

OM6409004

30 September 2021

Subject: Notification of the Resolutions of the Board of Directors' Meeting of News Network Corporation Public Company Limited No. 11/2021, amendment to the date of the Extraordinary General Meeting of Shareholders No.1/2021, amendment of additional agenda to the Extraordinary General Meeting of Shareholders of News Network Corporation Public Company Limited and disposal of assets

To: Managing Director  
The Stock Exchange of Thailand

Enclosures: Information memorandum of News Network Corporation Public Company Limited regarding disposal of assets for ordinary shares and right of claim in the loan of Wealth Ventures Company Limited

As the Board of Directors' Meeting of News Network Corporation Public Company Limited ("**Company**") No. 11/2021 was held on 30 September 2021 at the meeting room of the Company, Lao Peng Nguan 1 Tower, 18th Floor, Zone A, 333 Soi Choeiphuang, Vibhavadi-Rangsit Road, Chomphon Sub-district, Chatuchak District, Bangkok 10900, the Company would like to report the key resolutions of the meeting as follows:

1. Resolved to appoint Mr. Bakbun Boonlert to be the director in place of the resigned director, Mr. Paradon Poompothong, and hold the position of Vice Chairman with effect from 30 September 2021 onwards.
2. Resolved to propose to shareholders' meeting to consider and approve to increase the number of directors of the Company from 8 to 10 directors and appoint Ms.Varaporn Suprucksaskul and Ms.Pawalin Masagee as the new directors.

After the shareholders' meeting has approved, the Board of the Company will consist of 10 directors as follow:

- |     |              |               |  |
|-----|--------------|---------------|--|
| 1)  | Mr. Kosol    | Phosuwan      | Chairman of the Board of Directors, Independent Director |
| 2)  | Mr. Bakbun   | Boonlert      | Vice Chairman of the Board of Directors                  |
| 3)  | Mr. Kusol    | Sangkananta   | Vice Chairman of the Board of Directors                  |
| 4)  | Mr. Kritsada | Pruitipat     | Director and Acting Chief Executive Officer              |
| 5)  | Mr. Pipat    | Chanasongkram | Director   |
| 6)  | Ms. Varaporn | Suprucksaskul | Director   |
| 7)  | Ms. Pawalin  | Masaki        | Director   |
| 8)  | Dr. Patima   | Jeerapaet     | Independent Director and Chairman of the Audit Committee |
| 9)  | Mr. Pinit    | Wuthipand     | Independent Director and Audit Committee                 |
| 10) | AM Chartchai | Rodboonpha    | Independent Director and Audit Committee                 |

3. Resolved to propose to shareholders' meeting to consider and approve to amend the change in the authority of the authorized director

From

"The names and number of directors who are authorized directors of the Company are Mr. Kritsada Pruitipat or Mr. Kusol Sangkananta or Mr. Pipat Chanasongkram any two of the three directors jointly sign with the Company's seal affixed."

To

**"The names and number of directors who are authorized directors of the Company are Mr. Kritsada Pruitipat or Mr. Kusol Sangkananta or Mr. Pipat Chanasongkram or Ms. Varaporn Suprucksaskul any two of the four directors jointly sign with the Company's seal affixed."**

4. Resolved to propose to the shareholders' meeting to consider and approve the disposal of (a) ordinary shares of Wealth Ventures Company Limited ("**Target**") in the amount of 1,800,000 shares in the ratio of 40 per cent of the total shares in the Target and (b) right of claim in the loan of the Target according to the Loan Agreement between the Target and Cleveland Universe Limited dated 20 May 2020 (as amended) and the Assignment Agreement between the Company and Cleveland Universe Limited dated 29 December 2020 ("**Sale and Purchase Transaction**").

The entering into the abovementioned Sale and Purchase Transaction is considered as the disposal of assets under the Notification of Capital Market Supervisory Board No. TorChor. 20/2551 Re: Rules on Entering into Material Transactions Deemed as Acquisition or Disposal of Assets dated 31 August 2008 (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 Acquisition or Disposition of Assets, B.E. 2004 dated 29 October 2004 (as amended). The transaction is a disposal of asset transaction type 1 which has the highest transaction size of 67.60 per cent, calculated from total value of consideration, comparing with the total asset of the Company and if the Company includes the transaction size of the Company within the past 6 months prior to the date of entering into this transaction which is 11.18, the disposal of assets of the Company will have the total transaction size of 78.78 per cent according to the total value of consideration received comparing with the Company's total assets. The Company is required to disclose information as prescribed, appoint an independent financial advisor to provide opinions on the disposal of assets transaction and hold a meeting of shareholders to consider and approve such disposal of assets transaction. In this regard, the Company shall receive a resolution from the shareholders' meeting of a vote not less than three-fourths of the total number of votes of shareholders attending and eligible to vote.

To approve the entering into the Sale and Purchase Agreement between the Company as the seller and Mr. Tassapon Bijleveld as the buyer and/or any other relevant document on the disposal of (a) ordinary shares of the Target for the amount of 40 per cent of the total shares in the Target and (b) the right of claim in the loan of the Target according to the Loan Agreement between the Target and Cleveland Universe Limited dated 20 May 2020 (as amended) and the Assignment Agreement between the Company and Cleveland Universe Limited dated 29 December 2020. Upon the completion of the conditions precedent and on the completion date as specified in the Sale and Purchase Agreement, Mr. Tassapon Bijleveld will pay for the purchase price to the Company in full. In this regard, the Company expects that the Sale and Purchase Transaction shall be completed within 31 December 2021 or any other date as agreed by the parties. If the shareholders' meeting resolves not to approve the entering into this disposal of assets transaction or the conditions precedent are not fulfilled, the parties agree to terminate the Sale and Purchase Agreement accordingly.

In this regard, the details of the Sale and Purchase Transaction, including the terms and conditions as specified in the Sale and Purchase Agreement between the Company as the seller and Mr. Tassapon Bijleveld as the buyer (“**Sale and Purchase Agreement**”), are shown in the information memorandum of News Network Corporation Public Company Limited regarding the disposal of ordinary shares and right of claim in the loan of Wealth Ventures Company Limited (Enclosure 1)

5. Resolved to authorise the board of directors of the Company, or the Acting Chief Executive Officer, or any other person authorised by the board of directors of the Company or the Acting Chief Executive Officer to consider and proceed in any matter necessary for, relating to, and/or associating with the Sale and Purchase Transaction, including without limitation to the followings:
  - (1) negotiate, consider, determine, change conditions and other details and/or sign the Sale and Purchase Agreement and/or other relevant documents of the Sale and Purchase Transaction and
  - (2) carry out any other necessary actions relating to and/or associating with Sale and Purchase Transaction to be in accordance with the laws and/or related regulations.
6. Resolved to appoint Capital Advantage Company Limited, which is a company approved by the Securities Exchange Commission, to be an independent financial advisor to provide opinion on entering into the Sale and Purchase Transaction which is the disposal of asset transaction.
7. Resolved to amend the date of the Extraordinary General Meeting of Shareholders No.1/2021 of the Company from previously schedule on 24 November 2021 to be held on 14 December 2021 at 2.00 pm, at the Company’s meeting located at No. 333 Lao Peng Nguan 1 Building (Zone A), Floor 18, Puang Chei alley, Vibhavadi Road, Chomphon sub-district, Chatuchack district, Bangkok. (The aforementioned schedule is preliminary. Board of Director has authorized the management to act to decide in case that there is any change).

The agendas for the Extraordinary General Meeting of Shareholders No.1/2021 on 14 December 2021 shall remain the same as previously resolved at the Board of Directors’ Meeting of the Company No. 10/2021 held on 9 September 2021. The additional agenda on the increase of number of directors of the Company and appointment of new directors, the amendment of the change in the authority of the authorized director and disposal of assets shall be included; therefore, the agendas for the Extraordinary General Meeting of Shareholders No.1/2021 can be concluded as follows:

**Agenda 1** To certify the minutes of the Annual General Meeting of Shareholders of the year 2021 held on 30 April 2021.

**Agenda 2** To consider and approve the decrease of the Company’s registered capital from the existing registered capital of THB 160,872,208,595 to THB 75,650,197,648 by cancelling the unissued shares and to consider and approve the amendment to Clause 4 of the Memorandum of Association of the Company to be in accordance with the decrease of registered capital.

**Agenda 3** To consider and approve the registered capital increase of the Company by THB 30,000,000,000 from the existing registered capital of THB 75,650,197,648 to the new registered capital of THB 105,650,197,648 by issuing the new ordinary shares for 30,000,000,000 shares, with the par value of THB 1 per share to be reserved for the allocation of the newly issued ordinary shares by private placement and to consider and approve the amendment to Clause 4 of the Memorandum of Association of the Company to be in accordance with the increase of registered capital.

**Agenda 4** To consider and approve of the allocation of the newly issued ordinary shares by private placement.

**Agenda 5** To consider and approve the increase of number of directors of the Company and appointment of new directors.

**Agenda 6** To consider and approve the amendment of the change in the authority of the authorized director

**Agenda 7** To consider and approve the disposal of assets for (a) ordinary shares in Wealth Ventures Company Limited for the amount of 40 per cent of the total shares of Wealth Ventures Company and (b) right of claim in the loan of Wealth Ventures Company Limited according to the Loan Agreement of Wealth Ventures Company Limited.

**Agenda 8** Other business (if any).

In this regard, the date to determine the list of shareholders who have the right to attend the Extraordinary General Meeting of Shareholders No. 1/2021 of the Company (Record Date) remains the same on 15 October 2564 according to the resolution of the Board of Directors' Meeting of the Company No. 10/2021 which was held on 9 September 2021.

Resolved to approve of the authorization for the Chairman of the board of directors and/or the Acting Chief Executive Officer to change the date, time, venue and/or the meeting method, including to proceed with any matter relating to the notice of the meeting and arrangement of the Extraordinary General Meeting of Shareholders No. 1/2021 in the case of force majeure or according to the necessity as appropriate under the law and relevant regulation.

Furthermore, due to the current outbreak of the Coronavirus Disease 2019 (COVID-19) in which the numbers of infected people and the severe impact are continually increasing in Bangkok area, the Company is deeply concerned and care for the well-being and safety of shareholders and attendees as well as all participants who will be participating in the meeting arrangement. The Company decides to arrange the Extraordinary General Meeting of Shareholder No.1/2021 by virtual meeting via electronic media to be hold on 14 December 2021 at 2.00 pm. The Company requests for cooperation of all shareholders and attendees to strictly follow the precautionary measures and guidelines of the meeting under this outbreak of the Coronavirus Disease 2019 (COVID-19) to prevent and mitigate the risk of the outbreak. The Company will follow the announcement of Bangkok Metropolitan Administration and the government. The Company will further inform the shareholders and attendees of the details of the precautionary measures of the outbreak of Coronavirus Disease 2019 (COVID-19), including the details of guideline for attending the meeting via electronic media and proxy in the notice for convening the Extraordinary General Meeting of Shareholder No.1/2021. The Company hereby apologizes for any inconvenience that may occur.

Please be informed accordingly and consider further distribution of information to public and the investors.

Sincerely yours,

(Mr. Kritsada Pruittipat)  
Acting Chief Executive Officer  
News Network Corporation Public Company Limited

**Information Memorandum of News Network Corporation Public Company Limited  
Regarding disposal of assets for ordinary shares and right of claim in the loan of Wealth  
Ventures Company Limited**

The meeting of the board of directors of News Network Corporation Public Company Limited (“**Company**”) No. 11/2021 which held on 30 September 2021 has resolved to approve the Company to enter into the Sale and Purchase Agreement between the Company as a seller and Mr. Tassapon Bijleveld as the buyer (“**Sale and Purchase Agreement**”) for the sale of (a) ordinary shares of Wealth Ventures Company Limited (“**Target**”) in the amount of 1,800,000 shares in the ratio of 40 per cent of the total shares of the Target and (b) right of claim in the loan of the Target according to the Loan Agreement between the Target (as the Borrower) and Cleveland Universe Limited (as the Lender) dated 20 May 2020 (as amended) and the Assignment Agreement between Cleveland Universe Limited (as the Assignor) and the Company (as the Assignee) dated 29 December 2020 (“**Loan Agreement of the Target**”).

The entering into such transaction is disposal of assets according to the Notification of Capital Market Supervisory Board No. TorChor. 20/2551 Re: Rules on Entering into Material Transactions Deemed as Acquisition or Disposal of Assets (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 Acquisition and Disposition of Assets, 2004 (as amended) (“**Notification on Acquisition or Disposal of Assets**”). When considered the transaction size, the highest transaction size is 67.60 per cent of total assets of the Company calculated from the audited financial statements of the Company for quarter 2/2021 on 30 June 2021 and if the Company includes the transaction size of the Company incurred within the past 6 months prior to the entering into this transaction which is 11.18, it would cause the Company’s transaction size on the disposal of asset to be equal to 78.78 per cent based on total value of consideration received comparing with the Company’s total assets and shall be considered as type 1 transaction with the highest transaction size higher than 50 per cent but lower than 100 per cent under the Notification on Acquisition or Disposal of Assets.

Therefore, the Company is required to appoint an independent financial advisor to render an opinion on the assets disposal transaction to the Company’s shareholders, as well as disclose an information memorandum on the assets disposal transaction to the Stock Exchange of Thailand (“**SET**”), and hold the shareholders’ meeting to approve such transaction with at least three-fourth of the total voting rights of the shareholders who attend the meeting and are eligible to vote excluding shareholders with the conflict of interest.

Furthermore, the entering into such transaction is not considered as entering into transaction between the Company and the connected persons of the Company. Therefore, it is not considered connected transactions pursuant to the Notification of Capital Market Supervisory Board No. TorChor 21/2551 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 Transaction, 2003 (as amended). In this regard, the Company sets out the details of the transactions as follows:

**1. Date of the Transaction**

The Company shall enter into the transaction of asset disposal after the Company has obtained approval from the Extraordinary General Meeting of Shareholders No. 1/2021 of the Company which will be held on 14 December 2021, as well as after all the conditions precedent set out in the Sale and Purchase Agreement, as referred to in Clause 3.1 below, have been completed or waived. The Company expects to complete the transaction within 31 December 2021

**2. Related Parties and Relationship with the Company**

**Buyer:** Mr. Tassapon Bijleveld  
**Seller:** News Network Corporation Public Company Limited  
**Relationship:** Mr. Tassapon Bijleveld has no relationship with the Company and is not considered as connected person with the Company under the Notification of Capital Market Supervisory Board No. TorChor 21/2551 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 Transaction, 2003 (as amended).

### 3. General Characteristics of the Transaction, and Type and Size of the Transaction

#### 3.1 General Characteristics of the Transaction

The Company will enter into the agreement with the buyer as follows:

- (a) The Sale and Purchase Agreement to sell and transfer the ordinary shares in the Target at the amount of 40 per cent of the total shares of the Target and the right of claim in the loan of the Target according to the Loan Agreement to the buyer.
- (b) When selling the whole amount of shares that the Company holds to the buyer, the Company wishes to reduce its existing obligations with the Target, the Company therefore specifies as the condition and term of this sale and purchase of shares that the buyer shall also buy the right to claim the loan of the Target according to the Loan Agreement. Upon the sale of the whole amount of shares that the Company holds to the buyer and the Company ceases to be a shareholder in the Target, the Company no longer intends to be obligated to the Target. Therefore, the Company has determined the condition and terms of this sale and purchase of shares that the buyer shall buy the right to claim the loan of the Target according to the Loan Agreement as well.
- (c) However, if the sale and purchase of assets does not occur due to the reason that the Extraordinary General Meeting of Shareholders No. 1/2021 resolves not to approve the Company to enter into this asset disposal and the conditions precedent are not fulfilled, the parties agree to terminate the Sale and Purchase Agreement accordingly.

The summary of key terms in the Sale and Purchase Agreement are as follows:

Matter	Terms
<b>1. Sale Assets</b>	(a) Ordinary shares in the amount of 1,800,000 shares at the ratio of 40 per cent of the total shares in the Target, at a par value of THB 100. (b) Right of claim in the loan of the Target according to the Loan Agreement of the Target.
<b>2. Consideration and Payment</b>	Total consideration in the amount of approximately THB 575,000,000.00. (a) Consideration of the sale shares in the amount of approximately THB 432,395,882.30. (b) Consideration for the right of claim in the loan in the amount of approximately THB 138,450,599.71 including with accrued interest (Calculated until 29 December 2021) in the amount of approximately THB 4,153,517.99 which is equal to the amount of the remaining loan for the part of the right of claim in the loan. The Company will receive the total consideration of the sale asset on the completion date.
<b>3. Completion Date</b>	Upon the completion of the conditions precedent. In this regard, the parties expects that the transaction shall be completed within 31 December 2021 or any other date as determined by the parties.
<b>4. Condition Precedent</b>	1. The Company must obtain an approval from the Extraordinary General Meeting of Shareholder No. 1/2021 and the board of directors' of the Company in relation to the sale and asset transfer in accordance with the Sale and Purchase Agreement and/or any other performance under the Sale and Purchase Agreement. 2. The Target must obtain consent from the Government Savings Bank as there is a change of shareholder in the Target, as indicated in the Loan Agreement between the Target (as a Borrower) and the Government Savings Bank (as a Lender) (a) dated 19 February 2016 for the amount of THB 220,000,000, (b) dated 27 August 2018 for the amount of THB

Matter	Terms
	32,000,000 and (c) dated 31 July 2020 for the amount of THB 20,000,000. (The Government Savings Bank will use the period of not less than 60 days to consider giving such consent.)
<b>5. Undertakings</b>	1. On the completion date, the Company and, the buyer and the existing shareholders of the Target will agree to mutually deliver the notification to the Target regarding the cessation of the Company from being a party to enter into a termination agreement to terminate the Shareholders Agreement dated 29 December 2020 among Mr. Tassapon Bijleveld, Mr. Suthep Sriintravanit, Mr. Tanet Panichewa and News Network Corporation Public Company Limited
<b>6. Warranty Claim and Limitation of Liability</b>	<p>If the Company is in breach of the warranty, causing damages to the Target, the buyer is entitled to claim for damages from the Company in case that the Company is in breach of the warranty.</p> <ol style="list-style-type: none"> <li>1. Within 18 October 2025 for tax issues.</li> <li>2. Within 18 October 2022 for non-tax issues.</li> <li>3. The Company shall be responsible with the total liability of not exceeding the total asset price.</li> </ol> <p>In this regard, the warranty period which shall be specified in the Sale and Purchase Agreement between the buyer and the Company shall not exceed the warranty period as specified in the Sale and Purchase Agreement dated 25 May 2020 between the Company (as the Buyer) and Cleveland Universe Limited (as the Seller).</p>

Moreover, the background of this transaction is due to the reason of the followings:

1. After the Company's acquisition of shares in the ratio of 40 per cent of the total shares in the Target and right of claim in the loan of the Target on 29 December 2020, the Company has never received profit from the Target's hotel operation due to the Target hotel had to temporary close the operation including restaurants and banquet since April 2020 until present which led to burden expenses to the Company as one of shareholders of the Target.
2. Regarding to the outbreak of novel coronavirus (Covid-19) pandemic, the company has conducted feasibility study on revenue generation of the hotel. Before the coronavirus (Covid-19) pandemic, negotiation on ordinary shares and loans acquisition of Wealth Ventures Co., Ltd. was at 40%. The acquisition was agreed in the middle of 2020 which was during the first phrase of the outbreak while the company expected the hotel to resume normal operation by the end of 2020. Nevertheless, current situation has changed significantly from the forecast as the coronavirus (Covid-19) outbreak continues to this day. The hotel has been affected as majority of guests are foreign tourists. According to Krungsri Research's forecast, at least 4 years from beginning of 2021 will be taken for the number of foreign tourists to recover to the before pandemic level (38 - 40 million people). Foreign tourists are expected to be 11.4 million people in 2022 and 26.4 million people in 2023 which is still lower than the number in 2019. The company has considered that the hotel will not be able to resume its normal operation in the near future. The company hence seek for investors interested in acquisition of ordinary shares and loans of Wealth Ventures Co., Ltd.

Therefore, the Company considers that the disposal of the investment in the Target is a good opportunity to increase the cash flow and working capital of the Company's group.

### 3.2 Shareholders of the Target

Shareholding structure before and after the entering into transaction.

No.	Shareholders	Pre-transaction		Post-transaction	
		Shareholding		Shareholding	
		Amount of shares	%	Amount of shares	%
<b>Group A Shareholders</b>					
1	Mr. Tassapon Bijleveld	1,556,330	34.58	3,356,330	74.58
2	Mr. Suthep Sriintarawanich	443,670	9.86	443,670	9.86
3	Mr. Tanet Phanichewa	700,000	15.56	700,000	15.56
<b>Group B Shareholders</b>					
4	News Network Corporation Public Company Limited)	1,800,000	40	-	-
	<b>Total</b>	<b>4,500,000</b>	<b>100</b>	<b>4,500,000</b>	<b>100</b>

### 3.3 Type and Size of the Transaction

The entering into such transaction is considered as the disposal of assets according to the Notification on Acquisition or Disposal of Assets, with details of transaction size calculation based on the audited financial statements of the Company for quarter 2/2021 on 30 June 2021 which have been reviewed by the auditor of the Company, as follows:

Basis of transaction size calculation	Calculation	Transaction size
1. Value of the net tangible assets ("NTA")	= (NTA of investment in the Company x Proportion of assets acquired or disposed) x 100 / NTA of the listed Company  = 145.17 <sup>2/</sup> x 40% x 100 / 776.25 <sup>3/</sup>	7.48%
2. Net operating profits	= (Net operating profits of the investment x Buying or selling ratio) x 100 / Net operating profits after tax deduction of the listed Company	This calculation is not applicable because the Target has net loss
3. Total value of consideration received	= Value of transaction paid or received x 100 / Total assets of listed Company  = 575.00 <sup>4/</sup> / 850.64	67.60%
4. Value of securities issued for the payment of assets	= Equity shares issued for the payment of assets x 100 / Paid-up shares of listed Company	This calculation is not applicable because the Company is not issuing new security
<b>Highest value</b>	<b>Total value of consideration</b>	<b>67.60%</b>



- Remark :**
- 1. The above calculation refers to the number appeared on the reviewed consolidated financial statements of the Company as of 30 June 2021 and the audited financial statement from Wealth Ventures Company Limited as of 31 December 2020.*
  - 2. Net tangible assets (NTA) of the Company = Total asset in the amount of THB 754.78 million – Intangible assets in the amount of THB 7.26 million – Total liabilities in the amount of THB 602.35 million*
  - 3. Net tangible assets (NTA) of the Target = Total asset in the amount of THB 850.64 million – Intangible assets and right of use assets in the amount of THB 3.72 million – Total liabilities in the amount of THB 70.67 million*
  - 4. The total consideration of the asset disposal is 40% of ordinary share price of Wealth Ventures Company Limited which is approximately THB 432,395,882.30 and the loan purchase price of Wealth Ventures Company Limited which is approximately THB 138,450,599.71 including accrued interest (Calculated until 29 December 2021) in the amount of THB 4,153,517.99, totaling of approximately THB 575,000,000.00.*

In this entering transaction, the highest transaction size is 67.60 of total assets of the Company according to the audited financial statements of the Company for quarter 2/2021 on 30 June 2021 which have been reviewed by the auditor of the Company, which is the highest transaction size calculated from total value of consideration and is considered as type 1 transaction, with the transaction size higher than 50 per cent but less than 100 per cent, under the Notification on Acquisition or Disposal of Assets. Therefore, as required by the Notification on Acquisition or Disposal of Assets, the Company is required to appoint an independent financial advisor to render an opinion on the assets disposal transaction to the Company's shareholders, as well as disclose an information memorandum on the assets disposal transaction to the SET, and hold the shareholders' meeting to approve such transaction with at least three-fourth of the total voting rights of the shareholders who attend the meeting and are eligible to vote excluding shareholders with the conflict of interest according to the Notification on Acquisition or Disposal of Assets.

In this regard, if includes the disposal of assets of the Company within the past 6 months, that is 11.18, the Company's disposal of asset transaction size is equal to 78.78 per cent based on total value of consideration received comparing with the Company's total assets.

#### **4. Details of Assets Disposed**

##### **4.1 Assets Disposed**

(a) Ordinary shares in the Target in the amount of 1,800,000 shares in the ratio of 40 per cent of the total shares in the Target and (b) right of claim in the loan of the Target according to the Loan Agreement of the Target.

##### **4.2 General information of the Target**

Name of Company	:	Wealth Ventures Company Limited
Type of business	:	Hotels, resort hotels and apartments
Registered office	:	1599 New Petchburi Road, Makkasan Sub-District, Ratchathewi District, Bangkok
Registration number	:	0105553026228
Date of incorporation	:	19 February 2010
Registered and paid-up capital	:	THB 450,000,000 consisting of 4,500,000 ordinary shares at a par value of THB 100 per share

#### 4.3 Shareholders of the Target

Shareholding structure before and after the entering into transaction.

No.	Shareholders	Pre-transaction		Post-transaction	
		Shareholding		Shareholding	
		Amount of shares	%	Amount of shares	%
<b>Group A Shareholders</b>					
1	Mr. Tassapon Bijleveld	1,556,330	34.58	3,356,330	74.58
2	Mr. Suthep Sriintarawanich	443,670	9.86	443,670	9.86
3	Mr. Tanet Phanichewa	700,000	15.56	700,000	15.56
<b>Group B Shareholders</b>					
4	News Network Corporation Public Company Limited)	1,800,000	40	-	-
	<b>Total</b>	<b>4,500,000</b>	<b>100</b>	<b>4,500,000</b>	<b>100</b>

#### 4.4 Board of directors of the Target

No.	Pre-transaction Director	Post-transaction Director
1.	Mr. Chaiyarat Kwanpanya	Mr. Chaiyarat Kwanpanya
2.	Mr. Robin Bijleveld	Mr. Robin Bijleveld
3.	Mr. Tassapon Bijleveld	Mr. Tassapon Bijleveld
4.	Mr. Kritsada Pruitipat	-
5.	Mr. Kusol Sangkananta	-

#### 4.5 General information of the Buyer

Buyer : Mr. Tassapon Bijleveld  
Age : 53 years  
Occupation : Executive Chairman at which operates as a holding company, the Company holds only Thai AirAsia Co., Ltd , a low fare airline . Thai AirAsia Co., Ltd.'s revenues are mainly from scheduled passenger services and ancillary services.

#### 4.6 Business Characteristics of the Target

The Target conduct hotel business, namely Mercure Bangkok Makkasan hotel, which is received the hospitality business certificate no.35/2017 (R.R. 2 type) on 7 April 2017 and BOI certificate no. 1449/2014 from the board of investment office on 11 April 2014. Mercure Bangkok Makkasan hotel is a 4-star hotel with 25 floors, the total area is 17,293 square meters located on Kamphaeng Phet 7 Rd, Khwaeng Makkasan, Ratchathewi, Bangkok. The hotel has 180 rooms and 3 meeting rooms for accommodating the business meetings and Company events. Moreover, there are 3 restaurants in the hotel which are The Station with 24-hour operation, M Wine Lounge that serves wine, cocktail, and varieties of food, and The Pool Bar which is located in the middle of garden and Bangkok city's view.

**4.7 Summary of material financial information of the Target**

Unit : THB Million

Details on Profit and Loss Statement	2018	2019	2020
Revenue from services	130.77	135.15	23.77
Other income	0.53	0.15	0.51
<b>Total revenue</b>	<b>131.30</b>	<b>135.30</b>	<b>24.28</b>
Cost of services	88.30	87.18	52.62
Selling expenses	9.95	11.42	3.01
Administrative expenses	58.99	58.91	29.14
<b>Total expenses</b>	<b>157.23</b>	<b>157.51</b>	<b>84.77</b>
Profit before finance costs and income tax expenses	(25.93)	(22.21)	(60.46)
Finance costs	14.23	14.34	23.19
Income tax expenses	-	-	-
<b>Profit (Loss) for the period</b>	<b>(40.17)</b>	<b>(36.55)</b>	<b>(83.68)</b>
Depreciation and Amortization	44.97	45.16	40.45
<b>Earnings before interest, taxes, depreciation, and amortization (EBITDA)</b>	<b>19.04</b>	<b>22.95</b>	<b>(20.04)</b>

Unit : THB Million

Details on Statement of financial position	2018	2019	2020
Assets			
Cash and Cash equivalents	35.84	18.62	1.03
Cash and restricted deposit	11.13	10.09	8.98
Accounts receivables	2.60	1.73	1.13
Inventories	1.71	1.81	0.54
Other current assets	50.33	44.93	43.11
<b>Total current assets</b>	<b>101.61</b>	<b>77.18</b>	<b>54.79</b>
Building and Equipment	775.90	732.10	691.16
Intangible assets	8.48	8.03	7.26
Other non-current assets	1.58	1.57	1.57
<b>Total non-current assets</b>	<b>785.97</b>	<b>741.70</b>	<b>699.98</b>
<b>Total assets</b>	<b>887.58</b>	<b>818.88</b>	<b>754.78</b>
Liabilities and Shareholders' equity			
Overdraft	9.99	9.65	9.99
Prepaid Check	-	3.83	-
Current portion of long-term loans from financial institution	26.52	8.59	-
Accounts payables	6.66	6.41	5.66
Other current liabilities	19.22	17.05	25.73
<b>Total current liabilities</b>	<b>62.38</b>	<b>45.54</b>	<b>41.38</b>
Long-term loan financial institution	197.85	191.54	211.54
Long-term loans from related parties	355.13	346.13	349.44
<b>Total non-current liabilities</b>	<b>552.97</b>	<b>537.66</b>	<b>560.97</b>
<b>Total liabilities</b>	<b>615.35</b>	<b>583.20</b>	<b>602.35</b>
Issued and paid-up share capital	450.00	450.00	450.00
Retained earnings	(177.77)	(214.32)	(297.57)
<b>Total shareholders' equity</b>	<b>272.23</b>	<b>235.68</b>	<b>152.43</b>
<b>Total liabilities and shareholders' equity</b>	<b>887.58</b>	<b>818.88</b>	<b>754.78</b>

*Remark* Financial statement as of 2018–2020 was audited by Ms.Suphon Juthapratheep, the certified public accountant registration no. 9609

## 5. Total Value of Consideration

The total value of consideration for the disposal of investment in the Target is approximately THB 575,000,000.00 with the details of the disposal of such investment as follow:

- (a) the Company would sell all of its ordinary shares in the Target in the amount of 1,800,000 shares in the ratio of 40 per cent of total shares in the Target to the buyer with the total purchase price of approximately THB 432,395,882.30 and
- (b) the Company would sell the right of claim of the loan in the Target according to the Loan Agreement of the Target which its total purchase price is THB 138,450,599.71 including accrued interest in the amount of THB 4,153,517.99 which is equal THB 142,604,117.70 in total, equaling to the amount of the remaining loan for the part of the right of claim in the loan.

Whereas, upon the completion of the conditions precedent and on the completion date as specified in the Sale and Purchase Agreement, Mr. Tassapon Bijleveld will pay for the purchase price to the Company in full. In this regard, the Company expects that the Sale and Purchase Transaction will be complete within 31 December 2021 or any other date as agreed by the parties. However, if the sale and purchase of assets does not occur due to the reason that the Extraordinary General Meeting of Shareholders No. 1/2021 resolves not to approve the Company to enter into this asset disposal and the conditions precedent are not fulfilled, the parties agree to terminate the Sale and Purchase Agreement accordingly.

## 6. Value of the Disposed Assets

The total consideration of the disposed assets of the Company is approximately THB 575,000,000.00 and that the assets in which the Company will dispose are (a) ordinary shares of the Target in the amount 1,800,000 shares in the ratio of not exceeding 40 per cent of the total shares in the Target, totaling of approximately THB 432,395,882.30 and (b) right of claim in the loan of the Target according to the Loan Agreement of the Target, approximately THB 138,450,599.71 including accrued interest in the amount of THB 4,153,517.99 totaling of approximately THB 142,604,117.70 which is equal to the amount of the remaining loan for the part of the right of claim in the loan.

## 7. Basis of Determining the Value of Consideration

Value of consideration is determined by negotiation between the Company and the buyer. For the basis of determining the value of consideration, the Company has considered the consideration for (a) ordinary shares and (b) the right to claim in the loan, totaling of THB 575,000,000.00 of the purchase price. The Company has considered the valuation of the Company's shares by various approaches, which are Book value approach, Adjusted Market Comparable approach, and the discounted cash flow approach which the company is selecting the discounted cash flow approach as the most appropriate approach of valuation since such approach takes into consideration of past performance, business plans, economic and industrial conditions that show the ability to generate cash flows in the future. The Company considered the past operation and proportion of revenue and has the opinion that the past performance did not pull out the potential of the hotel efficiently since the ratio of utilization of the dining-room and the meeting room for seminars are quite low, the revenue's proportion from food and beverage and banquet are quite low compared to the other hotels in the same industries. The Target's revenue can breakdown into rooms revenue 69.40%, food and beverage revenue 24.37%, banquet revenue 4.88%, and other revenue 1.35%, so the Company has consulted and discussed about the hotel management direction including the future business plan. Therefore, the Mercure Bangkok Makkasan hotel's valuation would mainly refer to the hotel business plan including taking into consideration of the past performance and the information from hotel and hospitality industry which has the valuation assumption as follows

1. Revenue Assumption: the Target has 4 main revenue types which are revenue from rooms, revenue from food and beverage, revenue from banquet, and other revenue. According to new hotel business development plan, there is the plan to increase proportion in revenue from food and beverage as well as revenue from banquet with the details as follows:

- i. Rooms revenue assumption
  - a) The room rate would be 1,560 - 2,110 Baht per night referred to past room rate with 4.00 - 6.00% annual growth rate referred to average room rental rate in central region Thailand growth rate. In the past 4 - 5 years before 2019, the Compound Annual Growth Rate (CAGR) is equal to 5.10 - 5.90% per year (Source: Bank of Thailand as of 29 September 2021). However, when considering the growth potential of the Makkasan area from 150-Rai land development project, Makkasan area which would be the part of High-Speed Rail Linked 3 Airport Project which can lead to higher room rate. The assumption during 2026 - 2029 would grow at 15% annually referred to the growth rate of a land parcel along mass rapid transit development projects which has average for past 5 years from 2017 grew with average 24.60% annually. (Source: Real Estate Information Center of Government Housing Bank) then adjust by reducing based on conservative principle.
  - b) The occupancy rate assumption in 2022 would be incidence after COVID-19 epidemic thus the occupancy rate would be 51.26% and 62.42% in Q3/2022 and 2023 respectively based on forecasted growth rate of occupancy rate in 2022 and 2023 (Source: Krungsri Research). Then in 2024 onwards, the occupancy rate would start at 77.50% until 84.58% which is lower compared to the past occupancy rate based on the accommodation occupancy rate of central region past 4-5 years (source: tourism and sport economic, ministry of tourism and sport).
- ii. Food and beverage revenue assumption has divided the group of customers to be guest customers and non-guest customers and there is different in guest capture rate for each restaurant and meal. The guest capture rate in the main restaurant starts at 63.00 - 71.00% of hotel guest customers and the average spending per guest is 190 - 400 Baht.
- iii. Banquet revenue in 2022 has been affected by COVID-19 epidemic so the computed Utilization rate of 4.29 - 12.86% and in 2022 until 2025 which reach 5,000 persons per month that can compute utilization rate of 14.29 - 38.57% through the entire projection period and the average spending per person is 700 - 1,000 Baht.
- iv. Other revenue assumption i.e. laundry income, service charge income, miscellaneous income which is projected to be 9 - 10% of total revenue

## 2. Cost and Expense assumption

The Target's cost are divided to be fixed cost i.e. employees cost, maintainance cost, depreciation cost and variable cost i.e. cost of food and beverage which is computed as 20.00 - 35.00% of food and beverage revenue, banquet cost which is computed as 25.50% of banquet revenue, including hotel room's equipment cost, laundry cost, utility cost, and Accor fee. The total cost would be 36.21 million Baht in 2020 and 140.11 million Baht in 2021 and the cost will be growing at inflation rate throughout the entire projection period. SG&A expenses i.e. marketing expense, salary expense, repair and maintainace expense, insurance expense, and miscellaneous expense would be 31.45 million Baht in 2020 and 95.58 million Baht in 2021 then would be increasing at inflation rate throughout the projection period

Refer to revenue and cost and expense assumption mentioned above could be concluded into total revenue, total cost, total expenses, net income, and EBITDA as follows :

	Past data		Projection						
	2020	2021	2022	2023	2024	2025	2026 - 2029 <sup>1</sup>	2030 - 2044	2045 <sup>2</sup>
Revenue	22.87	-	27.84	71.31	94.46	100.96	288.20 - 395.95	417.67 - 779.38	67.46
Cost and Expense	(84.78)	(70.34)	(97.88)	(164.11)	(184.43)	(193.92)	(204.55) - (234.72)	(244.11) - (401.42)	(34.52)
<b>Net Income</b>	(85.11)	(106.16)	(55.00)	(5.28)	29.78	45.82	69.26 - 126.34	138.84 - 302.36	26.32
<b>EBITDA</b>	(20.40)	(29.60)	4.12	50.16	83.74	95.66	113.72 - 180.85	193.17 - 396.67	34.46

- Remark: 1. During the revenue growth referring to the expectation of the Makkasan area from 150-Rai land development project which would be the part of High-Speed Rail Linked 3 Airport Project  
2. The last year projection of land lease agreement which would be expired on 31 January 2045

3. Working Capital assumption : The assumption of account receivable days, inventory days, and account payable days are 5.13 days, 49.29 days, and 119.66 days respectively, referred to historical data of the Target.
4. Weighted average cost of capital (WACC) assumption : The debt to equity ratio is equal to 3.75x according to the audited financial statement 2020. Risk free rate based on average 20-year. Market return base on SET total return index of the past 20 years and leveraged beta based on average unleveraged beta of the other hotel business in the past 5 years. Therefore, WACC is equal to 7.47%
5. Other assumptions are the assumption of loan interest rate from financial institution referred to the actual interest in the contract.

According to above assumptions, it can be summarized that the valuation of shareholders' equity of the Target in which hotel would generate income in Q3/2022 with positive direction from COVID-19 recovery and Bangkok would be ready for tourist in October 2021 (Source: the government public relations department). The discounted cash flow during land leasing period with WACC 7.47% and would be adjusted higher and lower +/- 0.5% in order to reflect sensitivity of the assumption and without terminal value, the value would be THB 916.44 – 1,099.27 million or the proportion of value with 40% stake in the Target of THB 366.58 – 439.71 million.

Moreover, the Company has considered the properties' value of the Target by Property appraiser. The Company has hired an independent appraisal company that are approved by the Office of the Securities and Exchange Commission which is ThreeTree Appraisal company limited] to appraise the property's value by revenue method by discounted cash flow approach; the business value is THB 1,234.30 million on the assumption that the hotel can operate in Q3/2022 with positive direction from COVID-19 recovery.

The Company has considered the Target property's value appraisal together with the valuation of the fair value of shareholders equity, the Company has an opinion that the purchase price of the Target is in reasonable price range with current situation and potential of growth and development in nearby area.

## 8. The Expected Benefits from the Transaction

The entering into the disposal of ordinary shares in the Target will cause the Company to receive cash as a consideration, resulting in the cash flow of the Company and the Company will be able to use such proceed to invest in other businesses which is deemed as an expansion of the scope of business operation of the Company. Moreover, the entering into the disposal of ordinary shares in the Target will enhance the financial structure of the Company as the Company will not be affected from the loss from the operation of the Target in the future. Furthermore, the cash flow which the Company receives from the disposal of the investment can also be used to lessen the debt obligation and interests of the Company resulting in a better capital structure.

## 9. Objective of Using the Proceeds Received from the Disposal of Assets

The Company plans to use the proceed from the disposal of ordinary shares in the Target as follows:

- 9.1 The Company will reserve the proceed from the disposal of ordinary shares in the Target for the objectives as follows:
  - (1) to be used as the working capital of the Company's group or
  - (2) to be used in the business expansion of the Company according to the operational plan of the Company that would like to diversify the risk of conducting many businesses and reduce the risk factors of conducting the business. In this regard, the Company will mainly consider according to the appropriateness and potential of the business, including the ultimate benefit of the Company.

**10. Conditions for the Transaction**

In entering into such assets disposal transaction, the Company is required to appoint an independent financial advisor to render an opinion on the assets disposal transaction and hold the shareholder meeting to obtain an approval on the assets disposal transaction from shareholders by votes not less than three-fourths of the total votes of the shareholders who attend the meeting and are eligible to vote excluding the shareholders with the conflict of interest. Furthermore, the entering into such transaction shall be subject to conditions precedent set out in the Sale and Purchase Agreement as referred to in No. 3.1 above.

**11. Opinion of the Board of Directors on the Transaction**

The Board of Directors' Meeting of the Company No. 11/2021 on 30 September 2021 has an opinion that the entering into such transaction is appropriate and beneficial to the Company and shareholders as such transaction will enhance the financial structure of the Company. The Company will have cash flow and will be able to use such proceed to invest in other businesses.

**12. Opinion of the Company's Audit Committee and/or Director if any which is Difference from the Opinion of the Board of Directors**

No director and/or audit committee of the Company has an opinion different from that of the board of directors in Board of Directors' Meeting of the Company No. 11/2021 on 30 September 2021.

Please be informed accordingly.

Sincerely yours,

(Mr. Kritsada Pruitipat)  
Acting Chief Executive Officer