

POST 006/2020

25 February 2020

Subject Resolutions of the Meeting of the Board of Directors No. 1/2020
Bangkok Post Public Company Limited

To The President
The Stock Exchange of Thailand
93 Ratchadaphisek Road, Dindaeng, Dindaeng
Bangkok 10400

Ref 1. POST 018/2019 dated 16 December 2019 Notification of the resolutions of the Board of Directors Meeting No. 5/2019 regarding the acquisition and disposition of assets and connected transaction
2. POST 019/2019 dated 16 December 2019 Notification convening date of the Extraordinary General Meeting of Shareholders No. 1/2020
3. POST 003/2020 dated 3 February 2020 Notification of the postponement of the Extraordinary General Meeting of Shareholders No. 1/2020
4. POST 004/2020 dated 3 February 2020 Notification of the cancellation of the Record Date of the Extraordinary General Meeting of Shareholders No. 1/2020

As Bangkok Post Public Company Limited (“the Company”) has notified about the postponement of the Extraordinary General Meeting of Shareholders No. 1/2020 from the scheduled date of 25 February 2020 and cancellation of the Record date that determines the shareholders entitled to attend the meeting by letters POST 003/2020 and 004/2020 dated 3 February 2020 respectively due to the Company and the Independent Financial Advisor are still preparing significant information and documents resulting that information and documents will not be completed on time in order to send the Notice of the Shareholders’ Meeting and the Company is aware of the rights and interests of the shareholders of the Company to receive all complete information and documents which are of significance for consideration.

The Company would like to notify the resolutions of the Meeting of the Board of Directors No. 1/2020 held on 25 February 2020 as follows:

1. Cancel the Extraordinary General Meeting of Shareholders No. 1/2020
2. Propose the agenda regarding entering into the disposition of assets and connected transaction to the 2020 Annual General Meeting of Shareholders for consideration



3. Approved the appropriate price range of the value of assets disposal according to opinion of an Independent Financial Advisor in a total of 1,636.50 - 1,684.50 million baht and set criteria for negotiation with person expects to be a buyer that the agreed price shall not be less than 90 percent, depending on negotiation and benefits the Company will receive, which the price range of not less than 90 percent will be in a total of 1,472.85-1,516.05 million baht. Therefore, the price of assets disposal transaction will not be lower than 1,472.85 million baht
4. Propose to the 2020 Annual General Meeting of Shareholders to omit dividend payment for the year 2019 since the Company had operating losses
5. Propose to the 2020 Annual General Meeting of Shareholders to re-elect 4 directors who shall retire by rotation consisting of Mr. Suthikiati Chirathivat Mr. Ek-Rit Boonpiti Mr. Russell L. Kekuewa and Mr. Worachai Bhicharnchitr as directors and independent directors of the Company for another term according to the recommendation of the Nomination and Remuneration Committee since they are knowledgeable and experienced, which would benefit to the Company's operations
6. Propose to the 2020 Annual General Meeting of Shareholders to fix the remuneration of the Board of Directors for the year 2020 not to exceed 5,500,000 baht (year 2019: 7,000,000 baht). Allocation of such amount to each director shall be considered by the Board of Directors as deem appropriate
7. Propose to the 2020 Annual General Meeting of Shareholders to appoint Dharmniti Auditing Company Limited to be the auditors of the Company for the fiscal year 2020. The total audit fee for the Company and subsidiaries for the year 2020 will not exceed 1,725,000 baht
8. Arrange the 2020 Annual General Meeting of Shareholders on 22 April 2020 at 10:00 hours at the Meeting room, 8th floor, Bangkok Post Building, 136 Sunthorn Kosa Road, Klong Toey, Bangkok. The record date for determining the shareholders entitled to attend the Meeting is on 11 March 2020. The agenda of the meeting is as follows:

- Agenda 1 To approve the Minutes of the 2019 Annual General Meeting of Shareholders held on 24 April 2019
- Agenda 2 To acknowledge the Annual Report of the Company and approve the audited financial statements of the Company for the year-ended 31 December 2019
- Agenda 3 To consider the omission of dividend payment
- Agenda 4 To consider candidates nominated as directors to replace the directors who shall retire by rotation and consider the authority of directors (if any)
- Agenda 5 To fix directors' remuneration
- Agenda 6 To appoint independent auditor and fix the audit fee



- Agenda 7 To consider and approve the entering into assets disposal transaction between the Company and investors and approve person(s) assigned by the Board of Directors to have the authority to perform any acts necessary or related and beneficial to the Company and the shareholders
- Agenda 8 To consider and approve the entering into connected transaction
- Agenda 9 To consider other business (if any)

Please kindly be informed accordingly.

Yours faithfully,

Suthikiati Chirathivat

(Mr. Suthikiati Chirathivat)
Chairman of the Board of Directors and
Chairman of the Executive Committee



**Information Memorandum on
Disposition of Assets and Connected Transactions
Of
Bangkok Post Public Company Limited**

As the Board of Directors Meeting No. 5/2019 of Bangkok Post Public Company Limited (“the Company”), convened on 13 December 2019, passed a resolution to approve the Company to enter into the disposition of assets and connected transaction of (1) Printing plant and Distribution Center (Bangna) consist of land and building, printing machine and equipment, and (2) Office building (Klong Toey) consist of land and building, which will seek approval from the Extraordinary General Meeting of Shareholders No. 1/2020 that scheduled on 25 February 2020 and to seek approval for any person(s) assigned by the Board of Directors to have the authority to perform any acts necessary or related and beneficial to the Company and the shareholders. Furthermore, the Meeting passed a resolution for the Company to seek approval regarding a receipt of financial assistance of the Company in May, June, August, September and December 2019 totaling 146 million baht and a receipt of financial assistance of its subsidiary 15 million baht from the major shareholder, or a total receipt of financial assistance for the year 2019 at 161 million baht. The Company will also ask for additional financial assistance of 39 million baht while the Company proceeds with the disposition of assets. The total amount is not more than 200 million baht. All of which is considered as entering into a transaction with a connected person.

Then, the Company has notified about the postponement of the Extraordinary General Meeting of Shareholders No. 1/2020 and cancellation of the Record date, 14 January 2020, that determines the shareholders entitled to attend the meeting by letters POST 003/2020 and 004/2020 dated 3 February 2020 respectively to the President of the Stock Exchange of Thailand due to the Company and the Independent Financial Advisor are still preparing significant information and documents resulting that information and documents will not be completed on time in order to send the Notice of the Shareholders’ Meeting and that the Company is aware of the rights and interests of the shareholders of the Company to receive all complete information and documents which are of significance for consideration.

However, the Meeting of the Board of Directors No. 1/2020 held on 25 February 2020 passed resolutions to cancel the Extraordinary General Meeting of Shareholders No. 1/2020 and to propose the agenda regarding entering into the disposition of assets and connected transaction to the 2020 Annual General Meeting of Shareholders for consideration. Moreover, the Meeting also approved the appropriate price range of the value of assets disposal according to opinion of an Independent Financial Advisor in a total of 1,636.5 - 1,684.5 million baht and set criteria for negotiation with person expects to be a buyer that the agreed price shall not be less than 90 percent, depending on negotiation and benefits the Company will receive, which the price range of not less than 90 percent will be in a total of 1,472.9 - 1,516.1 million

baht. Therefore, the price of assets disposal transaction will not be lower than 1,472.9 million baht. The Meeting also approved a receipt of additional financial assistance while the Company proceeds with the disposition of assets from the maximum of 200 million baht to 250 million baht.

In addition, the 2020 Annual General Meeting of Shareholders is scheduled on 22 April 2020 will the following agenda:

- Agenda 1 To approve the Minutes of the 2019 Annual General Meeting of Shareholders held on 24 April 2019
- Agenda 2 To acknowledge the Annual Report of the Company and approve the audited financial statements of the Company for the year-ended 31 December 2019
- Agenda 3 To consider the omission of dividend payment
- Agenda 4 To consider candidates nominated as directors to replace the directors who shall retire by rotation and consider the authority of directors (if any)
- Agenda 5 To fix directors' remuneration
- Agenda 6 To appoint independent auditor and fix the audit fee
- Agenda 7 To consider and approve the entering into assets disposal transaction between the Company and general investors and approve person(s) assigned by the Board of Directors to have the authority to perform any acts necessary or related and beneficial to the Company and the shareholders
- Agenda 8 To consider and approve the entering into connected transaction
- Agenda 9 To consider other business (if any)

Therefore, the Company would like to disclose the information memorandum of the above transactions as follows:

1. Transaction date

Disposition of assets : The entry into the disposition of assets will occur after receiving approval from the 2020 Annual General Meeting of Shareholders, which is scheduled on 22 April 2020. The Company expects to be able to dispose of (1) Printing plant and Distribution Center (Bangna) consist of land and building, printing machine and equipment and (2) Office building (Klong Toey) consist of land and building. Presently, the Company is negotiating with 2-3 persons expected to be a buyer but has not made any transaction with any person and will set the payment

term to be paid in cash so ownership of assets will be transferred to the person expected to be a buyer.

2. Transaction parties

Seller : Bangkok Post Public Company Limited
Expected Buyer : The Company may sell each asset to investor not connected to the Company.

3. General transaction description : (1) Sell Printing plant and Distribution Center (Bangna) consist of land and building, printing machine and equipment. Totaling value of 424.3 – 509.5 million baht according to the appraised value.

(2) Sell Office building (Klong Toey) consist of land and building. Totaling value of 1,175.0 million baht according to the appraised value.

After entering into the disposition of assets, the Company will still have the same business nature as usual having main source of revenue from advertising and distribution of Bangkok Post newspaper, including from organizing events and providing digital media services. The Company will have no significant changes in business characteristics or policies and the Company can hire outsourcing companies to produce newspapers or other publications. In the event that the Company is able to complete all assets disposal transactions, the Company will have more cash flow, but that money will mainly be used to repay debts and the rest will be used as working capital. The Company still have other assets such as office decorations, vehicles or computer software licenses.

4. Purpose of Transaction : The Company has negative cash flow from having losses from operation for several consecutive years. Causes are from change in media consumption behavior from print media to online media and overall economic slowdown,

which result in a decline in ad spending on print media. However, the Company has adjusted strategic and business model to cope with such effects.

The Company views that Bangna assets are no longer needed and from resizing the business, the Company does not need to use office area much like in the past. Therefore, the disposition of Klong Toey and Bangna assets is like converting assets into cash for the benefit of this ongoing business, to repay long-term loans from financial institutions and loans from a connected person, reduce interest expenses and to pay office rent. Whereas the rest will be used as working capital for further business operations. The said actions will enable the Company to continue the business.

After completion of such transactions, the Company will proceed with strategies and policies by controlling and reducing unnecessary operating expenses coupled with developing digital and online platform, monetizing brand and focusing more on consumers.

In addition, making transactions will help reduce risk of capital structure management as the Company will have additional working capital to use to reduce debts and accommodate the needs of cash flow in a timely manner.

5. Details of disposition of assets

Type of assets :

(1) Printing plant and Distribution Center (Bangna)
Land located at 999 Moo 9 separate from Thepparat Road (highway number 34) at kilometer of 19+700 (inbound) head south around 70 meter in Kwang Ban Chalong, Khet Bang Pli, Samutprakan with area according to title deed of 19 rai, 1 ngan, and 40 square meter. Currently is the Printing plant and Distribution Center of the Company.

Building construction such as Printing plant, Warehouse, Distribution office, Chemical store, and Small power plant with average usable life of 13 years. Other constructions are concrete road, barbed and concrete pole with fence, and reinforced concrete bridge.

There are 6 machinery and equipment for newspaper production totaling 23 sets/ machine. Most of machines have been used since 2007 with an average usable lifetime of 2-12 years; most are machinery were produced and imported from Germany, and some from United States of America, Japan, and Thailand. The Company ceased printing operation on 31 August 2019 and hires Siam Sport Syndicate Public Company Limited to print Bangkok Post newspaper since 1 September 2019.

(2) Office building (Klong Toey) consist of land and building

Land located at 136 Na Ranong Road Klong, Kwang Klong Toey, Khet Klong Toey, Bangkok with area according to title deed of 7 rai, 64.0 square wah. Currently is the Company's head office.

Building construction such as office building, service building, press building, and parking building with average usable life of 26 years with total usable area of 35,483 square meter. Other construction are security guard house, concrete road, and barbed and concrete pole with fence.

Liabilities

- :
- (1) Printing plant and Distribution Center (Bangna) – mortgaged to a financial institution
 - (2) Office building (Klong Toey) – Free of obligation. On 27 September 2017, the Company has made a contract with a financial institution by pledging not to distribute, transfer or incurring obligations in this

asset if without prior consent in writing from that financial institution

- Total Assets Value** :
- (1) Printing plant and Distribution Center (Bangna) totaling value of 424.3 – 509.5 million baht consist of
 - Land value of 261.2 million baht
 - Construction building and others value of 107.3 million baht
 - Machinery and equipment value divided into 3 cases as follows:
 - 141.0 million baht (market value for the existing use)
 - 93.0 million baht (market value in exchange)
 - 55.8 million baht (orderly liquidation value-piecement)

 - (2) Office Building (Klong Toey) totaling value of 1,175.0 million baht consist of
 - Land value of 859.2 million baht
 - Construction building and others value of 315.8 million baht

The Meeting of the Board of Directors No. 1/2020 held on 25 February 2020 approved the appropriate price range of the value of assets disposal according to opinion of an Independent Financial Advisor in a total of 1,636.5 (Calculate from land value of 261.2 million baht + construction building and others value of 107.3 million baht + machinery and equipment value of 93.0 million baht, market value in exchange) - 1,684.5 million baht (Calculate from land value of 261.2 million baht + construction building and others value of 107.3 million baht + machinery and equipment value of 141.0 million baht, market value for the existing use) and set criteria for negotiation with person expects to be a buyer that the agreed price shall not be less than 90 percent,

depending on negotiation and benefits the Company will receive, which the price range of not less than 90 percent will be in a total of 1,472.9 - 1,516.1 million baht. Therefore, the price of assets disposal transaction will not be lower than 1,472.9 million baht

Policy to determine the value of consideration

: Value of consideration is determined from appraised value, according to report on public purpose dated 6 December 2019, of an appraisal company Knight Frank Chartered (Thailand) Company Limited, a company that has been approved by the Securities and Exchange Commission of Thailand according to Notification of the Office of the Securities and Exchange Commission No. Sor Shor. 24/2555.

Term of payment

: Person(s) assigned by the Board of Directors will be the person(s) who enter into a relevant contract and stipulate conditions after receiving approval from the 2020 Annual General Meeting of Shareholders. At present, the Company is in process of negotiating with a person who is expected to be a buyer and no contract has been made.

Transaction procedure

: The Company will proceed with the disposition of assets by bidding method to provide opportunities for investors interested. The Company will advertise on the Company's media channels both print and online for 45 days after the date of receiving approval from the shareholders' meeting. The interested investors can submit a bid for one or all assets according to the process and conditions that the Company will make an announcement within 30 days after the advertisement has ended. After that, the Company will arrange the date for public bid opening by the Board of Directors or person(s) assigned by the Board of Directors. Outsiders will be invited to witness for transparency comprises the

external auditor, legal counsel, independent financial advisor, officer from the Securities and Exchange Commission and officer from the Stock Exchange of Thailand. In addition, the Company will consider dispose of the said assets to general investor that offer the highest price or higher than the price approved by the shareholders' meeting.

However, if the offered price is lower than the price approved by the shareholders' meeting or there are no general investors interested in bidding, the Company will call the Extraordinary General Meeting of Shareholders No. 1/2020 for further consideration.

Type of transaction : Calculation of transaction size was done according to the announcement regarding the acquisition or disposition of assets by referring to the audited financial statements for the period ended 31 December 2019 as follows:

(1) Calculation based on the value of net tangible assets (NTA)

Not applicable as NTA resulted in a negative value.

Net tangible assets (NTA) = total assets – intangible assets – deferred tax assets – total liabilities – non-controlling interests (if any)

$$\begin{aligned} \text{NTA} &= 2,283.9 - 44.1 - 32.2 - 230.5 - 1,985.4 - 3.3 \\ &= (11.6) \text{ million baht} \end{aligned}$$

(2) Calculation based on net operating profits

Not applicable as the Company incurred a loss.

(3) Calculation based on total value of consideration paid or received

$$\begin{aligned} \text{Transaction size} &= \frac{\text{Minimum value of transaction received} \times 100}{\text{Total assets}} \\ &= \frac{1,472.9 \times 100}{2,283.9} \\ &= 64.5 \text{ percent} \end{aligned}$$

(4) Calculation based on value of equity shares issued for the payment of assets

Not applicable as the Company issues no securities as a consideration for disposition of assets.

The Company did not enter into any acquisition or disposition of assets during the past 6 months before the Board of Directors Meeting passed a resolution to approve the Company to enter into such transactions. The maximum transaction size based on total value of consideration paid or received is 1,472.9 million baht or 64.5 percent, which is considered as type 3 according to criteria of acquisition or disposition of assets, which requires approval from the shareholders' meeting with votes of not less than three-fourth of total number of the shareholders attending the meeting and having voting rights, excluding the votes of shareholders having an interest in the matter. The Company is also required to appoint the Independent Financial Advisor to express views on the disposition of assets. The Independent Financial Advisor will express views on, for example, the rationality and benefits, fair pricing and conditions of the transactions to the Company.

6. Connected transaction

Type of transaction: (1) A receipt of financial assistance from a connected person, which is Mr. Suthikiati Chirathivat

Details of connected person : A major shareholder of the Company, which is Mr. Suthikiati Chirathivat, holding 24.22 percent of the Company's total shares and is the Company's Chairman of the Board of Directors.

Type of transaction : As at 31 December 2019, the Company and its subsidiary have requested financial assistance totaling 161 million baht and will request for additional financial assistance of 89 million baht while proceed with the disposition of assets, which will be a maximum of 250 million baht under the same loan conditions.

Transaction size calculated from the principle 250.00 million baht x 5.25 percent/ annum by using hypothesis of 1-year loan from the date of signing the first contract on 27 May 2019 to 31 December 2020. It is a call loan without collateral. With reference to a 0.1 percent minimum loan rate (MLR-) of Bangkok Bank Public Company Limited as at 27 May 2019. Maximum interest expense is 21.0 million baht.

The said transaction is considered as a large-size connected transaction since the size is larger than 20 million baht (due to the Company has negative net tangible assets, therefore it cannot be calculated as a percentage) according to the Notification of the Capital Market Supervisory Board No. Tor Chor. 21/2551, regarding rules on connected transactions provided as transactions relating to assets and services, and the Notification of The Board of Governors of The Stock Exchange of Thailand regarding disclosure of information and other acts of listed companies relating to connected transactions B.E. 2546 (2003). Therefore, the

Company arrange the 2020 Annual General Meeting of Shareholders to seek approval with a total vote of not less than three-fourth of total number of the shareholders attending the meeting and having voting rights, excluding the votes of shareholders having an interest in the matter. The Company will submit the Notice of the shareholders' meeting together with the report of opinion of the Independent Financial Advisor that has been approved by the Securities and Exchange Commission ("SEC"), to the shareholders at least 14 days prior to the shareholders' meeting date.

7. The connected persons and/or the shareholders having interests in the matter and not eligible to vote

Entering into such transactions required approval of not less than three-fourth of total number of the shareholders attending and having voting rights, excluding the votes of shareholders having interests in the matter and not eligible to vote, is as follows:

Name of shareholder having interests in the matter and not eligible to vote	No. of shares held in the Company		Relationship with the counterparty of the transaction
	No. of shares	%	
Mr. Suthikiati Chirathivat	121,096,150	24.22	Counterparty to a connected transaction, which is a receipt of financial assistance

Source: Thailand Securities Depository Co., Ltd. as at 14 January 2020

8. Opinion by the Board of Directors

The Board of Directors, which excluded the directors having interests in the matter, agreed that the Company should enter into the disposition of assets according to the transactions above in order to utilize as working capital, repay debts, and accommodate the needs of cash flow.

9. Opinions by the Audit Committee and/or director significantly different from those by the Board of Directors

- None -