

OM6411007

30 November 2021

Subject: Notification of the acquisition of assets of an indirect subsidiary

To: Director and Manager  
The Stock Exchange of Thailand

Enclosure: Information Memorandum of Acquisition of Sale Assets (Broker Seat and other Rights relevant thereto) of News Network Corporation Public Company Limited (Enclosure 1)

News Network Corporation Public Company Limited (the “Company”) would like to notify the resolutions of the Board of Directors Meeting No. 14/2021, held on 26 November 2021, which resolved to approve Liberator Company Limited (Indirect subsidiary) enter into the transaction of purchase and acceptance of transfer of assets of Broker Seat and other related rights from Merchant Partners Securities Public Company Limited, at the purchase price of Baht 120,000,000.

The transaction mentioned above is considered as an acquisition of assets by a subsidiary of a listed company (Type 2) in accordance with the Notification of the Board of Governors of the Stock Exchange of Thailand Re: Disclosure of Information and Other Acts of Listed Companies Concerning the Acquisition or Disposal of Asset B.E. 2547 (2004) and the Notification of the Capital Market Supervisory Board No. TorChor. 20/2551 (2008) Re: Rule on Entering into Material Transactions Deemed as Acquisition or Disposal of Asset (the “**Notification on Acquisition or Disposal of Assets**”). The highest transaction value equals 24.64% based on the value of consideration basis. The transaction is valued at 15% or higher but lower than 50% based on the total value of consideration basis, which is the highest transaction value from the reviewed financial statements as of 30 September 2021. In this regard, the Company has not entered into any transactions of acquiring assets by the company and/or subsidiary in the period of 6 months prior to the date on which the entering of transaction was decided.

However, the above-mentioned transaction is not a transaction between the Company and connected persons of the Company, and thus not considered a connected transaction under the Notification of the Capital Market Supervisory Board No. TorThor. 21/2551 Re: Rules on Entering into 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 BE 2546.

Please be informed accordingly.

Sincerely yours,

(Mr. Kritsada Pruitipat)  
Chief Executive Officer

**Information Memorandum of Acquisition of Sale Assets (Broker Seat and other Rights relevant thereto)  
of News Network Corporation Public Company Limited**

The Board of Directors Meeting of News Network Corporation Public Company Limited (the “**Company**”) No. 14/2021, held on 26 November 2021 has resolved to approve Liberator Co., Ltd., being a subsidiary which an indirect subsidiary of the Company holds 99.99% of the total issued and sold shares, to enter into a purchase and acceptance of transfer of assets transaction, namely rights as a member of the Stock Exchange of Thailand (Member No. 21) (Broker Seat), rights as a member of the Thailand Future Exchange (TFEX), as well as any rights in connection with the memberships with the Stock Exchange of Thailand and the Thailand Future Exchange (TFEX), and other related rights in respect of memberships for operation of securities and futures businesses, which are transferable, including without limitation to rights relating to the membership with Thailand Clearing House Co., Ltd. (TCH) for the Stock Exchange of Thailand and the Thailand Future Exchange, and rights as a member of the fund for compensation of damages arising from the securities clearing and settlement system for the Stock Exchange of Thailand and the Thailand Future Exchange (Clearing Fund), Securities Investor Protection Fund (SIPF), and Derivatives Investor Protection Fund (DIPF) (the “**Sale Assets**”) from Merchant Partners Securities Public Company Limited, at the purchase price of Baht 120,000,000, whereby the entry into such transaction is not the acquisition of the ordinary shares in Merchant Partners Securities Public Company Limited (the “**Sellers**”).

The entry of such transaction is considered an acquisition of assets transaction according to the Notification of the Capital Market Supervisory Board No. TorChor. 20/2551 (2008) Re: Rule on Entering into Material Transactions Deemed as Acquisition or Disposal of Asset (including the amendments thereof) and the Notification of the Board of Governors of the Stock Exchange of Thailand Re: Disclosure of Information and Other Acts of Listed Companies Concerning the Acquisition or Disposal of Asset B.E. 2547 (2004) (including the amendments thereof) (the “**Notifications on Acquisition or Disposal of Assets**”). After calculating the size of such transaction based on the criteria under the Notifications on Acquisition or Disposal of Assets and based on the consolidated financial statements for a 9-month period ended as of 30 September 2021 of the Company reviewed by the certified public accountant, the highest transaction value equals 14.79% based on the Total Value of Consideration criterion, and when taking amount payable by the Company as required by laws to SIPF and DIPF and other fees and expenses payable to the competent authorities in an approximate amount of Baht 80,000,000 into consideration, the transaction value shall equal to 24.64%. Nevertheless, there is no other acquisition of assets transactions during the past six months before the date on which the Board of Directors of the Company resolved to approve the entry into this transaction.

This transaction is considered a Class 2 transaction according to Notifications on Acquisition or Disposal of Assets where the total value of the transaction is equivalent to 15% or more but less than 50%. Accordingly, the Company is required to disseminate the relevant information memorandum to the Stock Exchange of Thailand (“**SET**”) and deliver a notification to the shareholders of the Company within 21 days from the date on which the Company disseminates such information memorandum to the SET.

Furthermore, the entering into such transaction is not a transaction between the Company and its connected person. Therefore, it is not considered connected transactions pursuant to the Notification of the Capital Market Supervisory Board No. TorChor. 21/2551 (2008) Re: Rules on Connected Transactions (as amended) and the Notification of the Board of Governors of the Stock Exchange of Thailand Re: Disclosure of Information and Other Acts of Listed Companies Concerning the Connected Transactions B.E. 2546 (2003) (as amended) (the “**Notifications on Connection Transaction**”).

The Company would therefore like to inform the details of the transaction as follows:

**(1) Transaction Date**

The Board of Directors Meeting of the Company, held on 26 November 2021 has resolved to approve the entry into the purchase of the Sale Assets transaction, subject to conditions precedent as set out in Item 3.1.

**(2) The Parties Involved and Their Relationships with the Listed Company**

**Purchaser** : Liberator Co., Ltd.

**Sellers** : Merchant Partners Securities Public Company Limited

**Relationship between the parties** : Each Seller is not a connected person of the Company according to the Notifications on Connected Transactions.

**(3) General features, Types and Size of the Transaction**

**3.1 General Features of the Transaction**

Liberator Co., Ltd. will enter into the purchase and acceptance of transfer of assets transaction, namely rights as a member of the Stock Exchange of Thailand (Member No. 21), member of the Thailand Future Exchange (TFEX), as well as the related rights in connection with the memberships with the Stock Exchange of Thailand and the Thailand Future Exchange (TFEX), and other related rights of memberships for operation of securities and futures businesses, which are transferable, including without limitation to rights relating to the membership with Thailand Clearing House Co., Ltd. (TCH) for the Stock Exchange of Thailand and the Thailand Future Exchange, and rights as a member of the fund for compensation of damages arising from the securities clearing and settlement system for the Stock Exchange of Thailand and the Thailand Future Exchange (Clearing Fund), Securities Investor Protection Fund (SIPF), and Derivatives Investor Protection Fund (DIPF) (the “**Sale Assets**”) from the Sellers, at the purchase price of Baht 120,000,000, subject to the satisfaction of the following significant conditions precedents:

1. due diligence result of the Sale Assets is in line with the objectives for business operation of the Purchaser; and
2. the transfer of the Sale Assets is approved by the SET, TFEX, and competent authority.

**3.2 Type and Size of the Transaction**

The calculation of the size of transaction based on the criteria under the Notifications on Acquisition or Disposal of Assets and based on the consolidated financial statements for a 9-month period ended as of 30 September 2021 of the Company reviewed by the certified public accountant, the highest transaction value equals 14.79% based on the Total Value of Consideration criterion, and when taking amount payable by the Company as required by laws to SIPF and DIPF and the other fees and expenses payable to the competent authorities in an approximate amount of Baht 80,000,000 into consideration, the transaction value shall equal to 24.64%. The details of which are as follows:

<b>Transaction Size Calculation Criteria</b>	<b>Calculation Formula</b>
1. Net Tangible Assets Basis (NTA)	= (Sum of percentage of shares to be acquired x Net asset value of the company to be acquired) x 100 / Net asset value of the purchasing company
	= Not available due to this transaction is not an

Transaction Size Calculation Criteria	Calculation Formula
	acquisition of shares in a company.
2. Net after-tax profit from the normal course of business operation	= (Sum of percentage of shares to be acquired x Net after-tax profit of the company to be acquired) x 100 / Net after-tax profit of the purchasing company
	= Not available due to this transaction is not an acquisition of shares in a company.
3. Total Value of Consideration	= (Value of amount to be paid / Net asset value of the purchasing company) x 100
	= (120,000,000+80,000,000) / 811,629,000 x 100
	= 24.64%
4. Value of securities issued by the listed company in consideration of the assets to be acquired	= No. of shares issued in consideration of the assets x 100 / No. of issued and paid-up shares of the purchasing company
	= Not available due to there is no issuance of shares as consideration by the Company.

## Remarks:

1/ Reference is made to the reviewed consolidated financial statements for a 9-month period ended as of 30 September 2021 of the Company.

Nevertheless, there are no other asset acquisition transactions that the Company has entered into in the six months prior to the date on which the Board of Directors of the Company resolved to approve to enter into this transaction.

This transaction is considered a Class 2 transaction according to Notifications on Acquisition or Disposal of Assets where the total value of the transaction is equivalent to 15% or more but less than 50%. Accordingly, the Company is required to disseminate the relevant information memorandum to the SET and deliver a notification to the shareholders of the Company within 21 days from the date on which the Company disseminates such information memorandum to the SET.

**(4) Total Value of Consideration, Value of the Sale Asset, Criteria for Stipulation of the Total Value of Consideration, Payment and Condition of Payment**

Liberator Co., Ltd. shall make payment of Baht 120,000,000 where such purchase price is from the negotiation between the Purchaser and the Sellers.

**(5) Expected Benefits to the Company**

5.1 Expansion of the Company's investment to the new business activities, i.e. securities and derivative business. The Company is of the view that the growth opportunities that is in line with the economic climate of Thailand and this is a diversification of risks from the existing business operation of the Company.

5.2 Although Liberator Co., Ltd. (the "Indirect Subsidiary") can subscribe the SET and TFEX membership including funds and other agencies by itself. However, the purchase and receipt of the transfer of Sale Asset will benefit the Indirect Subsidiary more due to the following reasons:

- (a) Accepting the transfer of Sale Asset take shorter period of time for commencing the operation of securities and derivative businesses and realizing the earning of the Indirect Subsidiary because it is a transfer of rights from the Seller, which is a securities and derivative business operator, having the trading system already connected with the SET and TFEX. Thus, it is expected to take a shorter preparation time. In addition, in practice, the Clearing House for derivatives does not always open for new memberships but will open for application as it deems appropriate, causing uncertainty and affecting the timeframe and operation plan in operating the business of the Indirect Subsidiary. This is different from receiving the transfer of membership of the Clearing House for derivatives, which can be legally implemented without having to wait for the Clearing house to accept a membership in the next round.
- (b) According to the forecast of the Indirect Subsidiary's future performance, receiving of trading assets incurs costs and/or fees, payable to the SET and TFEX, and relevant agencies in the less amount, especially the entrance fee for subscribing membership of the SET. In addition to the new subscribers being required to pay a fixed fee of Baht 10,000,000 to the SET, the new subscriber is also required to pay a variable fee of 0.025% of the securities trading volume monthly during the first 3 years, counting from the date on which the purchasing or selling of securities in the SET take place. During the period of the first 3 years, the Company predicts that there will be a high volume of securities trading, increasing this particular fee, as a result. In contrast, such fees are not charged for receiving of the transfer of rights except the transfer fee of 10 per cent of the value of the transfer of rights payable to the SET, i.e. Baht 12 million. Aside from being the exact amount and beneficial to the cost estimation of the Indirect Subsidiary, the amount is less compared to the payable fee for subscription of membership by the Company itself.

5.3 The purchase and acceptance of transfer of the Sale Assets is considered having lower risk than purchasing the ordinary shares in the Sellers as the Company will be free from existing liabilities and encumbrance over the Sellers.

**(6) Source of Funds**

The source of funds for this transaction will be from the Company's working capital and/or (2) funds from lending.

**(7) Conditions of the Transaction.**

Since this transaction is considered a Class 2 transaction according to Notifications on Acquisition or Disposal of Asset, the Company is required to disseminate the relevant information memorandum to the SET and deliver a notification to the shareholders of the Company within 21 days from the date on which the Company disseminates such information memorandum to the SET. In addition, the transfer of the Sale Assets is subject to the approval from the SET, the TFEX, and competent authority.

**(8) Opinion of the Board of Directors regarding the Transaction**

The Board of Directors Meeting No. 14/2021 of the Company, held on 26 November 2021 has resolved to approve the entry into this transaction and is of the opinion that this transaction shall be beneficial to the Company as it is the expansion of the Company's investment to the new business activities, i.e. securities business by purchasing the reasonable assets in terms of purchase price when taking in comparison the expenses and fees for the case where the Company applies for the relevant membership by itself.

**(9) Opinion of the Audit Committee and/or the Directors of the Company which is different from the Opinion of the Board of Directors as specified in Item (8)**

The Board of Directors Meeting of the Company has unanimously resolved to approve this transaction; and the Audit Committee's opinion does not differ from that of the Board of Directors. In such meeting, all member of the Audit Committee and the Board of Directors present.

The Board of Directors of the Company hereby certify that information contained in this Information Memorandum is true, complete, and accurate and is neither misleading nor does it omit material information that should be stated.

Please be informed accordingly.

Yours sincerely,

(Mr. Kritsada Pruitipat)  
Chief Executive Officer