

OM6411005

26 November 2021

Subject: Summary of Information Memorandum on the Allocation of Newly Issued Ordinary Shares by Private Placement (Additional)

To: Director and Manager
The Stock Exchange of Thailand

Enclosure: Information memorandum on allocation of newly issued ordinary shares of News Network Corporation Public Company Limited by Private Placement

According to News Network Corporation Public Company Limited (the "Company") has published the news of the resolutions of the Board of Directors Meeting No. 10/2021 on 9 September 2021, along with the information on the allocation of newly issued ordinary shares of News Network Corporation Public Company Limited by Private Placement through the Electronic Listed Companies Information Disclosure of the Stock Exchange of Thailand on 4 October 2021.

For the completion information, the Company made additional information of the Information Memorandum on allocation of newly issued ordinary shares of News Network Corporation Public Company Limited by Private Placement as attached hereto.

Please be informed accordingly.

Sincerely yours,

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

Information memorandum on allocation of newly issued ordinary shares of News Network Corporation Public Company Limited by Private Placement

As the Board of Directors' Meeting of News Network Corporation Public Company Limited ("**Company**") No. 10/2021 was held on 9 September 2021 resolved to approve the registered capital increase of the Company 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 with the offering price of each share at THB 0.018, totaling of THB 540,000,000 for sale by private placement for 4 persons, namely Ms. Aura-orn Akrasanee and/or Ms. Phantipa Netiphat and/or Mr. Pichet Permsubhirunya and/or Mrs. Sunanta Singsansern. The aforementioned shares allocation shall be proposed to the Extraordinary General Meeting of Shareholders No. 1/2021 of the Company to be held on 14 December 2021 for further consideration and approval.

In this regard, as the issuance and offer for sale of newly issued ordinary shares is a material matter, the Company hereby prepared the information memorandum which is necessary for the shareholders to make decision as required by the Notification of Capital Market Supervisory Board Tor Jor. 73/2558 re: Particulars of Notice Calling Shareholders' Meeting of Listed Companies to Obtain Approval for Issuance and Offer of Securities for Sale (as amended), having the details as follows:

1. Details of the offer for sale of the newly issued shares by private placement

The Board of Directors' Meeting of the Company resolved to allocate the newly issued ordinary shares in the amount of 30,000,000,000 share, with the par value of THB 1 per share, to be offered by private placement, with the total registered capital for the newly issued ordinary shares by private placement of THB 30,000,000,000 with the offering price of each share at THB 0.018, totaling of THB 540,000,000 to be reserved to the issuance of the newly issued ordinary shares by private placement to 4 persons, namely

- a) Ms. Aura-orn Akrasanee shall be allocated 15,000,000,000 shares, representing 50.00% of the total number of newly issued ordinary shares that the Company shall offer at this time, and accounted for the total offering value of THB 270,000,000. After offering newly issued ordinary shares for private placement, Ms. Aura-orn Akrasanee shall hold 14.20% of the Company shares.
- b) Ms. Phantipa Netiphat shall be allocated 6,500,000,000 shares, representing 21.67% of the total number of newly issued ordinary shares that the Company shall offer at this time, and accounted for the total offering value of THB 117,000,000. After offering newly issued ordinary shares for private placement, Ms. Phantipa Netiphat shall hold 6.15% of the Company shares.
- c) Mr. Pichet Permsubhirunya shall be allocated 5,000,000,000 shares, representing 16.67% of the total number of newly issued ordinary shares that the Company shall offer at this time, and accounted for the total offering value of THB 90,000,000. After offering newly issued ordinary shares for private placement, Mr. Pichet Permsubhirunya shall hold 4.73% of the Company shares.
- d) Mrs. Sunanta Singsansern shall be allocated 3,500,000,000 shares, representing 11.67% of the total number of newly issued ordinary shares that the Company shall offer at this time, and accounted for the total offering value of THB 63,000,000. After offering newly issued ordinary for shares private placement, Mrs. Sunanta Singsansern shall hold 3.31% of the Company shares.

In accordance with the Notification of the Capital Market Supervisory Board No. TorJor. 72/2558 re: Approval for Listed Companies to Offer Newly Issued Shares through Private Placement with the offering price at THB 0.018 according to the market value which shall be calculated from the weighted average cost of the ordinary shares of the Company on the Stock Exchange of Thailand (**SET**) for the past period of not less than 7 consecutive business days, but not exceeding 15 consecutive business days from 19 August 2021 to 8 September 2021 prior to the date which the directors resolved a resolution to propose to the Extraordinary General Meeting of Shareholders No. 1/2021, for an approval of the Company to offer for sale of its newly issued ordinary shares ,

and the determination of the discount of the offering price is not higher than 10% of the market price of the ordinary shares of the Company. In addition, such persons, who are allocated with the newly issued ordinary by private placement, are not related parties of the Company according to the Notification of the Capital Market Supervisory Board re: the Disclosure of Information and the Conducts of Listed Companies in Related Transactions. B.E. 2546.

No.	Date	Trade Volume (Shares)	Trade Volume (Baht)
1	19 Aug 2564	53,511,800	928,297
2	20 Aug 2564	104,584,700	1,996,427
3	23 Aug 2564	103,791,700	2,006,267
4	24 Aug 2564	1,947,238,600	39,396,171
5	25 Aug 2564	1,155,486,600	23,109,530
6	26 Aug 2564	187,085,900	3,514,987
7	27 Aug 2564	61,002,500	1,218,715
8	30 Aug 2564	61,890,200	965,014
9	31 Aug 2564	106,630,000	2,039,874
10	1 Sep 2564	49,371,600	851,924
11	2 Sep 2564	100,428,600	1,511,192
12	3 Sep 2564	41,099,200	702,370
13	6 Sep 2564	58,249,500	979,773
14	7 Sep 2564	148,804,400	2,949,159
15	8 Sep 2564	9,719,199,000	195,514,942
Total		13,898,374,300	277,684,642
Volume-Weighted Average Price of 15 Business Day (THB/Share)			0.020
90 percent of 15 Business Day VWAP (THB/Share)			0.018

In this regard, it shall be proposed to the Extraordinary General Meeting of Shareholders No. 1/2021 to approve the authorization for the board of directors of the Company or the Acting Chief Executive Officer or any other persons who are authorized by the board of directors of the Company or the Acting Chief Executive Officer to consider and proceed with any matters necessary for, relating to, and/or associated with the capital increase and the allocation of the newly issued ordinary shares of the Company by private placement, including without limitation to the followings:

- (1) to determine, amend, include conditions and other details in connection with the issuance, allocation and subscription of the newly issued ordinary shares, including without limitation to, the allocation of newly issued ordinary shares on one occasion or more, the number of offered shares, the purchase price, the offering period, the subscription, the payment for the purchase price and other conditions and details relating to the allocation of the newly issued ordinary shares;
- (2) to sign applications, notices, instruments or other documents in connection with the capital increase and the allocation of the newly issued ordinary shares of the Company, including to certify relevant documents, communicate, file and/or accept documents from any competent authorities and/or agencies and to list the newly issued ordinary shares on the Stock Exchange of Thailand; and

- (3) to carry out any other necessary actions relating to and/or associated with the capital increase and the allocation of the newly issued ordinary shares of the Company, to be in accordance with the laws and/or any related regulations.

Any allocation of the shares as above must not result in any shareholder who subscribes for the shares to hold shares of the Company in the number that reaches or passes the trigger point requiring such shareholder to make a tender offer as required under the Notification of the Capital Market Supervisory Board TorJor. 12/2554 re: Rules, Conditions, and Procedures for the Acquisition of Securities for Business Takeovers, or in violation of the foreign shareholding restriction as specified in the Articles of Association of the Company, which currently allows, foreigners to hold shares not exceeding 49% of the total sold shares of the Company.

If this Private Placement offering is at a price that is lower than 90 percent of the market price, before the SET could issue an order to list new ordinary shares, the Company has a duty to prohibit those who are allocated the shares in the Private Placement from selling any of the allocated shares for one year from the date on which the shares start trading on the SET. After six months of this restriction period, the person may gradually sell up to 25 percent of the total number of shares that are subject to the restrictions in accordance with the requirements under the Notification of the Stock Exchange of Thailand re: Requirements, Conditions and Methods of Considering an Application to List Ordinary or Preferred Shares, 2015, dated 11 May 2015 (as amended) and Bor.Jor.(Wor) 17/2015 Re: The stipulation on prohibiting the sales of shares in specified period (Silent Period) for shares or convertible securities offered through private placement.

2. Criteria for capital increase or the allotment of capital increase through private placement

The Company considers the criteria of share allocation by private placement, where the Company considered to allocate the newly issued ordinary shares to a person with potentials in funding, experience, and has intention to invest with the Company in a long-term basis to create ultimate benefit to the Company and enable financial liquidity of the Company with better financial position. In this regard, the persons who receive the allocated newly issued ordinary shares are not and such persons are not related parties of the Company according to the Notification of the Capital Market Supervisory Board re: the Disclosure of Information and the Conducts of Listed Companies in Related Transactions B.E. 2546.

Details of information of the private placement who shall receive the allotment of the Company's newly issued ordinary shares

The specific investors who shall be allocated the newly issued ordinary shares of the Company in this time are Ms. Aura-orn Akrasanee and/or Ms. Phantipa Netiphat and/or Mr. Pichet Permsubhirunya and/or Mrs. Sunanta Singsansern ("**Private Placement**") who are investors interested in investing in the Company's newly issued ordinary shares and have the potential on funding.

1. Ms. Aura-orn Akrasanee

Nationality: Thai

Address: Khlong Tan Nuea, Watthana, Bangkok

Current Position: Director at Nation Broadcasting Corporation Plc. which operates production of Digital TV programs and providing news and advertisements through Digital TV and media forms.

Holding Company Shares Information: Hold Company's shares for 1,000,000 shares which is accounted as 0.001% of paid-up shares (Source : Latest Book Closing date as of 15 October 2021)

Reasons for allocating newly issues shares to Ms. Aura-orn Akrasanee :

Since Ms. Aura-orn Akrasanee is currently a Company's shareholder, the Company has negotiated the possibility of increasing capital in order to enhance the Company potential.

Benefits which the Company expects to receive from allocating newly issues shares to Ms. Aura-orn Akrasanee :

The capital increase and the allocation of the Company's newly issued ordinary shares for offering to private placement is to strengthen the financial position and increase financial liquidity as well as retaining capital to support the Company's business expansion and investment in the future.

2. Ms. Phantipa Netiphat

Nationality: Thai

Address: Tambon Tha Pi Liang, Amphoe Mueang Suphan Buri, Suphan Buri

Current Position: Manager in Nursery Department, Supaluck School, Suphanburi which is general education school for students in pre-kindergarten to elementary school.

Holding Company's Shares Information: Hold Company's shares for 10,000 shares which is accounted as 0.0000001% of paid-up shares (Source : Latest Book Closing date as of 15 October 2021)

Reasons for allocating newly issues shares to Ms. Phantipa Netiphat :

Since Ms. Phantipa Netiphat had invested in shares of various listed companies, the Company foresaw that Ms. Phantipa Netiphat's finance had potential to increase capital for enhancing the Company's potential.

Benefits which the Company expects to receive from allocating newly issues shares to Ms. Phantipa Netiphat :

The capital increase and the allocation of the Company's newly issued ordinary shares for offering to private placement is to strengthen the financial position and increase financial liquidity as well as retaining capital to support the Company's business expansion and investment in the future.

3. Mr. Pichet Permsubhirunya

Nationality: Thai

Address: Yan Nawa, Sathon, Bangkok

Current Position: Executive of U.R. Chemical Company Limited which is a manufacturer and distributor of decorative paints, wood coatings, and chemicals for construction and repairs.

Holding Company's Shares Information: Not a shareholder of the Company (Source : Latest Book Closing date as of 15 October 2021)

Reasons for allocating newly issues shares to Mr. Pichet Permsubhirunya :

Since Mr. Pichet Permsubhirunya had invested in various type of business, strong financial position and, ready to make payment for increasing capital, the Company foresaw that Mr. Pichet Permsubhirunya's finance had potential to increase capital for enhancing the Company's potential.

Benefits which the Company expects to receive from allocating newly issues shares to Mr. Pichet Permsubhirunya :

The capital increase and the allocation of the Company's newly issued ordinary shares for offering to private placement is to strengthen the financial position and increase financial liquidity as well as retaining capital to support the Company's business expansion and investment in the future.

4. Mrs. Sunanta Singsansern

Nationality: Thai

Address: Sena Nikhon, Chatuchak, Bangkok

Current Position: Director of Siamese Asset Plc. which develops residential real estates, including condominiums, houses, townhomes, and home offices, and offer juristic person management service for the Company's projects.

Holding Company's Shares Information: Not a shareholder of the Company (Source : Latest Book Closing date as of 15 October 2021)

Reasons for allocating newly issues shares to Mrs. Sunanta Singsansern :

Since the Company foresaw that Mrs. Sunanta Singsansern's wealth had potential and ready to make payment for increasing capital. Therefore, the Company negotiated the possibility of increasing capital in order to strengthen the Company's potential.

Benefits which the Company expects to receive from allocating newly issues shares to Mrs. Sunanta Singsansern :

The capital increase and the allocation of the Company's newly issued ordinary shares for offering to private placement is to strengthen the financial position and increase financial liquidity as well as retaining capital to support the Company's business expansion and investment in the future.

Relationship of the private placement who shall be allocated the Company's newly issued ordinary shares with the Company

Apart from Ms. Aura-orn Akrasanee and Ms. Phantipa Netiphat are holding 1,000,000 shares which is accounted as 0.001% and 10,000 shares which is accounted as 0.0000001% respectively of paid-up shares of the Company as described above.

1. The Company does not have any relationship with the 4 specific investors.
2. The 4 specific investors do not have any relationship with any of the directors, executives or the major shareholders of the Company.
3. The 4 specific investors will do be involved in the Company's management or any change in the Company's business operation and are not the directors of the Company.
4. The Company only receives the investment funds from the 4 specific investors with no other benefits.
5. The 4 specific investors are not related in all aspects.

The Structure of top 10 of the Company's shareholder before and after the capital increase

Shareholder Structure as of 15 October 2021

No.	List of Shareholders	Number of Shares (Shares)	% Shares
1	Mr. Siritaj Rojanapruk	15,476,913,911	20.46%
2	Mr.Theerapat Singhavanich	11,680,000,000	15.44%
3	Mr. Wiroj Wachiradechkul	6,582,800,000	8.70%
4	Thai NVDR Company Limited	2,228,882,659	2.95%
5	Mr. Mongkol Oonjittikul	1,603,980,000	2.12%
6	General Insurance Fund	1,570,000,000	2.08%
7	Mr. Sombat Panichcheva	1,412,043,300	1.87%
8	Mr. Wiroj Engpaiboon	1,319,748,100	1.74%
9	Mr. Chaikom Boonlapapat	600,000,000	0.79%
10	Mr. Jaruphong Chenaphun	550,000,000	0.73%

Shareholder Structure after the offering of newly issued ordinary shares to private placement

No.	List of Shareholders	Number of Shares (Shares)	% Shares
1	Mr. Siritaj Rojanapruk	15,476,913,911	14.65%
2	Ms. Aura-orn Akrasanee	15,001,000,000	14.20%
3	Mr.Theerapat Singhavanich	11,680,000,000	11.06%
4	Mr. Wiroj Wachiradechkul	6,582,800,000	6.23%
5	Ms. Phantipa Netiphat	6,500,010,000	6.15%
6	Mr. Pichet Permsubhirunya	5,000,000,000	4.73%
7	Mrs. Sunanta Singsansern	3,500,000,000	3.31%
8	Thai NVDR Company Limited	2,228,882,659	2.11%
9	Mr. Mongkol Oonjittikul	1,603,980,000	1.52%
10	General Insurance Fund	1,570,000,000	1.49%

3. Objectives of the issuance of the newly issued shares and the plan to use the proceeds derived from the issuance

3.1 Objectives

- (a) To be use as supportive capital for indirect subsidiaries that operates fully integrated securities and derivatives business which are Liberator company limited with THB 40 million paid-up capital that is in process of securities business license type A application ,currently is on the process of review and amend the draft of securities business system according to the opinion of the Office of the Securities and Exchange Commission in order to use in submitting application for a securities business license and is expected to receive a license within the second quarter of 2022 and Thansettakij Capital company limited with THB 10 million paid-up share that is already receive securities business license type D and currently is on the process of submitting of documents about working system and personnel before operating a business. This will allow the company's indirect subsidiaries to obtain sufficient working capital and to meet certain

qualification requirements from relevant regulators. The Company expects to allocate the fund in the amount of approximately THB 475 million to allocate as follows :

1. Within the forth quarter of 2021, the allocation of THB 125 million would be the source of fund for capital increasing in Liberator company limited in the amount of THB 110 million and in Thansettakij Capital company limited in the amount of THB 15 million, so paid-up capital after increasing capital would be THB 110 million and THB 25 million respectively in order to comply with the requirements by Securities and Exchange Commission. Moreover, allocation would use to be an expense for Liberator Company Limited in preparation for applying for membership with the Stock Exchange of Thailand and the Clearing House.
2. Within the first quarter of 2022, the allocation of THB 350 million to be source of fund for capital increasing in Liberator company limited for maintain shareholder's equity to not less than THB 500 million (in the case of ordinary members) as specified by Clearing House.

However, the timeline may be changed in accordance with the procedures of the relevant regulatory parties.

In this regard, the Company expects that when its indirect subsidiary has obtained the license in operating securities business, expected to be able to generate income to the company within the third quarter of 2021. The revenue generation period is subject to change in accordance with the procedures of relevant regulators including the process of system development, which is necessary for running the business. However, if the fund is unable to raise under the plan, the company might consider of pursuing sources of fund from any other sources such as loans and/or cash which is received from the disposal of investments in subsidiaries in order to meet the requirement of relevant regulators, there might be a risk that duration of obtaining license and the Company's revenue recognition could be delayed from expected period.

- (b) By 2022, the indirect subsidiaries are expected to be able to operate securities business. So, The Company expects to allocate not more than THB 40 million of funds to reserve for using as working capital of indirect subsidiaries when starting business operation and the proceed for the Company's working capital in order to increase financial liquidity and support the main business, related business, and new business of the Company and/or subsidiaries. The funds are expected to be allocated within 2022. However, the allocated amount and allotment period are subject to change in accordance with suitability and operation.
- (c) The Company expects to allocate not more than THB 25 million of funds to be used as supportive capital for expanding the main and related business. This will help expansion the Company and its subsidiaries in the future which is in the process of feasibility study and reasonable returns and also enhance stability of the Company and subsidiaries in their business operation in the long term with the objective to reduce the risk of the Company's current business that mainly relies on the ability of personnel according to the Company's business plan. The funds are expected to be allocated within 2022. However, the allocated amount and allotment period are subject to change in accordance with suitability and operation.

3.2 The plan to use the proceeds derived from the issuance

The Company plans to use the proceeds from the issuance and offer for sale of newly issued ordinary shares through private placement to be used as the working capital for the business operation of the group company The proceeds will also be used in related business expansion or business with additional fixed assets according to the Company's business plan in order to promote the stability of the Company's and subsidiaries' operation in the long-term according to Clause 3.1 "Objectives".

However, if the offering of the newly issued shares by private placement is not approved by the Company's shareholders, the Company would continue to increase the capital in the subsidiaries by considering other sources of funds, such as sources of funds from the disposal of ordinary shares and the right to claim on loan debts of Wealth Ventures Company Limited and/or loans in order to be able to proceed in accordance with the plans set by the Company, however, the timing of the use of funds may depend on external factors and/or related agencies,

which may result in delays in the business plan. Indirectly received a license to operate securities business later than expected.

4. Expected impact on the Company in case of project failure and the risk from project

In case that the Company's indirect subsidiaries, namely Liberator Company Limited and Thansettakij Capital Company Limited, are unable to operate the business and generate income as planned due to the risk of delays in various sectors such as delays in obtaining securities business license and/or delays in project development, this will effect of the Company's ability to generate income and decrease in business diversity. This is consuming the budget and time, as well as human resources that can be used to study other forms of business. However, the Company has been following up the progress of the license application along with the project development so that the project can be carried out successfully refer to the Company's plan

5. Effects to the shareholders from the offer and sale of the newly issued shares by private placement

5.1 Control Dilution

After the issuance and offering for sale of the ordinary shares by private placement, in case where all shares are fully subscribed, the control dilution towards the existing shareholders are calculated as follows:

$$\text{Control Dilution} = Q_e / (Q_o + Q_e)$$

Whereas Q_o = the amount of the existing paid-up shares, equaling to 75,650,197,684 shares

Q_e = the amount of additional shares from the offer for sale by private placement, equaling to 30,000,000,000 shares

$$\begin{aligned} \text{The dilution of shareholding proportion (Control Dilution)} \\ &= 30,000,000,000 / (75,650,197,684 + 30,000,000,000) \\ &= 28.40\% \end{aligned}$$

5.2 Price Dilution

$$\text{Price Dilution} = (P_o - P_e) / P_o$$

$$\text{Whereas } P_e = (P_o Q_o + P_e Q_e) / (Q_o + Q_e)$$

P_o = Market value (weighted average cost of the ordinary shares of the Company on the Stock Exchange of Thailand (**SET**) for the past period of not less than 7 consecutive business days, but not exceeding 15 consecutive business days prior Board of Directors' Meeting held on 9 September 2021), equaling to THB 0.020 (that is the period between 19 August 2021 to 8 September 2021)

P_e = the offering price of the newly issued shares by private placement, equaling to THB 0.018 per share

Q_o = the amount of the existing paid-up shares, equaling to 75,650,197,684 shares

Q_e = the amount of additional shares from the offer for sale by private placement, equaling to 30,000,000,000 shares

$$\begin{aligned} \text{Price Dilution} &= (0.020 - 0.019) / 0.020 \\ &= 2.81\% \end{aligned}$$

5.3 Earnings Per Share Dilution

After the offering of the new ordinary shares in the Company's capital increase, there will be an Earnings Per Share Dilution.

$$\text{Earnings Per Dilution} = (EPS_o - EPS_e) / EPS_o$$

Whereas EPS_o = Earnings Per Share Before the Offering

EPS_e = Earnings Per Share After the offering

$$\begin{aligned}\text{Earnings Per Share Dilution} &= (0.002 - 0.001) / 0.002 \\ &= 28.40\%\end{aligned}$$

Whereby the Earnings Per Share Before the offering are calculated from:
= Net Profit / Number of Paid-up Shares
= 152,338,443 / 75,650,197,648
= 0.002

Whereby the Earnings Per Share After the offering are calculated from:
= Net Profit / (Number of Paid-up shares + Total number of new ordinary shares)
= 152,338,443 / (75,650,197,648 + 30,000,000,000)
= 0.001

Remark: Earning Per Share before and after the offering are calculated based on net profit attributable to the parent company of the most recent 12 months from 30 June 2020 – 30 June 2021 from the Company's audited consolidated financial statements for the accounting period ending

When comparing with the benefits that the shareholders of the Company shall receive with the effects of the increase of registered capital for issuance and offering to private placement as detailed above, the Board of Directors has the opinion that the offering of newly issued ordinary shares to the private placement shall result in the Company having sufficient sources of funds for indirect subsidiary that operates fully integrated securities and derivatives business and also increasing financial liquidity and/or using as working capital to support the main business and related business in the Company's and subsidiaries business expansion. The Company has forecasted the initial rate of return (IRR) from the indirect subsidiaries, after 3 years of the operation, there would be an IRR of 20-25%, as well as increasing liquidity and working capital for the Company to support main business operation, preparation for future business expansion for both main business and related business.

6. Opinions of the Board of Directors on the capital increase

6.1 Rationale and necessity for the capital increase

The board of directors of the Company is of the opinion that it is necessary for the Company to issue and offer for sale the newly issued ordinary shares by private placement because the Company has considered several methods of capital increasing and found that private placement has more certainty in terms of the amount of capital that would be received and takes shorter length of time including the less complexity than other methods. Besides, the Company considered the feasibility and stability of investors to become business partners and found that the 4 investors were reliable as the 4 investors had experience in the operation business in various industry and invested in many listed companies. Also, their wealth is ready to make a payment for capital increase in addition to have a good relationship with the Company and the Company's personnel. The Board of Directors has an opinion that offering of the newly issued shares by private placement is appropriate since the Company would receive fund from reliable business partners which leads to higher stability and reliability to the Company.

The Company would use the proceed receiving from issuing and allocating the ordinary shares to be the Company's source of fund in order to (a) use as supportive capital for indirect subsidiary that operates fully integrated securities and derivatives business that is in process of securities business license application. This will allow the company's indirect subsidiary to obtain sufficient working capital and to meet certain qualification requirements from relevant regulators (b) increase financial liquidity and be used as the funding and/or (c) use as working capital to support the main business and related business operation and also be used for supporting in the Company's and subsidiaries business expansion. Moreover, such proceed can also promote the Company's potential in enhancing the long-term Company's stability for the Company's and subsidiaries business operation. In this regard, increasing capital would be the positive impact to indirect subsidiaries and the growth and ability to generate the Company's profit without affecting the financial liquidity of the Company's including assisting the Company's to continue the business operation and be stable in financial status and capital base which could be beneficial to the Company's and its shareholders.

6.2 Feasibility of the plan to use the proceeds

The Company's estimated that the Company will receive the proceed from the issuance and offering shares to shareholders by private placement in the amount of THB 540,000,000, if all the person who are allocated the newly issued shares have paid up for their shares within January 2022. The Company has a plan to allocate the capital increase into 3 amounts as specified in Clause 3.1 "Objectives". Board of Directors have opinions on the allotment of fund usage as follows;

- (a) The business plan of an indirect subsidiary, Liberator Company Limited that operates fully integrated securities and derivatives business that is in process of securities business license application is clear and still proceed under the plan. The indirect subsidiary is expected to acquire securities business license within the second quarter of 2022 depending on external factor and related regulators. However, the indirect subsidiary can still proceed in specified time frame which requires capital to increase liquidity to be sufficient for expenses in operation. Currently, an indirect subsidiary is in the initial investment stage and need to increase customer base. An indirect subsidiary concern about the period of securities business license application with relevant regulator which requires capital for every process. However, the Company has set a period of funds allotment in order to control funds usage of indirect subsidiary. Therefore, Board of Director has an opinion the plan is feasible according to the time frame and allotment of funds are sufficient for operation from the present until completion of securities business license application
- (b) The allotment of not exceeding THB 40 million fund is accepted by Board of Directors to be used as capital to support for future investment of the Company's core business, related business, and any other business expansions in the future of the Company and subsidiaries. In the amount of not exceeding THB 40 million reserve the proceed for the Company's working capital in order to increase financial liquidity and support the main business, related business, and new business of the Company and/or subsidiaries is sufficient and feasible since the funds can be used for operations in case of necessity and urgency, which can prepare the company to operate successfully.
- (c) The allotment of not exceeding THB 25 million fund is accepted by Board of Directors to be used as capital to support for future investment of the Company's core business, related business, and any other business expansions in the future of the Company and subsidiaries. In the amount of not exceeding THB 25 million is sufficient and feasible since the Company aims to increase potential of Company's business operation, therefore this fund would support the expansion of current business operation. Moreover, it could reassure shareholders and investors that the current business operation would be able to generate higher return.

6.3 Reasonableness of the capital increase, plan to use the proceeds derived from the offer for sale

The board of directors of the Company is of the opinion that this registered capital increase is reasonable due to the following reasons:

- (a) The capital which would receive from capital increase in the amount of THB 540,000,000 is sufficient for the purpose that specified in Clause 3.1 "Objectives". The total amount would make the Company and indirect subsidiaries companies carry out successfully as planned. The indirect subsidiaries which operate fully integrated securities business and derivatives brokerage business, which has the possibility to develop systems and service areas for customers. The Company also foresees an opportunity to develop the business after obtaining the securities business license, therefore there may be a possibility that the future business operation will cause the Company to need additional investment for development and expansion. In this case, the Company would consider the source of funds obtained from the disposal of ordinary shares and the right to claim on the debt of Wealth Ventures Company Limited and/or loans in the future.

- (b) Enhance the Company's ability in investment in order to expand the scope of business operation of the Company to other type of businesses, to increase the value and reduce risks of the business of the Company, which will create stability for business operation of the Company in the long term.
- (c) Enhance the Company's financial structure due to the D/E ratio improvement which will support the Company's ability to borrow from commercial banks in the future.
- (d) Enhance the Company's flexibility in relation to its finance for operation in the future.
- (e) Be reserved as the working capital of the Company.

6.4 Appropriateness of the offering price of newly issued ordinary shares through private placement and the rationale of price determination

The Company adopt volume-weighted average price method (VWAP) in determining newly issued ordinary shares. The method is straightforward and reflect the company's intrinsic share value traded in Stock Exchange of Thailand. Moreover, the company requires fund resource for business expansion after the aforementioned policy. The company hence requires determining price of newly issued ordinary shares that is attractive to investors. Accordingly, Board of Directors recommended price of newly issued ordinary share to a private placement at the price of 0.018 THB per share, which is 10% discounted from market weighted average price in the latest 15 traded dates in Stock Exchange of Thailand prior to meeting date (Board of Director meeting No. 10/2021, which propose an agenda of The Extraordinary General Meeting of Shareholders to consider and approve the Company's issuance and offer sale of newly issued ordinary shares of the Company (between 17 January 2022 – 28 January 2022)). Board of Director has considered the best interest of the company and consider that the discount from market price is appropriate as it is lower than 10% discount comparing to market price.

6.5 Potential impact which may occur to the business operation, financial position and management of the Company resulting from capital increase and the plan to use the proceeds

If the Company is able to issue and allocate the newly issue shares this time in full, it will help to enhance the financial status of the Company. The Company will be able to use such proceed to expand its investment into new businesses which will cause the Company to have stable income in the future.

6.6 Potential impact which may occur to the Company resulting from capital increase and the plan to use the proceeds

Issuance and allotment of additional ordinary shares under a general mandate for private placement will allow the company to raise fund within short period of time, to maintain sufficient cash flow for increasing financial liquidity as specified in Clause 3.1 "Objectives" to be source of working capital of company's operation, and to be able to support future business expansion. All of which will lead to positive impact on operation, financial position, and performance of the company. The forecasted initial rate of return (IRR) from the indirect subsidiary, after 3 years of operation, there would be an IRR of 20-25%

7. Representation of Board of Directors

The board of director has carefully considered and inspected the relevant information of the investor and is of the opinion that such persons have high potential in investment and are able to invest in the Company because 2 out of 4 of investors are current Company's shareholders and all investors have stable and reliable business as specified in Clause 2. Therefore, offering of newly issued shares by private placement to these 4 investors is appropriate, since the Company would receive capital in the certain amount and take shorter length of time to procedure all the process compared to other method of capital increase which leads the

Company and indirect subsidiaries operate the business as planned and creates the maximum benefit to Company's shareholders. The 4 specific investors would not take part in being the directors and executives of the Company.

8. Representation of Board of Directors regarding the capital increase

In case where any directors of the Company do not comply with their duties according to the laws, purpose and the Company's Article of Association including the resolution of the shareholders' meeting, faithfully and carefully, to uphold the benefit of the Company regarding the capital increase by acting or omitting from acting in any manner which causes damage to the Company. The Company may claim for damages from such director. If the Company does not claim for such damages, the shareholders, holding the shares in aggregate of not less than 5% of the issued and sold shares, may ask the Company to claim for the damages. If the Company does not proceed accordingly, such shareholders may claim for damages on behalf of the Company according to Section 85 of Public Company Act. B.E. 2535 (including the amendments). Furthermore, any action or omission of any director of their duties does not comply with the laws, objectives and the Company's Article of Association including the resolution of the shareholders' meeting, faithfully and carefully, regarding the capital increase by acting or omitting from acting in any manner which causes any illegal benefit to the director, executive, or other related person, the Company may claim the director for such illegal benefit or the shareholders, holding shares in aggregate of not less than 5% of the issued and sold shares, may ask the Company to do so. If the Company does not proceed with the shareholders' request within 1 month from the date of such notification, such shareholders may claim for such illegal benefits on behalf of the Company from such director according to Section 89/18 of Securities and Exchange Act. B.E. 2535 (including the amendments).

Please be informed accordingly

Sincerely yours,

(Mr. Kritsada Pruitipat)

Chief Executive Officer

News Network Corporation Public Company Limited