increase by offering newly-issued ordinary shares to general public (Public Offering) requires rather long preparation period and the permission and approval from relevant organizations which the Company is not able to control and specify the certain period of time. Moreover, the continual operating results at loss of the Company will not be able to attract general public to subscribe for newly-issued ordinary shares in the amount demanded. Therefore, two methods of fundraising above are not suitable for current situation of the Company and may result in the insufficiency of fund and loss of business expansion opportunity.

**4. Opinion of the Board of Directors of the Company on the matters required in the Notification of the Capital Market Supervisory Board No. TorChor. 73/2558 (2015) Re: Particulars in the Invitation to a Shareholders' Meeting of Listed Companies to Request for Approval for Issuance and Offering of Securities (Codified)**

**4.1. Determination and appropriateness of the offering price to Silom Road Limited, Mr. Viroj Tangjettanaporn and Mrs. Tuenjai Purintaraphiban**

The offering price of the newly issued ordinary shares to Silom Road Limited, Mr. Viroj Tangjettanaporn and Mrs. Tuenjai Purintaraphiban at Baht 1.4000 per share is determined based on the weighted average price of the Company's shares on the SET for the past 15 consecutive business days prior to the date on which the Board of Directors of the Company has resolved to propose the Extraordinary General Meeting of Shareholders No. 1/2018 approves the offering of the newly issued ordinary shares to specific investors with a discount of not more than ten percent of the market price. The price determination criteria has been agreed upon by the Company, Silom Road Limited, Mr. Viroj Tangjettanaporn and Mrs. Tuenjai Purintaraphiban. The offering price at Baht 1.4000 per share is a price with a discount at 9.83 percent from such market price. The Company has viewed that such price with a 9.83-percent discount from the market price is appropriate because the Company requires sufficient funds for the investment in publishing business, involving production and distribution of pocket books and free copies, and digital business which provides contents on websites, mobile phones and other digital equipment, which might generate revenue and profit to the Company in the future.

**4.2. Rationale and necessity of the offering of the newly issued ordinary shares to the specific investors (Private Placement), i.e. Silom Road Limited, Mr. Viroj Tangjettanaporn and Mrs. Tuenjai Purintaraphiban**

The Company will allocate newly issued ordinary shares at a par value of Baht 1.00 per share in the number of 175,950,000 shares to Silom Road Limited, 19,550,000 shares to Mr. Viroj Tangjettanaporn and 25,000,000 shares to Mrs. Tuenjai Purintaraphiban. The Company examined the publicly disclosed financial positions of Silom Road Limited, Mr. Viroj

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Tangjettanaporn and Mrs. Tuenjai Purintaraphiban and opined that they have sufficient funds for subscribing to the newly issued ordinary shares offered to the specific investors (Private Placement) and are financially stable. In addition, the Company has seen the evidence of a sufficient fund of Silom Road Limited in the form of a bank reference letter of ASMH issued by China Construction Bank, Mr. Viroj Tangjettanaporn in the form of a credit information letter issued by United Overseas Bank (Thai) Public Company Limited, and Mrs. Tuenjai Purintaraphiban in the form of financial position statement issued by Siam Commercial Bank Plc.

If considering the operating results and net cash flows from operating activities of the Company and its subsidiaries previously in 2015, 2016 and 2017 and the 2<sup>nd</sup> quarter ended June 30, 2018, they demonstrated the operating result at loss and negative cash flows of the Company and its subsidiaries. Total revenue of the Company and its subsidiaries has continually and considerably decreased since 2015 which equals to Baht 227.62 million, 2016 which equals to Baht 182.21 million, 2017 which equals to Baht 158.27 million and the first half of 2018 to Baht 54.53 million. The main causes of the decrease of total revenue are from the decline of printing and publishing business and the change in consumers' behaviour which focuses more in digital pattern reading, including more book purchasing online. Besides, even though the Company and its subsidiaries have tried to reduce any expenses in order to be consistent with the decreased total revenue, such reduction is insufficient to the decrease of total revenue, especially the fixed costs which cannot be reduced in proportion to the decreased revenue. Therefore, the Company and its subsidiaries had net loss in the amount of Baht 18.35 million in 2015 and Baht 212.70 million in 2016, respectively. While in 2017, the Company and its subsidiaries experienced slight profits in the amount approximately Baht 7.17 million but the operating results for the first half of 2018 was back to loss in the amount of Baht 83.64 million. Furthermore, such operating results at loss cause the Company's group to continually use the net cash flows in the operating activities. In 2015, the Company and its subsidiaries had the net cash flows from operating activities received in the positive amount of Baht 6.81 million but in the following years, the Company and its subsidiaries had problems from the net cash flows used in operating activities in the amount of Baht 43.72 million, Baht 61.62 million, and Baht 19.20 million in 2015, 2016 and the first half of 2018, respectively. From the decreased total revenue and the continual use of cash flows in operating activities, the cash and current investment of the Company and its subsidiaries as of June 30, 2018 remain merely Baht 149.30 million. From the absorption costing estimation expected to be incurred in the last six months of 2018 (July to December 2018), the Company and its subsidiaries will have total cost approximately Baht 35.88 million, Baht 21.60 million and Baht 58.80 million for the Company, NGE and OWM, respectively, totaling overall total cost approximately Baht 116.28 million. When considering the cash and current investment the Company and its subsidiaries have as of June 30, 2018 in the amount of Baht 149.30 million, such cash and current investment is expected to be sufficient to be used as the working capital of the Company's group until only the first half of 2019. However,

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this absorption costing estimation is the estimation with the reference to the actual costs incurred in the first six months of 2018 for the Company and NGE and with the reference to the actual expenditure incurred and the expected expenses for OWM under current industrial and economic state, including the business restructuring and development plan. Accordingly, if there is a situation which significantly affects the Company and its subsidiaries from such factors, there may be a change in the absorption costing estimation. As demonstrating that if the Company does not obtain fund from this capital increase, the current cash flow may be available for the operation only until 2019. This capital increase will more strengthen the Company's capital structure and increase its liquidity and will increase cash flow or working capital sufficiently for the continuous business operation of the Company's group, and will be used to supplement businesses through OWM, which might generate revenue and enhance the financial position of the Company and its subsidiaries in the future as these businesses have tended to grow in the future.

As a result, it is necessary for the Company to seek additional funds to support and accommodate expenses which will be incurred in the future and for the smooth and continual operation of the Company and its subsidiaries. Such additional funds will also be utilized in the business restructuring and development and to enhance its potential and competitiveness in the future. In addition, the Company viewed that for the seeking for such additional sources of fund, it is necessary for the fundraising in advance prior to the Company and its subsidiaries run out of cash and current investment which will result in the liquidity crisis and interruption in operating the business of the Company and its subsidiaries and may also affect the stock prices of the Company. Those will result in the difficulty in fundraising, either by capital increase or applying for loans from financial institutions.

The Board of Directors of the Company considered the suitability of additional sources of fund in various aspects and was of the opinion that the fundraising by applying for loans on which debt interests are incurred is not suitable for current situation of the Company's group which is under the restructuring and development of business as it will increase expenses burden. Besides, due to the operating result at loss of the Company's group and continual negative amount of net cash flows from operating activities, it is difficult for the financial institutions to approve the loans in a short period. Also, even though the D/E ratio of the Company is relatively low, or equals to 0.43, according to the consolidated financial statements of the Company as of June 30, 2018, the majority of financial institutions will consider the debt capacity together therewith. If considering the debt capacity of the Company from the Debt Service Coverage Ratio (DSCR) by calculating Earning Before Interest, Tax, Depreciation and Amortization (EBITDA) dividing by current portion of long-term liabilities, including short-term and long-term interests upon loans, the ratio of which is specified by the financial institution. The Company's group does not have debt burden from the loans from financial institutions at present since previously, the Company's group utilized proceeds from the issuing of newly-issued ordinary shares to existing shareholders, in this case, the major shareholder of the Company is

NMG. Therefore, the debt capacity of NMG with the reference to the DSCR is approximately 1.1 - 1.2. In this regard, due to the operating results of the Company having EBITDA for the period of last twelve months according to the consolidated financial statements as of June 30, 2018 in the negative amount of Baht 65.85 million (Baht -65.85 million), the DSCR is negative thus it is not accordance with the conditions/rules of financial institutions. In addition, if considering the financial liquidity of the Company from the Liquidity Ratio according to the consolidated financial statements as of June 30, 2018 which equals to 2.88, the Company still has financial liquidity but it will be gradually reduced from the operating results at loss and continual negative cash flows of the Company until 2019 that the Company may have insufficient cash flows for the business operation mentioned above.

Furthermore, the fundraising through issuance and offering of newly issued shares to the existing shareholders in proportion to their shareholding (Rights Offering) is the method which cannot ensure that the Company would receive full support from its existing shareholders as they might not be ready to subscribe to the new shares in whole according to their rights since the major shareholder of the Company, i.e. NMG has experienced losses in the performance and is also under the business restructuring. The capital increase by offering newly-issued ordinary shares to general public (Public Offering) requires rather long preparation period and the permission and approval from relevant organizations which the Company is not able to control and specify certain period of time. Moreover, the continual operating result at loss of the Company will not be able to attract general public to subscribe for newly-issued ordinary shares in the amount demanded. Therefore, two methods of fundraising above are not suitable for current situation of the Company and may result in the insufficiency of fund and loss of business expansion opportunity. The Board of Directors of the Company considered and was of the opinion that the fundraising by the offering of newly-issued ordinary shares to specific investors (Private Placement) is the most suitable method for the Company's situation. In this capital increase, the Company receives the interest from a group of investors (Silom Road Limited and Mr. Viroj Tangjetanaporn) who have potential, knowledge and experience in relation to the business operation of the Company's group in the form of funds, knowledge, competence and experience for the Company to be able to operate the business according to the plan. In this regard, such group of investors expressed their intentions to invest in the Company in the total investing proportion of 50.06 percent of the paid-up capital of the Company. Such high investing proportion can be an evidence to ensure that this group of investors intends to invest in long terms. Becoming the shareholders with shareholding proportion that enables the participation in determining policy is also a proof that this group of investors is interested in the business operation of the Company's group and truly foresees good trend of the business operation.

In this regard, Silom Road Limited, Mr. Viroj Tangjetanaporn and Mrs. Tuenjai Purintaraphiban, including their connected persons according to the Notification on Connected Transactions, do not carry out a business in any manner similar to, or in competition with the business of the Company, and according to the examination by the Company, the three

investors do not have a plan to carry out a business in any manner similar to, or in competition with the business of the Company.

After considering the dilution effect to the shareholders and appropriateness of the price, including the rationale, necessity and benefits to be received by the Company from the issuance and allocation of the newly issued ordinary shares to the specific investors (Private Placement), the Board of Directors of the Company resolved to propose the Extraordinary General Meeting of Shareholders No. 1/2018 approves the Company to offer the newly issued ordinary shares with a 9.83-percent discount from the market price to the specific investors (Private Placement), i.e., Silom Road Limited, Mr. Viroj Tangjettanaporn and Mrs. Tuenjai Purintaraphiban. The Board viewed that the offering of the newly issued ordinary shares to Silom Road Limited, Mr. Viroj Tangjettanaporn and Mrs. Tuenjai Purintaraphiban, the allocation conditions and the offering price were appropriate and would be for the best interest of the shareholders because the Company would be able to obtain a source of fund to support the continuous operation of the current businesses of the Company and NGE and the Company will have an opportunity to generate revenue and profit in the future by investing in businesses through the investment in OWM, which may create value added to the Company to be reflected in its share price and eventually enable the Company to pay dividend to the shareholders.

Moreover, the Company is confident that the business restructuring plan and business development plan strategized by the Company, together with the knowledge, competence and experience from the group of investors who will subscribe for these newly-issued ordinary shares, will be able to lead the business operation of the Company and its subsidiaries to be successful as per the plans and will bring back the profits in the operating results of the Company's group which will be able be paid as dividends to shareholders in the future. Nevertheless, if the proceeds derived from this capital increase are insufficient to any expenses estimated above or there is a change in industrial and marketing state which affects the business operation of the Company's group, or there is an adjustment made to the business plan in order to be suitable for the situation which may change and result in the demand of funds in the higher amount than the estimation, or the investors do not increase the capital in the full amount planned, the Company will proceed with the adjustment of the business plan in order to be suitable for the situation and the utilisation of proceeds. Also, the Company firmly believes that the potential of the group of investors subscribing for these newly-issued ordinary shares, who have competence and experience in business operation in various countries and the experience regarding finances and investment for a long time will support the Company to be able to seek for other additional sources of fund such as applying for loans from financial institutions and issuing promisory notes, both domestically and internationally.

#### **4.3. Possibility of the plan for utilizing the proceeds derived from the share offering**

The Board of Directors of the Company is of the opinion that the Company expects that all of the proceeds derived from this capital increase in the amount approximately Baht 308,700,000 will be used as working capital and investment fund in website and software

system development for the business operation of the Company, NGE and OWM at least until 2020 in order to accommodate expenses which will be incurred in the future and for the smooth and continual operation of the Company and its subsidiaries. Such additional funds will also be utilized in the business restructuring and development and to enhance its potential and competitiveness in the future. The details of which are already clarified in Clause 2.2 Details of the operation of the Company and/or its subsidiaries in which the proceeds will be utilized. The Board of Directors of the Company viewed that the operation plan and the plan for utilizing such proceeds are clear and consistent with the business operation of the Company and its subsidiaries at present.

The Company firmly believes that the reputation of Nation Books Publisher of which the quality of pocket books produced is recognized among readers, especially pocket books regarding business matters, together with the investment in the website and software system development so as to increase the efficiency of online distribution channels, including with the business restructuring such as the selection of quality books from various copyright owners, the improvement of the speed in the delivery of books and the result from the adjustment of distribution channels proportion by reducing the distribution through modern trade of which the distributing cost is approximately 40 – 45 percent of the sale price and increasing the proportion of sale distribution via online channels of which the distributing cost is approximately 20 – 25 percent of the sale price, will considerably help the Company reduces the costs relating to the distribution, including decreasing the expenses relating the employment of staffs coordinating the distribution through physical bookstores. In addition, the Company seeks additional printing houses in which the pocket books in small amount can be printed in each time for more suitable match of market demand which will result in the reduction of inventories of the Company and storage warehouse rental cost and other costs relating the warehouse maintenance and management. In this regard, if the business restructuring plan achieves the goal targeted, the Company is of the confidence that the amount of such working capital will be sufficient to accommodate and support the business operation at least until 2020 and may be able to generate profits to the Company in the future.

The Company viewed that the business of NGE requires certain periods for the study and planning in additional business restructuring together with the group of investors for another time in order to specify the business plan which is suitable for cartoon book industry. As a result, the Company determines the working capital for NGE in 2019 in the amount not exceeding Baht 30.00 million. Provided that there is any change which significantly affects the Company, the Company will further proceed with relevant rules and regulations.

The Company viewed that offline and online media business of OWM has been well recognized. OWM foresees the potential that readers around these areas have high purchasing power and are interested in the contents provided in the free newspaper which focus on lifestyle content. Aside from the revenue from general advertisements which can be published in such free copies, the advertisements and article written relating to the contents of the newspaper can also be targeted. Nevertheless, when the group of investors (Silom Road Limited

and Mr. Viroj Tangjettanaporn) becomes the major shareholder of the Company, the Company will consult and jointly plan the business development plan with such investors, who are knowledgeable and experienced, for the complete and clear business development plan. If there is any change which significantly affects the Company, the Company will further proceed with relevant rules and regulation.

Furthermore, in this capital increase, the Company receives the interest from a group of investors (Silom Road Limited and Mr. Viroj Tangjettanaporn) who have potential, knowledge and experience in relation to the business operation of the Company's group in the form of funds, knowledge, competence and experience for the Company to be able to operate the business according to the plan. In this regard, when the group of investors (Silom Road Limited and Mr. Viroj Tangjettanaporn) becomes the major shareholder of the Company after the registration of the capital increase and paid-up capital, the Company will consult and jointly plan the plan for utilising the proceeds with such investors, who are knowledgeable and experienced, for the complete and clear business development plan. If there is any change which significantly affects the Company, the Company will further proceed with relevant rules and regulation.

Nevertheless, if the proceeds derived from this capital increase are insufficient to any expenses estimated above as appeared in Clause 2.2 Details of the operation of the Company and/or its subsidiaries in which the proceeds will be utilized, or there is an adjustment made to the business plan in order to be suitable for the situation which may change and result in the demand of funds in the higher amount than the estimation, or the investors do not increase the capital in the full amount planned, the Company will proceed with the adjustment of the business plan in order to be suitable for the situation and the utilisation of proceeds. Also, the Company firmly believes that the potential of the group of investors subscribing for these newly-issued ordinary shares, who have competence and experience in business operation in various countries and the experience regarding finances and investment for a long time will support the Company to be able to seek for other additional sources of fund such as applying for loans from financial institutions and issuing promisory notes, both domestically and internationally.

#### **4.4. Reasonableness of the capital increase and sufficiency of the source of fund in the case where the proceeds derived from the offering of shares do not cover the budget required for the operation**

The Company has to offer newly issued ordinary shares to Silom Road Limited, Mr. Viroj Tangjettanaporn and Mrs. Tuenjai Purintaraphiban because of the decreased total revenue and the continual use of cash flows in operating activities which makes the cash and current investment of the Company and its subsidiaries as of June 30, 2018 remain merely Baht 149.30 million. From the absorption costing estimation expected to be incurred in the last six months of 2018 (July to December 2018), the Company and its subsidiaries will have total cost approximately Baht 35.88 million, Baht 21.60 million and Baht 58.80 million for the Company, NGE and OWM, respectively, totaling overall total cost approximately Baht 116.28



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million. When considering the cash and current investment the Company and its subsidiaries have as of June 30, 2018 in the amount of Baht 149.30 million, such cash and current investment is expected to be sufficient to be used as the working capital of the Company's group until only the first half of 2019. However, this absorption costing estimation is the estimation with the reference to the actual costs incurred in the first six months of 2018 for the Company and NGE and with the reference to the actual expenditure incurred and the expected expenses for OWM under current industrial and economic state, including the business restructuring and development plan. Accordingly, if there is a situation which significantly affects the Company and its subsidiaries from such factors, there may be a change in the absorption costing estimation.

Therefore, if the Company does not receive the proceeds from this capital increase, the current cash flow may be available for the operation only until 2019 and the business operation of the Company's group may experience liquidity crisis and be interrupted. In this regard, the Company and NGE, engaging in core business of pocket books and cartoon books, are under the business restructuring in order to accommodate the change of consumers' behaviour which increases in receiving news and information via online media such as strengthening the sale via online system by improving and developing current website of the Company to be in the form of Online Community, instead of being only online bookstore, and increasing the products in the digital media forms such as eBook and Audio aside from existing printing products in order to provide more various products which meet the consumers' needs at present. In addition, OWM, engaging in core business of offline media (free copies "Rabbit Today") and online media ([www.rabbits.com](http://www.rabbits.com), Facebook, Twitter and YouTube) for news and information regarding lifestyle contents, that has just launched its business on June 11, 2018, requires certain periods to build the recognition to target customers in advertisement and public relation group. All of the businesses need working capital for business restructuring and development for certain periods.

This capital increase will provide the Company with proceeds which will be utilized as working capital and investment in business development mentioned above in order to increase income and profit to the Company. This will eventually create returns to the shareholders. In addition, the Company viewed that the seeking for loans by applying for loans on which debt interests are incurred is not suitable for current situation of the Company's group which is under the restructuring and development of business as it will increase expenses burden while the Company is under the business restructuring in order to enhance its competitiveness and requires certain periods to adjust itself to the current competition. Besides, due to the operating result at loss of the Company's group and continual negative amount of net cash flows from operating activities, it is difficult for the financial institutions to approve the loans in a short period. Also, even though the D/E ratio of the Company is relatively low, or equals to 0.43, according to the consolidated financial statements of the Company as of June 30, 2018, the majority of financial institutions will consider the debt capacity together therewith. Although the Company's group has no debt burdens from the loans granted by financial institutions, the debt

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capacity of the Company with reference to the Debt Service Coverage Ratio (DSCR) of NMG, the major shareholder of the Company is approximately 1.1 - 1.2. In this regard, due to the operating results of the Company having EBITDA for the period of last twelve months according to the consolidated financial statements as of June 30, 2018 in the negative amount of Baht 65.85 million ( Baht -65.85 million) , the DSCR is negative thus it is not accordance with the conditions/rules of financial institutions and becomes the limitation of the seeking for sources of fund by applying for loans. Such limitation includes negative impact on the cash flow of the Company from the bearing of interest burden of the Company. The details of which can be found in Clause 4.2 Rationale and necessity of the offering of the newly issued ordinary shares to the specific investors (Private Placement), i.e. Silom Road Limited, Mr. Viroj Tangjettanaporn and Mrs. Tuenjai Purintaraphiban. The capital increase by other means may also delay the Company's fundraising process and may not obtain an amount of funds as wished, which will affect the Company's operating plan and financial position.

Therefore, the Company viewed that the obtaining of funds via the offering of newly issued shares at a discount to Silom Road Limited, Mr. Viroj Tangjettanaporn and Mrs. Tuenjai Purintaraphiban was suitable for the current situations and involves uncomplicated procedures, allowing the Company to raise funds within a short period of time at the desired amount as mentioned above. The Board of Directors of the Company considered and compared the details of which to the capital increase by offering newly-issued ordinary shares to existing shareholders in proportion to their shareholdings (Right Offering) and by offering newly-issued ordinary shares to general public (Public Offering) in Clause 4.2 Rationale and necessity of the offering of the newly issued ordinary shares to the specific investors (Private Placement), i.e. Silom Road Limited, Mr. Viroj Tangjettanaporn and Mrs. Tuenjai Purintaraphiban.

Silom Road Limited, Mr. Viroj Tangjettanaporn and Mrs. Tuenjai Purintaraphiban moreover are investors having potential and readiness for making investment who understand the Company's operating policy and practice and are capable of responding to the Company's fundraising plans.

In this regard, the Board of Directors of the Company has viewed that the fund to be received from the allocation of the newly issued ordinary shares to Silom Road Limited, Mr. Viroj Tangjettanaporn and Mrs. Tuenjai Purintaraphiban would be sufficient for implementing the objectives of the issuance of newly issued ordinary shares and the utilization plan. Nevertheless, in the case where the Company is unable to increase its capital and allocate newly issued ordinary shares to Silom Road Limited, Mr. Viroj Tangjettanaporn and Mrs. Tuenjai Purintaraphiban or the case where Silom Road Limited, Mr. Viroj Tangjettanaporn and Mrs. Tuenjai Purintaraphiban do not subscribe to or do not fully subscribe to the shares allotted to them, the Company may consider seeking for sources of fund from other sources such as issuance of debentures or bills of exchange, capital increase to the existing shareholders (Right

Offering) and capital increase to the public (Public Offering). Although the issuance of debentures and bills of exchange incurs a high interest burden, this method can provide a sufficient fund for the Company when needed. The capital increase to the existing shareholders and the public might create issues of insufficient fund to be received and time consuming, but it somewhat provides funds to the Company.

**4.5. Potential impacts on the business operation, financial position and operating results of the Company, resulting from the capital increase and implementation of the utilization plan of the proceeds**

From the objectives of the issuance of newly issued ordinary shares and plan for utilizing proceeds mentioned in Clause 2.2 Details of the operation of the Company and/or its subsidiaries in which the proceeds will be utilized, the businesses of the Company and Subsidiaries at present are in the decline trend of overall industry in which book purchasing powers have continually been decreased and the change of consumers' behaviour which focuses more on online media. From the decreased total revenue and the continual use of cash flows in operating activities, the cash and current investment of the Company and its subsidiaries as of June 30, 2018 remain merely Baht 149.30 million. From the absorption costing estimation expected to be incurred in the last six months of 2018 (July to December 2018), the Company and its subsidiaries will have total cost approximately Baht 35.88 million, Baht 21.60 million and Baht 58.80 million for the Company, NGE and OWM, respectively, totaling overall total cost approximately Baht 116.28 million. When considering the cash and current investment the Company and its subsidiaries have as of June 30, 2018 in the amount of Baht 149.30 million, such cash and current investment is expected to be sufficient to be used as the working capital of the Company's group until only the first half of 2019. Therefore, if the Company does not obtain the proceeds from this capital increase, the current cash flows may be available for the operation of the Company until only 2019 which will result in the liquidity crisis and interruption in operating the business of the Company's group and may also affect the business operation of the Company, along with the financial position and operating results of the Company.

For the operation as per the plan for utilising proceeds from this capital increase, all of the proceeds derived in the amount of approximately Baht 308,700,000 will be used as working capital and investment fund in website and software system development for the business operation of the Company, NGE and OWM at least until 2020 to accommodate expenses which will be incurred in the future and for the smooth and continual operation of the Company and its subsidiaries. The details of which can be found in Clause 2.2 Details of the operation of the Company and/or its subsidiaries in which the proceeds will be utilized. However, there will be risk factors in the operation as per such plan for utilising the proceeds that the operating results of the Company's group may not be as expected since the printing business and industry is in decline trend due to the change in the behaviour of target customers of the Company, including uncontrollable external factors which may affect the business such as overall economic state, industry trend and other catastrophes. In order to handle such risks, the

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Company considered changing the strategy in operating to be more efficient and effective by controlling costs and expenses, controlling the number of books manufactured, selecting books which meet the customers' needs and increasing sale channels, including changing the business plan to invest in service providing business through offline and online media which have a good growth trend in the future. The Company also considered adjusting the business plan by adjusting the operating strategies by developing the selection and increase of books with the contents that match the readers' needs, controlling the printing numbers in order to match with sale volume, increasing the sale of products together with the books for children in order to enhance the purchase, increasing new sales channels such as increasing online stores and co-ordinating with various business allies in both online and offline media to expand reader bases and studying to increase the business expansion opportunity for the investment in OWM which focused on providing offline and online news in order to expand target customers of the Company and be consistent with the changed behaviour of consumers.

Besides, when the group of investors (Silom Road Limited and Mr. Viroj Tangjettanaporn) becomes the major shareholder of the Company, the Company will consult and jointly strategise the business development plan with such investors who are knowledgeable and experienced for the complete and clear business development plan. If there is any change which significantly affects the Company, the Company will further proceed with relevant rules and regulation

Nonetheless, if the proceeds derived from this capital increase are insufficient to any expenses estimated above as appeared in Clause 2.2 Details of the operation of the Company and/or its subsidiaries in which the proceeds will be utilized, or there is an adjustment made to the business plan in order to be suitable for the situation which may change and result in the demand of funds in the higher amount than the estimation, or the investors do not increase the capital in the full amount planned, the Company will proceed with the adjustment of the business plan in order to be suitable for the situation and the utilisation of proceeds. Also, the Company firmly believes that the potential of the group of investors subscribing for these newly-issued ordinary shares, who have competence and experience in business operation in various countries and the experience regarding finances and investment for a long time will support the Company to be able to seek for other additional sources of fund such as applying for loans from financial institutions and issuing promisory notes, both domestically and internationally.

The effects from the allocation of the newly-issued ordinary shares to specific investors (Private Placement) this time consist of the price dilution at 5.55 percent, the control dilution at 56.46 percent and the Earning per Shares Dilution which cannot be calculated since the operating results of the Company for the latest 4 quarters are in loss in the amount of Baht 75.98 million (-75.98). The Board of Directors of the Company considered and was of the opinion that the offering of newly-issued ordinary shares at a discounted price to Silom Road Limited, Mr. Viroj Tangjettanaporn and Mrs. Tuenjai Purintaraphiban in respect of 1. the business

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operation will not be interrupted but with the current cash flow, it may be available for the business operation until only 2019, 2. the Company's group will obtain working capital and investment fund for the website and computer software development of the Company and its subsidiaries to accommodate the business operation, 3. Knowledge, experience and potential in investment of the investors which benefits the business operation of the Company, the benefits that shareholders will obtain from this capital increase outweigh the effects on price and control dilution. The details of which are clarified in Clause 3 Potential impacts of the capital increase or allocation of the newly issued shares to the specific investors.

#### **5. Certification of the Board of Directors**

The Board of Directors of the Company hereby certifies that the Board of Directors of the Company has performed its duty with honesty and has carefully preserved the benefit of the Company in relation to this capital increase. However, in the case where such performance of duty causes damage to the Company, the shareholders may claim for damages from such director on behalf of the Company in accordance with Section 85 of the Securities and Exchange Act, B.E. 2535 (1992) (including the amendments thereof). In addition, if such performance of duty causes a director or his/her related person to obtain undue benefit, the shareholders may claim for such benefit from such director on behalf of the Company in accordance with Section 89/18 of the Securities and Exchange Act, B.E. 2535 (1992) (including the amendments thereof). Furthermore, the Board of Directors of the Company certifies that the Board of Directors of the Company has exercised due care in the consideration and examination of the information of Silom Road Limited, Mr. Viroj Tangjettanaporn and Mrs. Tuenjai Purintaraphiban and was of the opinion that Silom Road Limited, Mr. Viroj Tangjettanaporn and Mrs. Tuenjai Purintaraphiban are potential investors and able to invest in the Company.

Please be informed accordingly.

Yours sincerely,



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Mr. Pana Janviroj  
Chief Executive Officer

(F 53-4)

**Capital Increase Report Form**  
**Nation International Edutainment Public Company Limited**  
**August 17, 2018**

Nation International Edutainment Public Company Limited (the “**Company**”) would like to report the resolutions of the Board of Directors’ meeting No. 7/2018 of the Company, held on August 17, 2018 from 10.00 a.m. to 11.30 a.m. regarding the capital reduction, capital increase and allocation of newly issued shares, as follows:

**1. Capital reduction and capital increase**

**1.1 Capital reduction**

The Board of Directors’ meeting of the Company has resolved to decrease the Company’s registered capital by Baht 89,200,714 from the existing registered capital of Baht 259,250,000 to Baht 170,049,286, by means of reduction of 89,200,714 unissued ordinary shares of the Company with a par value of Baht 1.00 per share.

**1.2 Capital increase**

The Board of Directors’ meeting of the Company has resolved to increase the Company’s registered capital from Baht 170,049,286 to Baht 390,549,286, by the issuance of 220,500,000 newly issued ordinary shares at a par value of Baht 1.00 per share, totaling Baht 220,500,000. The details of the capital increase are as follows:

Type of Capital Increase	Type of Share	No. of Shares	Par Value (Baht/Share)	Total (Baht)
<input checked="" type="checkbox"/> Specific objective of the use of proceeds	Ordinary share	220,500,000	1.00	220,500,000.00
	Preference share	---	---	---

**2. Allocation of newly issued shares**

**2.1 Type: Specific objective of the use of proceeds**

Allocated to	No. of Shares	Sale Price (Baht/Share)	Subscription and Payment Period	Remark
Silom Road Limited	175,950,000 shares	1.4000	Subscription within November 30, 2018 subject to the application under Clause 4. below	Please see remarks 1, 2, 3, 6, 7 and 8 below
Mr. Viroj	19,550,000	1.4000	Subscription within November 30, 2018	Please see remarks 1, 2, 4, 6, 7 and 8

Allocated to	No. of Shares	Sale Price (Baht/Share)	Subscription and Payment Period	Remark
Tangjettanaporn	shares		subject to the application under Clause 4. below	below
Mrs. Tuenjai Purintaraphiban	25,000,000 shares	1.4000	Subscription within November 30, 2018 subject to the application under Clause 4. below	Please see remarks 1, 2, 5, 6, 7 and 8 below

**Remarks:**

1. The offering of shares to specific investors under Section 2, Chapter 2 of the Notification of the Capital Market Supervisory Board No. TorChor. 72/2558 (2015) Re: Approval for Listed Companies to Offer Newly Issued Shares to Specific Investors (Private Placement) (including the amendments thereof), whereby the shareholders have resolved to determine a specific offering price based on the market price.

2. The offering price of the newly issued ordinary shares under the specific objective basis for allocation to specific investors (Private Placement) will be based on the “market price”, which means the weighted average price of the Company’s shares on the Stock Exchange of Thailand (the “SET”) for the past seven but not more than 15 consecutive business days prior to the date on which the Board of Directors has resolved to propose the shareholders’ meeting approves the Company to offer newly issued shares. The prices used to calculate for the weighted average must be the daily average price for trading. The weighted average price of the Company’s shares for the past 15 consecutive business days, i.e. from July 24, 2018 to August 16, 2018 is Baht 1.5526 (from SETSMART data of the SET), according to the Notification of the Capital Market Supervisory Board No. TorChor. 72/2558 (2015) Re: Approval for Listed Companies to Offer Newly Issued Shares to Specific Investors (Private Placement).

3. Silom Road Limited is a company limited by shares, incorporated in the British Virgin Islands (BVI) and having Mr. Peh Pit Tat, with Malaysian nationality, as a director, who supervises the Company’s registration work. The ultimate beneficial owners of this company are Mr. V-Nee Yeh, Mr. Kin Chan and Ms. Angie Yick Yee Li. Such company is a wholly-owned subsidiary of the ultimate parent company, namely Argyle Street Management Holding Limited (“ASMH”). ASMH is a holding company incorporated in the British Virgin Islands (BVI) for investing in various businesses, owned by a group of persons, consisting of three members, namely Mr. Kin Chan, Ms. Angie Yick Yee Li and Mr. V-Nee Yeh. ASMH was incorporated in 2004 and holds 100 percent of the shares in Argyle Street Management Limited (“ASM”), a company, incorporated in the British Virgin Islands (BVI), which provides asset management services for a number of funds, which invest in various types of businesses in various forms, such as investing in capital market and money market, providing loans and holding assets in many countries especially in Asia, such as Indonesia and Taiwan. As of June 30, 2018, ASM’s assets under its management were valued at USD 1,000 million. The funds under the management of ASM are all experienced in the investment in printing and media business. The ultimate beneficial owners of Silom Road Limited, i.e. Mr. V-Nee Yeh, Mr. Kin Chan and Ms. Angie Yick Yee Li have expertise and experience from their positions as executives and directors in the companies and funds, investing in several businesses, such as media business, printing business, television business, mining business and other service businesses.

The ultimate beneficial owners of Silom Road Limited, i.e. Mr. V-Nee Yeh, Mr. Kin Chan and Ms. Angie Yick Yee Li have many experiences. For example, Mr. V-Nee Yeh has experience in administration and management, including development of business operation policies and guidelines from his directorship for more than nine years (2000-2009) in Next Media Limited (currently Next Digital Limited), which is a company operating a large newspaper and magazine business in Hong Kong. Next Digital Limited is a company listed on the Hong Kong Stock Exchange ([www.nextdigital.com.hk](http://www.nextdigital.com.hk)), operating in printing media business in various categories such as news, politics, sports, tourism, automobiles and education to serve the readers in Hong Kong and Taiwan. Mr. Kin Chan has experience and expertise in various businesses from his positions as a chief investment officer of ASM, a chairman of the board of directors of TIH Limited, operating private fund management, a director of OUE Limited, operating asset management and his previous positions as a chairman of the executive committee and a managing director of Lazard Asia Limited in Hong Kong, providing financial consultation and asset management services. Ms. Angie Yick Yee Li is a director of ASM and director of TIH Limited, who also has experience in finance and investment from Lazard & Co. in San Francisco and Lazard Asia Limited in Hong Kong, both of which are subsidiaries of Lazard group, providing financial consultation and asset management services, having experience in the investment and financial consulting for various types of business such as media and telecommunication business, technology business and others. All of the funds of which Mr. V-Nee Yeh, Mr. Kin Chan and Ms. Angie Yick Yee Li are directors make investments in media, telecommunication and advertising businesses, which are in line with the Company's business. In making investment decisions for each business of the funds, directors of the funds are the persons who make such decisions considering various relevant information and details. The directors must understand businesses and their nature, conduct due diligence and study industrial conditions and business trends in support of their valuation of the businesses and then make appropriate investment decisions. It can be seen that Mr. V-Nee Yeh, Mr. Kin Chan and Ms. Angie Yick Yee Li all have knowledge and understanding about printing media business, media business, telecommunication business and advertising business, in line with the operation of the core business and related businesses of the Company. Silom Road Limited is, therefore, considered a corporate investor with a stable financial position who is able to invest in the Company.

Although Mr. V-Nee Yeh, Mr. Kin Chan and Ms. Angie Yick Yee Li are directors in the private fund management business, investing in equity instruments as mentioned above, the Company is confident that Mr. V-Nee Yeh, Mr. Kin Chan and Ms. Angie Yick Yee Li's expertise and experience from their directorship in such business will be beneficial to the Company because the Company will have more strategic partners and good relationships with the directors of the private fund management business, investing in equity instruments in various types of business in various countries as mentioned above, which will help to expand the Company's customer base and welcome new types of customers of advertising business, and eventually the Company's competitiveness in the printing media business will be enhanced.

The source of fund of Silom Road Limited for this capital increase will be obtained from the fund in ASMH. Currently, the Company has seen the bank reference letter of ASMH issued by China Construction Bank showing that there is a sufficient fund for the capital increase. Such fund is obtained from ASMH's major shareholders, who are also its ultimate beneficial owners, i.e. Mr. V-Nee Yeh, Mr. Kin Chan and Ms. Angie Yick Yee Li. The Company is therefore confident that Silom Road Limited has sufficient sources of fund for its subscription of the newly issued ordinary shares, apart from the source of fund of Mr. Viroj Tangjettanaporn.

Silom Road Limited and Mr. Viroj Tangjettanaporn are eligible to jointly nominate two persons to be elected as directors of the Company to replace the existing directors, out of the total of seven directors, four of which are directors and three of which are independent directors/audit committee



members, to manage the Company's business. This shows that both investors will hold the shares in the Company for a long run, rather than to speculate in a short period.

(Please see more details in Clause 1.1: Details of the offering in the Information Memorandum on the Offering of Newly Issued Ordinary Shares to Specific Investors (Private Placement) at the Offering Price at a Discount of Not More than ten percent of the Market Price (Enclosure 1)).

4. Mr. Viroj Tangjettanaporn graduated with a bachelor's degree in finance from Australia. He currently is a senior advisor of Grand Canal Land Public Company Limited, chairperson of the audit committee and independent director of UOB Kay Hian Securities (Thailand) Public Company Limited and independent director of Food Capitals Public Company Limited. He is considered an individual investor with a stable financial position who is able to invest in the Company. Currently, the Company has seen the credit information letter from United Overseas Bank (Thai) Public Company Limited, dated September 3, 2018, showing that Mr. Viroj Tangjettanaporn has a sufficient fund for the capital increase to support and increase the liquidity of the Company. The Company is therefore confident that Mr. Viroj Tangjettanaporn has a sufficient fund for his subscription of the newly issued ordinary shares, apart from the source of fund of Silom Road Limited.

Silom Road Limited and Mr. Viroj Tangjettanaporn are eligible to jointly nominate two persons to be elected as directors of the Company to replace the existing directors, out of the total of seven directors, four of which are directors and three of which are independent directors/audit committee members, to manage the Company's business. This shows that both investors will hold the shares in the Company for a long run, rather than to speculate in a short period.

(Please see more details in Clause 1.1: Details of the offering in the Information Memorandum on the Offering of Newly Issued Ordinary Shares to Specific Investors (Private Placement) at the Offering Price at a Discount of Not More than ten percent of the Market Price (Enclosure 1)).

5. Mrs. Tuenjai Purintaraphiban, the investor who is interested in making investment in the Company's businesses with capability and growth potential. Currently, she is a managing director and shareholder of Lanta Moonlight Co., Ltd., holding 30.91 percent of the registered and paid-up capital. This company engages in a hotel business in the Southern part of Thailand. Such company has income around Baht ten million per year. At the end of 2017, its total assets were valued at around Baht 44 million. Mrs. Tuenjai also has experience in the administration of a hotel business and related businesses for a long time. She is considered an individual investor with a stable financial position who is able to invest in the Company. Currently, the Company has seen evidence of a sufficient fund in the form of financial position statement issued by Siam Commercial Bank Plc., dated September 10, 2018. The Company is therefore confident that Mrs. Tuenjai Purintaraphiban has a sufficient fund for the subscription of the newly issued ordinary shares allotted to her to support and increase the liquidity of the Company (as of August 31, 2018, Mrs. Tuenjai Purintaraphiban held 23,800 shares in the Company or 0.01 percent of the registered and paid-up capital).

Mrs. Tuenjai Purintaraphiban does not intend to propose any person for election as a director of the Company.

(Please see more details in Clause 1.1: Details of the offering in the Information Memorandum on the Offering of Newly Issued Ordinary Shares to Specific Investors (Private Placement) at the Offering Price at a Discount of Not More than ten percent of the Market Price (Enclosure 1)).

6. After the newly issued ordinary shares of the Company have been subscribed to by Silom Road Limited and Mr. Viroj Tangjettanaporn, Silom Road Limited and Mr. Viroj Tangjettanaporn will be major shareholders and controlling persons of the Company and considered connected persons of the Company according to the Notification of the Capital Market Supervisory Board No. TorChor. 21/2551 (2008) Re: Rules on Connected Transactions 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, B.E. 2546 (2003) (including the amendments thereof) (“**Notifications on Connected Transactions**”). Silom Road Limited and Mr. Viroj Tangjettanaporn will hold 45.05 and 5.01 percent of the registered and paid-up capital after the capital increase, respectively, totaling 50.06 percent of the registered and paid-up capital after the capital increase and will be eligible to jointly nominate two persons to be elected as directors of the Company to replace the existing directors, out of the total of seven directors, four of which are directors and three of which are independent directors/audit committee members. In the joint purchase of the Company’s newly issued ordinary shares by Silom Road Limited and Mr. Viroj Tangjettanaporn, who know each other from business relationship through joint investments in various businesses such as real estate business for a long time, they agree to exercise their voting rights in the same direction and agree to jointly manage a business, which is considered to be acting in concert as a result of the nature of a relationship or behavior according to Clause 2 (1) of the Notification of the Capital Market Supervisory Board No. TorChor. 7/2552 (2009) Re: Acting in Concert as a Result of the Nature of a Relationship or Behaviour and Requirements under Sections 246 and 247 (including the amendments thereof) (“**Notification No. TorChor. 7/2552**”). As a result, the offering for sale of the newly issued ordinary shares to Silom Road Limited and Mr. Viroj Tangjettanaporn is considered a connected transaction according to the Notifications on Connected Transactions.

Before the offering of the newly issued ordinary shares, Silom Road Limited and Mr. Viroj Tangjettanaporn, including their connected persons and juristic persons are not connected persons or do not have any connection with the Company or Nation Multimedia Group Public Company Limited (“**NMG**”) according to the Notifications on Connected Transactions (as of August 31, 2018). However, because of the offering of the newly issued ordinary shares to Silom Road Limited and Mr. Viroj Tangjettanaporn this time, Silom Road Limited, Mr. Viroj Tangjettanaporn, Mr. V-Nee Yeh, Mr. Kin Chan, Ms. Angie Yick Yee Li, ASM, ASHM, Go Excel Investments Limited, WTN Limited and Salas Street Limited, including their close relatives and related persons (as defined in the Notifications on Connected Transactions) and the directors of Silom Road Limited, ASHM, Go Excel Investments Limited, WTN Limited and Salas Street Limited are considered connected persons of the Company after the offering of newly issues ordinary shares to Silom Road Limited and Mr. Viroj Tangjettanaporn this time is completed. In this regard, any related persons and/or juristic persons of Silom Road Limited and Mr. Viroj Tangjettanaporn as defined in the Notifications on Connected Transactions are also considered connected persons of the Company pursuant to the Notifications on Connected Transactions as reasoned above.

Mrs. Tuenjai Purintaphiban and her close relatives and related persons (as defined in the Notifications on Connected Transactions) (i.e. Mr. P. Panja Purintaphiban, the spouse, holding 38,600 shares in the Company, representing 0.01 percent of the total number of shares sold after the allocation) are another group of investors who do not have any relation with Silom Road Limited and Mr. Viroj Tangjettanaporn, and Mrs. Tuenjai Purintaphiban is not a connected person or does not have any connection with the Company or NMG. Therefore, the offering of the newly issued ordinary shares to Mrs. Tuenjai Purintaphiban is not considered a connected transaction under the Notifications on Connected Transactions (as of August 31, 2018).

**Shareholding structure before and after the allocation of the newly issued ordinary shares under specific objective basis to specific investors (Private Placement)**

Shareholding  List of Shareholders	Before the Allocation *(as of August 31, 2018, calculated from paid-up capital)		After the Allocation *(estimated information as of the subscription date for specific investors, calculated from paid-up capital)	
	No. of Shares	Shareholding (%)	No. of Shares	Shareholding (%)
1. Nation Multimedia Group Public Company Limited	120,808,387	71.04	120,808,387	30.93
2. Mr. Sombat Panichewa	6,000,000	3.53	6,000,000	1.54
3. Mr. Phakawan Wong-o-phasi	2,670,000	1.57	2,670,000	0.68
4. Mr. Chainarong Sangthongarama	1,953,000	1.15	1,953,000	0.50
5. Mr. Sakunthon Jungrungreangkit	1,264,000	0.74	1,264,000	0.32
6. Mr. Wanon Wanpan	1,000,000	0.59	1,000,000	0.26
7. Miss Niranut Noranattrakul	900,000	0.53	900,000	0.23
8. Silom Road Limited	-	-	175,950,000	45.05
9. Mr. Viroj Tangjettanaporn	-	-	19,550,000	5.01
10. Mrs. Tuenjai Purintaraphiban	23,800	0.01	25,023,800	6.41
11. Mr. P. Panja Purintaraphiban	38,600	0.02	38,600	0.01

**Note:** 1. Mr. P. Panja Purintaraphiban is considered the person under section 258 of the Securities and Exchange Act, B.E. 2535 (1992) (as amended) of Mrs. Tuenjai Purintaraphiban (spouse).

2. Silom Road Limited and Mr. Viroj Tangjettanaporn are considered to be acting in concert as a result of the nature of a relationship or behavior according to Clause 2 (1) of the Notification of the Capital Market Supervisory Board No. TorChor. 7/2552 (2009) Re: Acting in Concert as a Result of the Nature of a Relationship or Behaviour and Requirements under Sections 246 and 247 (including the amendments thereof).

3. Silom Road Limited, Mr. Viroj Tangjettanaporn, Mr. V-Nee Yeh, Mr. Kin Chan, Ms. Angie Yick Yee Li, ASM, ASHM, Go Excel Investments Limited, WTN Limited and Salas Street Limited, including their close relatives and related persons (as defined in the Notifications on Connected Transactions) and the directors of Silom Road Limited, ASHM, Go Excel Investments Limited, WTN Limited and Salas Street Limited are connected persons of the Company. In this regard, any related persons and/or juristic persons of Silom Road Limited and Mr. Viroj Tangjettanaporn as defined in the

Notifications on Connected Transactions are also considered connected persons of the Company pursuant to the Notifications on Connected Transactions

**Board structure before and after the allocation of the newly issued ordinary shares under specific objective basis to specific investors (Private Placement)**

No.	Before the Allocation *(as of August 17, 2018)		After the Allocation	
	List of Directors	Position	List of Directors	Position
1.	Mr. Pana Janviroj	Chairman of the Board/Chief Executive Officer	Silom Road Limited and Mr. Viroj Tangjettanaporn are eligible to jointly nominate two persons to be elected as directors of the Company to replace the existing directors, out of the total of seven directors, four of which are directors and three of which are independent directors/audit committee members.	
2.	Mr. Voraphot Chanyakomol	Director		
3.	Mr. Somchai Meesen	Director		
4.	Mr. Ka Ming Jacky Lam	Director		
5.	Mr. Phunwarit Martmuang	Independent director/audit committee member	Mr. Phunwarit Martmuang	Independent director/audit committee member
6.	Mr. Stephen Joseph Camilleri	Independent director/audit committee member	Mr. Stephen Joseph Camilleri	Independent director/audit committee member
7.	Mr. Pundit Jiranapapan	Independent director/audit committee member	Mr. Pundit Jiranapapan	Independent director/audit committee member

7. If Silom Road Limited and Mr. Viroj Tangjettanaporn fully subscribe to the newly issued ordinary shares offered to them, Silom Road Limited and Mr. Viroj Tangjettanaporn will hold the shares of the Company in the number that reaches or exceeds the trigger point to make a tender offer for the securities as required by the Notification of the Capital Market Supervisory Board No. TorChor. 12/2554 (2011) Re: Rules, Conditions and Procedures for the Acquisition of Securities for Business Takeovers (including the amendments thereof) (“**Notification No. TorChor. 12/2554**”). In addition, in the joint purchase of the Company’s newly issued ordinary shares by Silom Road Limited and Mr. Viroj Tangjettanaporn, who know each other from business relationship through joint investments in various businesses such as real estate business for a long time, they agree to exercise their voting rights in the same direction and agree to jointly manage a business, which is considered to be acting in concert as a result of the nature of a relationship or behaviour according to Clause 2 (1) of the Notification No. TorChor. 7/2552. In this regard, Silom Road Limited and Mr. Viroj Tangjettanaporn shall have a duty to make a tender offer for all securities of the Company by filing a Tender Offer in 247-4 Form and carry out any other actions in accordance with the Notification No. TorChor. 12/2554.

Silom Road Limited and Mr. Viroj Tangjettanaporn do not have business relationship or any relation or involvement with Mrs. Tuenjai Purintaraphiban and Mrs. Tuenjai Purintaraphiban does not intend to be acting in concert with Silom Road Limited or Mr. Viroj Tangjettanaporn as a result of the nature of a relationship or behavior according to Notification No. TorChor. 7/2552.

The making of tender offer for all securities of the Company by Silom Road Limited and Mr. Viroj Tangjettanaporn is subject to the following conditions:

1) The Company has obtained all relevant approvals as follows:

(a) the Company must obtain approval from the Extraordinary General Meeting of Shareholders No. 1/2018 on the amendment of Article 10 of the Company's Articles of Association regarding the issuance and transfer of shares to increase the foreign shareholding ratio, at any time, to not exceeding 49 percent in aggregate of the total number of shares sold;

(b) the Company must obtain approval from the Extraordinary General Meeting of Shareholders No. 1/2018 on the reduction and increase of the Company's registered capital and the allocation of the newly issued ordinary shares under specific objective basis to specific investors (Private Placement), i.e. Silom Road Limited, Mr. Viroj Tangjettanaporn and Mrs. Tuenjai Purintaraphiban;

(c) the Company must obtain approval from the Extraordinary General Meeting of Shareholders No. 1/2018 on the entering into the connected transaction, i.e. the offering of the newly issued ordinary shares of the Company to Silom Road Limited and Mr. Viroj Tangjettanaporn; and

(d) the Company must obtain approval on the offering of newly issued ordinary shares to specific investors from the Office of the Securities and Exchange as required by the Notification No. TorChor. 72/2558 prior to the offering of the newly issued ordinary shares to Silom Road Limited, Mr. Viroj Tangjettanaporn and Mrs. Tuenjai Purintaraphiban;

2) Silom Road Limited and Mr. Viroj Tangjettanaporn will subscribe to and make payment for the allotted newly issued ordinary shares only when Silom Road Limited and Mr. Viroj Tangjettanaporn are satisfied with the result of the due diligence on the Company and there is no change which might have a material adverse impact to the Company's status, operation, business and/or property, deviating from the information obtained from the due diligence. The due diligence is being conducted and is expected to be completed within October 2018; and

3) Silom Road Limited and Mr. Viroj Tangjettanaporn have subscribed to and paid for all allotted newly issued ordinary shares, i.e. 175,950,000 shares and 19,550,000 shares, respectively, totaling 195,500,000 shares, equivalent to 45.05 percent and 5.01 percent of the registered and paid-up capital after the capital increase, respectively, or 50.06 percent in total of the registered and paid-up capital after the capital increase and as a result, the joint shareholding by Silom Road Limited and Mr. Viroj Tangjettanaporn in the Company will reach or exceed the trigger point to make a tender offer for the securities as required by the Notification No. TorChor. 12/2554.

Nevertheless, in the case where Silom Road Limited and Mr. Viroj Tangjettanaporn have not fully subscribed to and made payment for the whole allotted shares, Silom Road Limited and Mr. Viroj Tangjettanaporn will have a duty to make a tender offer for all securities of the Company by filing a Tender Offer in 247-4 Form and carry out any other actions in accordance with the Notification No. TorChor. 12/2554 when they aggregately hold at least 65,016,429 shares in the Company or at least 25 percent of the registered and paid-up capital after the capital increase.

8. If the offering price of the shares is less than 90 percent of the weighted average price of the Company's shares on the SET for the past seven but not more than 15 consecutive business days prior to the first subscription date of the newly issued ordinary shares to Silom Road Limited, Mr. Viroj Tangjettanaporn and Mrs. Tuenjai Purintaraphiban, the Company shall prohibit Silom Road Limited, Mr. Viroj Tangjettanaporn and Mrs. Tuenjai Purintaraphiban from selling any of their shares derived from the offering under the Private Placement basis within a period of one year from the day on which such shares are first traded on the SET (Silent Period). Nonetheless, Silom Road Limited, Mr. Viroj Tangjettanaporn and Mrs. Tuenjai Purintaraphiban may gradually sell not more than 25 percent of the lock-up shares after such newly issued ordinary shares have been traded on the SET for six months according to the Notification of the Stock Exchange of Thailand Re: Criteria, Conditions, and Procedures Governing the Listing of Ordinary or Preference Shares Issued for Capital Increase, B.E. 2558 (2015) and the Circular Letter Re: Determination of Silent Period for the Offering of Shares or Convertible Securities under Private Placement Basis, dated April 29, 2015.

2.1.1 The Company's plan in the case where there is a fraction of shares remaining

- None -

**3. Determination of the date of a shareholders' meeting/ Extraordinary General Meeting of Shareholders to approve the capital increase and allocation of the newly issued shares**

The Extraordinary General Meeting of Shareholders No. 1/2018 is scheduled to be held on Tuesday, October 30, 2018 at 14.00 hrs. at Meeting Room 9B, Interlink Tower (former Nation Tower), Bangna Trad Road, Bangna, Bangkok 10260.

The record date for specifying the list of shareholders who are entitled to attend the Extraordinary General Meeting of Shareholders No. 1/2018 is scheduled on August 31, 2018.

**4. Application of the capital increase/share allocation with relevant governmental agencies and conditions thereto (if any)**

(a) The Company must obtain approval from the Extraordinary General Meeting of Shareholders No. 1/2018 on the amendment of Article 10 of the Company's Articles of Association regarding the issuance and transfer of shares to increase the foreign shareholding ratio, at any time, to not exceeding 49 percent in aggregate of the total number of shares sold.

(b) The Company must obtain approval from the Extraordinary General Meeting of Shareholders No. 1/2018 on the Company's capital reduction, capital increase and allocation of the newly issued ordinary shares under the specific objective basis to the specific investors (Private Placement), i.e. Silom Road Limited, Mr. Viroj Tangjettanaporn and Mrs. Tuenjai Purintaraphiban.

(c) The Company must obtain approval from the Extraordinary General Meeting of Shareholders No. 1/2018 on the entering into the connected transaction, i.e. the offering of the newly issued ordinary shares of the Company to Silom Road Limited and Mr. Viroj Tangjettanaporn.

(d) The Company must obtain approval on the offering of newly issued ordinary shares to specific investors from the Office of the Securities and Exchange Commission as required by Notification

No. TorChor. 72/2558 before offering the newly issued ordinary shares to Silom Road Limited, Mr. Viroj Tangjettanaporn and Mrs. Tuenjai Purintaraphiban.

(e) The Company must register the capital increase of Baht 220,500,000 with a par value of Baht 1.00 per share and register the change in the paid-up capital with the Department of Business Development, Ministry of Commerce, as well as apply for approval from the SET regarding the listing of such newly issued ordinary shares on the SET.

## **5. Objectives of the capital increase and plans for utilizing proceeds derived from the capital increase**

The Company will use the proceeds from the capital increase for working capital for its business, increasing the liquidity and supporting the business expansion of the Company and its subsidiaries as well as investing in the business of providing offline and online news through One World Media Co., Ltd. – all of these will eventually enable the Company and its subsidiaries to operate business continually and create an opportunity to generate income and profit in the future.

The Company needs to use funds as working capital and for investing in developing websites and computer softwares of the Company and its subsidiaries in order to support business operation. During the past years, the Company and its subsidiaries had suffered loss continually, causing the Company to have insufficient cash flow for its business operation. If considering the operating results and net cash flows from operating activities of the Company and its subsidiaries previously in 2015, 2016 and 2017 and the 2<sup>nd</sup> quarter ended June,30 2018, they demonstrated the operating result at loss and negative cash flows of the Company and its subsidiaries. Total revenue of the Company and its subsidiaries has continually and considerably decreased since 2015 which equals to Baht 227.62 million, 2016 which equals to Baht 182.21 million, 2017 which equals to Baht 158.27 million and the first half of 2018 to Baht 54.53 million. The main causes of the decrease of total revenue is from the decline of printing and publishing business and the change in consumers' behaviour which focuses more in digital pattern reading, including more book purchasing online. Besides, even though the Company and its subsidiaries have tried to reduce any expenses in order to be consistent with the decreased total revenue, such reduction is insufficient to the decrease of total revenue, especially the fixed costs which cannot be reduced in proportion to the decreased revenue. Therefore, the Company and its subsidiaries had net loss in the amount of Baht 18.35 million in 2015 and Baht 212.70 million in 2016, respectively. While in 2017, the Company and its subsidiaries experienced slight profits in the amount approximately Baht 7.17 million but the operating results for the first half of 2018 was back to loss in the amount of Baht 83.64 million. Furthermore, such operating results at loss cause the Company's group to continually use the net cash flows in the operating activities. In 2015, the Company and its subsidiaries had the net cash flows from operating activities received in the positive amount of Baht 6.81 million but in the following years, the Company and its subsidiaries had problems from the net cash flows used in operating activities in the amount of Baht 43.72 million, Baht 61.62 million, and Baht 19.20 million in 2015, 2016 and the first half of 2018, respectively. From the decreased total revenue and the continual use of cash flows in operating activities, the cash and current investment of the Company and its subsidiaries as of June 30, 2018 remain merely Baht 149.30 million. From the absorption costing estimation expected to be incurred in the last six months of 2018 (July to December 2018), the Company and its subsidiaries will have total cost approximately Baht 35.88 million, Baht 21.60 million and Baht 58.80 million for the Company, NGE and OWM, respectively, totaling overall total cost approximately Baht 116.28 million. When considering the cash and current investment the Company and its subsidiaries have as of June 30, 2018 in the amount of Baht 149.30 million, such cash and current investment is expected to be sufficient to be used as the

working capital of the Company's group until only the first half of 2019. However, this absorption costing estimation is the estimation with the reference to the actual costs incurred in the first six months of 2018 for the Company and NGE and with the reference to the actual expenditure incurred and the expected expenses for OWM under current industrial and economic state, including the business restructuring and development plan. Accordingly, if there is a situation which significantly affects the Company and its subsidiaries from such factors, there may be a change in the absorption costing estimation. As demonstrating that if the Company does not obtain fund from this capital increase, the current cash flow may be available for the operation only until 2019 which may cause the interruption to the business operation of the Company's group. Thus, this capital increase will provide the Company a fund for working capital and investment fund in website and computer software development of the Company and its subsidiaries mentioned above, as well as facilitating the restructuring of the Company's group in order to enhance its competitiveness in the future. Therefore, it is necessary for the Company to utilize such fund to be able to operate the businesses continually. The brief details for the utilization of proceeds are as follows:

1. For businesses under the operation of the Company, which are the production and distribution of pocket books, the working capital and investment fund will be utilized in website and software system development in the amount not exceeding Baht 148.70 million, which the Company expects to utilize such investment fund within 2019.

2. The business operated under Nation Global Edutainment Public Company Limited ("NGE"), the subsidiary in which the Company holds 99.74 percent of the shares, engaging in the production and distribution of copyrighted cartoon books from leading international printing houses, will utilize working capital in the amount not exceeding Baht 30.00 million to support expenses expected to be incurred in 2019. According to the restructuring plan, NGE business restructuring will start in 2019.

3. For the business under the operation of the subsidiary in which the Company holds 99.99 percent of the shares, i.e. One World Media Co., Ltd. ("OWM"), providing offline news services through the production of newspaper for free distribution under the name 'Rabbit Today' and online channels, such as Facebook, Twitter and Instagram. This company has distributed the newspaper at BTS stations and MRT stations, including offices in Bangkok and this business has been well recognized. In this regard, the Company sees that readers around these areas have high purchasing power and are interested in the contents of these newspaper, focusing on lifestyle content. Aside from general advertisements which can be published in such free copies, the advertisements relating to the contents of the newspaper can also be targeted. The fund will be utilized as investing money in computer hardware and software in the amount not exceeding Baht 30.00 million and as working capital in the amount not exceeding Baht 100.00 million, totaling not exceeding Baht 130.00 million.

(Please consider the details of which in Clause 2.2 Details of the operation of the Company and/or its subsidiaries in which the proceeds will be utilized in the Information Memorandum on the Offering of Newly Issued Ordinary Shares to Specific Investors (Private Placement) at the Offering Price with a Discount of not more than ten percent of the Market Price (Enclosure1))

With regard to OWM operating plan, since there is no concrete business plan at the moment, which is in the study process together with Silom Road Limited and Mr. Viroj Tangjettanaporn, if there is any change which might significantly affect the Company, the Company will deal with it according to its Articles of Association and relevant rules.



All of the proceeds derived from this capital increase in the amount of Baht 308,700,000 will be used as working capital and investing money in the development of computer software system for the operation of the businesses of the Company, NGE and OWM at least until 2020. Nonetheless, the Company expects that the business restructuring and development of the Company's group will be successful thus will bring back the profits in the operating results of the Company's group which can be paid as dividends to shareholders in the future.

#### **6. Benefits to be received by the Company from the capital increase/share allocation**

Due to the decreased total revenue and the continual use of cash flows in operating activities, the cash and current investment of the Company and its subsidiaries as of June 30, 2018 remain merely Baht 149.30 million. From the absorption costing estimation expected to be incurred in the last six months of 2018 (July to December 2018), the Company and its subsidiaries will have total cost approximately Baht 35.88 million, Baht 21.60 million and Baht 58.80 million for the Company, NGE and OWM, respectively, totaling overall total cost approximately Baht 116.28 million. When considering the cash and current investment the Company and its subsidiaries have as of June 30, 2018 in the amount of Baht 149.30 million, such cash and current investment is expected to be sufficient to be used as the working capital of the Company's group until only the first half of 2019. However, this absorption costing estimation is the estimation with the reference to the actual costs incurred in the first six months of 2018 for the Company and NGE and with the reference to the actual expenditure incurred and the expected expenses for OWM under current industrial and economic state, including the business restructuring and development plan. Accordingly, if there is a situation which significantly affects the Company and its subsidiaries from such factors, there may be a change in the absorption costing estimation. This capital increase will strengthen the Company's capital structure and increase its liquidity and will eventually enhance the Company's ability to generate income and its financial position in the future. The proceeds from the capital increase will be used as working capital to support the Company's operation and used as funds for the expansion of its business.

In addition, the Company viewed that the obtaining of funds via the offering of newly issued shares at a discount to Silom Road Limited, Mr. Viroj Tangjettanaporn and Mrs. Tuenjai Purintaraphiban was suitable for the current situations and involves uncomplicated procedures, allowing the Company to raise funds within a short period of time at the desired amount. Silom Road Limited, Mr. Viroj Tangjettanaporn and Mrs. Tuenjai Purintaraphiban moreover are investors having potential and readiness for making investment who understand the Company's operating policy and practice and are capable of responding to the Company's fundraising plans. They also do not carry out a business in any manner similar to, or in competition with the business of the Company.

Furthermore, for the seeking for sources of fund from other sources such as applying for loan from a financial institution, the Company considered that due to the operating result at loss of the Company's group and continual negative amount of net cash flows from operating activities, it is difficult for the financial institutions to approve the loans in a short period. Also, even though the D/E ratio of the Company is relatively low, or equals to 0.43, according to the consolidated financial statements of the Company as of June 30, 2018, the majority of financial institutions will consider the debt capacity together therewith. Though the Company's group does not have debt burden from the loans from financial institutions at present, the condition referring to the debt capacity ratio of NMG, the major shareholder of the Company, is approximately 1.1 -1.2. In this regard, due to the operating results of the Company having EBITDA for the period of last twelve months according to the consolidated financial statements as of June 30, 2018 in the negative amount of Baht 65.85 million (Baht -65.85 million), the DSCR is negative thus it is not accordance with the conditions/rules of financial institutions and becomes the limitation of

the seeking for sources of fund by applying for loans. Such limitation includes negative impact on the cash flow of the Company from the bearing of interest burden of the Company.

(Please consider the details of which in Clause 4.2 Rationale and necessity of the offering of the newly issued ordinary shares to the specific investors (Private Placement), i.e. Silom Road Limited, Mr. Viroj Tangjettanaporn and Mrs. Tuenjai Purintaraphiban of the Information Memorandum on the Offering of Newly Issued Ordinary Shares to Specific Investors (Private Placement) at the Offering Price with a Discount of not more than ten percent of the Market Price (Enclosure 1)).

Nevertheless, in the case where the Company is unable to increase its capital and allocate newly issued ordinary shares to Silom Road Limited, Mr. Viroj Tangjettanaporn and Mrs. Tuenjai Purintaraphiban or the case where Silom Road Limited, Mr. Viroj Tangjettanaporn and Mrs. Tuenjai Purintaraphiban do not subscribe to or do not fully subscribe to the shares allotted to them, the Company may consider seeking for sources of fund from other sources such as issuance of debentures or bills of exchange, capital increase to the existing shareholders and capital increase to the public. Although the issuance of debentures and bills of exchange incurs a high interest burden, this method can provide a sufficient fund for the Company when needed. The capital increase to the existing shareholders and the public might create issues of insufficient fund to be received and time consuming, but it somewhat provides funds to the Company.

#### **7. Benefits to be received by shareholders from the capital increase/share allocation**

The offering of the newly issued ordinary shares to Silom Road Limited, Mr. Viroj Tangjettanaporn and Mrs. Tuenjai Purintaraphiban will be beneficial to the shareholders because Silom Road Limited and the ultimate beneficial owners have knowledge and experience in publishing and advertising business, which is the Company's core business and in other businesses and Mr. Viroj Tangjettanaporn is knowledgeable and experienced in various businesses in many companies which would assist the Company in adopting appropriate plans and policies and ensuring more efficient administration and management of the Company. Mrs. Tuenjai Purintaraphiban is an investor with a stable financial position who is able to invest in the Company to support and increase the liquidity of the Company in a long term and is capable of responding to the Company's fundraising plans.

The investors who will purchase the newly issued shares are all experienced in various businesses, especially printing media, advertising, television and media businesses, which are in line with the Company's current business. In addition to such related businesses, such investor group also has knowledge and capability in the administration of investment in limited companies and listed companies on Thailand, Hong Kong, Singapore and Australia stock exchanges for a long time. In addition to the proceeds to be received from the capital increase, which will be used for the Company's business expansion and investment, the Company will be joined by a group of shareholders having experience and capability to assist and ensure well and more efficient policy determination, administration and management of the Company. Also, the Company will receive an opportunity to increase its distribution channels to cover more reference customers and alliances from the investment experience in various businesses in many countries. This will increase the Company's income channels in the future through, for example, an increase of customer base for offline and online advertising media through OWM, a subsidiary of the Company. Moreover, the Company will have a sufficient fund for the investment in printing house business which produces and distributes pocket books and printed matters for free distribution and digital business which provides contents on websites, mobile phones and other digital tools, which can generate profit to the Company in the future.

The Company is confident that the business restructuring plan and business development plan strategized by the Company, together with the knowledge, competence and experience from the

group of investors who will subscribe for these newly-issued ordinary shares, will be able to lead the business operation of the Company and its subsidiaries to be successful as per the plans and will bring back the profits in the operating results of the Company's group which will be able to be paid as dividends to shareholders in the future. Nevertheless, if the proceeds derived from this capital increase are insufficient to any expenses estimated above or there is a change in industrial and marketing state which affects the business operation of the Company's group, or there is an adjustment made to the business plan in order to be suitable for the situation which may change and result in the demand of funds in the higher amount than the estimation, or the investors do not increase the capital in the full amount planned, the Company will proceed with the adjustment of the business plan in order to be suitable for the situation and the utilisation of proceeds. Also, the Company firmly believes that the potential of the group of investors subscribing for these newly-issued ordinary shares, who have competence and experience in business operation in various countries and the experience regarding finances and investment for a long time will support the Company to be able to seek for other additional sources of fund such as applying for loans from financial institutions and issuing promisory notes, both domestically and internationally.

(Please consider the details in Clause 4.2 Rationale and necessity of the offering of the newly issued ordinary shares to the specific investors (Private Placement), i.e. Silom Road Limited, Mr. Viroj Tangjettanaporn and Mrs. Tuenjai Purintaraphiban in the Information Memorandum on the Offering of Newly Issued Ordinary Shares to Specific Investors (Private Placement) at a Price with a Discount Not more than Ten Percent of the Market Price. (Enclosure 1)).

**8. Other details necessary for shareholders to consider approving the capital increase/share allocation**

Please see the details in Clause 3: Potential impacts of the capital increase or allocation of the newly issued shares to the specific investors in the Information Memorandum on the Offering of Newly Issued Ordinary Shares to Specific Investors (Private Placement) at a Price with a Discount Not More Than Ten Percent of the Market Price (Enclosure 1).

**9. Schedule of action where the Board of Directors of the Company passes a resolution approving the capital increase/share allocation:**

Procedures	Day/Month/Year
1) The meeting of the Board of Directors no. 7/2018	August 17, 2018
2) The date for determining the list of shareholders entitled to attend the Extraordinary General Meeting of Shareholders No. 1/2018 (Record Date)	August 31, 2018
3) The Extraordinary General Meeting of Shareholders No. 1/2018	October 30, 2018
4) Registration of the registered capital with the Ministry of Commerce	Within 14 days from the date on which the shareholders' meeting has passed the resolution

The Company hereby certifies that the information contained in this report form is true and complete in all respects.

**Nation  
International**  
Edutainment Public Company Limited  
บริษัท เนชั่น อินเตอร์เนชั่นแนล เอ็ดดูเทนเมนท์ จำกัด (มหาชน)

ana Janviroj



Authorized Director



Mr. Voraphot Chanyakomol

Authorized Director

**Information Memorandum on the Connected Transaction Regarding the Offering of Newly Issued Ordinary Shares to the Specific Investors (Private Placement), i.e. Silom Road Limited and Mr. Viroj Tangjettanaporn**

The Board of Directors' meeting no. 7/2018 of the Nation International Edutainment Public Company Limited (PCL) , held on Friday 17<sup>th</sup> August, 2018 has resolved and approved to issue the newly issued ordinary shares under the specific objective basis of 220,500,000 shares at a par value of Baht 1.00 per share to the specific investors (Private Placement), namely: 'Silom Road Limited' for 175,950,000 shares at the price of Baht 1.4000, totaling Baht 246,330,000; Mr. Viroj Tangjettanaporn for 19,550,000 shares at the price of Baht 1.4000 per share, totaling Baht 27,370,000; and Mrs. Tuenjai Purintaraphiban for 25,000,000 shares at the price of Baht 1.4000 per share, totaling Baht 35,000,000 (Updated on August 31st, 2018; Mrs. Tuenjai Purintaraphiban holds 23,800 shares in the company, amounting to 0.01% of the paid-up capital.). The totaling is Baht 308,700,000. After this issuance of the newly issued ordinary shares, Silom Road Limited, Mr. Viroj Tangjettanaporn, and Mrs. Tuenjai Purintaraphiban will be holding the 45.05% , 5.01% , and 6.41% of the company's registered paid-up capital after the capital increase respectively. The offering of the newly issued ordinary shares to Silom Road Limited, Mr. Viroj Tangjettanaporn, and Mrs. Tuenjai Purintaraphiban at the price of Baht 1.4000 per share is considered as the offering price with a discount of not more than 10 percent of the market price. This is not more than 10 percent of the market price specified according to the Notification of the Capital Market Supervisory Board No. TorChor. 72/2558 (2015) Re: Approval for Listed Companies to Offer Newly Issued Shares to Specific Investors (Private Placement) (including the amendments thereof) ("**Notification no. TorChor. 72/2558**" (2015)).

In addition, after the newly issued ordinary shares to Silom Road Limited and Mr. Viroj Tangjettanaporn, they will be a major shareholder and executive authority of the Company, as well as the company's connected persons, according to the Notification of the Fund Markets' Regulations no. Tor/Chor. 21/ 2551( 2008) about the determinations related to connected transactions and the Notification of the Stock Market's National Committee about the Disclosure of Information and Other Acts of Registered Companies Concerning the Connected Transactions B.E. 2546 (as amended) (**Notifications on connected transactions**). This will be amounting to 45.05% and 5.01% of the registered capital after the capital increase, totaling 50.06% after the capital increase, and accordingly be entitled to nominate two persons to be elected as directors of the company replacing the former committee. The company committee will then total seven officials; four in Independent Committee and the other three in Audit Committee. As for the joint purchase of the Company's newly issued ordinary shares by 'Silom Road Limited' and Mr. Viroj Tangjettanaporn is considered to be acting in concert as a result of the business relationship as 'Silom Road Limited' and Mr. Viroj Tangjettanaporn have jointly invested in various businesses for quite a long time such as real estate business. They agreed to vote in the same direction and decided for joint management. This is considered as the acting as a result of the nature of a relationship or behaviour according to Section 2(1) following the Notification No. Tor/Chor 7/2552(2009). As a result, the sale offering of the ordinary shares to Silom Road Limited and Mr. Viroj Tangjettanaporn will be considered a connected transaction according to

the notification on connected transactions with the maximum transaction size of 236.05 percent of the value of the net tangible assets (NTA) of the company by calculating the transaction size from the transaction value of BAHT 273.70 million divided by the net tangible assets of the company (NTA) of Baht 115.95 million, based on the consolidated financial statements of the six months ending on June 30, 2018. As such, the company has not entered into any other connected transaction with the same connected persons or their related persons or close relatives during six months before the date of agreement to enter into this transaction. This transaction size is more than 3 percent of the value of the net tangible assets of the Company, calculated from the reviewed interim consolidated financial statements of the Company for the six-month period ended June 30<sup>th</sup>, 2018. The Company has a duty to disclose the information memorandum regarding such transaction to the Stock Exchange of Thailand (the "SET") and appoint an independent financial advisor to provide opinions on the transaction as well as arrange to obtain approval from its shareholders' meeting on the entering into the connected transaction with votes of not less than three-quarters of the total votes of the shareholders attending the meeting and eligible to vote, excluding the votes of interested shareholders

Before the sale offering of regular shares, "Silom Road Limited" and Mr. Viroj Tangjettanaporn, as well as any person or juristic persons concerned to "Silom Road Limited" were not persons related to the Nation Multimedia Group PLC. ("NMG") according to the Notifications on Connected Transactions (updated on August 31st, 2018). In this regard, "Silom Road Limited", Mr. Viroj Tangjettanaporn, Mr. V-Nee Yeh, Mr. Kin Chan, Ms. Angie Yick Yee Li, ASM, ASHM, Go Excel Investments Limited, WTN Limited and Salas Street Limited, including their close relatives and related persons, (As defined in the Notifications on the Connected Transactions) and the directors of Silom Road Limited, ASHM, Go Excel Investments Limited, WTN Limited and Salas Street Limited will be considered connected persons of the Company according to the Notifications on Connected Transactions after the offering of newly issues ordinary shares to Silom Road Limited and Mr. Viroj Tangjettanaporn this time is completed. In this regard, any related persons and/or juristic persons of Silom Road Limited and Mr. Viroj Tangjettanaporn as defined in the Notifications on Connected Transactions are also considered connected persons of the Company pursuant to the Notifications on Connected Transactions as reasoned above.

In that regards, Mrs. Tuenjai Purintaraphiban and her close relatives and related persons (as defined in the Notification on Connected Transaction) - in this case, Mr. P Panja, her married spouse, holds 38,600 shares which amount to 0.01% of all the total paid-up shares after the share distribution - also are another group of investors which is not related to "Silom Road Limited". Therefore, Mr. Viroj Tangjettanaporn and Mrs. Tuenjai Purintaraphiban are not regarded as a connected person nor have any involvement to the company or 'NMG'. As such, the sale offering of the ordinary shares to Mrs. Tuenjai Purintaraphiban is not a connected transaction under the Notifications on Connected Transactions at all. (updated on August 31st, 2018).

In addition, "Silom Road Limited" and Mr. Viroj Tangjettanaporn, as well as the related persons or juristic persons of "Silom Road Limited" and Mr. Viroj Tangjettanaporn, are not connected persons of or do not have any connection with Mrs. Tuenjai Purintaraphiban according to the Notifications on Connected Transactions (updated on August 31st, 2018).

According to the aforementioned criteria, the Company appointed Avantgarde Capital Company Limited as the independent financial advisor to provide opinions on the transaction.

**1) Day/month/year in which the transaction occurs**

<b>Procedures</b>	<b>Day/Month/Year</b>
1) The date of the Board of Directors' meeting No. 7/2018	August 17, 2018
2) The date of Extraordinary General Meeting of Shareholders No. 1/2018	October 30, 2018
3) The subscription and payment period	Subscription within November 30, 2018

**2) Parties involved and their relationship with the Company**

Specific investors (Private Placement) : Silom Road Limited and Mr. Viroj Tangjettanaporn will receive 175,950,000 and 19,550,000 newly issued ordinary shares of the Company, respectively.

Relationship with the Company : After the company's subscription of the ordinary shares with the capital increase from the offering of ordinary shares to 'Silom Road Limited', 'Silom Road Limited' and Mr. Viroj Tangjettanaporn will become the major shareholders and be regarded as the main executive authorities of the Company making 'Silom Road Limited', Mr. Viroj Tangjettanaporn, Mr. V-Nee Yeh, Mr. Kin Chan, Ms. Angie Yick Yee Li, ASM, ASHM, Go Excel Investments Limited, WTN Limited and Salas Street Limited, including their close relatives and related persons (as defined in the Notifications on Connected Transaction) and the directors of Silom Road Limited, ASHM, Go Excel Investments Limited, WTN Limited and Salas Street Limited become connected persons of the

Company according to the Notifications on Connected Transactions after the offering of newly issued ordinary shares to Silom Road Limited and Mr. Viroj Tangjettanaporn this time is completed. In this regard, any related persons and/or juristic persons of Silom Road Limited and Mr. Viroj Tangjettanaporn as defined in the Notifications on Connected Transactions are also considered connected persons of the Company pursuant to the Notifications on Connected Transactions. The joint purchase of the Company's newly issued ordinary shares by Silom Road Limited and Mr. Viroj Tangjettanaporn is

(Translation)

considered to be acting in concert as a result of the nature of a relationship as 'Silom Road Limited' and Mr. Viroj Tangjettanaporn have jointly invested in various businesses for quite a long time such as real estate business. According to the Notification No. TorChor. 7/2552. and as a result of the offering of the newly issued ordinary shares, 'Silom Road Limited' and Mr. Viroj Tangjettanaporn will be considered a connected transaction according to the Notifications on Connected Transactions.

**3) General characteristics of the transaction**

The offering of the Company's newly issued ordinary shares to Silom Road Limited and Mr. Viroj Tangjettanaporn at the price of Baht 1.4000 per share under the specific objective basis in the number of 175,950,000 shares and 19,550,000 shares, respectively, is considered the offering of newly issued ordinary shares with a discount of not more than ten percent of the market price as defined in the Notification No. TorChor. 72/2558 (please see more details in the Information Memorandum on the Offering of Newly Issued Ordinary Shares to Specific Investors (Private Placement) at the Offering Price at a Discount of Not More than ten percent of the Market Price (Enclosure 1)).

**4) Objectives of the transaction**

The Company will spend the proceeds from the capital increase for working capital for its business, increasing the liquidity and supporting the enterprises, the Company's business expansion, subsidiaries as well as spending funds to invest in offline-and-online media information services through One World Media Co., Ltd. which will finally make the company and its subsidiaries be able to continue their business operations. And it is a great opportunity to generate revenue and profit in the future.

Currently, it is necessary for the Company to utilize money as working capital and investment fund in website and computer software development of the Company and its subsidiaries to accommodate the business operation. If considering the operating results and net cash flows from operating activities of the Company and its subsidiaries previously in 2015, 2016 and 2017 and the 2nd quarter ended June,30 2018, they demonstrated the operating result at loss and negative cash flows of the Company and its subsidiaries. Total revenue of the Company and its subsidiaries has continually and considerably decreased since 2015 which equals to Baht 227.62 million, 2016 which equals to Baht 182.21 million, 2017 which equals to Baht 158.27 million and the first half of 2018 to Baht 54.53 million. The main causes of the decrease of total revenue are from the decline of printing and publishing business and the change in consumers' behaviour which focuses more in digital pattern reading, including more book purchasing online. Besides, even though the Company and its subsidiaries have tried to reduce any expenses in order to be consistent with the decreased total revenue, such reduction is insufficient to the decrease of total revenue, especially the fixed costs which cannot be reduced in proportion to the decreased



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revenue. Therefore, the Company and its subsidiaries had net loss in the amount of Baht 18.35 million in 2015 and Baht 212.70 million in 2016, respectively. While in 2017, the Company and its subsidiaries experienced slight profits in the amount approximately Baht 7.17 million but the operating results for the first half of 2018 was back to loss in the amount of Baht 83.64 million. Furthermore, such operating results at loss cause the Company's group to continually use the net cash flows in the operating activities. In 2015, the Company and its subsidiaries had the net cash flows from operating activities received in the positive amount of Baht 6.81 million but in the following years, the Company and its subsidiaries had problems from the net cash flows used in operating activities in the amount of Baht 43.72 million, Baht 61.62 million, and Baht 19.20 million in 2015, 2016 and the first half of 2018, respectively. From the decreased total revenue and the continual use of cash flows in operating activities, the cash and current investment of the Company and its subsidiaries as of June 30, 2018 remain merely Baht 149.30 million. From the absorption costing estimation expected to be incurred in the last six months of 2018 (July to December 2018), the Company and its subsidiaries will have total cost approximately Baht 35.88 million, Baht 21.60 million and Baht 58.80 million for the Company, NGE and OWM, respectively, totaling overall total cost approximately Baht 116.28 million. When considering the cash and current investment the Company and its subsidiaries have as of June 30, 2018 in the amount of Baht 149.30 million, such cash and current investment is expected to be sufficient to be used as the working capital of the Company's group until only the first half of 2019. However, this absorption costing estimation is the estimation with the reference to the actual costs incurred in the first six months of 2018 for the Company and NGE and with the reference to the actual expenditure incurred and the expected expenses for OWM under current industrial and economic state, including the business restructuring and development plan. Accordingly, if there is a situation which significantly affects the Company and its subsidiaries from such factors, there may be a change in the absorption costing estimation. As demonstrating that if the Company does not obtain fund from this capital increase, the current cash flow may be available for the operation only until 2019 which may cause the interruption to the business operation of the Company's group. Thus, this capital increase will provide the Company a fund for working capital and investment fund in website and computer software development of the Company and its subsidiaries mentioned above, as well as facilitating the restructuring of the Company's group in order to enhance its competitiveness in the future. Therefore, it is necessary for the Company to utilize such fund so as to be able to operate the businesses continually. The brief details for the utilization of proceeds are as follows:

1. For businesses under the operation of the Company, which are the production and distribution of pocket books, the working capital and investment fund will be utilized in website and software system development in the amount not exceeding Baht 148.70 million, which the Company expects to utilize such investment fund within 2019.
2. The business operated under Nation Global Edutainment Public Company Limited ("NGE"), the subsidiary in which the Company holds 99.74 percent of the shares, engaging in the production and distribution of copyrighted cartoon

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books from leading international printing houses, will utilize working capital in the amount not exceeding Baht 30.00 million to support expenses expected to be incurred in 2019. According to the restructuring plan, NGE business restructuring will start in 2019.

3. For the business under the operation of the subsidiary in which the Company holds 99.99 percent of the shares, i.e. One World Media Co., Ltd. ("OWM"), providing offline news services through the production of newspaper for free distribution under the name 'Rabbit Today' and online channels, such as Facebook, Twitter and Instagram. This company has distributed the newspaper at BTS stations and MRT stations, including offices in Bangkok and this business has been well recognized. In this regard, the Company sees that readers around these areas have high purchasing power and are interested in the contents of these newspaper, focusing on lifestyle content. Aside from general advertisements which can be published in such free copies, the advertisements relating to the contents of the newspaper can also be targeted. The fund will be utilized as investing money in computer hardware and software in the amount not exceeding Baht 30.00 million and as working capital in the amount not exceeding Baht 100.00 million, totaling not exceeding Baht 130.00 million.

(Please consider the details of which in Clause 2.2 Details of the operation of the Company and/ or its subsidiaries in which the proceeds will be utilized in the Information Memorandum on the Offering of Newly Issued Ordinary Shares to Specific Investors (Private Placement) at the Offering Price with a Discount of not more than ten percent of the Market Price (Enclosure 1))

As for OWM's business plan, presently there is still no clear business plan, yet, it's still on the way for the joint study between "Silom Road Limited" and Mr. Viroj Tangjettanaporn. In case any change is incurred relatively affecting the company, the company will continue to comply with the relevant rules and regulations.

As mentioned above. All fund from this capital increase, totaling about Baht 308,700,000, will be used as a working capital and investment fund in computer software system development for the business operations of the Company, "NGE" and "OWM" at least until 2020. Nonetheless, the Company expects that the business restructuring and development of the Company's group will be successful thus will bring back the profits in the operating results of the Company's group which can be paid as dividends to shareholders in the future.

**5) Total value and criteria of determination of the total value of the transaction**

Any connected transaction with Silom Road Limited and Mr. Viroj Tangjettanaporn or their related persons or close relatives during six months before the date of agreement to enter into this transaction

- None -

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#### Size of the connected transaction

The maximum size of this transaction is 236.05 percent of the value of the net tangible assets (NTA) of the Company. Calculated from the whole financial statements on June 30th, 2018, details are as following:

	<u>value</u> <sup>1</sup> <u>(million Baht)</u>	<u>NTA of the company</u> <u>= 115.95 million Baht</u> <sup>2</sup>		<u>High value</u> <u>(million Baht)</u>
		<u>percentage</u>	<u>value (million Baht)</u>	
<u>Transaction Size</u>	<u>X = 273.70</u> □ <u>20</u>	<u>X = 236.05%</u> □ <u>3%</u>	<u>X = 273.70</u> □ <u>3.48</u>	<u>X = 236.05%</u> □ <u>3%</u>

#### 6) Details of the connected persons and scope of interest in the transaction

The entering into this transaction is considered a connected transaction relating to assets or services under the Notifications on Connected Transactions because the transaction is entered into with a juristic person and a person who will be nominated as a controlling person of the Company as defined by the Notifications on Connected Transactions making Silom Road Limited, Mr. Viroj Tangjettanaporn, Mr. V-Nee Yeh, Mr. Kin Chan, Ms. Angie Yick Yee Li, ASM, ASHM, Go Excel Investments Limited, WTN Limited and Salas Street Limited, including their close relatives and related persons (as defined in the Notifications on Connected Transactions) and the directors of Silom Road Limited, ASHM, Go Excel Investments Limited, WTN Limited and Salas Street Limited become connected persons of the Company according to the Notifications on Connected Transactions after the offering of newly issued ordinary shares to Silom Road Limited and Mr. Viroj Tangjettanaporn this time is completed. In this regard, any related persons and/or juristic persons of Silom Road Limited and Mr. Viroj Tangjettanaporn as defined in the Notifications on Connected Transactions are also considered connected persons of the Company pursuant to the Notifications on Connected Transactions. And the joint purchase of the Company's newly issued ordinary shares by Silom Road Limited and Mr. Viroj Tangjettanaporn is considered to be acting in concert as a result of the nature of a relationship (Business Relationship) as Silom Road Limited and Mr. Viroj Tangjettanaporn have jointly invested in various businesses for quite a long time such as real estate business. Therefore, they decided to vote in the same direction and agree for joint management. This is considered to be acting in concert as a result of the nature of a relationship or behaviour according to Section 2(1) of the Notification No. TorChor. 7/2552 (2009). This transaction size under the Notifications on Connected Transactions is more than three percent of the value of the net tangible assets of the Company, calculated from the reviewed interim consolidated financial statements of the Company for the six-month period ended June 30, 2018.

The Company therefore has a duty to disclose the information memorandum regarding such transaction to the SET and appoint Avantgarde Capital Company Limited as an independent financial advisor to provide opinions on the transaction as well as arrange

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to obtain approval from its shareholders' meeting on the entering into the connected transaction with votes of not less than three-quarters of the total votes of the shareholders attending the meeting and eligible to vote, excluding the votes of interested shareholders.

In this regard, after the subscription of the company's ordinary shares from the offer of the new ordinary shares to 'Silom Road Limited'. Mr. Viroj Tangjettanaporn will be holding the shares at 45.05% and at 5.01% of the paid-up registered capital after the capital increase respectively, wholly representing 50.06% of all the paid-up registered capital after the capital increase. He is entitled to jointly nominate two persons to be elected as directors of the company, replacing the former committee. The company committee will then total seven officials; four in the Committee and the other three in the Independent Committee / Audit Committee.

**The committee structure before and after the value-added share allocation for Specific Objective to offer to the Private Placement.**

Number	<u>Before the allocation</u> *(Updated on August, 17 <sup>th</sup> 2018)		<u>After the allocation</u>	
	<u>Committee List</u>	<u>Position</u>	<u>Committee List</u>	<u>Position</u>
1.	Mr. Pana Janviroj	Company Director/ Managing Director	Silom Road Limited and Mr. Viroj Tangjettanaporn is jointly privileged to propose two officials to be appointed as the company committee replacing the former committee. The company committee will then total seven officials; four in Independent Committee and the other three in Audit Committee.	
2.	Mr. Worapoj Chankomol	Committee		
3.	Mr. Somchai Meesaen	Committee		
4.	Mr. Ka Ming Jackie Lam	Committee		
5.	Mr. Phanwarit Matmuang	Independent Committee / Audit Committee	Mr. Phanwarit Matmuang	Independent Committee / Audit Committee
6.	Mr. Stephen Joseph Camilleri	Independent Committee / Audit Committee	Mr. Stephen Joseph Camilleri	Independent Committee / Audit Committee
7.	Mr. Pandit Jiranapaphan	Independent Committee / Audit Committee	Mr. Pandit Jiranapaphan	Independent Committee / Audit Committee

The Company has not received the list of persons who will be nominated for election as directors of the Company. Shareholders and general investors will be informed of any progress or change in the Company's directors via the SET.

7) **List of the directors having an interest and not entitled to vote in the Board of Directors' meeting of the Company**

- None -

8) **Conditions which might affect the shareholder's rights**

The offering of the Company's shares for allocation to specific investors (Private Placement) has the following impacts:

1. A price dilution at 5.55 percent;

$$= \frac{\text{Market price before the offering} - \text{Market price after the offering}}{\text{Market price before the offering}}$$

$$\begin{aligned} * \text{ "Market Price after the Offering" } &= (\text{Market Price} \times \text{Amount of paid shares}) + (\text{Offering Price to} \\ &\text{the Private Placement} \times \text{Amount of value-} \\ &\text{added common share proposed for sales to} \\ &\text{Private Placement}) / (\text{Amount of paid shares} + \\ &\text{Amount of value-added common share} \\ &\text{proposed for sales to Private Placement}) \end{aligned}$$

$$= \frac{(1.5526 \times 170,049,286) + (1.4000 \times 220,500,000)}{(170,049,286 + 220,500,000)}$$

$$= 1.4664$$

Then, the impact on the share price (Price Dilution) is equal to

$$= \frac{1.5526 - 1.4664}{1.5526}$$

$$= 5.55\%$$

2. A control dilution rate 56.46 percent.

$$= \frac{\text{The amount of shares proposed for sales this times} *}{\text{The amount of shares Paid-Up} + \text{The amount of shares proposed for sales this times} *}$$

$$= \frac{220,500,000}{170,049,286 + 220,500,000}$$

$$= 56.46\%$$

(Translation)

3. Benefit declines per share (Earning per Shares Dilution หรือ EPS Dilution)

$$= \frac{\text{EPS before sale proposal} - \text{EPS after sale proposal}}{\text{EPS before sale proposal}}$$

EPS before sale proposal

\* "EPS before sale proposal " = Company's net benefit of the latest four quarters / the amount of paid shares.

\* "EPS after sale proposal " = Company's net benefit of the latest four quarters / (the amount of paid shares + the amount of value-added common share proposed for sales to Private Placement)

Therefore, EPS dilution effect is equal to

= "incalculable" as the company's performance for the last four quarters has suffered a loss of Baht 75.98 million.

Please see more details in Clause 3: Potential impacts of the capital increase or allocation of the newly issued shares to the specific investors in the Information Memorandum on the Offering of Newly Issued Ordinary Shares to Specific Investors (Private Placement) at the Offering Price at a Discount of Not More than ten percent of the Market Price (Enclosure 1).

**9) Opinions of the board of directors on the transaction**

The company has been considering the effects on the company shareholders and the properness of the proposed sale prices - including rationale, necessity and benefits to be received by the Company, especially the benefit from the issuance and allocation of the newly issued ordinary shares to the specific investors (Private Placement).

The Board of Directors of the Company resolved to propose the Extraordinary General Meeting of Shareholders No. 1/2018 approves the Company to offer the newly issued ordinary shares with a 9.83-percent discount from the market price to the specific investors (Private Placement), i.e., 'Silom Road Limited' and Mr. Viroj Tangjettanaporn, along with Mrs. Tuenjai Purintaraphiban. The Board viewed that the offering of the newly issued ordinary shares to Silom Road Limited and Mr. Viroj Tangjettanaporn, along with Mrs. Tuenjai Purintaraphiban. the allocation conditions and the offering price were appropriate and would be for the best interest of the shareholders. As it will make the company provide funding for the current business operation of the Company and NGE to continue operations. And this will be an opportunity that could generate revenue and profit in the future by investing in related businesses through the investment in OWM, which may add value to the company and reflect on the stock price including the dividend payment. All of those will be beneficial to the shareholders.

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(Please see additional information regarding the offering of new ordinary shares of the Company (Private Placement) at a discounted price of not-more-than 10% of the market price (Enclosure 3)

**10) Opinion of the Audit Committee and/or directors which is different from the opinion of the Board of Directors**

All directors of the Company have the same opinions as specified in the Board of Directors' resolution above (unanimity) and no audit committee member has an opinion different from such Board's resolution.

Please be informed accordingly.

Yours sincerely,

A handwritten signature in black ink, consisting of two vertical strokes followed by a long horizontal stroke that curves slightly upwards at the end.

Mr. Pana Janviroj

Chief Executive Officer