

**L-WAVE ENT 71/2018**

25 December 2018

Subject Disposal of shares in Index Creative Village Public Company Limited

To President  
The Stock Exchange of Thailand

Wave Entertainment Public Company Limited (the “**Company**”) would like to inform that the Board of Directors meeting no. 7/2018 held on 7 December 2018 has resolved to approve the Company to enter into negotiation for the disposal of up to 86,000,000 shares, representing 50% of the total paid-up capital of Index Creative Village Public Company Limited (“**Index**”) at the selling price of Baht 5.465116 (five point four six five one one six Baht) per share, totaling of up to Baht 470,000,000 (four hundred and seventy million Baht) with Kanjanapokin’s family (the “**Purchaser**”) which is the existing shareholder of Index and resolved to approve the Chief Executive Officer or any person authorized by the Chief Executive Officer to have the power to negotiate and determine the details, terms and conditions and other procedures for the benefits of the disposal of shares and the entry into shares purchase agreement and any other documents related thereto and the power to perform any acts which are necessary and appropriate for the above matter. At present, the Company has reached an agreement with the Purchaser and has entered into share purchase agreement to dispose up to 86,000,000 shares, representing 50% of total paid-up capital in Index on 24 December 2018. After the disposal of such shares, the Company will not hold any shares in Index and Index will not be the subsidiary of the Company.

In this regard, the transaction size of the disposal of such assets pursuant to the Notification of Capital Market Supervisory Board No. Tor. Jor. 20/2551 Re: Rules on Entering into Material Transactions Deemed as Acquisition or Disposal of Assets dated 31 August 2008, and the Notification of the Board of Governors of the Stock Exchange of Thailand Re: Disclosure of Information and Other Acts of Listed Companies Concerning the Acquisition and Disposal of Assets B.E. 2547 (2004) dated 29 October 2004 (“**Acquisition and Disposal of Assets Notifications**”) has the highest value of 14.84% based on the consideration method. In addition, during the past 6 months, the Company did not have any other disposal transactions of other assets before the date of entry into this transaction. This transaction is considered as a disposal of assets with the value of lower than 15% and the Company, therefore, will not subject to the obligation to comply with the Acquisition and Disposal of Assets Notification. However, the Company would like to disclose the significant information of such transaction to the shareholders, the details are as follows:

**1. Date/ Month/ Year of the transaction**

The Company has entered into the shares purchase agreement with the Purchaser on 24 December 2018 and the disposal of up to 86,000,000 shares, representing 50% of the total paid-up capital of Index is estimated to complete within the second quarter of 2019.

## 2. Parties involved and the relation with the listed company

- Seller** : Wave Entertainment Public Company Limited (the “**Company**”)
- Purchaser** : Kanjanapokin’s family (the “**Purchaser**”) consists of Mr. Kreingkrai Kanjanapokin and Mr. Kreingkarn Kanjanapokin
- Relationship with the Company** : The Purchaser is no relationship with the major shareholders, directors and executives of the Company. Therefore, such disposal is not considered an entry into the transaction with the Company’s connected person. Thus, it is not regarded as the connected transaction pursuant to Notification of the Capital Market Advisory Board No. Tor Jor. 21/2551, Re: Rules on Connected Transactions dated 31 August 2008, and the Notification of the Board of Governors of the Stock Exchange of Thailand, re: Disclosure and Acts of Listed Companies on Connected Transactions B.E. 2546 (2003) dated 19 November 2003.

## 3. Transaction Size

This transaction is considered as a disposal of assets pursuant to the Notification of Capital Market Supervisory Board No. Tor. Jor. 20/2551 Re: Rules on Entering into Material Transactions Deemed as Acquisition or Disposal of Assets dated 31 August 2008, and the Notification of the Board of Governors of the Stock Exchange of Thailand Re: Disclosure of Information and Other Acts of Listed Companies Concerning the Acquisition and Disposal of Assets B.E. 2547 (2004) dated 29 October 2004 (as amended) where the calculation of transaction size will be based on (1) the consolidated financial statements of the Company ended 30 September 2018 which were reviewed by the Auditor and the financial statements of Index for the year ended 31 December 2017 which were audited by the Auditor, the details of the calculation of transaction size of each method are as follows:

	<b>Method</b>	<b>Calculation Formula</b>	<b>Transaction Size</b>
1.	Net tangible assets method	$\frac{\text{Net tangible asset of the disposed company} \times 100}{\text{Net tangible asset of the Company}}$	N/A <sup>1</sup>
2.	Net profit method	$\frac{\text{Net profit of the disposed company} \times 100}{\text{Net profit of the Company}}$	N/A <sup>2</sup>
3.	Consideration method	$\frac{\text{Total consideration paid} \times 100}{\text{Total assets of the Company}}$  $= \frac{\text{Baht 470 million} \times 100}{\text{Baht 3,167.03 million}}$	14.84%
4.	Value of newly issued shares as consideration method	$\frac{\text{Number of shares issued as consideration} \times 100}{\text{Number of issued and paid-up shares of the Company}}$	N/A <sup>3</sup>
		<b>The highest transaction size</b>	<b>14.84%</b>

Remark: <sup>1</sup> Unable to calculate this method as the Company had the negative NTA according to the consolidated financial statements of the Company ended 30 September 2018.

<sup>2</sup> Unable to calculate this method as the Company incurred net loss according to the consolidated financial statements of the Company ended 30 September 2018.

<sup>3</sup> Unable to calculate this method as the Purchaser does not issue any shares as consideration for the Company.

#### 4. Details of Transaction

The Company would like to inform the significant information of such transaction as follows:

**Disposed Asset** : Up to 86,000,000 shares, representing 50% of the total paid-up capital of Index

**General Information of Asset** : Index Creative Village Public Company Limited located at 545 Soi Pridi Bhanomyong 42, Sukhumvit 71 Road, Prakanong Nua, Wattana, Bangkok 10110, having the registered capital of Baht 220,000,000 and the paid-up capital of Baht 172,000,000 and the objectives of the company include service creation and management of integrated marketing communications, such as spaces and equipment leasing, agent-representative, design and production for advertising media production, management and operation of events and exhibitions and advertisement production and public relation.

**Existing Directors of Index nominated by the Company** : The existing directors of Index nominated by the Company are 1) Mr. Matthew Kichodhan, 2) Ms. Cathleen Maleenont and 3) Mr. Chairanin Visudhipol

After the completion of this transaction (it is estimated to complete within the second quarter of 2019), those three directors nominated by the Company will resigned.

**Shareholding Structure** : **Existing Shareholding Structure of Index**

List of Shareholders	No. of Shares (Share)	% Shareholding
1. Wave Entertainment Public Company Limited	86,000,000	50.00%
2. Mr. Kreingkrai Kanjanapokin	43,859,900	25.50%
3. Mr. Kreingkarn Kanjanapokin	29,239,900	17.00%
4. Mr. Ramese Kanjanapokin	12,899,800	7.50%
5. Others	400	0.00
<b>Total</b>	<b>172,000,000</b>	<b>100.00%</b>

**Shareholding Structure of Index after the completion of transaction (it is estimated to complete within the second quarter of 2019)**

List of Shareholders	No. of Shares (Share)	% Shareholding
1. Purchaser (Mr. Kreingkrai Kanjanapokin and Mr. Kreingkarn Kanjanapokin)	159,099,800	92.5%
2. Mr. Ramese Kanjanapokin	12,899,800	7.50%
3. Others	400	0.00
<b>Total</b>	<b>172,000,000</b>	<b>100.00%</b>

**Financial Information** : Summary of financial status and performance, for the period ending 31 December of 2016 – 2017 as follows:

<b>Unit: Baht Million</b>	<b>31 December 2016</b>	<b>31 December 2017</b>
Total Assets	643.48	729.31
Total Liabilities	234.06	364.36
Total Equity	409.42	364.95
Total Revenues	635.04	872.35
Cost of Sale	(523.32)	(760.91)
Expenses on Sale and Service	(142.22)	(149.71)
Financial Costs	(1.83)	(4.43)
Income (expenses) tax	5.46	3.23
Profit (loss) for period	(26.87)	(39.47)

**5. Total Consideration and Basis used to determine the Consideration**

The Company will receive the payment for the sale of shares in the amount of up to Baht 470,000,000 (four hundred and seventy million Baht). In addition, the value of consideration is derived from negotiation between the parties, with reference to valuation of share price by discounted cash flow method.

**6. Opinion of the Board of Directors on the Entry into the Transaction**

The Board of Directors' meeting No. 7/2018 held on 7 December 2018, considered that the transaction is reasonable and beneficial to the Company and the shareholders.

Please be informed accordingly.

Your sincerely,

- Ms. Piyawadee Maleenont -

(Ms. Piyawadee Maleenont)

Executive Director

Wave Entertainment Pulic Company Limited