



**Nation International Edutainment Public Co., Ltd.**

บริษัท เนชั่น อินเทอเทนเมนท์ แอนิเมชัน จำกัด (มหาชน)

เลขที่ 333 อาคารเส้าเป็งฉวน 1 ชั้น 24 ซอยเดยพวง ถนนวิภาวดีรังสิต แขวงจอนพา เขตจตุจักร กรุงเทพฯ 10900

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April 16, 2020

Subject: Notification of Acquisition of Shares of Trans.Ad Solutions Co., Ltd. (Added)

Attention: Director and Manager  
The Stock Exchange of Thailand (SET)

The Board of Directors' meeting of Nation International Edutainment Public Company Limited No. 5/2020 held on April 16, 2020 has approved to acquire 90,000 shares or 18.35% of total issued and outstanding shares of Trans.Ad Solutions Co., Ltd. ("**Trans.Ad**") at the purchase price of Baht 110 per share, totaling of Baht 9.90 million from the shareholders of Trans.Ad (the "**Sellers**") who are not the related persons of the Company (the "**Transaction**").

This Transaction is considered as an acquisition of material assets pursuant to the Notification of the Capital Market Supervisory Board Notification No. TorJor. 20/2551 Re: "Rules on the Entering into Material Transactions Deemed as the Acquisition or Disposition of Assets" and the Notification of the Board of Governors of the Stock Exchange of Thailand Re: "Disclosure of Information and Other Acts of the Listed Company Concerning the Acquisition or Disposition of Assets" dated on 29<sup>th</sup> October 2004 (collectively referred to as the "Acquisition and Disposal Notifications"). When considering the size of the Transaction pursuant to each calculation method prescribed under the Acquisition and Disposal Notifications and based on the audited consolidated financial statements of the Company for the year ended 31 December 2019 and the audited financial statements of Trans.Ad for the year ended 31<sup>st</sup> March 2019, the Transaction size is of the highest value when calculated in accordance with the total net profit basis, which equals to 32.21 per cent of the total assets of the Company and its subsidiaries by which the Company has no other acquisition transactions within the past 6 months. Due to the Transaction size is more than 15 percent but lower than 50 percent, the Company therefore is obligated to disclose the information to the SET and deliver the information letter to all shareholders within 21 days from the date the Company disclosed the information to the SET.

However, the purchase of the traded assets is not considered a connected transaction. According to the Notification of the Capital Market Supervisory Board No. TorJor. 21/2008 regarding the criteria for making connected transactions, and the announcement of the Stock Exchange of Thailand, that is subject : Disclosure of information and operations of listed companies in connected transactions B.E. 2003 and with additional amendment ("Notification of connected transactions"), the Company therefore has no duty to comply with the announcement of connected transactions.

In addition, for flexibility of the Transaction, the Board of Director Meeting has resolved that the Executive Committee and/or any person assigned by the Board of Director shall be authorized to conduct any such act and things relating to the Transaction under the principle approved by the Board of Director Meeting.

Please be informed accordingly.

Sincerely yours,

Mr.Pana Janviroj  
Chief Executive Officer

**Information Memorandum  
of  
Nation International Edutainment Public Company Limited**

The Company would like to notify the information of the acquisition of the shares of Trans.Ad with details as follows;

**1. Date / Month / Year of the Transaction:** within Quarter 2'2020

**2. The Relevant Parties**

Buyer: Nation International Edutainment Plc. ("**NINE**" or the "**Company**")  
 Seller: The existing shareholders of Trans.Ad, which are Mr. Weng Sam Lam,  
 Mr. Yongyot Engchuan and Mr. Suphap Wongchinda  
 Relationship: Seller is not related parties of NINE

Shareholder structure before and after the transaction:

Shareholders	Existing shareholders		New shareholders	
	No. of Share	% Holding	No. of Share	% Holding
NINE	-	-	90,000	18.35%
Mr. Weng Sam Lam	27,000	5.50%	-	-
Mr. Yongyot Engchuan	4,500	0.92%	-	-
Mr. Suphap Wongchinda	58,500	11.93%	-	-
Aye On Ad Co., Ltd.	400,464	81.65%	400,464	81.65%
Total	490,464	100.00%	490,464	100.00%

**3. General Characteristics of the Transactions**

The Company wishes to acquire 90,000 shares or 18.35% of the total issued and outstanding shares of Trans.Ad at the purchase price of Baht 110 per share or a total amount of Baht 9.90 Million in aggregate from the existing shareholders of Trans.Ad.

**4. Type and Size of Transaction**

This Transaction is considered as an acquisition of material assets pursuant to the Notification of the Capital Market Supervisory Board Notification No. TorJor. 20/2551 Re: "Rules on the Entering into Material Transactions Deemed as the Acquisition or Disposition of Assets" and the Notification of the Board of Governors of the Stock Exchange of Thailand Re: "Disclosure of Information and Other Acts of the Listed Company Concerning the Acquisition or Disposition of Assets" dated 29<sup>th</sup> October 2004 (collectively referred to as the "Acquisition and Disposal Notifications"). When considering the size of the Transaction pursuant to each calculation method prescribed under the Acquisition and Disposal Notifications and based on the audited consolidated financial statements of the Company for the year ended 31<sup>st</sup> December 2019 and the audited financial statements of Trans.Ad, the Transaction size is of the highest value when calculated in accordance with the total net profit basis, which equals to 32.21 per cent of the total assets of the Company and its subsidiaries by which the Company has no other acquisition transactions within the past 6 months.

**Calculation of Transaction Sizes under the Acquisition and Disposal Notifications**

Calculation Basis	Calculation Details	Transaction Size
1. Total Asset Value = % NTA of the acquired company / NTA of the listed company	= Baht 466.41 Million x 18.35% / Baht 265.74 Million	32.21%
2. Net Profit = % net profit of the acquired company / net profit of the listed company	(This calculation basis is not applicable)	-
3. Total Value of Consideration = Value of Consideration / Total assets of the listed company	= Baht 9.90 Million / Baht 318.64 Million	3.11%

Calculation Basis	Calculation Details	Transaction Size
4. Value of Issued Equity = Number of shares issued by the listed company as consideration / Number of paid-up shares of the listed company	(This calculation basis is not applicable)	-
<b>Highest Transaction Size</b>		<b>32.21%</b>

## 5. Details of Assets Acquired

Trans.Ad's shares are the assets to be acquired by the Company, which details are shown as follows:

### 5.1 Details of Trans.Ad's shares to be acquired by the Company

The Company will acquire 90,000 shares or 18.35% of the total issued shares of Trans.Ad.

### 5.2 Summary Details of Trans.Ad

#### a) General Information

Trans.Ad Solution Company Limited was established in 2014 to provide design and installation services of Multimedia Display System. At present, Trans. Ad has registered and paid-up capital of Baht 49.05 million, divided into 490,464 shares, at Par Value of Baht 100 per share.

#### b) Business Characteristic

Trans. Ad engages in the design and installation of multimedia display systems such as LED displays, content control and media management systems, installing a connection system for commanding and storing data via the internet and CCTV, including designing and creating a mobile application for indoor navigation and Bluetooth transmitter system for advertising.

#### c) Board of Directors

At present, the Board of Directors of Trans.Ad comprise of:

1. Mr. Weng Sam Lam
2. Mr. Phoon Chiong Kit
3. Ms. Tamonwan Narintavanich

Subsequent to the completion of the Transaction, the Company will not appoint the representative to be a director of Trans.Ad.

#### d) Shareholding Structure

The shareholding structure of Trans. Ad as shown in Trans. Ad's list of shareholder copied from the share registry book dated 23 July 2019 are as follows:

Name	Shares	%
1. Mr. Weng Sam Lam	27,000	5.50%
2. Mr. Yongyot Engchuan	4,500	0.92%
3. Mr. Suphap Wongchinda	58,500	11.93%
4. Eye On Ad Co., Ltd.	400,464	81.65%
<b>Total</b>	<b>490,464</b>	<b>100.00%</b>

#### e) Financial Information

The financial information of Trans.Ad as per its audited financial statement audited by Tangjaito Company Limited, ended 31 March 2017-2019 are as follows:

### Financial Information of Trans.Ad ended 31 March 2017-2019

Unit: Million Baht	2017	2018	2019
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	12.44	73.18	86.11
Trade and other accounts receivable	43.71	30.61	115.34
Short-term loan and interest receivable	-	9.00	39.43
Other current assets	110.73	68.86	65.19
<b>Total current assets</b>	<b>166.87</b>	<b>181.65</b>	<b>306.07</b>

<b>Unit: Million Baht</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>
<b>Non-current assets</b>			
Long-term deposit at financial institution	1.00	1.01	1.03
Investments in subsidiaries	-	-	382.40
Leasehold improvement, vehicle and equipment	2.14	2.89	2.24
Intangible assets	0.29	0.22	0.13
Deferred tax assets	0.00	0.40	0.40
Deposits	0.51	4.28	5.34
<b>Total non-current assets</b>	<b>3.94</b>	<b>8.80</b>	<b>391.54</b>
<b>Total Assets</b>	<b>170.81</b>	<b>190.45</b>	<b>697.62</b>
<b>Liabilities and shareholders' equity</b>			
<b>Current liabilities</b>			
Short-term Loan from financial other person	65.94	-	-
Short-term Loan from financial institution	-	-	38.95
Trade and other accounts payables	48.82	73.93	49.55
Accrued cost	-	44.28	83.87
Unearned income	20.45	6.43	44.03
Income tax payable	0.42	1.03	7.04
Other current liabilities	4.90	2.93	5.23
<b>Total current Liabilities</b>	<b>140.54</b>	<b>128.61</b>	<b>228.67</b>
<b>Non-current liabilities</b>			
Long-term Provisions	-	2.00	2.00
Obligation under hire-purchase contract	0.04	-	-
<b>Total non-current liabilities</b>	<b>0.04</b>	<b>2.00</b>	<b>2.00</b>
<b>Total liabilities</b>	<b>140.58</b>	<b>130.61</b>	<b>230.68</b>
<b>Shareholders' equity</b>			
Registered capital	30.00	30.00	49.05
Issued and paid-up capital	9.00	9.00	49.05
share premium	-	-	347.95
Retained earnings			
Appropriated - legal reserve	0.92	1.56	3.00
Unappropriated	20.31	49.28	66.94
<b>Total shareholders' equity</b>	<b>30.23</b>	<b>59.84</b>	<b>466.94</b>
<b>Total liabilities and shareholders' equity</b>	<b>170.81</b>	<b>190.45</b>	<b>697.62</b>

#### Operation Results of Trans.Ad ended 31 March 2017-2019

<b>Unit: Million Baht</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>
Revenue from sales and services	217.59	436.67	561.92
other income	0.71	1.17	3.07
Total income	218.31	437.84	564.99
Cost of sales and services	183.78	371.92	448.29
<b>gross profit</b>	<b>34.53</b>	<b>65.92</b>	<b>116.70</b>
Administrative expenses	15.95	18.94	28.49
Gain / (Loss) on exchange rate	0.00	(0.25)	(1.06)
<b>EBIT</b>	<b>18.58</b>	<b>46.73</b>	<b>87.14</b>
Financial costs	2.46	1.02	0.47
<b>EBT</b>	<b>16.12</b>	<b>45.71</b>	<b>86.67</b>
Income tax expenses	3.31	9.20	17.57
<b>Net profit</b>	<b>12.81</b>	<b>36.51</b>	<b>69.10</b>

## **6. Value of Consideration and Basis Used to Determine the Value of Consideration**

The total value of consideration for 90,000 shares of Trans.Ad to be paid to the Sellers is Baht 9.90 Million or Baht 110 per share, 10% premium of the par value. The price was mutually agreed by the Sellers and the Company that the Sellers have the right to repurchase the share within 3 years. The Company will pay for such purchase price by transfer to the bank account or via cheque to the Sellers upon completion of the Transaction (within the 2<sup>nd</sup> Quarter of 2020).

The Seller has the right to buy back the shares at the price of Baht 220 per share within 3 years from the closing date of the transaction.

## **7. Value of Assets acquired**

The Trans.Ad's shares acquired hereunder has the book value as per the latest audited financial statement as at 31 December 2019 is Baht 952.04 per share.

## **8. Sources of Financing**

The Company will finance this Transaction with the capital received from the capital increase of the Company of Baht 9.90 million. As of 31 December 2019, the Company has cash and cash equivalent as well as current investments in an amount of Baht 257.40 million. After payment of the purchase price, the Company still have sufficient funds for its business operations.

## **9. Expected Benefits to the Company**

To increase the efficiency in cash management, liquidity, generate a suitable return, and risk management.

## **10. Condition of the Transaction**

This Transaction is considered as an acquisition of the total assets of the Company. According to the announcement of the Acquisition or Disposal of Assets, the Company is required to disclose information about such transactions to the Stock Exchange of Thailand (SET) and to provide the information memorandum regarding the acquisition of assets of the Company to the shareholders within 21 days following the date of disclosure of the transaction to the SET.

## **11. Opinion of the Company's Board of Directors**

The Board of Directors has considered and viewed that the transaction is reasonable and most beneficial to the Company and its shareholders. Because the book value as of 31 March 2019 is Baht 952.04 per share but the purchase price is Baht 110 per share, which is likely that the Seller will exercise the right to buy back at the price of Baht 220 per share. Therefore, it will make the Company receive a return of 100%, 41% and 26% on investment in year 1, year 2 and year 3 respectively, which is a higher rate of return than deposit accounts. However, if the Seller does not exercise the right to buy back, the investment value of Baht 9.90 Million, calculated according to the proportion of 18.35% of the shareholders' equity as of 31 March 2019. It will be worth Baht 85.68 Million, which is up to 8.65 times higher than the investment.

In addition, Trans.Ad is in the captive market and has long-term concessions. Therefore, the Company has relatively low business risk. If the Company must be liquidated, it is worth to be invested because the purchase price is lower than the Book Value up to 0.12 times.

## **12. Opinion of the Company's Audit Committee and/or Directors differently from those of the Board of Directors**

Neither the Audit Committee nor any directors had a different view from the Board of Directors of the Company.