

OM6506001

10 June 2022

Subject: [Increase in the registered capital of an associate and investment in peer-to-peer lending business by an associate \(Amendment\)](#)

To: Director and Manager
The Stock Exchange of Thailand

Enclosure: [Information Memorandum on the Acquisition of Assets of News Network Corporation Public Company](#)

News Network Corporation Public Company (the “Company”) would like to disclose information on the [increase in the registered capital of an associate and investment in peer-to-peer lending business by an associate](#) as follows:

1. [Increase in the registered capital of an associate](#) – The Board of Directors’ Meeting No. 5/2022 held on 9 June 2022 resolved to approve the increase in the registered capital of THB 599.50 million of Peer For All Company Limited (“PFA”), the Company’s associate in which the Company holds 20,000 ordinary shares or equivalent to 40 percent of the total number of shares in PFA, where PFA will make an initial capital call of THB 549.50 million within June 2022 and will gradually make additional capital calls in the future until the rest of the capital is fully paid. In this regard, the Company will subscribe for up to 23,980,000 newly issued ordinary shares in PFA and will make the share subscription payment in proportion to its shareholding of up to THB 240 million to PFA (including the share price of THB 200,000 paid by the Company to PFA on the share subscription date at the time of PFA’s incorporation) so that PFA may further use such proceeds to purchase 117,645 ordinary shares or equivalent to 99.99 percent of the total number of shares in Nestifly Company Limited (“Nestifly”), which engages in the peer-to-peer lending business via online platform.

The increase in the registered capital and subscription of the newly issued ordinary shares in PFA do not constitute a connected transaction under the Notification of the Capital Market Supervisory Board No. TorChor. 21/2551 Re: Rules on Connected Transaction 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 (as amended) (the “**Connected Transaction Notifications**”) but constitute a material acquisition of assets pursuant to the Notification of the Capital Market Supervisory Board No. TorChor. 20/2551 Re: Rules on Entering into Material Transactions Deemed as Acquisition or Disposal of Assets 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 Disposition of Asset B.E. 2547 (as amended) (the “**Acquisition or Disposal Notifications**”). The transaction size of such transaction calculated based on the reviewed consolidated financial statements of the Company for the

three months ended 31 March 2022, and the total value of consideration criterion, which gives the highest transaction value, is equivalent to 18.06 percent. In addition, the Company has not had any other acquisition transactions within the past six months prior to the date on which the Board Directors approved the increase in the registered capital of PFA.

The said transaction, therefore, is deemed a Class 2 transaction under the Acquisition or Disposal Notifications, i.e. a transaction whose transaction size is equal to or more than 15 percent, but less than 50 percent, where the Company is required to disclose information on the transaction to the Stock Exchange of Thailand (the “SET”) and send a circular to the shareholders within 21 days from the date of information disclosure to the SET.

Details on the increase in the registered capital and subscription of the newly issued ordinary shares in PFA are as shown in the Enclosure.

2. [Investment in peer-to-peer lending business by an associate](#) - PFA, the Company’s associate in which the Company holds 20,000 ordinary shares or equivalent to 40 percent of the total number of shares in PFA, will purchase 117,645 ordinary shares or equivalent to 99.99 percent of the total number of shares in Nestify at a total purchase price of THB 500 million from First P2P Company Limited and the shareholders of Nestify (collectively, the “Sellers”) where the details of the investment are as follows:

- **Background of the transaction**

1. On 23 February 2022, the Board of Directors’ Meeting No. 2/2022 resolved to approve entry into the initial memorandum of understanding on the entire business transfer with First P2P Company Limited, the scope of investment in Nestify of up to 51 percent of the registered capital of Nestify, the placement of a deposit in proportion to the investment in Nestify of up to 51 percent of the total amount of deposit, and the incorporation of a new subsidiary, i.e. PFA, in preparation for the investment in Nestify (For further information on the incorporation of PFA, please refer to the Company’s letter no. OM6502003 dated 23 February 2022.). The reason for the Company’s scope of investment in Nestify of up to 51 percent is as a result of the Company’s negotiations with its strategic partner.
2. On 24 February 2022, the Company entered into an initial memorandum of understanding on the entire business transfer with the Sellers to purchase 117,645 ordinary shares or equivalent to 99.99 percent of the total number of shares in Nestify at the total purchase price of THB 500 million.

3. On 18 March 2022, the Company incorporated a subsidiary, i.e. PFA, to build on its finance business and increase source of income. On the date of incorporation, the Company held 50,000 shares or equivalent to 99.99 percent of the total number of shares in PFA.
4. On 29 April 2022, the Company sold 30,000 ordinary shares or equivalent to 60 percent of the total number of shares in PFA to Aqua Corporation Public Company Limited (“AQUA”), which is not the Company’s connected person, where the total value of consideration that the Company received from AQUA was THB 300,000 in accordance with the par value of the shares sold, resulting in PFA ceasing to be the Company’s subsidiary. In this regard, the Company still remains as a shareholder holding 20,000 ordinary shares or equivalent to 40 percent of total number of shares in PFA. The sale of 30,000 ordinary shares in PFA is in line with the scope of investment as approved by the Board of Directors, which approved the investment in the proportion of up to 51 percent.
5. After the Management entered into the initial memorandum of understanding on the entire business transfer with the Sellers to purchase the ordinary shares in Nestify under the instruction of the Board of Directors, PFA placed a deposit to enter into a memorandum of understanding to purchase the ordinary shares in Nestify with the Sellers and terminate the initial memorandum of understanding as mentioned in item 1. entered into between the Company and the Sellers. Pursuant to the memorandum of understanding to purchase the ordinary shares in Nestify that PFA entered into with the Sellers, it was agreed that, on the date of entry into the memorandum, PFA must place a deposit of THB 150 million with the Sellers. The deposit payment was divided in proportion to the shareholdings in PFA whereby AQUA placed a deposit of THB 90 million and the Company placed a deposit of THB 60 million. The Sellers will be required to refund the said deposit in full in certain cases, e.g. the Sellers fail to materially comply with the memorandum of understanding and/or the results of the due diligence of Nestify is not satisfactory to PFA.
6. After the placement of the deposit and the due diligence of Nestify and the results of the due diligence is satisfactory, PFA will use the proceeds from the subscription of its newly issued ordinary shares by the Company and AQUA to pay the share purchase price in the amount of THB 350 million. It is expected that the due diligence of Nestify will be completed within June 2022.

- Contractual parties and their relationship with the listed company

The Sellers : First P2P Company Limited and the shareholders of Nestify, comprising Mr. Paphon Mangkhalathanakun and Mr. Koblarp Thaithan (the shareholders of First P2P Company Limited comprised (1) Mr. Paphon Mangklatanakul holding 27.24 percent shares, (2) Mr. Korblarp Thaithan holding 27.24 percent shares, (3) Perpetual Innovation Co., Ltd. holding 25.00 percent shares, (4) Mr. Suthat Rongrong holding 7.87 percent shares, (5) Mr. Thanat Busayapoka holding 5.06 percent shares, (6) Mr. Thaksa Busayapoka holding 5.06 percent shares, (7) Mr. Suphakrit Pitidhamabhorn holding 1.39 percent shares, and (8) Mr. Wiroj Prasitworanan holding 1.12 percent shares, and the shareholders of Perpetual Innovation Co., Ltd. comprised (1) Mr. Paphon Mangklatanakul holding 36.33 percent shares, (2) Mr. Korblarp Thaithan holding 36.33 percent shares, (3) Mr. Suthat Rongrong holding 10.50 percent shares, (4) Mr. Thanat Busayapoka holding 6.75 percent shares, (5) Mr. Thaksa Busayapoka holding 6.75 percent shares, (6) Mr. Suphakrit Pitidhamabhorn holding 1.85 percent shares, and (7) Mr. Wiroj Prasitworanan holding 1.50 percent shares).

The Purchaser : PFA, where the shareholdings in PFA are as follows:

AQUA holding 29,998 shares, or equivalent to 59.9960 percent;

The Company holding 19,999 shares, or equivalent to 39.9980 percent; and

Minority shareholders holding 3 shares, or equivalent to 0.0060 percent.

Relationship among the contractual parties : The Sellers are not the Company's connected persons according to the [Connected Transaction Notifications](#).

- General characteristics of the transaction

PFA, the Company's associate in which the Company holds 40 percent of the registered capital, will purchase 117,645 ordinary shares or equivalent to 99.99 percent of the total number of shares in Nestify from the Sellers at the total purchase price of THB 500 million where such purchase price is derived from the negotiations between the parties and the Board of Directors viewed that the value of assets that PFA may acquire from the purchase of the ordinary shares in Nestify, which has been appraised in accordance with the discounted dash flow approach, was appropriate and in line with the total value of consideration that PFA will pay to the Sellers. The Company will use its own internal cash flows from the disposal of ordinary shares and right of claim in the loan of Wealth Ventures Company Limited to make payments in proportion to its shareholdings in Nestify in the total amount of THB 240 million, comprising (1) the price of shares in Nestify of THB 200 million, which PFA will pay to the Sellers; (2) the Sellers' taxes for which PFA must be responsible of THB 10.4 million, which PFA will pay to the Sellers (PFA may use the funds received from its shareholders upon its incorporation to make payments to the Sellers under item (1) or item (2)); and (3) funds for future investment and/or capital expenditure of THB 29.6 million, which the Company will pay to PFA for its future investment and/or capital expenditure, the details of which are as follows:

The Purchaser	:	PFA
The Sellers	:	First P2P Company Limited and the shareholders of Nestify
Assets under the transaction	:	117,645 ordinary shares or equivalent to 99.99 percent of the total number of shares in Nestify.

Nestify engages in the peer-to-peer lending business via online platform. At present, Nestify has already obtained the peer-to-peer lending business licence.

Key condition precedents	:	<ol style="list-style-type: none"> 1. PFA obtains its board and/or shareholder approval for the purchase of the ordinary shares in Nestify. 2. The Sellers do not owe taxes to the Revenue Department on the date on which the entire business transfer is completed, unless the Sellers have provided bank guarantee or collateral as security to cover the taxes owed and execution expenses. 3. The Sellers have arranged for the Company to obtain all necessary consent for the completion of the entire business transfer from all contractual parties under the
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contracts, agreements, instruments and/or other documents that are binding on Nestify and/or the Sellers.

4. The financial statements of Nestify are appropriately prepared according to generally accepted accounting standards in Thailand.
5. All material agreements and licences of Nestify are in continuous effect.
6. There is no event of default or breach of contract from the change of shareholding structure and/or control in Nestify in any agreement that Nestify has entered into with its customers or other agreements that Nestify has entered into with other persons.

Completion of the transaction : PFA will become a shareholder holding 117,645 shares or equivalent to 99.99 percent of the total number of shares in Nestify.

Completion date : Within June 2022 or other dates further agreed by the parties.

Please be informed accordingly.

Sincerely yours,

(Mr. Kritsada Pruitipat)
Chief Executive Officer

**INFORMATION MEMORANDUM ON THE ACQUISITION OF ASSETS OF
NEWS NETWORK CORPORATION PUBLIC COMPANY**

The Board of Directors' Meeting No. 5/2022 of News Network Corporation Public Company (the "Company") held on 9 June 2022 resolved to approve the increase in the registered capital of THB 599.50 million of Peer For All Company Limited ("PFA"), the Company's associate in which the Company holds 20,000 ordinary shares or equivalent to 40 percent of the total number of shares in PFA, where PFA will make an initial capital call of THB 549.50 million within June 2022 and will gradually make additional capital calls in the future until the rest of the capital is fully paid. In this regard, the Company will subscribe for up to 23,980,000 newly issued ordinary shares in PFA and will make the share subscription payment in proportion to its shareholding of up to THB 240 million to PFA (including the share price of THB 200,000 paid by the Company to PFA on the share subscription date at the time of PFA's incorporation) so that PFA may further use such proceeds to purchase 117,645 ordinary shares or equivalent to 99.99 percent of the total number of shares in Nestify Company Limited ("Nestify"), which engages in the peer-to-peer lending business via online platform.

The increase in the registered capital and subscription of the newly issued ordinary shares in PFA do not constitute a connected transaction under the Notification of the Capital Market Supervisory Board No. TorChor. 21/2551 Re: Rules on Connected Transaction 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 (as amended) (the "**Connected Transaction Notifications**") but constitute a material acquisition of assets pursuant to the Notification of the Capital Market Supervisory Board No. TorChor. 20/2551 Re: Rules on Entering into Material Transactions Deemed as Acquisition or Disposal of Assets 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 Disposition of Asset B.E. 2547 (as amended) (the "**Acquisition or Disposal Notifications**"). The transaction size of such transaction calculated based on the reviewed consolidated financial statements of the Company for the three months ended 31 March 2022, and the total value of consideration criterion, which gives the highest transaction value, is equivalent to 18.06 percent. In addition, the Company has not had any other acquisition transactions within the past six months prior to the date on which the Board Directors approved the increase in the registered capital of PFA.

The said transaction, therefore, is deemed a Class 2 transaction under the Acquisition or Disposal Notifications, i.e. a transaction whose transaction size is equal to or more than 15 percent, but less than 50 percent, where the Company is required to disclose information on the transaction to the Stock Exchange of Thailand (the "SET") and send a circular to the shareholders within 21 days from the date of information disclosure to the SET.

The Company would like to disclose information on the said transaction to the SET in accordance with the Acquisition or Disposal Notifications as follows:

1. Information Disclosure per List 1

1.1 Transaction Date

The Board of Directors' Meeting No. 5/2022 of News Network Corporation Public Company (the "Company") held on 9 June 2022 resolved to approve the increase in the registered capital of THB 599.50 million of PFA, the Company's associate in which the Company holds 20,000 ordinary shares or equivalent to 40 percent of the total number of shares in PFA, where PFA will make an initial capital call of THB 549.50 million within June 2022 and will gradually make additional capital calls in the future until the rest of the capital is fully paid. In this regard, the Company will subscribe for up to 23,980,000 newly issued ordinary shares in PFA and will make the share subscription payment in proportion to its shareholding of up to THB 240 million to PFA (including the share price of THB 200,000 paid by the Company to PFA on the share subscription date at the time of PFA's incorporation) so that PFA may further use such proceeds to purchase 117,645 ordinary shares or equivalent to 99.99 percent of the total number of shares in Nestify, which engages in the peer-to-peer lending business via online platform.

1.2 Contractual Parties and Relationship with the Company

Subscriber : The Company

Issuer : PFA

Relationship with the Company : PFA, its connected persons, and ultimate shareholders are not the Company's connected persons.

The ultimate shareholders of PFA are the Company and Aqua Corporation Public Company Limited ("AQUA") where the respective top-ten shareholders of the Company and AQUA are as follows:

Top-ten shareholders of the Company (information as at 29 March 2022)

No.	Shareholder	Number of shares (shares)	Shareholding percentage (percent)
1.	Miss Aura-orn Akrasanee	21,159,945,800	20.03
2.	Mr. Siritaj Rojanapruk	11,890,873,111	11.25
3.	Miss Puntipa Netiphat	6,500,010,000	6.15
4.	Mr. Pichet Permsubhirunya	5,000,000,000	4.73
5.	Mrs. Sunanta Singsansern	3,500,000,000	3.31
6.	Thai NVDR Company Limited	3,055,450,831	2.89
7.	Mr. Mongkol Aunjittikul	2,783,160,000	2.63
8.	General Insurance Fund	1,570,000,000	1.49
9.	Mr. Sombat Panichcheva	1,412,043,300	1.34
10.	Mrs. Chatphan Sae-tae	1,386,080,000	1.31

Top-ten shareholders of AQUA (information as at 14 March 2022)

No.	Shareholder	Number of shares (shares)	Shareholding percentage (percent)
1.	Mr. Pakorn Mongkoltada	1,027,693,800	17.38
2.	Miss Kanchanarath Wongphan	596,278,800	10.09
3.	Miss Aura-orn Akrasanee	415,041,700	7.02
4.	Mr. Khampol Viratepsuporn	317,995,400	5.38
5.	Mr. Siriwat Vongjarukorn	104,000,000	1.76
6.	Thai NVDR Company Limited	97,982,077	1.66
7.	Mr. Anan Asiralertsiri	97,000,000	1.64
8.	Mr. Chanin Sinlapeecheewa	77,400,000	1.31
9.	Mr. Weera Singwisit	57,500,000	0.97
10.	Mr. Kobchai Kosakarn	52,526,700	0.89

1.3 General Characteristics and Transaction Size

1.3.1 General Characteristics

The Company will subscribe for up to 23,980,000 newly issued ordinary shares in PFA, the Company's associate in which the Company holds 20,000 ordinary shares, to maintain its shareholding percentage of 40 percent where PFA will make an initial capital call of THB 549.50 million within June 2022 and will gradually make additional capital calls in the future until the rest of the capital is fully paid. In this regard, the Company will make the share subscription payment in proportion to its shareholding of up to THB 240 million to PFA (including the share price of THB 200,000 paid by the Company to PFA on the share subscription date at the time of PFA's incorporation) so that PFA may further use such proceeds to purchase 117,645 ordinary shares or equivalent to 99.99 percent of the total number of shares in Nestify, which engages in the peer-to-peer lending business via online platform.

1.3.2 Transaction Size

The total value of consideration that the Company will pay to PFA is THB 240 million (including the share price of THB 200,000 paid by the Company to PFA on the share subscription date at the time of PFA's incorporation).

The Company has calculated the transaction size of the transaction under the Acquisition or Disposal Notifications based on the reviewed consolidated financial statements of the Company for the three months ended 31 March 2022, the details of which are as follows:

Calculation Criterion	Calculation Method
1. Net tangible asset (NTA) value criterion	= This criterion is not applicable as PFA was recently incorporated and has yet to prepare its financial statements.

Calculation Criterion	Calculation Method
2. Net profit from operating results criterion	= This criterion is not applicable as the Company had net loss.
3. Total value of consideration criterion	= Total value of consideration paid x 100 / Total assets of the Company
	= THB 240,000,000 x 100 / THB 1,329,001,000
	= 18.06 percent
4. Equity issued as consideration for the assets criterion	= This criterion is not applicable as the Company is not issuing any equity as consideration for the assets.

The transaction size of such transaction calculated based on the total value of consideration criterion, which gives the highest transaction value, is equivalent to 18.06 percent. In addition, the Company has not had any other acquisition transactions within the past six months prior to the date on which the Board Directors approved the increase in the registered capital of PFA. The said transaction, therefore, is deemed a Class 2 transaction under the Acquisition or Disposal Notifications, i.e. a transaction whose transaction size is equal to or more than 15 percent, but less than 50 percent, where the Company is required to disclose information on the transaction to the SET and send a circular to the shareholders within 21 days from the date of information disclosure to the SET.

1.4 Details of Assets Acquired

The Company will acquire up to 23,980,000 newly issued ordinary shares in PFA to maintain its shareholding percentage of 40 percent. Key information on PFA is as follows:

Name	Peer For All Company Limited
Date of incorporation	18 March 2022
Registration number	0105565049767
Type of business	Engaging in the financial technology business and holding shares in other companies
Registered address	No. 333 Lao Peng Nguan 1 Tower, 27th Floor, Zone A, Soi Choeiphuang, Vibhavadi-Rangsit Road, Chomphon, Chatuchak Bangkok 10900
Registered capital	THB 500,000 divided into 50,000 ordinary shares with a par value of THB 10 per share
Paid-up capital	THB 500,000

1.4.1 Key Financial Information

As PFA was recently incorporated, it has yet to prepare its financial statements

1.4.2 Board of Directors and Shareholders

Board of Directors

Pre-transaction	Post-transaction
1. Mr. Kritsada Pruitipat ¹	1. Mr. Kritsada Pruitipat ¹
2. Mrs. Warangkana Kalayanapradit ²	2. Mrs. Warangkana Kalayanapradit ²
3. Mr. Chaipipat Kaewtrirat ²	3. Mr. Chaipipat Kaewtrirat ²

Remark ¹ The director was nominated by the Company.

² The directors were nominated by AQUA.

Shareholders

Name	Pre-transaction		Post-transaction	
	No. of shares	Percent	No. of shares	Percent
1. AQUA	29,998	60.00	35,999,998	60.00
2. The Company	19,999	40.00	23,999,999	40.00
3. Mr. Kritsada Pruitipat ¹	1	0	1	0
4. Mrs. Warangkana Kalayanapradit ²	1	0	1	0
5. Mr. Chaipipat Kaewtrirat ²	1	0	1	0
Total	50,000	100.00	60,000,000	100.00

Remark ¹ The said individual is a director of the Company and is holding the share in PFA on behalf of the

Company.

² The said individuals are directors of AQUA and are holding shares in PFA on behalf of AQUA.

1.5 Total Value of Consideration and Payment Terms

The total value of consideration for the transaction is up to THB 240 million as detailed in item 1.3 where PFA will make an initial capital call of THB 549.50 million within June 2022 and will gradually make additional capital calls in the future until the rest of the capital is fully paid. In this regard, the Company will subscribe for up to 23,980,000 newly issued ordinary shares in PFA and will make the share subscription payment in proportion to its shareholding of up to THB 240 million to PFA (including the share price of THB 200,000 paid by the Company to PFA on the share subscription date at the time of PFA's incorporation) so that PFA may further use such proceeds to purchase 117,645 ordinary shares or equivalent to 99.99 percent of the total number of shares in Nestify, which engages in the peer-to-peer lending business via online platform.

1.6 Value of Assets Acquired

The value of assets acquired from entering into the transaction is equivalent to the total value of consideration as detailed in item 1.5.

1.7 Basis Used to Determine the Value of Consideration

The subscription price per share of the newly issued ordinary shares in PFA is equivalent to the par value per share of THB 10. In addition, the Board of Directors viewed that the value of assets that PFA may acquire from the purchase of the ordinary shares in Nestify, which has been appraised in accordance with

the discounted dash flow approach, was appropriate and in line with the total value of consideration that PFA will pay to the sellers.

1.8 Expected Benefits for the Company

It is expected that the transaction will be beneficial to the Company as it was as part of PFA's preparation for its investment in Nestify, a business which is expected to grow and generate profits in the future.

1.9 Source of Funds

The Company will use its own internal cash flows from the disposal of ordinary shares and right of claim in the loan of Wealth Ventures Company Limited to pay for the newly issued shares in PFA. As of 9 June 2022, the Company already received payments in two installments from the purchaser in a total sum of THB 405 million.

1.10 Opinion of the Board of Directors

The Board of Directors resolved to approve the transaction since the Board of Directors considered and viewed that the transaction and the total value of consideration that PFA will pay to the sellers were appropriate, reasonable, and beneficial to the Company and its shareholders in the long run given the reasons already described in items 1.7 and 1.8 above

1.11 Opinion of the Audit Committee

The Audit Committee did not have a different opinion from that of the Board of Directors as mentioned in item 1.10 above.