

The Opinion Report of the Independent Financial Advisor on Asset
Disposition and Connected Transactions

of



Nation Broadcasting Corporation Public Company Limited

by



CAPITAL LINK
ADVISORY LIMITED

Capital Link Advisory Limited

21 March 2022

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The Opinion Report of the Independent Financial Advisor on Asset Disposition and Connected Transactions

(Translation)

This English translation has been prepared solely for the convenience of the foreign shareholders of Nation Broadcasting Corporation Public Company Limited and should not be relied upon as the definitive and official report regarding the opinion of the Independent Financial Advisor on asset disposition and connected transactions. The Thai language version of The Opinion Report of the Independent Financial Advisor on Asset Disposition and Connected Transactions is the definitive and official document of the Advisor and shall prevail in all respects in the event of any inconsistency with this English translation.

Ref: Kor.Aor. 008/2022

21 March 2022

Subject The Opinion of the Independent Financial Advisor on Asset Disposition and Connected Transactions
of Nation Broadcasting Corporation Public Company Limited

To Shareholders
Nation Broadcasting Corporation Public Company Limited

As the Meeting of the Board of Directors of Nation Broadcasting Corporation Public Company Limited ("the Company or NBC") No. 2/2022, held on 4 March 2022, has resolved to approve the Company to enter into asset disposition and connected transactions with Nation Multimedia Group Public Company Limited ("NMG"), who is a controlling person of the Company, holding 803,361,455 shares in the Company or equivalent to 71.45% of the total number of sold shares of the Company, the details of the transactions are as follows:

1. The Company will sell 85,999,997 ordinary shares* held in NBC Next Vision Company Limited ("NNV") or equivalent to 99.99%. This includes the ordinary shares of Nation Coffee Company Limited ("NCOF") that NNV holds in the amount of 60,000 shares, representing 60%, with a value of 239,728,315.18 Baht.
2. NNV will borrow money from NMG to pay off liabilities to Nation Broadcasting Corporation Public Company Limited in the amount of 221,300,000.00 Baht.

The total value is 461,028,315.18 Baht, collectively referred to as the Sale of Ordinary Shares in Subsidiaries.

*It is the total number of shares being held by the Company after the capital increase as NNV plans to increase its capital in accordance with the conditions precedent before entering into this transaction. On the date of the Meeting of the Board of Directors passing a resolution to enter into the sale of NNV's shares, held on 4 March 2022 (before NNV's capital increase), the Company held 79,999,997 shares in NNV, representing 99.99% of NNV's registered capital - before the capital increase.

To enter into such transaction is considered as an asset disposition transaction in accordance with the Notification of the Capital Market Supervisory Board No. TorChor. 20/2551 (2008) Re: Rules on Entering into Material Transactions Deemed as the Acquisition or Disposition of Assets, dated 31 August 2008 (including the amendments thereof) and the Notification of the Board of Governors of the Stock Exchange of Thailand Re: Disclosure of Information and Other Acts of Listed Companies Concerning the Acquisition or Disposition of Assets, B.E. 2547 (2004), dated 29 October 2004 (including the amendments thereof) ("the Notification on Acquisition or Disposition of Assets"), with the transaction size of 48.48% calculated based on the total value of consideration, which is the calculation basis resulting in the highest transaction value in reference to the Company's consolidated financial statements ended 31 December 2021 that has been audited by the Company's certified public accountant. And when including the transaction size of asset disposition occurred during 6 months prior to the date on which the Company's Board of Directors resolved to approve the entry into this transaction, that is, the transaction regarding NNV's waiver of its right to subscribe for newly issued ordinary shares in the whole amount in Happy Products and Service Company Limited ("HPS") with the transaction size of 1.40% calculated based on the total value of consideration, which is the calculation basis resulting in the highest transaction value in reference to the Company's consolidated financial statements ended 30 June 2021, the highest transaction size will equal 49.88% and this is classified as a Class 2 transaction under the Notification on Acquisition or Disposition of Assets. Therefore, the Company has a duty to immediately disclose information in relation to the transaction to the Stock Exchange of Thailand ("SET") pursuant to Schedule (1); annexed to the Notification on Acquisition or Disposition of Assets and serve a written notice to the shareholders of the Company within 21 days from the date of disclosure of information to the SET.

In addition, the entry into the aforementioned transaction is considered as a connected transaction of the Company which falls into the category of asset or service since NMG is a controlling person of the Company, that is, a juristic person who has the controlling power over the business according to Section 89/1 of the

Securities and Exchange Act B.E. 2535 (1992) (including the amendments thereof) (“the Securities and Exchange Act”) by holding shares with voting rights in the Company equivalent to 71.45% of the total number of sold shares of the Company, which exceeds 50% of the total voting rights of the Company.

According to the Notification of the Capital Market Supervisory Board No. TorChor. 21/2551 (2008) Re: Rules on Connected Transactions, dated 31 August 2551 (2008) (including the amendments thereof) and the Notification of the Board of Governors of the Stock Exchange of Thailand Re: Disclosure of Information and Other Acts of Listed Companies Concerning the Connected Transactions B.E. 2546 (2003), dated 19 November 2003 (including the amendments thereof) (“the Notification on Connected Transactions”), the entry into such transaction is the transaction that falls into the category of asset or service with the transaction size of 461,028,315.18 Baht or 128.04% of the net tangible assets (NTA) of the Company in reference to the Company’s consolidated financial statements ended 31 December 2021 that has been audited by the Company’s certified public accountant. Such transaction size exceeds 20 million Baht or 3% of the net tangible assets of the Company; whichever is higher, according to the Notification on Connected Transactions.

The Company, therefore, has a duty to disclose relevant information to the Stock Exchange of Thailand, request an approval from the Company’s Board of Directors and from the shareholders’ meeting with affirmative votes of not less than three-fourths of the total votes of participating and voting shareholders, excluding the votes of interested shareholders. The Company must deliver the invitation notice of the shareholders’ meeting, together with the opinion of the Independent Financial Advisor, to the shareholders not less than 14 days in advance prior to the date of the shareholders’ meeting. In this regard, the Company will set the 2022 Annual General Meeting of Shareholders for requesting an approval of the transaction on 29 April 2022.

To comply with the aforementioned criteria, the Board of Directors of the Company therefore approved the appointment of Capital Link Advisory Limited as an independent financial advisor in preparing the opinion report on asset disposition and connected transactions (“the Transaction”) to the shareholders of the Company for consideration and resolution.

The Independent Financial Advisor has prepared this opinion report by studying the information from the following sources:

1. Information and documents received from the Company including the interview with management and personnel of the Company
2. Information and the auditor’s report of the Company

3. Meeting minutes of the Board of Directors of the Company
4. Information from the interview with the management and personnel of the subsidiary
5. Information and the auditor's report of the subsidiary
6. Information and documents received from the subsidiary
7. Information and documents received from the Company's financial advisor including the interview with personnel of the Company's financial advisor
8. Information and documents disclosure to the public, such as information from the Stock Exchange of Thailand, the Securities and Exchange Commission, news from newspaper, economic and relevant industrial information, etc.

The Independent Financial Advisor has used the aforementioned information as a base for considering and preparing the opinion report of the Independent Financial Advisor by assuming that all the aforementioned information is completed and accurate and has no event that will significantly affect the business operations of NNV and the Company. In addition, the Independent Financial Advisor cannot certify or guarantee either directly or indirectly or be responsible for the correctness of the information and any certifications of the Company.

In giving the opinion to the shareholders this time, the Independent Financial Advisor has considered and studied the said information carefully by using knowledge and capability, precaution as a professional, and take into consideration for the benefits of the shareholders and the Company, as well as the rationale of the transaction and appropriateness of the price along with the relevant factors so that the shareholders can decide to "approve" or "disapprove" on the transaction, which can be summarized as follows:

Definitions

SET	The Stock Exchange of Thailand
Financial advisor	Orion Advisory Company Limited
Independent Financial Advisor or IFA	Capital Link Advisory Limited
The Company or NBC	Nation Broadcasting Corporation Public Company Limited
The Notification on Acquisition or Disposition of Assets	The Notification of the Capital Market Supervisory Board No. TorChor. 20/2551 (2008) Re: Rules on Entering into Material Transactions Deemed as the Acquisition or Disposition of Assets, dated 31 August 2008 (including the amendments thereof) and the Notification of the Board of Governors of the Stock Exchange of Thailand Re: Disclosure of Information and Other Acts of Listed Companies Concerning the Acquisition or Disposition of Assets, B.E. 2547 (2004), dated 29 October 2004 (including the amendments thereof)
The Notification on Connected Transactions	The Notification of the Capital Market Supervisory Board No. TorChor. 21/2551 (2008) Re: Rules on Connected Transactions, dated 31 August 2551 (2008) (including the amendments thereof) and the Notification of the Board of Governors of the Stock Exchange of Thailand Re: Disclosure of Information and Other Acts of Listed Companies Concerning the Connected Transactions B.E. 2546 (2003), dated 19 November 2003 (including the amendments thereof)
The Securities and Exchange Act	The Securities and Exchange Act B.E. 2535 (1992) (including the amendments thereof)
The Transaction	Asset disposition and connected transactions
The Sale of Ordinary Shares in Subsidiaries	The sale of ordinary shares of NBC Next Vision Company Limited. and liabilities to Nation Broadcasting Corporation Public Company Limited
HPS	Happy Products and Service Company Limited
NCOF	Nation Coffee Company Limited
NMG	Nation Multimedia Group Public Company Limited
NN	Nation News Company Limited
NNV	NBC Next Vision Company Limited

Summary

Nation Multimedia Group Public Company Limited who is the major shareholder of the Company, holding 71.45% of the total number of sold shares of the Company willing to made for the purpose of restructuring the Group to make it clearer and more flexible under the “One Nation” policy. Also, it will promote cooperation within the Group, which will then create synergy by sharing resources for the maximum benefit to the business where NMG will restructuring the Group and business under the group of companies as follows:

1. Transfer of the digital television business (Nation TV Channel 22) from the Company to be operated by NNV. NNV will purchase the assets which are priced according to the book value amounting to 105,955,682 Baht (excluding VAT) and will transfer employees, as well as employee benefits, to NNV in the amount of 45,771,351 Baht.
2. Transfer of the business unit and assets in the Kom Chad Luek business from the Company to be operated by NNV. NNV will purchase the business unit and assets in the amount of 70,000,000 Baht (excluding VAT).
3. NNV will buy shares of Happy Products and Service Company Limited from Miss Duangkamol Kiatsukkasem, who is an existing shareholder of HPS, for 33.33% or equivalent to 10,000,000 Baht. This will cause the shareholding proportion to increase to 50% of the paid-up capital and will allow HPS to become a subsidiary. NNV will then transfer all of its shares to the Company at a price of 25,000,000 Baht.
4. NNV will increase its paid-up capital from 800,000,000 Baht to 860,000,000 Baht by converting debts from trade accounts receivable that NNV owes the Company to capital of 60,000,000 Baht.
5. Transfer of the call center business unit from Nation News Company Limited, a subsidiary, to be operated by the Company at a price of 40,000,000 Baht.

After the above transaction, The Company will sell 85,999,997 ordinary shares held in NBC Next Vision Company Limited or equivalent to 99.99%. This includes the ordinary shares of Nation Coffee Company Limited that NNV holds in the amount of 60,000 shares, representing 60%, with the sum of 239,728,315.18 Baht to NMG and NNV will borrow money from NMG to pay off liabilities to the Company in the amount of 221,300,000.00 Baht. To enter into such transaction requires approval from the Annual General Shareholders' Meeting for the year 2022 on 29 April 2022 of the Company with a vote of not less than three-fourths of the total votes of the

shareholders attending the meeting and entitled to vote excluding the votes of shareholders having vested interest.

In addition, NMG will sell 691,032,167 of the Company's ordinary shares, or equivalent to 61.46% of the total number of sold shares of the Company with a value of 898,341,817.10 Baht to

- 1) Mr.Nattapong Seetavorarat which is a shareholder in a listed company, the details are as follows:
 - Holding 17.14% of the total number of sold shares of One to One Contacts Public Company Limited operate in fully outsourced contact center services and turnkey total solutions to government agencies and corporations with modern technology and provides rental services both of Contact center facilities and software package.
 - Holding 10.26% of the total number of sold shares of Trinity Watthana Public Company Limited operate in securities brokerage and investment banking service.
 - Holding 8.70% of the total number of sold shares of Simat Technologies Public Company Limited operate in providing total information technologies services including sales of hardware, software development and nationwide maintenance services.

- 2) Mr.Boon-ae Chitthanon which is a shareholder in a listed company, the details are as follows:
 - Holding 21.55% of the total number of sold shares of One to One Contacts Public Company Limited operate in fully outsourced contact center services and turnkey total solutions to government agencies and corporations with modern technology and provides rental services both of Contact center facilities and software package.
 - Holding 3.20% of the total number of sold shares of Wow Factor Public Company Limited operate in food business and manufacturer and distributor of discrete semiconductor
 - Holding 1.84% of the total number of sold shares of Simat Technologies Public Company Limited operate in providing total information technologies services including sales of hardware, software development and nationwide maintenance services.

NMG requires approval from the Annual General Shareholders' Meeting for the year 2022 on 29 April 2022 in order to use the money from selling of the Company's ordinary shares as payment for the transaction of the purchase of NNV's ordinary shares and repayment liabilities of NNV owed to the Company.

As the Meeting of the Board of Directors of Nation Broadcasting Corporation Public Company Limited No. 2/2022, held on 4 March 2022, has resolved to approve the Company to enter into asset disposition and

connected transactions with Nation Multimedia Group Public Company Limited, who is a controlling person of the Company, holding 803,361,455 shares in the Company or equivalent to 71.45% of the total number of sold shares of the Company, the details of the transactions are as follows:

1. The Company will sell 85,999,997 ordinary shares* held in NBC Next Vision Company Limited or equivalent to 99.99%. This includes the ordinary shares of Nation Coffee Company Limited that NNV holds in the amount of 60,000 shares, representing 60%, with the sum of 239,728,315.18 Baht;
2. NNV will borrow money from NMG to pay off liabilities to Nation Broadcasting Corporation Public Company Limited in the amount of 221,300,000.00 Baht. (NMG will become creditor of NNV on behalf of the Company) divided into
 - 1) Liabilities from the purchase of assets of the digital television business (Nation TV Channel 22) and the business unit and assets in the Kom Chad Luek business approximately of 130,000,000 Baht.
 - 2) Liabilities from loans from the Company approximately of 81,600,000 Baht.
 - 3) Other trade liabilities such as trade accounts payable approximately of 9,700,000 Baht.

The total value is 461,028,315.18 Baht, collectively referred to as the Sale of Ordinary Shares in Subsidiaries.

*It is the total number of shares being held by the Company after the capital increase as NNV plans to increase its capital in accordance with the conditions precedent before entering into this transaction. On the date of the Meeting of the Board of Directors passing a resolution to enter into the sale of NNV's shares, held on 4 March 2022 (before NNV's capital increase), the Company held 79,999,997 shares in NNV, representing 99.99% of NNV's registered capital - before the capital increase.

To enter into such transaction is considered as asset disposition and connected transactions of the Company. When calculating the transaction size according to the aforementioned criteria, the Company has a duty to disclose relevant information to the Stock Exchange of Thailand, request an approval from the Company's Board of Directors and from the shareholders' meeting with affirmative votes of not less than three-fourths of the total votes of participating and voting shareholders, excluding the votes of interested shareholders.

Company's revenue structure and its subsidiaries in 2019 – 2021, is shown as follows:

Unit: million Baht

Revenues from Business Group	2019		2020 (Restated)		2021	
	Amount	%	Amount	%	Amount	%
Revenues from television broadcasting	423.93	86.02	474.59	79.75	290.91	58.38
Revenues from new media business	18.48	3.75	29.72	4.99	103.30	20.73
Revenues from other business	14.65	2.97	40.63	6.83	0.66	0.13
Other income	35.76	7.26	50.12	8.42	103.45*	20.76
Total revenues	492.82	100.00	595.06	100.00	498.32	100.00

* Other income in 2022 consist of;

- 1) Compensation from rental on digital terrestrial spectrum television networks (MUX) amount of 43 million baht.
- 2) Gain from loss of control in an indirect subsidiary (HPS) amount of 13.93 million Baht due to the discontinuation of being an indirect subsidiary in the product distribution business on 20 September 2021.
- 3) Gain on fair value adjustments of investments amount of 21.82 million Baht.
- 4) Other income from television broadcasting, new media business, and other business amount of 24.709 million Baht.

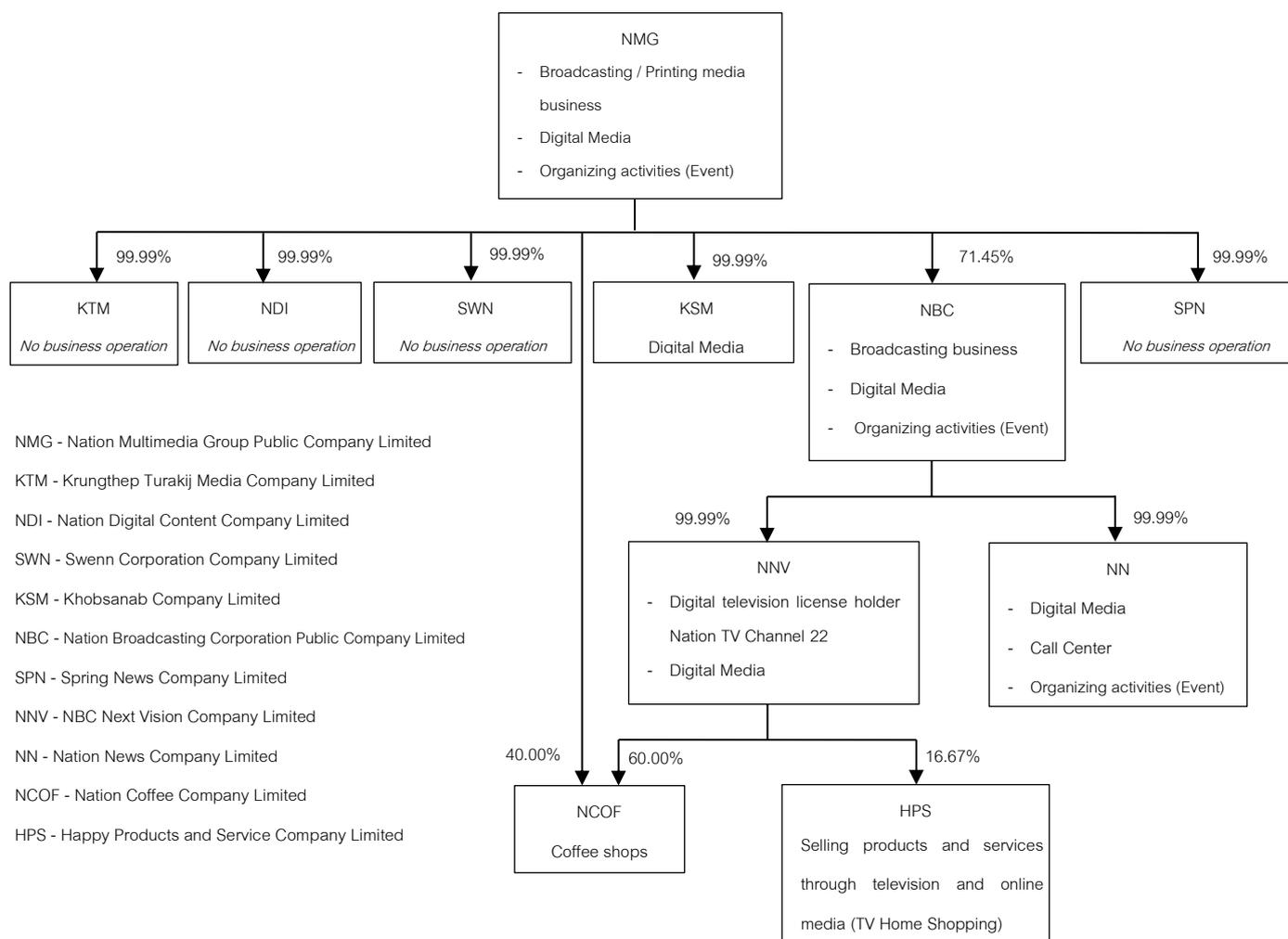
Table Shows the Details of Business Segments of NMG and the Company

Before and After the Transaction.

Business	Digital Media Business (New Media)	Organizing Activities (Event)	Television Program
<u>1. Business segments of NMG and the Company before the transaction</u>			
Nation Multimedia Group Public Company Limited	Yes	Yes	Yes
Nation Broadcasting Corporation Public Company Limited	Yes	Yes	Yes
<u>2. Business segments of NMG and the Company after the transaction</u>			
Nation Multimedia Group Public Company Limited	Yes	Yes	Yes
Nation Broadcasting Corporation Public Company Limited	Yes	Yes	-

The business structure of the NMG Group in 2021 after change in the business restructured in 2022 before and after the transaction are as follows.

The Business Structure of the NMG Group In 2021



The Business Structure of the NMG Group After Change in the Business Restructured in 2022

Before the Transaction

The details of change in the business restructured in 2022 before the transaction are as follows.

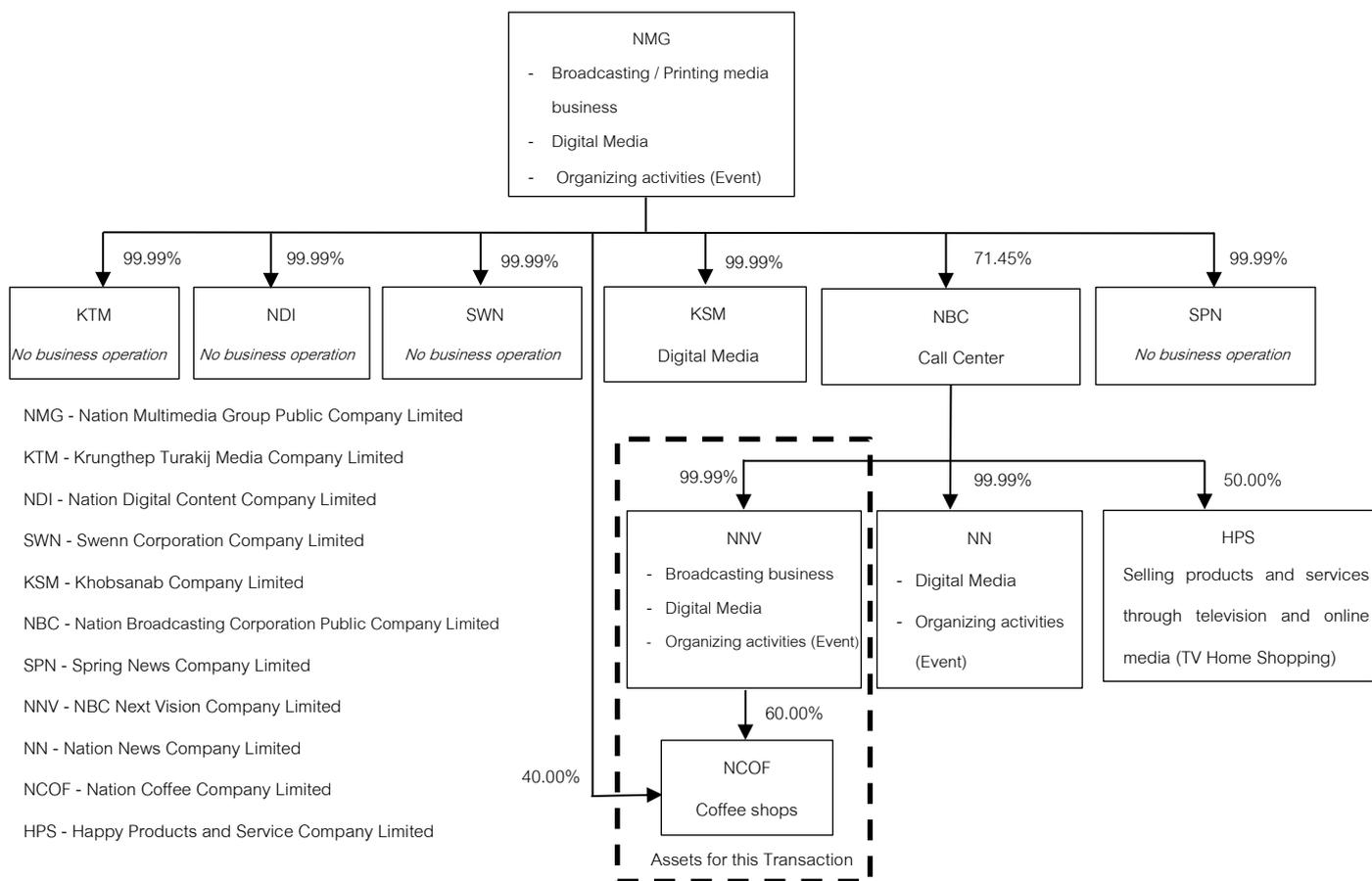
Item	Business restructured operation before entering the transaction
<p>1. Transfer of the digital television business (Nation TV Channel 22) from the Company to be operated by NNV. NNV will purchase the assets which are priced according to the book value amounting to 105,955,682 Baht (excluding VAT) and will transfer employees, as well as employee benefits, to NNV in the amount of 45,771,351 Baht.</p>	<p>The Company has transferred employees on 1 January 2022 and the purchase of assets was completed on 1 March 2022.</p>

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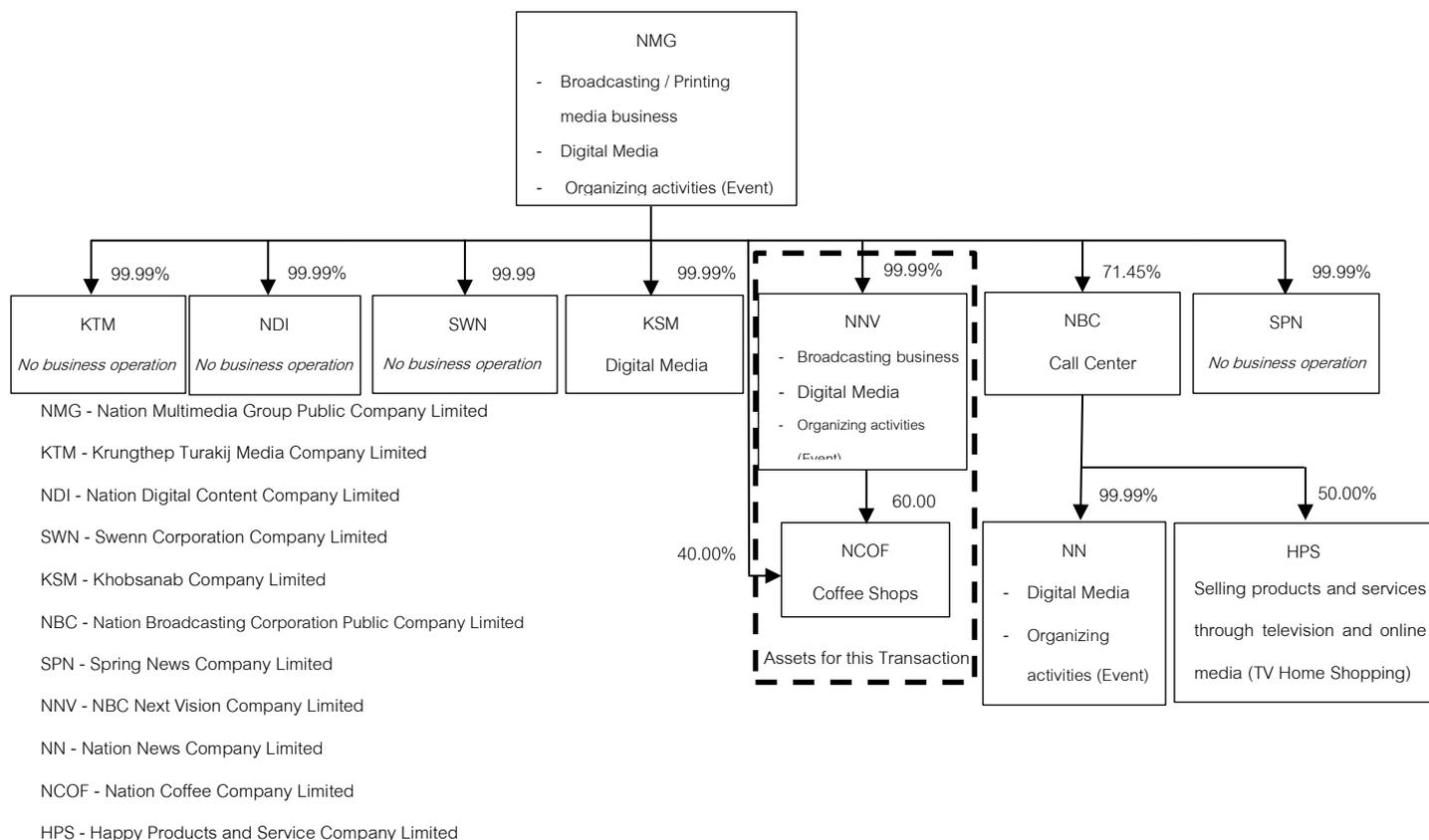
Item	Business restructured operation before entering the transaction
<p>2. Transfer of the business unit and assets in the Kom Chad Luek business from the Company to be operated by NNV. NNV will purchase the business unit and assets in the amount of 70,000,000 Baht (excluding VAT) estimates by the Company's financial advisor.</p>	<p>The Company expects that it will be completed within April 2022.</p>
<p>3. NNV will buy shares of Happy Products and Service Company Limited from Miss Duangkamol Kiatsukkasem, who is an existing shareholder of HPS, for 33.33% or equivalent to 10,000,000 Baht. This will cause the shareholding proportion to increase to 50% of the paid-up capital and will allow HPS to become a subsidiary. NNV will then transfer all of its shares to the Company at a price of 25,000,000 Baht based on the NNV's investment in HPS.</p>	<p>The Company received shares transfer from NNV on 2 March 2022.</p>
<p>4. NNV will increase its paid-up capital from 800,000,000 Baht to 860,000,000 Baht by converting debts from trade accounts receivable that NNV owes the Company to capital of 60,000,000 Baht.</p>	<p>The Company expects that it will be completed within April 2022.</p>
<p>5. Transfer of the call center business unit from Nation News Company Limited, a subsidiary, to be operated by the Company at a price of 40,000,000 Baht.</p>	<p>The Company expects that it will be completed within April 2022.</p>

Note: No. 4 and 5 are material conditions precedent

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The Business Structure of the NMG Group After the Transaction



The Independent Financial Advisor is of the opinion that the Sale of Ordinary Shares in Subsidiaries will be made for the purpose of restructuring the Group to make it clearer and more flexible following the policy of Nation Multimedia Group Public Company Limited, who is a major shareholder of the Company. Also, it will promote cooperation within the Group, which will then create synergy by sharing resources for the maximum benefit to the business. Moreover, to enter into such transaction will allow the Company to reduce the risk from recognizing operating losses of NNV in the future since the digital television business has constantly been incurring operating losses, and then it will improve the Company's financial position.

The purchase price is in the range which estimated by Orion Advisory Company Limited, the Company's financial advisor. The total appraised value is in the range of 378.26 – 462.98 million Baht (include the value of NNV's shares and debts). As a result, the Company can use the cash flow obtained from the Transaction for other businesses with higher potential growth and use as working capital for business operations. Not only that the Company can use the cash flow to pay off debts, causing the interest burden to reduce and leading to the improvement of overall cash flows of the Company.

The Company is able to record the accounting profit from the sale of ordinary shares in the whole amount since the investment value in NNV shown in the Company's financial statements equals 0 (zero), and this will eventually allow the financial structure of the Company to improve.

Therefore, the objective of entering into the Transaction is reasonable.

To enter into such transaction provides advantages, which are (1) being able to use money received from the sale of NNV's ordinary shares and debt settlement for the Company's business, (2) diminishing potential losses that may arise in the future in the consolidated financial statements, (3) being able to record the accounting profit and lessening the burden of finance costs, and (4) reducing conflicts of interest among NMG's group and NBC. However, there is no disadvantage of entering into the transaction.

There is an advantage of not entering into the transaction, which is the fact that the Company can continue to operate the current business. But there are disadvantages of not entering into the transaction, which are (1) not receiving money from the sale of NNV's ordinary shares and outstanding debts and (2) the risk of conflicts of interest between the Company and NMG still remains.

Advantages of entering into the transaction with connected persons is the Company will be able to negotiate the terms of asset disposition quickly.

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A disadvantage of entering into the transaction with connected persons is incurring additional expenses arising from the consideration on connected transactions. However, there is no risk of entering into the transaction.

The selling price of NNV's ordinary shares in the amount of 239,728,315.18 Baht is appropriate as it is close to the fair value of NNV's ordinary shares at 235,176,827 Baht, which is estimated by the Independent Financial Advisor using the Adjusted Book Value Approach.

As for the liabilities owed to Nation Broadcasting Corporation Public Company Limited in the amount of 221,300,000 Baht, the Independent Financial Advisor did not perform any valuation since NMG will provide loans to NNV to repay the outstanding debts with the Company in the same amount in cash.

The Independent Financial Advisor opines that the condition that the Company and NMG must seek an approval from the shareholders' meeting is set in accordance with the laws and relevant announcements. Also, to convert debts from trade accounts receivable that NNV owes the Company, the amount of which has been set aside with the allowance for doubtful accounts in the whole amount, to ordinary shares of 6,000,000 shares with a par value of 10.00 Baht per share, a total of 60,000,000 Baht, is the condition that does not require cash and it is for managing all of the outstanding debts to support the restructuring of the Group.

The Company will purchase the call center business from Nation News Company Limited. Currently, the business unit is operated by Nation News Company Limited with the total asset value of 40,000,000 Baht, and this business purchase will be made for the purpose of restructuring the Group to make it clearer and more flexible following the policy of Nation Multimedia Group Public Company Limited

In this regard, the total value of the sale of NNV's ordinary shares and repayment liabilities of NNV owed to the Company amounting to 461,028,315.18 Baht. NMG will use the money from selling the Company's ordinary shares to Mr.Nattapong Seetavorarat and Mr.Boon-ae Chitthanon with a value of 898,341,817.10 Baht. Therefore, the conditions precedent that NMG must approved by the shareholders' meeting for the sale of the Company's ordinary shares to Mr.Nattapong Seetavorarat and Mr.Boon-ae Chitthanon is the purpose to raise money for entering into the Transaction.

The Independent Financial Advisor views that the conditions precedent are the conditions set in accordance with the laws and relevant announcements, including increasing the registered capital of NNV for debt-to-equity conversion, change in the business restructured of the Group and conditions of the sale of the Company's ordinary shares are normal courses of business practice.

Therefore, the Independent Financial Advisor is of the opinion that the shareholders should approve the Company to entering into asset disposition and connected transactions this time. Moreover, the Independent Financial Advisor suggests the shareholders to consider other factors that may affect the decision making, such as the conditions of the transaction, advantages and disadvantages of entering into the transaction, advantages and disadvantages of not entering into the transaction, advantages and disadvantages of entering into the transaction with connected persons, risks of entering into the transaction, etc.

In considering on approval or disapproval on the transaction this time, the shareholders could consider the information, the rationale and the opinions, of which the Independent Financial Advisor presents in this report. Nevertheless, the shareholders could decide to “approve” or “disapprove” on the transaction, mainly depending on the discretion of the shareholders.

1. Characteristics and Details of Asset Disposal and Connected Transactions

1.1 Date of the Transaction

The Company will sign the sale and purchase agreement of ordinary shares in subsidiaries between the Company and NMG, including other related agreements after the 2022 Annual General Meeting of Shareholders of the Company, which will be held on 29 April 2022, and will pay the consideration for the sale and purchase of ordinary shares after the conditions precedent in the sale and purchase agreement of ordinary shares in subsidiaries between the Company and NMG, including other related agreements, are fulfilled. The Company expects that the Transaction will be completed within July 2022 or any other date to be agreed upon by the contractual parties.

1.2 Related Parties and Relationship with the Listed Company

Seller : The Company

Purchaser : NMG

Relationship with the listed company : NMG is a major shareholder and a controlling person of the Company, that is, a juristic person who has the controlling power over the business according to Section 89/1 of the Securities and Exchange Act by holding shares with voting rights of the Company at 71.45% of the total number of sold shares of the Company, which exceeds 50 % of the total voting rights of the Company. Therefore, NMG is considered as a connected person according to the Notification on Connected Transactions.

1.3 Characteristics of the Transaction

The Company will enter into the Sale of Ordinary Shares in Subsidiaries as detailed below:

Details of the sale and purchase : The Company will sell:

- 1) 85,999,997 ordinary shares held in NNV or equivalent to 99.99 % of NNV's paid-up capital. This includes the ordinary shares of NCOF that NNV holds in the amount of

60,000 shares, representing 6.0 % of NCOF's paid-up capital, with the sum of 239,728,315.18 Baht.

- 2) NNV's liabilities owed to the Company, with a value of 221,300,000 Baht.

Whereas NMG will provide loans to NNV to pay off the Company's liabilities.

Totaling 461,028,315.18 Baht.

Date of completion of the sale and purchase : Within July 2022 or any other date to be agreed upon by the contractual parties.

Material conditions precedent : 1) The Meeting of the Board of Directors and the shareholders' meeting of the Company pass a resolution to approve the entry into the transaction of the sale of ordinary shares in subsidiaries of the Company.

- 2) The Meeting of the Board of Directors and the shareholders' meeting of NMG pass a resolution to approve the entry into the transaction of the purchase of ordinary shares in subsidiaries of the Company.

- 3) The Meeting of the Board of Directors and the shareholders' meeting of NMG pass a resolution to approve the entry into the transaction of the sale of the Company's ordinary shares to Mr.Nattapong Seetavorarat and Mr.Boon-ae Chitthanon.

- 4) The Company invests in newly issued ordinary shares of NNV in the amount of 6,000,000 shares with a par value of 10.00 Baht per share, a total of 60,000,000 Baht, by converting debts from trade accounts receivable that NNV owes (currently, the Company sets up an allowance for doubtful accounts in the whole amount.) amounting to 59,707,877.08 Baht to such newly issued ordinary shares. The Company expects that it will be completed within April 2022.

- 5) The Company agrees to purchase the call center business from Nation News Company Limited. Currently, the

business unit is operated by Nation News Co., Ltd. with the total asset value of 40,000,000 Baht.

The Company expects that it will be completed within April 2022.

Payment terms : NMG will pay for the ordinary shares in NNV in cash after NMG has invested in NNV's ordinary shares and received cash from the sale of the Company's ordinary shares which expects that it will completed within July 2022.

Moreover, NMG must receive payment from the sale of the Company's ordinary shares before making payment to the Company for NNV's ordinary shares. NMG will receive the transfer of NNV's shares from the Company within 30 days from the date of the shareholders' meeting of the Company and NMG approved the transaction. And NMG will pay for the purchase of NNV's ordinary shares within 30 days from the date NMG received payment for the sale of the Company's ordinary shares from the purchaser. In the event, that the sale of the Company's ordinary shares is not completed, NMG will transfer the NNV's ordinary shares back to the Company.

1.4 Type and Size of the Transaction

The Sale of Ordinary Shares in Subsidiaries is considered as an asset disposition transaction in accordance with the Notification on Acquisition or Disposition of Assets and is also considered as a connected transaction of the Company which falls into the category of asset or service according to the Notification on Connected Transactions. The details of calculation are as follows:

Details of the Calculation of the Transaction Size of Asset Disposal

The calculation of the transaction size referring to the consolidated financial statements of the Company as of 31 December 2021 can be done according to the following criteria:

Calculation Method	Transaction Size
1. Value of net tangible assets (NTA)	$\frac{159.16 \times 100}{360.07} = 44.20\%$
2. Net operating profits	Calculation cannot be made, because NNV has an operating loss.
3. Total value of consideration	$\frac{461.03 \times 100}{950.96} = 48.48\%$
4. Value of equity shares	Calculation cannot be made, because there are no new shares issued.

When including the transaction size of asset disposition occurred during 6 months prior to the date on which the Company's Board of Directors resolved to approve the entry into this transaction (1 transaction), that is, the transaction regarding NNV's waiver of its right to subscribe for newly issued ordinary shares in the whole amount in Happy Products and Service Company Limited with the transaction size of 1.40% calculated based on the total value of consideration, which is the calculation basis resulting in the highest transaction value in reference to the Company's consolidated financial statements ended 30 June 2021;

The highest transaction size will equal 49.88% calculated based on the total value of consideration and this is classified as a Class 2 transaction under the Notification on Acquisition or Disposition of Assets. Therefore, the Company has a duty to immediately disclose information in relation to the transaction to the Stock Exchange of Thailand ("SET") pursuant to Schedule (1); annexed to the Notification on Acquisition or Disposition of Assets and serve a written notice to the shareholders of the Company within 21 days from the date of disclosure of information to the SET.

Details of the Calculation of the Size of Connected Transaction

The calculation of the transaction size referring to the consolidated financial statements of the Company as of 31 December 2021 can be done according to the following criteria:

Unit: million Baht

Item	Financial Statements as of 31 December 2021
Net tangible assets of the Company (NTA)	360.07

Unit: million Baht

Item	Financial Statements as of 31 December 2021
Size of connected transactions	
- NNV's ordinary shares	239.73
- Liabilities of NNV (debtor) to the Company (Creditor)	221.30
Size of connected transactions as a % of NTA	128.04%

According to the Notification on Connected Transactions, the entry into such transaction is the transaction that falls into the category of asset or service with the transaction size of 461,028,315.18 Baht or 128.04% of the net tangible assets (NTA) of the Company. Such transaction size, it exceeds 20 million Baht or 3% of the net tangible assets of the Company; whichever is higher.

And the Company does not have any connected transaction occurred during 6 months prior to the date on which the Company's Board of Directors resolved to approve the entry into this transaction;

Therefore, the highest transaction size equals 128.04%. The Company has a duty to disclose relevant information to the Stock Exchange of Thailand, request an approval from the Company's Board of Directors and from the shareholders' meeting with affirmative votes of not less than three-fourths of the total votes of participating and voting shareholders, excluding the votes of interested shareholders. The Company must then deliver the invitation notice of the shareholders' meeting, together with the opinion of the Independent Financial Advisor, to the shareholders not less than 14 days in advance prior to the date of the shareholders' meeting. In this regard, the Company will set the 2022 Annual General Meeting of Shareholders for requesting an approval of the transaction on 29 April 2022.

1.5 Total Value of Consideration and Criteria Used in Determining the Value of Consideration

The Company will execute the sale of NNV's ordinary shares in the amount of 239,728,315.18 Baht and liabilities that NNV owes the Company amounting to 221,300,000 Baht,

a total of 461,028,315.18 Baht, which is free of interest, damages, any tax deductions and/or claims, and the total payment will be made in cash.

The value of consideration for the Sale of Ordinary Shares in Subsidiaries is based on negotiation and agreement with the purchaser. The price is primarily determined by the valuation of shareholders' equity, taking into account the profitability and future cash flows of the company (Discounted Cash Flow) estimated by Orion Advisory Company Limited, the Company's financial advisor with reference to future net cash flows of the business derived from 3 business units; which are a business unit under the Kom Chad Luek brand, an online media business unit under the Nation Online brand, and an online media business unit under the Nation TV brand. The total appraised value is in the range of 378.26 – 462.98 million Baht (include the value of NNV's shares and debts).

1.6 List of the Connected Persons and Nature of Their Relationship

Shareholding

NMG is a controlling person of the Company, that is, a juristic person who has the controlling power over the business according to Section 89/1 of the Securities and Exchange Act by holding shares with voting rights of the Company at 71.45% of the total number of sold shares of the Company.

List of the Names who are Common Directors in Both Companies

No.	Name	The Company	NMG
1	Mr. Shine Bunnag	Chairman of the Board of Directors	Vice Chairman of the Board of Directors
2	Mr. Jessada Buranapansri	Director	Director
3	Mr. Somboon Muangklam	Director	Director

1.7 Details of the Connected Persons and Scope of Interest

Directors who have interests

List of the Company's directors who have interests because they are common directors in NMG and the Company:

No.	Name	The Company	NMG
1	Mr. Shine Bunnag	Chairman of the Board of Directors	Vice Chairman of the Board of Directors
2	Mr. Jessada Buranapansri	Director	Director
3	Mr. Somboon Muangklam	Director	Director
4	Miss Aura-Orn Akrasanee	Director Nomination and Remuneration Committee	Assistant Managing Director Business Development Department
5	Mrs. Warangkana Kalayanapradit	Director Executive Director	Assistant Chief Executive Officer

At the Meeting of the Board of Directors of the Company no. 2/2022, held on 4 March 2022, there were 11 directors (out of 13) attending the meeting, constituting the quorum in accordance with the Company's articles of association. In the agenda considering and approving the sale of ordinary shares in the Company's subsidiary, which is a connected transaction, all of the interested directors as listed above did not attend the meeting and did not cast their vote on such agenda.

Shareholders who have interests in the transaction and have no voting rights

NMG holds shares in the Company at 71.45% of the total number of sold shares of the Company, and Miss Aura-Orn Akrasanee who holds 409,995,000 shares in NMG or equivalent to 10.08% also holds 25,760,000 shares in the Company or equivalent to 2.29% of the Company's total shares sold. She therefore is considered as an interested person and will have no right to cast the vote on this transaction.

1.8 Benefits that the Company Expects to Receive

To enter into the transaction of the sale of NNV's ordinary shares and liabilities that NNV owes the Company, the Company will receive cash from such transaction and expects to receive the following benefits:

- 1) Reducing the risk of declining NNV's operating results: NNV's operating results in the previous year show a loss. To enter into such transaction will allow the Company to reduce

the risk from recognizing operating losses (broadcasting business, digital media (New media) and organizing activities (Event)) of NNV in the future, and then it will improve the Company and the Group's financial positions.

- 2) The disposal of a business whose price is higher than the value estimated by the Company: Such purchase price is higher than the value estimated by the Company, as a result, the Company can use the cash flow obtained from the disposal of investment for other businesses with higher potential growth and use as working capital for business operations.
- 3) Lessening the burden of finance costs of the Company: The Company can use the cash flow obtained from the disposal of investment to pay off debts, causing the interest burden to reduce and leading to the improvement of overall cash flows of the Company.
- 4) Improving the financial structure of the Company: It will help the Company to improve the financial structure as the Company is able to recognize the accounting profit from the disposal. From separate financial statements of the Company as of 31 December 2021, the investment value in NNV is equal to 0 (zero). To entering in to such transaction will allow the Company to receive the total consideration of 239.73 million Baht, which will result in a greater profit shown in the Company's financial statements.

1.9 Plan of Using the Fund Obtained from the Disposition of Assets

The Company plans to use the fund obtained from the sale of ordinary shares in NNV and NNV's liabilities owed to the Company as follows:

- 1) Using as working capital for the Group;
- 2) Lessening the burden of finance costs of the Company whereas the Company can use the cash flow obtained from the disposal of investment to pay off debts which the details of the loan in the consolidated financial statements of the Company as of 31 December 2021 amounted to 173.10 million Baht, consisting of loans from financial institutions of 160.10 million Baht and loans from other parties of 13 million Baht.
- 3) Using to expand the business according to the Company's operational plan which aims to diversify the risks of various transactions and reduce the risk factors from running the

business. The Company will consider the suitability and potential of the business, including the maximum benefits of the Company as most important.

After the disposition of NNV shares, the Company will remain the business units which operates the call center and hold the shares in the subsidiary which operates the home shopping business (The Company has 50% shareholding proportion in HPS) and mobile applications. The Company will focus primarily on expanding into the home shopping business, such as expanding the home shopping business through E-Commerce channels, making own brand products to expand its customer base more broadly, which includes expanding the call center business, which is related to the operation of the home shopping business, and plans to develop the company's database system for the benefit of promotion and sales in the future, as well as increase operational potential. As a result, the performance of the Company will be improved in the future.

2. Information of the Assets Entered into the Transaction

2.1 List of the Assets Entered into the Transaction

2.1.1 Company details of NBC Next Vision Company Limited

Company name	:	NBC Next Vision Company Limited
Business type (Before the transaction)	:	Produce television programs and provide advertising services through television media, new media and organizing activities (Event)
Address	:	1854, 5 th Floor, Debaratana Road, Bangna-Tai Sub-District, Bangna District, Bangkok
Registered date	:	30 November 2012
Registered and paid-up capital (as of 18 March 2022)	:	The registered capital of 800,000,000 Baht, which is divided into 80,000,000 ordinary shares with a par value of 10 Baht per share, and the paid-up capital of 800,000,000 Baht.
List of directors (as of 18 March 2022)	:	<ol style="list-style-type: none"> 1. Mr. Shine Bunnag 2. Mr. Supawat Sa-nguan-ngam 3. Mr. Somkiat Boonsiri 4. Mrs. Warangkana Kalayanapradit

2.1.2 List of shareholders of NNV before the Transaction and after the Transaction

No.	Shareholder Name	Before the Transaction		After the Capital Increase of 60 million Baht		After the Transaction	
		No. of Shares	%	No. of Shares	%	No. of Shares	%
1.	Nation Broadcasting Corporation Public Company Limited	79,999,997	99.99	85,999,997	99.99	-	-
2.	Mr. Supawat Sa-nguan-ngam	2	<0.01	2	<0.01	2	<0.01
3.	Miss Mathaya Osathanond	1	<0.01	1	<0.01	1	<0.01
4.	Nation Multimedia Group Public Company Limited	-	-	-	-	85,999,997	99.99
After the offer of ordinary shares - total		80,000,000	100.00	86,000,000	100.00	86,000,000	100.00

2.1.3 Nature of business

NNV produces television programs and provides advertising services through television media. On 27 December 2013, NNV won the auction of the digital television license for the Standard Definition (SD) of news channel under the name of Nation TV 22. The channel presents news programs and focuses on the uniqueness of the channel, as well as producing news and knowledge programs. Also, the company utilizes resources used in the production of television programs, such as news information, news images and personnel, and expands the business to other businesses related to event organizing, then, promoting through various platforms.

For the new media business, the contents are more utilized and communicated via social media in various platforms in order to create audience engagement through television screens and websites. The company initiates the use of Twitter, Facebook and hashtags by choosing topics that are of interest to the audiences and inviting them to express their opinions through various social media platforms under the “Nation Online” business.

Organizing activities (Event) including organizing various training seminars to support the sale of printing media and various advertising media of the Group. There are activities that will be held annually, including the Kom Chad Luek Awards under Kom Chad Luek business unit. In addition, there are other activities such as Nation Bike, Nation TV and Golf Charity and Nation Exclusive Talk.

2.1.4 Summary of financial position and operating results

Statement of Financial Position

Unit: million Baht

Statement of Financial Position	As of 31 December		
	2019	2020	2021
	Audited		Before Audited
<u>Assets</u>			
Cash and cash equivalents	1.57	3.73	1.29
Trade and other receivables	3.99	2.08	9.31
Accrued income ¹	14.76	0.97	3.67
Input value added tax pending	1.99	0.49	1.12
Value added tax refundable	9.09	9.01	9.87
Total current assets	31.40	16.28	25.28

Unit: million Baht

Statement of Financial Position	As of 31 December		
	2019	2020	2021
	Audited		Before Audited
Investments in subsidiaries ²	-	15.00	1.50
Leasehold improvements and equipment	-	0.66	2.73
Intangible assets	2.24	2.02	1.88
Digital television license	337.17	300.91	264.74
Withholding tax deducted at source	23.05	20.22	15.99
Other non-current assets	2.06	2.06	2.06
Total non-current assets	364.53	340.87	288.91
Total assets	395.93	357.15	314.18
<u>Liabilities and Equity</u>			
Trade and other payables	128.06	87.11	64.03
Current portion of digital television license payable	49.90	49.90	
Short-term loans from parent company ³	50.00	40.65	81.60
Accrued expenses	9.76	9.28	4.48
Output value added tax pending	0.17	0.10	0.65
Other current liabilities	-	0.07	0.33
Total current liabilities	237.90	187.11	151.09
Employee benefit obligations	0.47	1.58	1.86
Total non-current liabilities	0.47	1.58	1.86
Total liabilities	238.37	188.69	152.95
Issued and paid-up share capital	800.00	800.00	800.00
Retained earnings (deficit)	(642.44)	(631.54)	(638.77)
Total equity	157.56	168.46	161.23
Total liabilities and equity	395.93	357.15	314.18

Note: ¹ Accrued income in 2019 is accrued income from compensation from rental on digital terrestrial spectrum television networks (MUX) and satellite TV transmission fee totaling of 14.76 million Baht. In 2020, it was digital media revenue of 0.97 million Baht and accrued income in 2021 increased from 2020 by 2.70 million Baht due to the increase in digital media revenue.

² Investments in subsidiaries in 2020 is the investment in HPS amounting to 15 million Baht and in 2021, the Company has set an allowance for impairment of investments in HPS of 15 million Baht because in 2021 HPS has net operating loss of 48 million Baht and shareholders' equity deficits of 35.20 million Baht. In addition, there were investments in NCOF amounts of 1.50 million Baht.

³ An increase of Short-term loans from the parent company in 2021 amount of 40.95 million Baht, is a loan to pay for the remaining digital tv license fee.

Statement of Comprehensive Income

Unit: million Baht

Statement of Comprehensive Income	For the Year Ended 31 December		
	2019	2020	2021
	Audited		Before Audited
Revenues from sales	79.20	80.73	106.12
Other income	32.02	39.61	43.00
Total revenues	111.22	120.34	149.12
Costs of services	98.28	101.51	130.60
Administrative expenses ¹	10.03	1.30	21.56
Reversal of impairment loss on the digital television license ²	(486.70)	-	-
Reversal of allowance for doubtful accounts	-	-	(1.51)
Total expenses	(378.39)	102.81	150.65
Profit (loss) before finance costs	489.61	17.53	(1.52)
Finance costs	(6.75)	(6.63)	(5.70)
Net profit (loss)	482.86	10.90	(7.23)

Note: ¹ Administrative expense in 2021 increased by 20.10 million Baht due to increase in office expenses building renovation costs and administrative consulting fees.

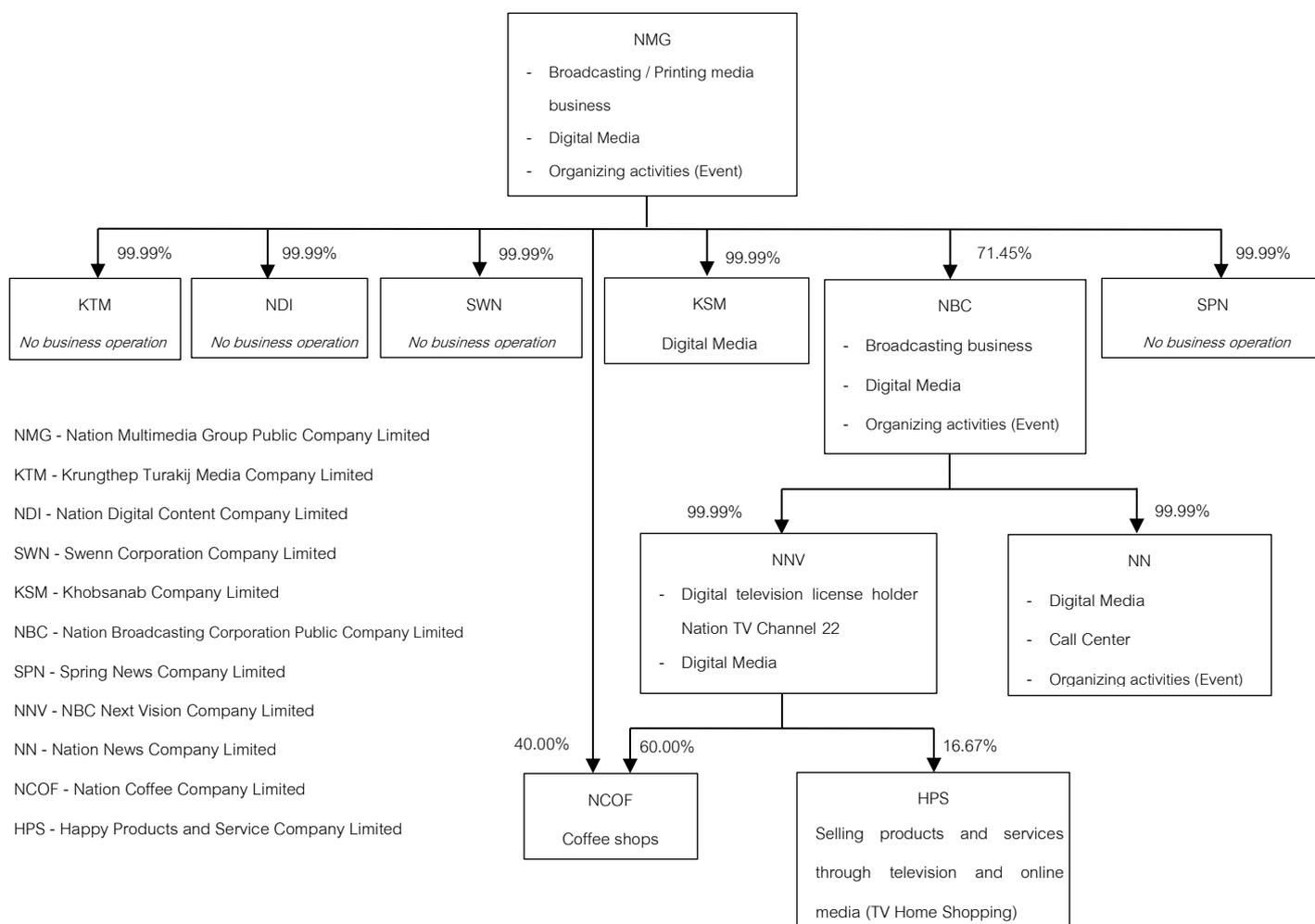
² Regarding NCPO's order No.4/2562, the subsidiary has decided not to return the digital television license. As a result, the subsidiary will be exempted for the installment of the license fee including a subsidy for the network rental expenditures. The management performed the impairment testing of digital television license and its related assets by determined the recoverable amount from the value in use included with the benefits accordance with the above order of NCPO. The management determined that the recoverable amount exceeds it carrying amount of asset. Therefore, the Group has considered to reverse of impairment loss of digital television license of 486.70 million Baht in the consolidated financial statements for the year ended 31 December 2019.

In 2022, the Company has change in business structure of the Group. Therefore, NNV's financial statements in the past did not reflect current business performance.

2.2 Changes in the Business Structure of the NMG's Group that will Occur Before and After the Transaction

Nation Multimedia Group Public Company Limited who is the major shareholder of the Company, holding 71.45% of the total number of sold shares of the Company willing to made for the purpose of restructuring the Group to make it clearer and more flexible under the "One Nation" policy. Also, it will promote cooperation within the Group, which will then create synergy by sharing resources for the maximum benefit to the business where NMG will restructuring the Group and business under the group of companies as follows:

The Business Structure of the NMG's Group In 2021



The Business Structure of the NMG's Group After Change in the Business Restructured in 2022

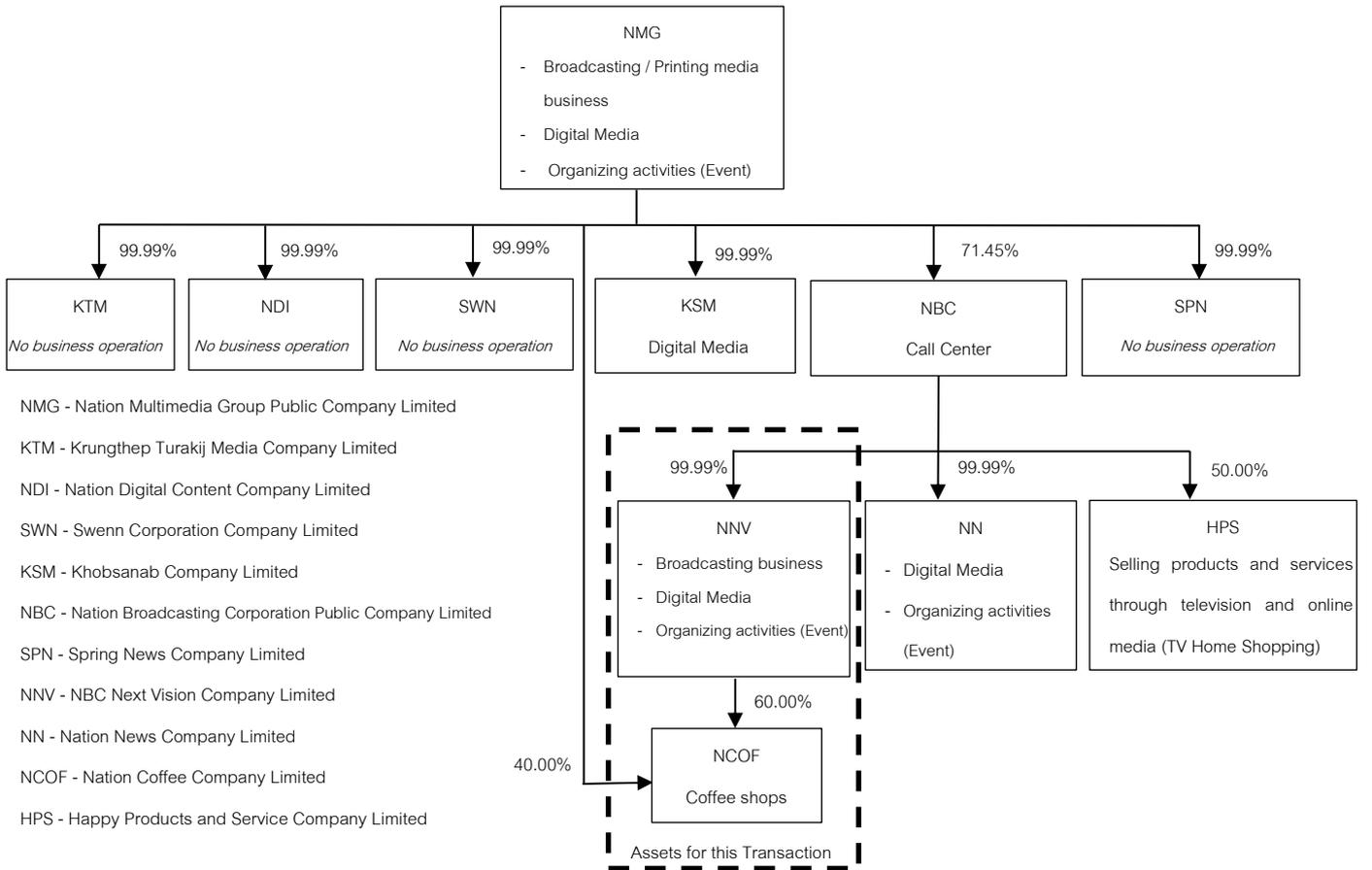
Before the Transaction

The details of change in the business restructured in 2022 before the transaction are as follows:

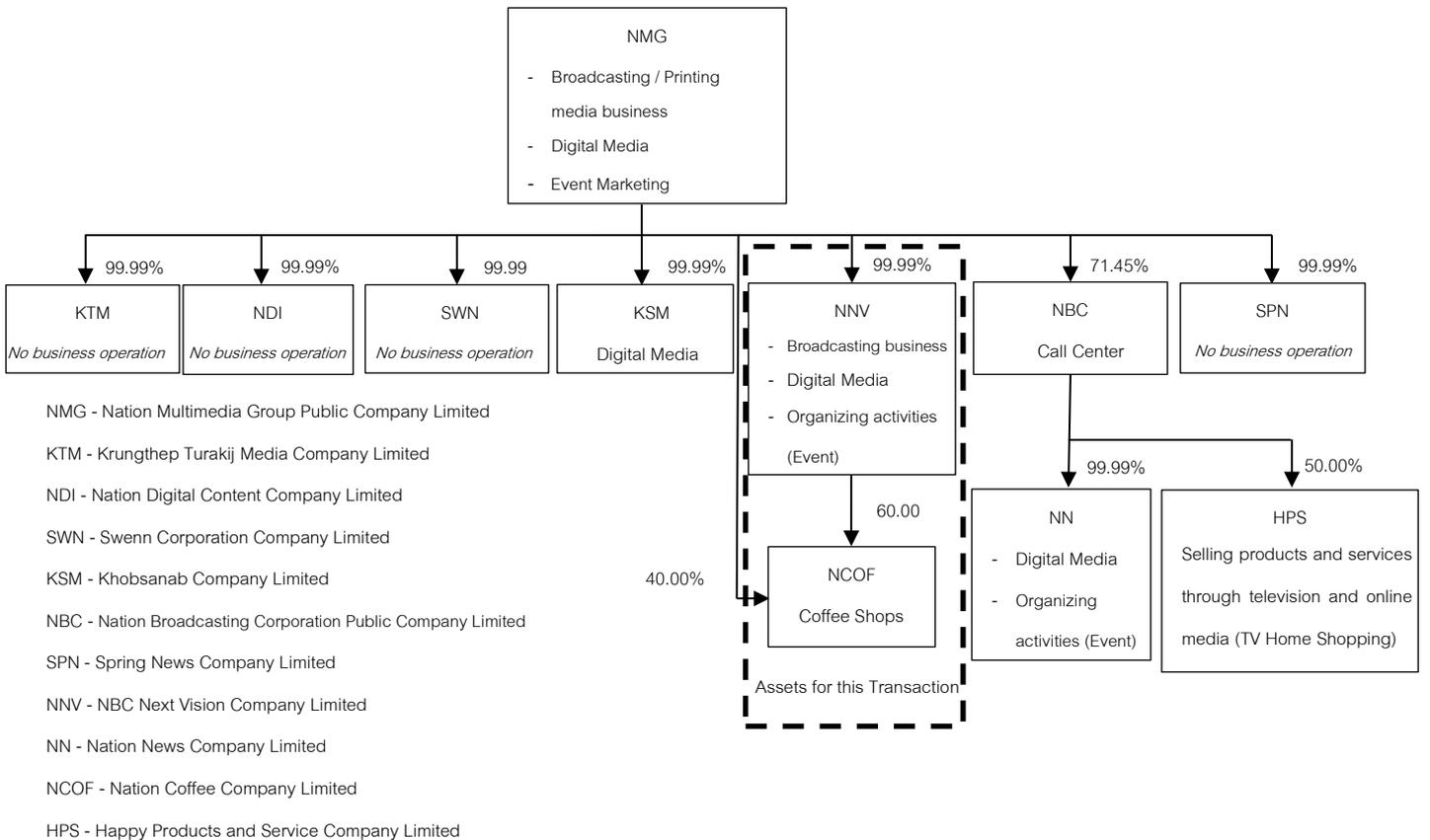
Item	Business restructured operation before entering the transaction
1. Transfer of the digital television business (Nation TV Channel 22) from the Company to be operated by NNV. NNV will purchase the assets which are priced according to the book value amounting to 105,955,682 Baht (excluding VAT) and will transfer employees, as well as employee benefits, to NNV in the amount of 45,771,351 Baht.	The Company has transferred employees on 1 January 2022 and the purchase of assets was completed on 1 March 2022.
2. Transfer of the business unit and assets in the Kom Chad Luek business from the Company to be operated by NNV. NNV will purchase the business unit and assets in the amount of 70,000,000 Baht (excluding VAT) estimates by the Company's financial advisor.	The Company expects that it will be completed within April 2022.
3. NNV will buy shares of Happy Products and Service Co., Ltd. from Miss Duangkamol Kiatsukkasem, who is an existing shareholder of HPS, for 33.33% or equivalent to 10,000,000 Baht. This will cause the shareholding proportion to increase to 50% of the paid-up capital and will allow HPS to become a subsidiary. NNV will then transfer all of its shares to the Company at a price of 25,000,000 Baht based on the NNV's investment in HPS.	The Company received shares transfer from NNV on 2 March 2022.
4. NNV will increase its paid-up capital from 800,000,000 Baht to 860,000,000 Baht by converting debts from trade accounts receivable that NNV owes the Company to capital of 60,000,000 Baht.	The Company expects that it will be completed within April 2022.
5. Transfer of the call center business unit from Nation News Co., Ltd., a subsidiary, to be operated by the Company at a price of 40,000,000 Baht.	The Company expects that it will be completed within April 2022.

Note: No. 4 and 5 are material conditions precedent

The Opinion Report of the Independent Financial Advisor on Asset Disposition and Connected Transactions



The Business Structure of the NMG's Group After the Transaction



2.3 Conflicts of Interest in the NMG's Group and the Company

The details of the business of NMG and the Company before and after the transaction are as follows:

Table Shows the Details of Digital Media Business (New Media) Before the Transaction

Company	Digital Media Business (New Media)			
	Website	Facebook Page	Website	Twitter
Nation Multimedia Group Public Company Limited (NMG)	www.nationgroup.com www.nationthailand.com www.bangkokbiznews.com www.bottomlineis.co www.nationweekend.com www.krungthepurakit.com www.springnews.co.th	The Nation Thailand Krungthep Turakij Bottomline Judprakai NationWeekend Springnews Hongsuebsuan	The Nation Thailand Krungthep Turakij Springnews Alive	The Nation Thailand Krungthep Turakij Springnews
Khobsanab Company Limited (KSM)	www.khobsanam.com	Khobsanam Khobsanung Khobsanam Hammalao Khobsanamfootballthai	Khobsanam	Khobsanam Khobsanung
Nation Broadcasting Corporation Public Company Limited (NBC) *The Company will transfer the digital media business (New Media) under the Company's operation to NNV.	www.nationtv.tv www.nationmobi.com www.oknation.net www.komchadluek.net www.komkhaotuathai.com	Nation Online Good Morning Nation Kom Chad Luek Nation Live Nation Tan Khao Nation News Agency (NNA) Hong Kao Chuk Chuen	NationTV22 Nation Live Kom Chad Luek Luek Kwa Kao Hong Kao Chuk Chuen Kom Chad Luek	NationTV22 Komchadluek Nation News Agency (NNA) Hong Kao Chuk Chuen
Nation News Company Limited (NN)	www.thainewonline.co www.tnews.co.th www.thepeople.co	ThaiNews 77jowo - ThaiNews TNEWS – Pet Par Plern Abbaroi – Knowledge center (adverse) Thainews-Entertain thepeoplecoofficial	ThaiNews Social Theaw Trip Pet Par Plern Suan Krasae ThePeopleCoOfficial	ThaiNews thepeople_co

Table Shows the Details of Organizing Activities (Event) and Television Program Before the Transaction

Company	Organizing Activities (Event)	Television Program
Nation Multimedia Group Public Company Limited (NMG)	Digital Transformation CEO Seminar Anniversary 50 Years Nation Group Seminar Anniversary 35 Years Krungthep Tuarakij Seminar Thailand Economic Outlook 2022 Seminar	Biz Insight NationWeekend
Nation Broadcasting Corporation Public Company Limited (NBC) *The Company will transfer organizing activities (Event) and television program under the Company's operation to NNV.	Nation Run Fight Covid-19 Nation Virtual Forum Seminar Smart City Seminar Rattana Go Surf Kom Chad Luek Award Kom Chad Luek Wing Loy Fah Mini Marathon	Nation Morning News Morning Nation Nation Insight Khaokhon Khonkhao
Nation News Company Limited (NN)	The People Award Raining Cat and Dogs Concert 50 Years Kru Paiboon ButKhan Concert Rice Festival	

After the transaction, the separation of the digital media business (New Media) and organizing activities (Event) are as follows:

Business Unit	Content / Event	
	The Company	NMG
1. Digital media business (New Media)	<ul style="list-style-type: none"> - Social news which focuses on media that can be distributed to a large number of people (Mass Media) - Inspiration / creativity from famous or successful people in each field - Informative entertainment 	<ul style="list-style-type: none"> - Economic News / Business Administration - General News / Politics / Crime
2. Organizing activities (Event)	<ul style="list-style-type: none"> - General events such as tree fairs and pet fairs - Music Events - Food and drinks Events 	<ul style="list-style-type: none"> - Economy and investment Seminar - Dinner Talk Seminar - Sports events such as running, cycling and golf - Awards Ceremony

Table Shows the Details of Business Segments of NMG and the Company

Before and After the Transaction.

Business	Digital Media Business (New Media)	Organizing Activities (Event)	Television Program
1. Business segments of NMG and the Company <u>before the transaction</u>			
Nation Multimedia Group Public Company Limited	Yes	Yes	Yes
Nation Broadcasting Corporation Public Company Limited	Yes	Yes	Yes
2. Business segments of NMG and the Company <u>after the transaction</u>			
Nation Multimedia Group Public Company Limited	Yes	Yes	Yes
Nation Broadcasting Corporation Public Company Limited	Yes	Yes	-

2.4 Industry Outlook

AGB Nielsen Thailand and the Digital Advertising Association of Thailand (DAAT) provide the overview summary of the advertising media industry in Thailand as between 2019 – 2021, the overall advertising spendings were 123,662, 107,719 and 107,151 million Baht, respectively. In 2020, when compared with the same period of the previous year, the growth rate decreased by 12.89%. Similarly, in 2021, the growth rate declined by 0.53%, while the advertising media industry continued to struggle from the third wave of the Coronavirus Disease 2019 (“Covid-19”) outbreak in early 2021. There were also concerns about the spread of Covid variants, such as Delta Plus and Omicron.

However, advertising spending on television media in 2021 stood at 63,662 million Baht, increasing by 0.78% compared to 2020, and It remained to be the media channel with the highest advertising spending at 59.38%, and advertising spending on internet media shared the market in 2021 at 23,315 million Baht with the market share of 21.76%, increasing from 2020 by 2,257 million Baht or increasing by 10.72%, which was higher than Kantar (Thailand) Limited and The Digital Advertising Association of Thailand (DAAT) estimated at 8.00%. For the out-of-home media segment, it shared the market in 2021 by ranking No. 3 at 9,709 million Baht or 9.06%, which had a continuous decline in growth during 2020 – 2021 at 18.67% and 11.62%, respectively.

Sea Limited's survey on the usage of digital technology in Thailand from the impact of the Covid-19 outbreak by Sea insights in September 2021 found that the average daily usage of digital technology in Thailand was 64%, higher than other ASEAN countries at 59%, where the average Thai usage of digital technology in entertainment was 81%, higher than the ASEAN region at 75%. As a result, the investments in advertising on the internet continued to grow during the last Covid-19 outbreak. At the same time, more than 62% of Thai people still demand more daily usage of digital technology in the future.

The Media Agency Association of Thailand (MAAT) and IPG Mediabrands Thailand, an affiliated company of Interpublic Group, predict that in 2022 the overall advertising spending in Thailand will be 110,562 million Baht, increasing by 3.18% with the view that the situation of the Covid-19 pandemic will improve in a better way, because more than 60% of people have accessed to vaccine, and the policy for the third dose of vaccination has been set.

While Media Intelligence or MI Group forecasts the growth rate of the advertising media industry in 2022 at 12%, which includes the growth rate of the internet media at 15.81% or approximately 27,000 million Baht. It is considered that people are ready to return to a normal life after the second dose of vaccination exceeds 70% and the third dose at 30%. The 8 main industries that will bring money into the advertising media industry are 1) cars: especially electric vehicles that are waiting for government policies, 2) motorcycles, 3) businesses and services related to new-normal lifestyles, such as product/food delivery platforms and/or online shopping platforms, 4) non-alcohol beverages, 5) beauty and health businesses, 6) credits, especially personal loans, 7) new alternative investments/speculations, and 8) other products and services related to outdoor activities, such as restaurants.

As for the 2022 prediction of MindShare (Thailand), an affiliated company of GroupM, the value of the advertising media industry is expected at 112,250 million Baht with a growth rate of 4.76% from 2021. It consists of advertising spending on TV media at 64,000 million Baht, increasing by 0.59%; advertising spending on internet media at 26,150 million Baht, increasing by 12.16%; and advertising spending on out-of-home media at 10,200 million Baht, increasing by 5.06%.

3. Rationale of the Transaction

3.1 Objective and Necessity of Entering into the Transaction

The Company will sell NNV's ordinary shares and receive payment of liabilities owed to the Company totaling 461.03 million Baht. It will be made for the purpose of restructuring the Group to make it clearer and more flexible following the policy of Nation Multimedia Group Public Company Limited, who is a major shareholder of the Company. Also, it will promote cooperation within the Group, which will then create synergy by sharing resources for the maximum benefit to the business.

To enter into such transaction will allow the Company to reduce the risk from recognizing operating losses of NNV in the future since the digital television business has constantly been incurring operating losses, and then it will improve the Company's financial position.

The purchase price is in the range estimated by Orion Advisory Company Limited, the Company's financial advisor. The total appraised value is in the range of 378.26 – 462.98 million Baht (include the value of NNV's shares and debts). As a result, the Company can use the cash flow obtained from the Transaction for other businesses with higher potential growth and use as working capital for business operations. Not only that the Company can use the cash flow to pay off debts, causing the interest burden to reduce and leading to the improvement of overall cash flows of the Company.

The Company is able to record the accounting profit from the sale of ordinary shares in the whole amount since the investment value in NNV shown in the Company's financial statements equals 0 (zero), and this will eventually allow the financial structure of the Company to improve.

After the sale of NNV's ordinary shares, the Company will remain the call center business unit and hold shares in Happy Products and Service Company Limited, which sell products and services through television and online media (TV Home Shopping), and Nation News Company Limited, which engages in the new media business.

The Independent Financial Advisor opines that the objective of entering into the Transaction this time is reasonable.

3.2 Advantages and Disadvantages Between Entering and Not Entering into the Transaction

Advantages of Entering into the Transaction

- (1) Being able to use money received from the sale of NNV's ordinary shares and debt settlement for the Company's business

Selling all of ordinary shares that the Company holds in NNV and receiving payment of liabilities owed to the Company totaling 461.03 million Baht will allow the Company to be able to use such cash flow for other businesses with higher potential growth and use as working capital for business operations. Not only that the Company can use the cash flow to pay off debts, causing the interest burden to reduce and leading to the improvement of overall cash flows of the Company.

- (2) Diminishing potential losses that may arise in the future in the consolidated financial statements

To enter into the Transaction will allow the Company to reduce the risk from recognizing operating losses of NNV in the future since the digital television business has constantly been incurring operating losses, and then it will improve the Company's financial position.

- (3) Being able to record the accounting profit and lessening the burden of finance costs

The Company is able to record the accounting profit from the sale of ordinary shares in the whole amount since the investment value in NNV shown in the Company's financial statements equals 0 (zero), because the Company has impaired the whole amount of the investment. To sell NNV's ordinary shares will enable the Company to record the accounting profit of 239.73 million Baht.

The Company can use the cash flow obtained from the sale of the investment to pay off debts, causing the interest burden to reduce and leading to the improvement of overall cash flows of the Company.

(4) Reducing conflicts of interest among NMG's group and NBC

To enter into the Transaction will help reduce conflicts of interest, because after the Transaction, the only remaining business that both NMG and NBC similarly operate is the new media business and organizing activities (Event), the details are as follow:

Business	Digital Media Business (New Media)	Organizing Activities (Event)	Television Program
1. Business segments of NMG and the Company <u>before the transaction</u>			
Nation Multimedia Group Public Company Limited	Yes	Yes	Yes
Nation Broadcasting Corporation Public Company Limited	Yes	Yes	Yes
2. Business segments of NMG and the Company <u>after the transaction</u>			
Nation Multimedia Group Public Company Limited	Yes	Yes	Yes
Nation Broadcasting Corporation Public Company Limited	Yes	Yes	-

Disadvantages of Entering into the Transaction

- None -

Advantages of Not Entering into the Transaction

The Company can continue to operate the current business.

If the Company does not enter into the sale of all ordinary shares that it holds in NNV, the Company will continue to operate the current business.

Disadvantages of Not Entering into the Transaction

(1) Not receiving money from the sale of NNV's ordinary shares and outstanding debts

If there is no entry into the sale of all ordinary shares that the Company holds in NNV and outstanding debts, the Company may not have sufficient funds to expand its TV home shopping and call center businesses. As a result, the Company would have to look for the funds from other alternative sources, i.e., borrowing from financial institutions, and this

would cause the Company to have higher finance costs and the outstanding debts may not be repaid since the business incurs losses.

In the event that the Company continues to have operating losses, the Company might have to exercise the offer of newly issued ordinary shares again, because the money received from the capital increase in 2019 and 2020 has already been used up.

- (2) The risk of conflicts of interest between the Company and NMG still remains.

In case the Company does not enter into the Sale of Ordinary Shares in Subsidiaries with NMG, it will cause the risk of conflicts of interest to remain since the Company and NMG have the same businesses, which are digital media business. and event marketing business.

3.3 Advantages and Disadvantages Between Entering into the Transaction with Connected Persons and Third Parties

Advantages Between Entering into the Transaction with Connected Persons and Third Parties

The Company will be able to negotiate the terms of asset disposition quickly.

The Company will be able to negotiate the terms of the tender offer and the sale and purchase agreement quickly since the Company is a subsidiary of NMG, and the management understands the operating procedures of the Company. Therefore, this will help promote cooperation within the Group, which will then create synergy by sharing resources for the maximum benefit to the business.

Disadvantages Between Entering into the Transaction with Connected Persons and Third Parties

Incurring additional expenses and time required for disclosure and compliance with the connected transaction criteria

The entry into the transaction this time is the transaction made with a connect person, namely NMG, who is a major shareholder of the Company holding 71.45% of the total shares sold,

and this is considered as a connected transaction with the transaction value of 461,028,315.18 Baht or 128.04% of the Company's net tangible asset value (NTA), which is the transaction value exceeds 20 million Baht or exceeds 3% of the net tangible asset value of the Company, whichever is higher. The Company must then arrange a shareholders' meeting, appoint an independent financial advisor to give opinions on the appropriateness of the transaction, and present the information to the shareholders during the shareholders' meeting. As a result, the Company will have more expenses and time required for the consideration of such transaction.

3.4 Risk of Entering into the Transaction

- None -

4. Fairness of the Price and Appropriateness Conditions of the Transaction

4.1 Fairness of the Price

In 2022, the Company and NNV have change in the business structure of the Group which the details are as follows:

- (1) Transfer of the digital television business (Nation TV Channel 22) from the Company to be operated by NNV. NNV will purchase the assets which are priced according to the book value amounting to 105,955,682 Baht (excluding VAT) and will transfer employees, as well as employee benefits, to NNV in the amount of 45,771,351 Baht.
- (2) Transfer of the business unit and assets in the Kom Chad Luek business from the Company to be operated by NNV. NNV will purchase the business unit and assets in the amount of 70,000,000 Baht (excluding VAT) estimates by the Company's financial advisor.
- (3) NNV will buy shares of Happy Products and Service Company Limited from Miss Duangkamol Kiatsukkasem, who is an existing shareholder of HPS, for 33.33% or equivalent to 10,000,000 Baht. This will cause the shareholding proportion to increase to 50% of the paid-up capital and will allow HPS to become a subsidiary. NNV will then transfer all of its shares to the Company at a price of 25,000,000 Baht based on the NNV's investment in HPS.
- (4) NNV will increase its paid-up capital from 800,000,000 Baht to 860,000,000 Baht by converting debts from trade accounts receivable that NNV owes the Company to capital of 60,000,000 Baht.

As for the liabilities owed to Nation Broadcasting Corporation Public Company Limited in the amount of 221,300,000 Baht, the Independent Financial Advisor did not perform any valuation since NMG will provide loans to NNV to repay the outstanding debts with the Company in the same amount in cash which it is only the change of creditors from the Company to NMG.

The details of the change in business structure of the Group that will occur before and after transaction refer to 2.2 Changes in the Business Structure of the Group that will Occur Before and After the Transaction)

Independent Financial Advisor has evaluated the share price of NNV with various approaches as follows:

- (1) Book Value Approach
- (2) Adjusted Book Value Approach
- (3) Discounted Cash Flow Approach
- (4) Price to Book Value Ratio Approach (P/BV Ratio)

The Independent Financial Advisor does not assess the valuation of NNV's shares by Price to Earnings Ratio Approach (P/E Ratio) due to NNV's operating results as of 31 December 2021 has net operating loss of 7.23 million Baht so it cannot to calculate the appropriate share value by Price to Earnings Ratio Approach.

The details of various stock valuation approaches are shown below

1. Book Value Approach

The valuation of the ordinary shares under this approach evaluates the book value of the net assets (total assets deduct total liabilities) or equal to the shareholders' equity of NNV. The result is the book value per share. In consideration, the Independent Financial Advisor uses the unaudited financial statements of the NNV as of 31 December 2021, which has been prepared by the management. The details are as follows:

Unit: million Baht

Item	Financial Statements as of 31 December 2021
Total assets	314.18
<u>Deduct</u> Total liabilities	152.95
Total Shareholders' equity* (Book Value)	161.23

*Referred to NNV's separate financial statements which excluded the financial statements of NCOF. From the unaudited financial statements of NCOF as of 31 December 2021, which has been prepared by the management NCOF have total assets of 1.64 million Baht, total liabilities of 0.89 million Baht, and shareholders' equity of 0.75 million Baht.

The valuation of the ordinary shares under the **Book Value Approach** has a share value of 161.23 million Baht.

The Book Value Approach is the approach that only reflects the financial position of the company at a particular time without reflecting the market value of the asset price at the present time. Also, it does not reflect the profitability and business performance in the future. Therefore, the Independent Financial Advisor does not choose to use this valuation method to evaluate the business value.

2. Adjusted Book Value Approach

The valuation of the business under this approach can reduce the disadvantages of the Book Value Approach as the valuation takes the book values of the transferred assets in reference to the unaudited financial statements of NNV as of 31 December 2021 which has been prepared by the management, and adjusts with change in business restructure of the Group between the Company in 2022 and adjustment of investment in Nation Coffee Company Limited, in which NNV holds 60 % of the paid-up capital. Moreover, NNV does not have land and buildings as the company's assets, the details are as follow:

Unit: million Baht

Transaction and impact on items in NNV's statement of financial position as of 31 December 2021	Assets Increase (Decrease)	Liabilities Increase (Decrease)	Shareholders' equity Increase (Decrease)
<u>Item 1:</u> Transfer of the digital television business (Nation TV Channel 22) from the Company to be operated by NNV. NNV will purchase the assets which are priced according to the book value amounting to 105,955,682 Baht (excluding VAT) and will transfer employees, as well as employee benefits, to NNV in the amount of 45,771,351 Baht.	113.37	113.37*	-
<u>Item 2:</u> Transfer of the business unit and assets in the Kom Chad Luek business from the Company to be operated by NNV. NNV will purchase the business unit and assets in the amount of 70,000,000 Baht (excluding VAT) estimates by the Company's financial advisor.	74.90	74.90	-
<u>Item 3:</u> NNV will buy shares of Happy Products and Service Company Limited from Miss Duangkamol Kiatsukkasem, who is an existing shareholder of HPS, for 33.33% or equivalent to 10,000,000 Baht. This will cause the shareholding proportion to increase to 50% of the paid-up capital and will allow HPS to	25.00	10.00	15.00

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Unit: million Baht

Transaction and impact on items in NNV's statement of financial position as of 31 December 2021	Assets Increase (Decrease)	Liabilities Increase (Decrease)	Shareholders' equity Increase (Decrease)
become a subsidiary. NNV will then transfer all of its shares to the Company at a price of 25,000,000 Baht based on the NNV's investment in HPS.			
<u>Item 4</u> : NNV will increase its paid-up capital from 800,000,000 Baht to 860,000,000 Baht by converting debts from trade accounts receivable that NNV owes the Company to capital of 60,000,000 Baht.	-	(60.00)	60.00
<u>Item 5</u> : Adjustment the investment in Nation Coffee Company Limited, which NNV holds 60% of the total paid-up capital (Investment value of 1.50 million Baht). Referring to the unaudited financial statements prepared by the management, NCOF's shareholders' equity as of 31 December 2021 at 60% equal to 0.45 million Baht.	(1.05)	-	(1.05)
Total	212.22	138.27	73.95

*Total liabilities of 113.37 million Baht, including employee benefits, amounting to 45.77 million Baht.

Summary of Value Adjustments under the Adjusted Book Value Approach

Unit: million Baht

Item	Financial Statements as of 31 December 2021
Total assets	314.18
<u>Add</u> Total asset adjustment	212.22
<u>Deduct</u> Total liabilities	152.95
<u>Deduct</u> Total liabilities adjustment	138.27
Total Shareholders' equity (Book Value)	235.18

The valuation of the business under the **Adjusted Book Value Approach** has a share value of 235.18 million Baht.

The Adjusted Book Value Approach is the approach that fixes the disadvantages from using the Book Value Approach by adjusting various asset values to reflect the current market

values. However, this approach does not take into account the profitability of the company in the future. However, the share value by the discounted cash flow approach is equal to zero. Therefore, the Independent Financial Advisor does **choose to use** this valuation method to evaluate the business value.

3. Discounted Cash Flow Approach

The valuation of the business under this approach concerns the business performance in the future by calculating the net present value of projected free cash flow with the Weighted Average Cost of Capital (WACC) as the discount rate.

NNV 's revenue structure had only income from renting broadcasting airtimes to the Company and compensation from rental on digital terrestrial spectrum television networks (MUX), while revenue and costs related to advertising sales and production will be the revenue and cost of the Company. In 2020, the Company has changed the structure of directors and executives including the MC team and the Company has received business unit and the trademark Kom Chad Luek from NMG, which operates business related to digital media (New Media) and Organizing activities (Event).

Therefore, the Independent Financial Advisor selected the revenue and cost data in 2021 as the base year which it is the year that the operation reflects the current business structure. And the impact of the coronavirus disease 2019 outbreak has affected advertising spending in 2020 to decline 12.89% from 2019. At the same time, entrepreneurs have adjusted their advertising spending proportions through various media in 2021 in accordance with Coronavirus Disease-2019 outbreak situation in 2020.

The Independent Financial Advisor prepares the financial projection of NNV under the following assumptions:

(3.1) Revenues and Costs Assumptions

(3.1.1) Revenue from television media business

Revenue from the television media business consists of revenue from advertising sales, revenue from period rentals, revenue from production, etc. The Independent

Financial Advisor assigns the revenue from the television media business during the period from 1 January 2022 – 24 April 2029, according to the term of the digital television license to have a growth rate of 0.95% per year from 2021, based on the forecast of TV advertising spending by MindShare (Thailand)¹.

(3.1.2) Revenue from digital media business (New Media)

Revenue from digital media business (New Media) (Nation Online and Kom Chad Luek) consists of revenue from Facebook pages, revenue from Ads networks and revenues from the sales of advertising space directly on the website. The Independent Financial Advisor assigns the revenue from the digital media business in 2022 to have a growth rate of 12.16% per year, based on the forecast of internet media advertising spending by MindShare (Thailand)¹ and 2023 - 2030 to have a growth rate of 9.19% per year based on the compound annual growth rate of internet media advertising spending in 2019 – 2021.

(3.1.3) Revenues from organizing activities (Event)

The Independent Financial Advisor assigns revenue from organizing activities (Event) in 2022 – 2030 in the amount of 24.14 million Baht per year, referring to revenue from organizing activities (Event) in 2021.

Unit: million Baht

Item	Actual	Projection								
	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
Revenue from television media business	245.04	247.37	249.72	252.09	254.48	256.90	259.34	261.80	82.54	-
Revenue from digital media business	63.37	71.08	77.61	84.74	92.53	101.03	110.31	120.45	131.52	143.61
Revenue from event business	24.41	24.41	24.41	24.41	24.41	24.41	24.41	24.41	24.41	24.41
Total revenue from services	332.82	342.86	351.74	361.24	371.42	382.34	394.06	406.66	238.47	168.02

¹ Mindshare (Thailand) is the marketing and communications network agency in Thailand who ranked as the top media purchase agency in Asia Pacific and Thailand, the company has projected advertising spending since 2017.

(3.1.4) Cost of Services, Selling and Administrative Expenses

Cost of services consist of salary, media production cost, news writing cost, etc.

The Independent Financial Advisor assigns salary during the period from 1 January 2022 – 24 April 24 2029 according to the term of the digital television license to increase at 0.68% per year, referring to the 10-year average inflation rate from 2012 - 2021, and assign the variable costs equal to 43.84% of total revenue from services which is a proportion of variable costs to total revenue from services in 2021.

After the digital television license expires on 24 April 2029, the cost of services will be only the cost of service under the digital media business at 98.73 million Baht per year, according to management's estimates and the Independent Financial Advisor assigns the cost of service in 2030 to increase at 0.68% per year from 2029, referring to the 10-year average inflation rate from 2012 - 2021.

(3.2) Selling expenses

The Independent Financial Advisor assigns selling expenses in 2022 – 2030 equal 8.10% which is a proportion of selling expenses to total revenue from services in 2021.

(3.3) Administrative expenses

The Independent Financial Advisor assigns administrative expense during the period from 1 January 2022 – 24 April 24 2029 according to the term of the digital television license to increase at 0.68% per year, referring to the 10-year average inflation rate from 2012 – 2021.

After the digital television license expires on 24 April 2029, the administrative expenses will be only the administrative expenses under the digital media business at 13.79 million Baht per year, according to management's estimates and the Independent Financial Advisor assigns the administrative expenses in 2030 to increase at 0.68% per year from 2029, referring to the 10-year average inflation rate from 2012 - 2021.

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Unit: million Baht

Item	Actual	Projection								
	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
Cost of services										
- Salary	161.44	162.54	163.65	164.77	165.89	167.02	168.16	169.31	53.24	-
- Other cost of services	145.91	150.31	154.21	158.37	162.83	167.62	172.76	178.28	131.38	99.40
Selling expense	26.97	27.79	28.51	29.28	30.10	30.99	31.94	32.96	19.33	13.62
Administrative expense	127.11	127.98	128.85	129.73	130.62	131.51	132.41	133.31	55.71	13.88
Total cost of services, selling and administrative expenses	461.43	468.62	475.22	482.15	489.44	497.14	505.27	513.86	259.66	126.90

(3.4) Working Capital

Due to the change in the business structure of the Group, the Independent Financial Advisor uses the proportion of working capital of the Company and NNV and assigns the average working capital in 2022 – 2030 to equal 2021 since the data reflects the use of the current working capital. The numbers are shown in the following table:

Item	Actual	Projection
	2021	2022 - 2030
Average collection days (days)	89.65	89.65
Average payment days (days)	89.81	89.81

(3.5) Investment Budget

Due to the change in the business structure of the Group, the Independent Financial Advisor uses the investment budget of the Company and NNV in order to estimates the investment budget of NNV in 2022 – 2030 which the details are as follows:

The Company's investment budget

- Equipment used in operations in 2022 - 2030 in reference to the average investment in equipment used in operations in 2019 – 2021.
- Fixtures and office equipment in 2022 - 2030 in reference to the average investment in fixtures and office equipment in 2020 – 2021 due to the Company has no investment in fixtures and office equipment in 2019

- Vehicles in 2022 - 2030 in reference to the average investment in vehicles in 2019 – 2020 due to the Company has no investment in vehicles in 2021
- Computer programs in 2022 - 2030 in reference to the average investment in computer programs in 2019 – 2020 due to the Company has no investment in computer programs in 2021

NNV's investment budget

- Leasehold improvements and equipment in 2022 - 2030 in reference to investments in the average leasehold improvements and equipment in the years 2020 – 2021 due to NNV has no investment in leasehold improvements and equipment in 2019
- Fixtures and office equipment in 2022 - 2030 in reference to the average investment in fixtures and office equipment in 2020 due to NNV has no investment in fixtures and office equipment in 2019 and 2021.
- Computer programs in 2026 in reference to the average investment in computer programs in 2020 – 2021 due to NNV has no investment in computer programs in 2019.

Unit: million Baht

Item	Actual			Projection		
	2019	2020	2021	2022 - 2025	2026	2027 - 2030
<u>The Company's investment budget</u>						
Equipment used in operations	12.55	8.29	2.83	7.89	7.89	7.89
Fixtures and office equipment	-	2.06	0.26	1.16	1.16	1.16
Vehicles	4.70	0.45	-	2.57	2.57	2.57
Computer programs	7.13	0.27	-	3.70	3.70	3.70
Total	24.38	11.07	3.09	15.32	15.32	15.32
<u>NNV's investment budget</u>						
Leasehold improvements and equipment	-	0.78	0.64	0.71	0.71	0.71
Fixtures and office equipment	-	-	1.81	1.81	1.81	1.81
Computer programs	-	2.20	0.05	-	1.12	-
Total	-	2.98	2.49	2.52	3.64	2.52
Sum total	24.38	14.05	5.58	17.84	18.96	17.84

(3.6) Depreciation and Amortization

The depreciation and amortization are calculated using the straight-line method, based on its useful life as follows:

Leasehold improvements and equipment	Useful life	5 - 10 years
Equipment used in operations	Useful life	3 - 10 years
Fixtures and office equipment	Useful life	5 years
Vehicles	Useful life	5 years
Computer programs	Useful life	3 - 5 years
Digital TV License	Useful life	15 years

(3.7) Financial Costs and Interest-Bearing Liabilities

NNV has no loans from financial institutions. There are only loans from the Company which it is deemed to be part of NNV's shareholders' equity since it is a loan from the parent company due to the enforcement of the contract and various conditions are more lenient than borrowing money from financial institutions or third parties since it is a loan from the parent company, therefore the Independent Financial Advisor considers the loan as part of NNV's equity.

(3.8) Corporate Income Tax

The corporate income tax rate equals 20% of earnings before tax.

(3.9) Terminal Value

The terminal growth rate to be used after the final year of the projection is 0% per year, which is projected on a conservative basis. The final year's free cash flow to the firm will be used to find the terminal value, where the formula to calculate the terminal value is detailed as follows:

$$\text{Terminal Value} = (\text{FCFF}_n * (1 + G)) / (\text{WACC} - G)$$

Where;

- FCFF_n = Free Cash Flow to the Firm in the final year
- G = Growth rate of free cash flow after the projection period, which is the estimation used in the Perpetuity Growth Model, equals 0%.
- WACC = Weighted Average Cost of Capital or the discount rate; the details are shown in the next section.

(3.10) Discount rate

In order to value the firm using the Discounted Cash Flow Approach, Free cash flow of the Company will be discounted by the Weighted Average Cost of Capital (“WACC”), which is calculated as follows:

$$\text{Weighted Average Cost of Capital (WACC)} = (D/D+E) * K_d * (1-T) + (E/D+E) * K_e$$

Where;

- D/D+E = Proportion of interest-bearing debts to the sum of interest-bearing debts and shareholders’ equity, or equivalent to approximately 0.
- E/D+E = Proportion of shareholders’ equity to the sum of interest-bearing debt and shareholders’ equity, or equivalent to approximately 100%
- T = Effective tax rate; equal to 20.00%
- K_d = Weighted cost of interest-bearing debts of NNV
- K_e = Rate of return of shareholders’ equity, which can be calculated using the Capital Asset Pricing Model (CAPM), calculated using the formula below:

$$\text{Cost of Equity (K}_e\text{)} = R_f + (R_m - R_f) * \beta$$

Where;

- R_f = The risk-free rate of return refers from www.thaibma.or.th as of 28 February 2022, which is at 3.0455% per year. The specified rate is the return from investment in 25-year government bond.
- R_m = Expected rate of return from investment in The Stock Exchange of Thailand inclusive of dividend yield (SET Total Return Index)

between 28 February 2002 and 28 February 2022 equals 11.91% per year.

β = Coefficient, which represents the risk of return of NNV's securities to the return from investment in The Stock Exchange of Thailand or SET Index. Since NNV is not a listed company in the SET. Therefore, the Independent Financial Advisor uses the median value of coefficients from the listed companies in the SET that engage in advertising media business by selecting 2-years historical Leverage Beta adjusted to Unleveraged Beta in reference to Bloomberg as of 28 February 2022 then calculated for Levered Beta (β) of NNV by

$$\text{Levered Beta } (\beta) \text{ of NNV} = \text{Unlevered Beta} \times [1 + ((1 - \text{Tax}) \times D/E)]$$

The listed companies in the SET that are selected for calculation include:

Company	Abbr.	Unlevered Beta
Amarin Printing and Publishing Public Company Limited	AMARIN	0.2451
BEC World Public Company Limited	BEC	0.6687
GMM Grammy Public Company Limited	GRAMMY	0.2075
MCOT Public Company Limited	MCOT	0.4111
Mono Next Public Company Limited	MONO	0.2854
Nation Broadcasting Corporation Public Company Limited	NBC	0.4066
RS Public Company Limited	RS	0.4053
Workpoint Entertainment Public Company Limited	WORK	1.2388
	Median	0.4059
	Levered Beta of NNV	0.4059

The calculation of each variable is as follows:

The ratio of interest-bearing debt to total investment (D/D+E)*	:	0%
The ratio of investment from shareholders' equity to total investment (E/D+E)	:	100%
Average cost of total interest-bearing liabilities (K_d)	:	0%
The rate of return of shareholders' equity (K_e)	:	6.64%
	WACC :	6.64%

(3.11) Projection of Free Cash Flows

Unit: million Baht

Item	Projection					
	2022	2023	2024	2025	2026	2027
Profit before interest and income tax	(206.17)	(161.70)	(159.63)	(157.18)	(154.17)	(150.19)
<u>Add</u> Corporate income tax	-	-	-	-	-	-
<u>Add</u> Depreciation	80.41	71.66	58.17	61.13	64.21	62.57
<u>Add</u> Change in working capital	(46.95)	(0.95)	(1.03)	(1.13)	(1.23)	(1.33)
<u>Add</u> Investment budget	(17.84)	(17.84)	(17.84)	(17.84)	(18.96)	(17.84)
<u>Add</u> Terminal value	-	-	-	-	-	-
Free cash flow	(190.55)	(108.83)	(120.33)	(115.02)	(110.15)	(106.79)
Discount factor (times) (WACC = 6.64%)	0.9377	0.8793	0.8246	0.7732	0.7251	0.6800
Present value of free cash flow	(178.69)	(95.70)	(99.22)	(88.94)	(79.87)	(72.61)

Unit: million Baht

Item	Projection		
	2028	2029	2030
Profit before interest and income tax	(146.18)	(35.06)	38.63
<u>Add</u> Corporate income tax	-	-	-
<u>Add</u> Depreciation	51.81	25.44	12.79
<u>Add</u> Change in working capital	(1.45)	1.21	(3.66)
<u>Add</u> Investment budget	(17.84)	(17.13)	(17.13)
<u>Add</u> Terminal value	-	-	461.30
Free cash flow	(113.66)	(25.54)	491.93
Discount factor (times) (WACC = 6.64%)	0.6376	0.5979	0.5607
Present value of free cash flow	(72.47)	(15.27)	275.81

Item	Unit: million Baht
Present value of NNV	(426.96)
<u>Add</u> Cash	1.29
<u>Deduct</u> Interest-bearing debts	-
<u>Deduct</u> Impairment of investment in subsidiary	1.05*
Value of shareholders' equity	(426.72)

*Refer to No 2. Adjusted Book Value Approach item (5)

The valuation of the ordinary shares under the Discounted Cash Flow Approach has a share value equal to zero because value of shareholders' equity of NNV is negative.

The Discounted Cash Flow Approach is the approach that analyzes the past performance of the business, as well as taking into consideration the business potential and profitability of the company in the future based on the Going Concern basis, which will reflect the value of the company better than other approaches. However, the share value by the discounted cash flow approach is equal to zero. Therefore, the Independent Financial Advisor does not choose to use this valuation method to evaluate the business value.

4. Price to Book Value Ratio Approach: P/BV

The valuation of the ordinary shares under this approach evaluates the value of NNV's ordinary shares by comparing various financial ratios of listed companies that engage in the similar business as NNV does. The Independent Financial Advisor selects the listed companies in the SET that engage in advertising media. There are 8 companies selected for comparison purposes, which can be seen below:

Company Name	Abbr.
1. Amarin Printing and Publishing Public Company Limited	AMARIN
2. BEC World Public Company Limited	BEC
3. GMM Grammy Public Company Limited	GRAMMY
4. MCOT Public Company Limited	MCOT
5. Mono Next Public Company Limited	MONO
6. Nation Broadcasting Corporation Public Company Limited	NBC
7. RS Public Company Limited	RS
8. Workpoint Entertainment Public Company Limited	WORK

This approach is to evaluate the share value of NNV by comparing with price to book value ratio of listed companies that engage in the similar business. The details are as follows

Unit: Times

Company Name	Period				
	The previous 1 month (01/02/2021 – 28/02/2021)	The previous 3 months (01/12/2020 – 28/02/2021)	The previous 6 months (01/09/2020 – 28/02/2021)	The previous 9 months (01/06/2020 – 28/02/2021)	The previous 12 months (01/03/2020 – 28/02/2021)
	AMARIN	1.38	1.38	1.43	1.47
BEC	5.03	4.78	4.69	4.70	4.45
GRAMMY	7.98	8.48	9.14	9.33	10.04
MCOT	0.91	0.90	0.95	0.90	0.86
MONO	6.90	5.59	4.72	4.67	4.86
NBC	2.54	2.18	1.87	1.67	1.55
RS	7.89	8.56	8.29	8.68	9.49
WORK	2.38	2.22	2.17	2.14	2.08
Median	3.78	3.50	3.43	3.40	3.27

In the past 12 months, the Price to Book Value Ratios of the listed companies that engage in advertising media in the range of 3.27 – 3.78 times. When considering the shareholder's equity value of NNV as of 31 December 2021 at 161.23 million Baht, the appropriate range of the value under the **Price to Book Value Ratio Approach** is 526.57 – 610.09 million Baht.

The Price to Book Value Ratio Approach is to evaluate the share value of the company by comparing with price to book value ratio of listed companies that engage in the similar business. However, this approach does not take into account the business performance of the company in the future which may not reflect the share value of the business and in 2022, the Company has change in the business structure of the Group. Therefore, the Independent Financial Advisor does not choose to use this valuation method to evaluate the business value.

Summary Table of the Valuation of Ordinary Shares of NNV

Valuation Approach	Appraised value (million Baht)	Higher (Lower) selling price		Appropriateness of the Approach
		(million Baht)	(%)	
1. Book Value Approach	161.23	(78.50)	(32.75)	Not selected
2. Adjusted Book Value Approach	235.18	(4.55)	(1.90)	Selected
3. Discounted Cash Flow Approach	0	(239.73)	(100.00)	Not selected

Valuation Approach	Appraised value (million Baht)	Higher (Lower) selling price		Appropriateness of the Approach
		(million Baht)	(%)	
4. Price to Book Value Ratio	526.57 – 610.09	286.84 – 370.36	119.65 – 154.49	Not selected

The Book Value Approach is the approach that only reflects the financial position of the company at a particular time without reflecting the market value of the asset price at the present time. Also, it does not reflect the profitability and business performance in the future. Therefore, the Independent Financial Advisor does not choose to use this valuation method to evaluate the business value.

The Adjusted Book Value Approach is the approach that fixes the disadvantages from using the Book Value Approach by adjusting various asset values to reflect the current market values. However, this approach does not take into account the profitability of the company in the future. However, the share value by the discounted cash flow approach is equal to zero. Therefore, the Independent Financial Advisor does **choose to use** this valuation method to evaluate the business value.

The Discounted Cash Flow Approach is the approach that analyzes the past performance of the business, as well as taking into consideration the business potential and profitability of the company in the future based on the Going Concern basis, which will reflect the value of the company better than other approaches. However, the share value by the discounted cash flow approach is equal to zero. Therefore, the Independent Financial Advisor does not choose to use this valuation method to evaluate the business value.

The Price to Book Value Ratio Approach is to evaluate the share value of the company by comparing with price to book value ratio of listed companies that engage in the similar business. However, this approach does not take into account the business performance of the company in the future which may not reflect the share value of the business and in 2022, the Company has

change in the business structure of the Group. Therefore, the Independent Financial Advisor does not choose to use this valuation method to evaluate the business value.

4.2 Appropriateness of the Conditions of the Transaction

The Company, therefore, has a duty to obtain approval from the shareholders' meeting with votes of not less than three-quarters of the total votes of shareholders attending the meeting and eligible to vote, excluding the votes of the interested shareholders according to the Notification of the Capital Market Supervisory Board No. TorChor. 21/2551 (2008) Re: Rules on Connected Transactions, dated 31 August 2551 (2008) (including the amendments thereof). Moreover, NMG is required to obtain approval from the shareholders' meeting of the Company with the votes of not less than three-quarters of the total votes of shareholders attending the meeting and eligible to vote, excluding the votes of the interested shareholders under Section 107 (2) (b) of the Public Limited Company Act B.E. 2535 (1992) (as amended), such conditions precedent are therefore in accordance with the law and related announcements.

In the case that the Company will invest in the newly issued ordinary shares of NNV in the total number of 6,000,000 shares, with a par value of 10 Baht per share, totaling of 60,000,000 Baht by converting debt from overdue trade receivables of NNV (currently, the Company sets allowance for doubtful accounts for the whole amount) and do not use cash in order to manage all outstanding debts to support the restructuring of the company group structure

According to the condition, the Company agrees to purchase the Call Center business from Nation News Company Limited. Currently, it is a business unit operated under Nation News Company Limited of which total asset value calculated equals 40,000,000 Baht

In this regard, the total value of the sale of NNV's ordinary shares and repayment liabilities of NNV owed to the Company amounting to 461,028,315.18 Baht. NMG will use the money from selling the Company's ordinary shares to Mr.Nattapong Seetavorarat and Mr.Boon-ae Chitthanon with a value of 898,341,817.10 Baht. Therefore, the conditions precedent that NMG must approved by the shareholders' meeting for the sale of the Company's ordinary shares to Mr.Nattapong Seetavorarat and Mr.Boon-ae Chitthanon is the purpose to raise money for entering into the Transaction.

The Independent Financial Advisor views that the conditions precedent are the conditions set in accordance with the laws and relevant announcements, including increasing the registered capital of NNV for debt-to-equity conversion, change in the business restructured of the Group and conditions of the sale of the Company's ordinary shares are normal courses of business practice.

5. Summary of the Opinion of the Independent Financial Advisor

As the Meeting of the Board of Directors of Nation Broadcasting Corporation Public Company Limited No. 2/2022, held on 4 March 2022, has resolved to approve the Company to enter into asset disposition and connected transactions with Nation Multimedia Group Public Company Limited, who is a controlling person of the Company, holding 803,361,455 shares in the Company or equivalent to 71.45% of the total number of sold shares of the Company, the details of the transactions are as follows:

1. The Company will sell 85,999,997 ordinary shares* held in NBC Next Vision Company Limited or equivalent to 99.99%. This includes the ordinary shares of Nation Coffee Company Limited that NNV holds in the amount of 60,000 shares, representing 60%, with the sum of 239,728,315.18 Baht;
2. NNV will borrow money from NMG to pay off liabilities to Nation Broadcasting Corporation Public Company Limited in the amount of 221,300,000.00 Baht. (NMG will become creditor of NNV on behalf of the Company) divided into
 - 1) Liabilities from the purchase of assets of the digital television business (Nation TV Channel 22) and the business unit and assets in the Kom Chad Luek business approximately of 130,000,000 Baht.
 - 2) Liabilities from loans from the Company approximately of 81,600,000 Baht.
 - 3) Other trade liabilities such as trade accounts payable approximately of 9,700,000 Baht.

The total value is 461,028,315.18 Baht, collectively referred to as the Sale of Ordinary Shares in Subsidiaries.

*It is the total number of shares being held by the Company after the capital increase.

To enter into such transaction is considered as asset disposition and connected transactions of the Company. When calculating the transaction size according to the aforementioned criteria, the Company has a duty to disclose relevant information to the Stock Exchange of Thailand, request an approval from the Company's Board of Directors and from the shareholders' meeting with affirmative votes of not less than three-fourths of the total votes of participating and voting shareholders, excluding the votes of interested shareholders.

The Independent Financial Advisor is of the opinion that the Sale of Ordinary Shares in Subsidiaries is an adjustment to the Group's structure to make it clearer and more flexible following the policy of Nation Multimedia Group Public Company Limited, who is a major shareholder of the Company. Also, it will promote cooperation within the Group, which will then create synergy by sharing resources for the maximum benefit to the business. Moreover, to enter into such transaction will allow the Company to reduce the risk from recognizing operating losses of NNV in the future since the digital television business has constantly been incurring operating losses, and then it will improve the Company's financial position.

The purchase price is in the range estimated by Orion Advisory Company Limited, the Company's financial advisor. The total appraised value is in the range of 378.26 – 462.98 million Baht (include the value of NNV's shares and debts). As a result, the Company can use the cash flow obtained from the Transaction for other businesses with higher potential growth and use as working capital for business operations. Not only that the Company can use the cash flow to pay off debts, causing the interest burden to reduce and leading to the improvement of overall cash flows of the Company.

The Company is able to record the accounting profit from the sale of ordinary shares in the whole amount since the investment value in NNV shown in the Company's financial statements equals 0 (zero), and this will eventually allow the financial structure of the Company to improve.

Therefore, the objective of entering into the Transaction is reasonable.

To enter into such transaction provides advantages, which are (1) being able to use money received from the sale of NNV's ordinary shares and debt settlement for the Company's business, (2) diminishing potential losses that may arise in the future in the consolidated financial statements, (3) being able to record the accounting profit and lessening the burden of finance costs, and (4) reducing conflicts of interest among NMG's group and NBC. However, there is no disadvantage of entering into the transaction.

There is an advantage of not entering into the transaction, which is the fact that the Company can continue to operate the current business. But there are disadvantages of not entering into the transaction, which are (1) not receiving money from the sale of NNV's ordinary shares and outstanding debts and (2) the risk of conflicts of interest between the Company and NMG still remains.

Advantages of entering into the transaction with connected persons is the Company will be able to negotiate the terms of asset disposition quickly.

A disadvantage of entering into the transaction with connected persons is incurring additional expenses arising from the consideration on connected transactions. However, there is no risk of entering into the transaction.

The selling price of NNV's ordinary shares in the amount of 239,728,315.18 Baht is appropriate as it is close to the fair value of NNV's ordinary shares at 235,176,827 Baht, which is estimated by the Independent Financial Advisor using the Adjusted Book Value Approach.

As for the liabilities owed to Nation Broadcasting Corporation Public Company Limited in the amount of 221,300,000 Baht, the Independent Financial Advisor did not perform any valuation since NMG will provide loans to NNV to repay the outstanding debts with the Company in the same amount in cash.

The Independent Financial Advisor views that the entry into such transaction will be made for the purpose of restructuring the Group to make it clearer and more flexible following the policy of Nation Multimedia Group Public Company Limited, and the conditions precedent are the conditions set in accordance with the laws and relevant announcements, including increasing the registered capital of NNV for debt-to-equity conversion, change in the business restructured of the Group and conditions of the sale of the Company's ordinary shares are normal courses of business practice.

Therefore, the Independent Financial Advisor is of the opinion that the shareholders should approve the Company to entering into asset disposition and connected transactions this time.

In considering on approval or disapproval on the transaction this time, the shareholders could consider the information, the rationale and the opinions, of which the Independent Financial Advisor presents in this report. Nevertheless, the shareholders could decide to "approve" or "disapprove" on the transaction, mainly depending on the discretion of the shareholders.

Yours sincerely,

Capital Link Advisory Limited

-Mr. Kriangkrai Siravanichkan-

(Mr. Kriangkrai Siravanichkan)

Authorized Director

-Mr. Dhitiwat Supanpong-

(Mr. Dhitiwat Supanpong)

Authorized Director

-Mr. Dhitiwat Supanpong-

(Mr. Dhitiwat Supanpong)

Operational Controller

Attachment
Information of the Company

1. Information of the Company

1.1 History and Major Development of the Company in the Past 4 Years

Year	Major Events
2018	<p>On 11 July 2018, the warrants to purchase ordinary shares of Nation Broadcasting Corporation Public Company Limited No. 1, amounting to 200 units were exercised by converting to 200 ordinary shares (ratio: 1 warrant to 1 ordinary share), allowing changes from 535,435,609 existing ordinary shares of the Company to be 535,436,809 shares, and the registered capital of 535,436,609 Baht to become the new registered capital of 535,436,809 Baht with a par value of 1 Baht per share.</p>
2019	<ul style="list-style-type: none"> <li data-bbox="496 786 1399 875">- The Extraordinary General Meeting of Shareholders No. 2/2019, held on 18 November 2019, passed resolutions as follows: <ul style="list-style-type: none"> <li data-bbox="539 920 1399 1839">- Approved the decrease of the Company's registered capital of 184,907,153 Baht from the existing registered capital of 720,343,962 Baht to 535,436,809 Baht by decreasing the number of ordinary shares of the Company which had not been sold by 184,907,153 shares with a par value of 1 Baht per share. Such ordinary shares were the shares allocated to accommodate the right exercise of the warrants to purchase the ordinary shares of Nation Broadcasting Corporation Public Company Limited No. 1 which the Company issued and offered to the existing shareholders of the Company who subscribed to purchase the newly issued ordinary shares offered to the existing shareholders by Rights Offering (NBC-W1) and the warrants to purchase the ordinary shares of Nation Broadcasting Corporation Public Company Limited No. 2 which the Company issued and offered to the directors, executives, and/or employees of the Company, and/or subsidiaries (NBC-WB) as approved by the 2013 Annual General Meeting of Shareholders, and such warrants were expired on 11 July 2018 and 14 August 2018, respectively. <li data-bbox="539 1883 1399 1989">- Approved the increase of the Company's registered capital of 267,718,405 Baht from the existing registered capital of 535,436,809 Baht

Year	Major Events
	<p>to 803,155,214 Baht by allotting newly issued ordinary shares to the existing shareholders in the ratio of 2 existing shares to 1 new ordinary share at the offering price of 0.53 Baht per share.</p>
2020	<ul style="list-style-type: none"> <li data-bbox="496 461 1391 786">- NBC Next Vision Company Limited ("NNV"), a subsidiary of the Company, invested in Happy Products and Service Company Limited ("HPS"), which operated a business of selling products and services through television channels and online media (TV Home Shopping), in the proportion of 50% or equivalent to 15 million Baht. The company aimed to expand the business to reach customers directly. <li data-bbox="496 831 1391 1099">- NBC Next Vision Company Limited, a subsidiary of the Company, invested in Around the World Company Limited ("ARW"), which operated tourism business, in the proportion of 49% or equivalent to 2.45 million Baht, creating an opportunity to increase revenue channels and cooperation in the use of the Company's media. <li data-bbox="496 1144 1391 1592">- The Company increased its capital from the allotment of newly issued ordinary shares to the existing shareholders in the ratio of 2 existing shares to 1 new ordinary share, totaling 267,718,405 shares at the offering price of 0.53 Baht per share, which equaled the total amount of 141.89 million Baht. This allowed the Company's registered and paid-up capital to be 803.15 million Baht, and it was used to support the business plan, equipment improvements and studio expansion so that the potential of the channels could be enhanced, as well as related businesses could be expanded. <li data-bbox="496 1637 1391 1973">- NBC Next Vision Company Limited, a subsidiary of the Company, totally sold its investments in Around the World Company Limited in the proportion of 49% to the existing shareholders which was equal to 2.45 million Baht, causing Around the World Company Limited to cease from being a subsidiary. Because the management team saw that the tourism business is still uncertainty from impact of the Coronavirus Disease 2019 outbreak.

Year	Major Events
	<ul style="list-style-type: none"> - The Company increased its capital from the allotment of newly issued ordinary shares to the existing shareholders in the ratio of 5 existing shares to 2 new ordinary shares, totaling 321,262,086 shares at the offering price of 0.53 Baht per share, which equaled the total amount of 170.26 million Baht. This allowed the Company's registered and paid-up capital to be 1,124.41 million Baht, and it was used to expand the market share and increase channels to expand the customer base in the core business and related businesses of the Company. - The Company purchased "Kom Chad Luek" trademark from Nation Multimedia Group Public Company Limited ("NMG") to increase the market share of being a leading digital media producer (New Media) since Kom Chad Luek had social media platforms, including news websites, Facebook, that would help expand its customer base and increase the bargaining power of trade. As a result, there were more opportunities to promote products and services. This was to increase business opportunities for the group of companies.
2021	<ul style="list-style-type: none"> - The Company purchased 189,997 ordinary shares of Green Net 1282 Company Limited (GNET), representing 99.998% of the total shares sold with a total value of 164.40 million Baht, and let GNET accept outstanding debts with interest according to the acknowledgment of debt agreement. The debt amount was not exceeding 85.60 million Baht, a total of 250.00 million Baht. Later, Green Net 1282 Co., Ltd. changed the company name to Thai News and Entertainment World Company Limited (Thai News) on 14 January 2021 and became a subsidiary (NBC owned 100% shares) since 29 January 2021. - NBC Next Vision Company Limited incorporated a new subsidiary named Nation Coffee Company Limited by investing 60% in partnership with Nation Multimedia Group Public Company Limited that invested 40%. The subsidiary engaged in a business of selling foods and beverages. - NBC Next Vision Company Limited waived the right to increase capital in HPS, resulting in the remaining shareholding proportion of 16.67% of the paid-up

Year	Major Events
	<p>capital after HPS increased its capital, and this resulted in HPS's cessation of being a subsidiary and associated company of the Company.</p> <ul style="list-style-type: none"> - Nation News Company Limited, formerly known as Thai News and Entertainment World Co., Ltd., acquired a business under "The People" trade name from Create Intelligence Company Limited for 30 million Baht to encourage synergy in the online business among affiliated companies.
2022	<ul style="list-style-type: none"> - The Company transferred the digital television business (Nation TV, Channel 22) to operate under NBC Next Vision Company Limited which was a subsidiary of the Company. - The Company transferred a business unit and "Kom Chad Luek" trademark to operate under NBC Next Vision Company Limited which was a subsidiary of the Company. - NBC Next Vision Company Limited purchased 33.33% of shares from HPS's existing shareholders for 10 million Baht, resulting in the shareholding of 50% of the paid-up capital. As a result, HPS became a subsidiary, and NNV transferred all of the shares held to the Company. - Nation News Company Limited transferred the call center business unit to operate under the Company.

1.2 Nature of Business

Nation Broadcasting Corporation Public Company Limited and its subsidiaries engage in a business of producing and supplying television programs in the category of news and content with the various broadcasting channels in order to reach the target groups widely. The details of the characteristics of products or services of the Company's television media business are as follows:

- 1) Television stations that the Company operates (Nation TV 22 news station began broadcasting in 2014)

The Company is the founder and operates the integrated television stations, including the broadcasting program production, procuring broadcasting programs, renting airtime, and selling advertising time. It fully operates the digital terrestrial television station after receiving a license from the Office of The National Broadcasting and Telecommunications Commission.

- 2) New media business: The Company has adjusted its strategy to increase revenue channels by replacing the traditional mainstream media through digital media. The company is presenting news and content on all platforms, including online websites, Facebook, Twitter, and applications.
- 3) Home shopping business: This business is operated by Happy Products and Service Company Limited, and NBC Next Vision Company Limited has jointly invested 50% of the total shares in the company on 7 January 2020. HPS operates in direct marketing business to sell products and services through television channels and digital media and present them to viewers nationwide. It is also known as "Home Shopping" business and HPS uses it under the name of "Happy Shopping" and has house-brand products under the brand name "Happy life+".

The revenue structure of the Company from 2019 – 2021 is shown as follows:

Unit: million Baht

Revenues from Business Group	2019		2020 (Restated)		2021	
	Amount	%	Amount	%	Amount	%
Revenues from television broadcasting	423.93	86.02	474.59	79.75	290.91	58.38
Revenues from new media business	18.48	3.75	29.72	4.99	103.30	20.73
Revenues from other business	14.65	2.97	40.63	6.83	0.66	0.13
Other income	35.76	7.26	50.12	8.42	103.45*	20.76
Total revenues	492.82	100.00	595.06	100.00	498.32	100.00

* Other income in 2022 consist of;

- 1) Compensation from rental on digital terrestrial spectrum television networks (MUX) amount of 43 million baht.
- 2) Gain from loss of control in an indirect subsidiary (HPS) amount of 13.93 million Baht due to the discontinuation of being an indirect subsidiary in the product distribution business on 20 September 2021.
- 3) Gain on fair value adjustments of investments amount of 21.82 million Baht
- 4) Other income from television broadcasting, new media business, and other business amount of 24.709 million Baht

1.3 Capital Structure

The Company has registered and paid-up capital of 1,124,417,300 Baht, which is divided into 1,124,417,300 ordinary shares with a par value of 1 Baht per share. The list of 10 major shareholders of the Company as of 9 March 2022 (most updated), is shown below:

No.	Name	Number of Shares	% of Shareholding
1.	Nation Multimedia Group Plc.	803,361,455	71.45
2.	Thai NVDR Co., Ltd.	49,736,598	4.42
3.	Mr. Sombat Panichcheewa	27,301,800	2.43
4.	Mr. Supachai Jirapojchaporn	25,070,800	2.23
5.	Miss Kanjanaras Wongpan	22,088,500	1.96
6.	Green Siam Co., Ltd.	15,000,000	1.33
7.	Mr. Pakorn Mongkoltada	13,532,056	1.20
8.	Mr. Nawaporn Rattanachaikanon	11,189,100	1.00
9.	Mr. Niwat Jangariyawong	5,000,000	0.44
10.	Mr. Printhorn Apithanasriwong	5,000,000	0.44
Total number of shares of major shareholders		977,280,309	86.91
Other shareholders		147,136,991	13.09
Total number of shares		1,124,417,300	100.00

1.4 Board of Directors

As of 18 March 2022, the Board of Directors of the Company consists of:

No.	Name	Position
1.	Mr. Shine Bunnag	Chairman of the Board of Directors
2.	Mr. Sutee Phongpaiboon	Chairman of the Audit Committee
3.	Mr. Chaiwat Asawintarangkun	Audit Committee
4.	Miss Narissara Srisunt	Audit Committee
5.	Mr. Supawat Sa-nguan-ngam	Director
6.	Miss Aura-Orn Akrasanee	Director

No.	Name	Position
7.	Mrs. Warangkana Kalayanapradit	Director
8.	Mr. Jessada Buranapansri	Director
9.	Mr. Somboon Muangklam	Director
10.	Miss Piyada Punnakitikasem	Director
11.	GEN. Watanachai Chaimuanwong	Director
12.	Mr. Chalie Dithaluksana	Director
13.	Mr. Stanley Chun Wang	Director

1.5 Management of the Company

As of 18 March 2022, the management of the Company consists of:

No.	Name	Position
1.	Mr. Supawat Sa-nguan-ngam	Managing Director
2.	Miss Aeumsree Boonhachairat	Chief Marketing Officer
3.	Mr. Pakorn Puengnetr	Executive Editor
4.	Mr. Somkiat Boonsiri	Assistant Managing Director - Production Support
5.	Mr. Chakrit Khuang-arin	Senior Vice President - Graphic
6.	Miss Wilawan Sinthornchaikul	Senior Vice President- Special income
7.	Mrs. Suwannee Wacharapasakorn	Assistant Vice President - Accounting and Finance

1.6 Financial Position and Operating Results

1.6.1 Statement of Financial Position

Unit: million Baht

Statement of Financial Position	As of 31 December (Audited)		
	2019	2020	2021
Assets			
Current assets			
Cash and cash equivalents	26.74	164.48	17.66
Temporary investments	1.81	-	51.75
Trade and other receivables	99.94	90.79	94.11

The Opinion Report of the Independent Financial Advisor on Asset Disposal and Connected Transactions

Unit: million Baht

Statement of Financial Position	As of 31 December (Audited)		
	2019	2020	2021
Accrued income	34.96	14.49	32.66
Inventories	-	22.15	0.20
Input value added tax pending	5.32	2.72	3.28
Other current assets	9.09	12.03	13.33
Total current assets	177.86	306.66	212.99
Non-current assets			
Other long-term investments	-	-	-
Prepayment of share	-	164.40	-
Investment property	7.06	-	-
Leasehold improvements and equipment	97.27	140.31	112.42
Right-of-use assets	-	44.71	26.54
Intangible assets	11.58	11.29	59.27
Digital television license	337.17	300.91	264.74
Goodwill	-	8.37	197.32
Deferred tax assets	-	-	-
Withholding tax deducted at source	58.01	67.08	75.29
Other non-current assets	2.18	3.83	2.38
Total non-current assets	513.27	740.89	737.96
Total assets	691.13	1,047.55	950.95
Liabilities and Equity			
Current liabilities			
Trade and other payables	31.89	84.04	46.12
Account payable for purchase of assets	18.04	0.11	-
Advance income	2.86	3.43	6.43
Current portion of digital television license payable	49.90	49.90	-
Current portion of long-term loans from financial institutions	17.40	13.05	47.60
Current portion of lease liabilities	-	13.38	11.91
Short-term loans from individual	-	-	13.00
Accrued expenses	55.58	48.69	25.25
Output value added tax pending	12.79	9.16	6.85
Other current liabilities	1.63	10.35	2.94

The Opinion Report of the Independent Financial Advisor on Asset Disposal and Connected Transactions

Unit: million Baht

Statement of Financial Position	As of 31 December (Audited)		
	2019	2020	2021
Total current liabilities	190.09	232.11	160.10
Non-current liabilities			
Digital television license payable	-	-	-
Long-term loans from related parties	-	-	112.50
Long-term loans from financial institutions	27.60	27.60	-
Lease liabilities	-	25.78	11.57
Non-current provisions for employee benefits	41.55	45.24	49.82
Total non-current liabilities	69.15	98.62	173.89
Total liabilities	259.24	330.73	333.99
Equity			
Share capital			
Authorized share capital	803.16	1,124.42	1,124.42
Issued and paid-up share capital	535.44	1,124.42	1,124.42
Share premium on ordinary shares	824.43	547.61	547.61
Warrants	-	-	-
Retained earnings (deficit)			
Appropriated			
Legal reserve	24.10	24.10	24.10
Unappropriated (deficit)	(952.08)	(905.69)	(1,009.47)
Difference from business combination under common control	-	(70.00)	(70.00)
Non-controlling interests	0.00	(3.62)	0.30
Total equity	431.88	716.82	616.96
Total liabilities and equity	691.13	1,047.55	950.95

1.6.2 Statement of Comprehensive Income

Unit: million Baht

Statement of Comprehensive Income	Annual Year (Audited)		
	2019	2020 (Restated)	2021
Revenues			
Revenues from sale of goods and rendering of services	457.06	544.94	394.87
Interest income	0.32	-	-

The Opinion Report of the Independent Financial Advisor on Asset Disposal and Connected Transactions

Unit: million Baht

Statement of Comprehensive Income	Annual Year (Audited)		
	2019	2020 (Restated)	2021
Gain from lost control in indirect subsidiary	-	-	13.93
Gain on fair value adjustment	-	-	21.82
Other income	35.44	50.12	67.70
Total revenues	492.82	595.06	498.32
Expenses			
Costs of sale of goods and rendering of services	401.84	418.22	471.03
Selling expenses	34.19	33.27	30.68
Administrative expenses	99.55	128.08	130.96
(Reversal of) loss from allowance for doubtful accounts	29.63	(45.47)	(59.69)
(Reversal of) impairment loss on assets	(486.70)	-	-
Finance costs	9.06	8.33	11.13
Total expenses	87.58	542.43	584.11
Profit (loss) before income tax expense	405.25	52.63	(85.79)
Income tax expense	-	-	-
Loss from discontinued operations – net of tax	-	(20.50)	(37.36)
Profit (loss) for the year/period	405.25	32.13	(123.15)
Other comprehensive income	(8.02)	4	-
Total comprehensive income for the year	397.23	36.13	(123.15)

1.6.3 Statement of Cash Flows

Unit: million Baht

Statement of Cash Flows	Annual Year (Audited)		
	2019	2020	2021
Net cash provided by (used in) operating activities	(5.47)	130.23	(48.75)
Net cash provided by (used in) investing activities	(125.05)	(274.05)	(138.74)
Net cash provided by (used in) financing activities	38.56	281.56	42.14
Net increase (decrease) in cash and cash equivalents	(91.96)	137.74	(145.35)
Effects from discontinued operations	-	-	(1.47)
Opening balance of cash and cash equivalents	118.69	26.73	164.47
Closing balance of cash and cash equivalents	26.73	164.47	17.65

1.6.4 Financial Ratio

Financial Ratio	2019	2020	2021
Current ratio (times)	0.94	1.32	1.33
Quick ratio (times)	0.64	1.00	0.64
Inventory turnover (times)	3,880.72	1.32	1.33
Average inventory period (days)	0.09	1.00	0.64
Account receivable turnover (times)	3.31	37.75	42.15
Average collection period (days)	108.75	9.54	8.54
Account payable turnover (times)	12.20	4.19	4.30
Payment period (days)	29.50	85.97	83.64
Cash cycle (days)	79.34	12.05	14.42
Gross profit margin (%)	12.08%	23.25%	-19.29%
Net profit margin (%)	88.66%	5.90%	-31.19%
Return on equity (%)	173.72%	5.59%	-18.47%
Return on assets (%)	57.77%	3.70%	-12.32%
Debt to equity ratio (times)	0.70	0.68	0.50

1.6.4 The Analysis of Financial Position and Operating Results

The Analysis of Financial Position and Operating Results for Year 2021

Assets

As of 31 December 2021, the Company and its subsidiaries had total assets of 950.96 million Baht. The total assets included current assets of 212.99 million Baht and non-current assets of 737.97 million Baht, which accounted for 22.40% and 77.60% of total assets, respectively.

Current assets: As of 31 December 2021, the Company and its subsidiaries had current assets of 212.99 million Baht, decreasing by 93.67 million Baht or 30.55% from 31 December 2020 which amounted to 306.66 million Baht. It was mainly from:

Cash and cash equivalents decreased by 146.81 million Baht or 89.26% from 31 December 2020, which was due to the purchase of a business of The People, investments in equity of Eternal Energy Public Company Limited, payment for the digital television license, and the use as working capital in the Group.

Accrued income increased by 18.17 million Baht or 125.36%. Most of the accrued income came from television and new media businesses, and it was an advertisement that had been serviced but not yet invoiced. Most of the customers were government and state enterprise agencies who required procedures and time to inspect documents before handing over the work.

Inventories declined by 21.95 million Baht or 99.10% from the loss of control in Happy Products and Service Co., Ltd. that operated a business related to the sale of consumer goods and other products.

Investments in equity in related parties rose by 51.75 million Baht or 100% from investing in equity securities that met market demand.

Non-current assets: As of 31 December 2021, the Company and its subsidiaries had non-current assets of 737.97 million Baht, decreasing by 2.93 million Baht or 0.39% from 31 December 2020 which amounted to 740.89 million Baht. It was mainly from:

The share prepayment that the Company paid in advance due to the investments in subsidiaries (NN) decreased by 164.40 million Baht or 100%.

Leasehold improvements and equipment declined by 27.88 million Baht or 19.87%. This was mainly from the depreciation for an interim period of 35.71 million Baht; the Group purchased more assets during the year for an additional amount of 11.20 million Baht; the assets acquired from business combinations of 1.69 million Baht; the assets transferred from the loss of control in an indirect subsidiary (HPS) of 4.88 million Baht; and the asset amortization of 0.18 million Baht.

Right-of-use assets decreased by 18.17 million Baht or 40.63% from the amortization for an interim period of 15.53 million Baht and the transfer from the loss of control in an indirect subsidiary amounting to 2.64 million Baht.

Intangible assets increased by 47.98 million Baht or 425.08% from the amortization for an interim period of 7.01 million Baht; the Group purchased more assets during the year for an additional amount of 0.84 million Baht; intangible assets obtained from business combinations of 55.54 million Baht; and the assets transferred from the loss of control in an indirect subsidiary(HPS) of 1.39 million Baht.

Digital television license value decreased by 36.17 million Baht or 12.02% from the amortization for an interim period.

Goodwill increased by 188.96 million Baht or 2,258.91% from the fact that the Company invested in a subsidiary and recognized goodwill of 197.32 million Baht in 2021, and the loss of control in an indirect subsidiary (HPS) of 8.36 million Baht.

Liabilities and Equity

Liabilities: As of 31 December 2021, the Company and its subsidiaries had total liabilities of 334.00 million Baht, increasing by 3.26 million Baht or 0.99% from 31 December 2020 which amounted to 330.73 million Baht. It was mainly from:

Trade and other payables decreased by 38.03 million Baht or 45.19% mainly from the loss of control in an indirect subsidiary(HPS).

The current portion of digital television license payable declined by 49.90 million Baht or 100% from the payment of the remaining license fee.

Accrued expenses reduced by 23.44 million Baht or 48.14% because of the debt payment.

Short-term loans from individual increased by 13.00 million Baht or 100% from borrowing money for investments and use as working capital in the business.

Long-term loans from related parties increased by 112.50 million Baht or 100% from borrowing money for the use as working capital and investments of the Group.

Long-term loans from financial institutions increased by 6.95 million Baht or 17.10%, because during the year, there was the debt payment made regarding the agreement's conditions of 13.05 million Baht, and an increase in borrowing for investments and use as working capital for the Group amounting to 20.00 million Baht.

Lease liabilities declined by 14.21 million Baht or 40.04% from the debt payment made regarding the agreement's conditions of 12.88 million Baht and reducing from the loss of control in an indirect subsidiary of 2.80 million Baht.

Equity: As of 31 December 2021, the Company and its subsidiaries had total equity of 616.96 million Baht, decreasing by 99.86 million Baht or 13.93% from 31 December 2020 which amounted to 716.82 million Baht, because the Company and its subsidiaries incurred retained deficit in an

additional amount of 103.77 million Baht or 11.46% from the net loss attributable to the parent company in 2021.

Revenues from Sale of Goods and Rendering of Services

Revenues from sale of goods and rendering of services in 2021 were 394.87 million Baht, decreasing by 150.07 million Baht or 27.54% compared with the same period last year, which amounted to 544.94 million Baht. It was mainly due to a decline in revenues from television broadcasting business and revenue from tourism services.

Television broadcasting business – the Company and its subsidiaries had revenues from television broadcasting of 290.91 million Baht, decreasing by 183.68 million Baht or 38.70% compared with the same period last year, which amounted to 474.59 million Baht, and it was due to the impact of the new wave of the Coronavirus Disease 2019 (COVID-19) outbreak. As a result, the Group was unable to organize activities as planned, causing advertising revenues and revenues from organizing activities to decline from the previous year.

New media business – the Company and its subsidiaries had revenues from new media business of 103.30 million Baht, increasing by 73.58 million Baht or 247.58% compared with the same period last year, which amounted to 29.72 million Baht, and it was because the Company invested in a subsidiary (NN) that engaged in the new media business, causing the Group to have more revenues from new media business.

Other businesses – the Company and its subsidiaries gained more revenue from sale of foods and beverages by 0.66 million Baht or increasing in the whole amount as the subsidiary (NNV) invested in Nation Coffee Co., Ltd. However, revenue from tourism services declined by 40.63 million Baht or decreasing in the whole amount compared with same period last year from the discontinuation of being an indirect subsidiary on 9 December 2020.

Other Income

The Company and its subsidiaries had other income of 103.46 million Baht, increasing by 53.34 million Baht or 106.42% compared with the same period last year, which amounted to 50.12 million Baht. The increase was mainly from the gain from loss of control in an indirect subsidiary

(HPS) of 13.93 million Baht due to the discontinuation of being an indirect subsidiary in the product distribution business on 20 September 2021; gain on fair value adjustments of investments amounting to 21.82 million Baht; and other income from television broadcasting, new media business, and food and beverage business of 17.59 million Baht.

Costs of Sale of Goods and Rendering of Services

In 2021, the Company and its subsidiaries had costs of sale of goods and rendering of services of 471.03 million Baht, increasing by 52.81 million Baht or 12.63% compared with the same period last year, which amounted to 418.22 million Baht. It was because costs of goods and services of the Company and its subsidiaries had surged.

The ratio of costs of goods and services to revenues from sale of goods and rendering of services accounted for 119.29%. The main operating costs of the Company and its subsidiaries included product costs, representing 0.07% of the total costs; salaries and benefits of production staff, representing 46.85% of the total costs; media production costs, accounted for 37.13% of the total costs; and depreciation and amortization expenses, representing 15.95% of the total costs.

Expenses

In 2021, the Company and its subsidiaries had selling and administrative expenses of 161.64 million Baht, increasing by 0.29 million Baht or 0.18% compared with the same period last year, which amounted to 161.35 million Baht. Selling expenses of 30.68 million Baht decreased by 2.59 million Baht or 7.80% compared with the same period last year, which amounted to 33.27 million Baht, and administrative expenses of 130.96 million Baht increased by 2.89 million Baht or 2.25% compared with the same period last year, which amounted to 128.08 million Baht. This was because employee office expenses building renovation costs and management consulting fees had gone up.

The main selling and administrative expenses included salaries and employee benefits, representing 29.18% of the total expenses; maintenance service fees, accounted for 25.30% of the total expenses; office expenses, representing 27.56% of the total expenses; sales and marketing

expenses, representing 8.25% of the total expenses; and depreciation and amortization expenses, accounted for 9.71% of the total expenses.

Finance Costs

In 2021, the Company and its subsidiaries had finance costs of 11.13 million Baht, increasing by 2.80 million Baht or 33.61% compared with the same period last year, which amounted to 8.33 million Baht. It was because the Company borrowed more from the third parties and financial institutions.

Net Profit (Loss)

In 2021, the Company and its subsidiaries had a gross loss of 76.16 million Baht compared to 2020 which had a gross profit of 126.72 million Baht. Also, in 2021, the gross loss margin was 19.29%, declining from the same period last year which had the gross profit margin of 23.25%. The decline was mainly due to the impact of the Coronavirus Disease 2019 (COVID-19) outbreak that caused a reduction in revenues from sale of goods and rendering of services.

For the performance of the Company and its subsidiaries, they incurred an operating loss of 123.16 million Baht compared with the same period last year, which had an operating profit of 32.13 million Baht. If excluding the reversal of credit losses expected to occur in the amount of 59.68 million Baht in 2021, the Company and its subsidiaries would have a net loss of 182.84 million Baht compared with the same period last year, which had a net loss of 13.34 million Baht.

The Analysis of Financial Position and Operating Results for Year 2020

Assets

As of 31 December 2020, the Company and its subsidiaries had total assets of 1,047.54 million Baht. The total assets included current assets of 306.65 million Baht and non-current assets of 740.89 million Baht, which accounted for 29.27% and 70.73% of total assets, respectively.

Current assets: As of 31 December 2020, the Company and its subsidiaries had current assets of 306.65 million Baht, increasing by 128.80 million Baht or 72.42% from 31 December 2019

which amounted to 177.86 million Baht. It was mainly from an increase in cash and cash equivalents by 515.20% from 31 December 2019 which was due to the cash received from the capital increase amounting to 137.74 million Baht; a decrease in accrued income of 20.47 million Baht; and an increase in inventories of 22.15 million Baht from the fact that the Company began to operate a business related to the sale of consumer goods and other products.

Non-current assets: As of 31 December 2020, the Company and its subsidiaries had non-current assets of 740.89 million Baht, increasing by 227.62 million Baht or 44.35% from 31 December 2019 which amounted to 513.27 million Baht. It was mainly from an increase in the share prepayment that the Company paid in advance due to the investments in subsidiaries (NN) amounting to 164.40 million Baht, which increased by 100%; an increase in leasehold improvements and equipment of 43.04 million Baht or an increase by 44.25% from renovating studios and offices for use in operations; and an increase in right-of-use assets of 44.71 million Baht as the Company compiled with the Accounting Standard No. 16 Leases.

Liabilities and Equity

Liabilities: As of 31 December 2020, the Company and its subsidiaries had total liabilities of 330.72 million Baht, increasing by 71.49 million Baht or 27.57% from 31 December 2019 which amounted to 259.24 million Baht. It was mainly from an increase in trade and other payables of 52.15 million Baht or an increase by 163.53%, and an increase in lease liabilities of 25.78 million Baht or an increase by 100% as the Company compiled with the Accounting Standard No. 16 Leases.

Equity: As of 31 December 2020, the Company and its subsidiaries had total equity of 716.82 million Baht, increasing by 284.94 million Baht or 65.98% from 31 December 2019 which amounted to 431.88 million Baht. It was due to the Company's capital increase of 312.16 million Baht in 2020, and the Company had an operating profit of 32.13 million Baht. In addition, there was the difference occurred from the business combination under common control from the purchase of "Kom Chad Luek" trademark in the amount of 70 million Baht.

Revenues from Sale of Goods and Rendering of Services

Revenues from sale of goods and rendering of services in 2020 were 544.94 million Baht, increasing by 87.88 million Baht or 19.23% compared with the same period last year, which amounted to 457.06 million Baht. It was mainly due to an increase in revenues from television advertising media, new media, and revenue from tourism services.

Television broadcasting business – the Company and its subsidiaries had revenues from television broadcasting and related business of 474.59 million Baht, increasing by 50.66 million Baht or 11.95% compared with the same period last year, which amounted to 423.93 million Baht, and it was mainly due to an increase in revenue from renting airtime.

New media business – the Company and its subsidiaries had revenues from new media business of 29.72 million Baht, increasing by 11.24 million Baht or 60.82% compared with the same period last year, which amounted to 18.48 million Baht as there were more media channels to present contents.

Other businesses – the Company and its subsidiaries had revenue from tourism services of 40.63 million Baht, increasing by 25.98 million Baht or 177.34% compared with same period last year, which amounted to 14.65 million Baht. The increase was from the revenue of an indirect subsidiary, however, the subsidiary discontinued being an indirect subsidiary on 9 December 2020.

Other Income

The Company and its subsidiaries had other income of 50.12 million Baht, increasing by 14.36 million Baht or 40.16% compared with the same period last year, which amounted to 35.76 million Baht, and it was due to an increase in other income from television advertising media business, new media business, and tourism services.

Costs of Sale of Goods and Rendering of Services

In 2020, the Company and its subsidiaries had costs of sale of goods and rendering of services of 418.22 million Baht, increasing by 16.38 million Baht or 4.08% compared with the same period last year, which amounted to 401.84 million Baht. It was because costs of goods and services of indirect subsidiaries in the product distribution business through television channels on

the digital and online media and tourism services had gone up in the 2nd quarter of 2020, which was in line with the increasing revenues.

The ratio of costs of goods and services to revenues from sale of goods and rendering of services accounted for 76.75%. The main operating costs of the Company and its subsidiaries included product costs of 4.39 million Baht, representing 1.05% of the total costs; salaries and benefits of production staff of 141.02 million Baht, representing 33.72% of the total costs; media production costs of 197.99 million Baht, accounted for 47.34% of the total costs; and depreciation and amortization expenses of 74.82 million Baht, representing 17.89% of the total costs.

Expenses

In 2020, the Company and its subsidiaries had selling and administrative expenses of 161.35 million Baht, increasing by 27.61 million Baht or 20.64% compared with the same period last year, which amounted to 133.74 million Baht. Selling expenses of 33.27 million Baht decreased by 0.92 million Baht or 2.69% compared with the same period last year, which amounted to 34.19 million Baht, and administrative expenses of 128.08 million Baht increased by 28.53 million Baht or 28.66% compared with the same period last year, which amounted to 99.55 million Baht. This was because employee and office expenses of indirect subsidiaries (ARW) had risen.

The main selling and administrative expenses included salaries and employee benefits, representing 37.52% of the total expenses; maintenance service fees, accounted for 18.30% of the total expenses; office expenses, representing 26.45% of the total expenses; sales and marketing expenses, representing 8.56% of the total expenses; and depreciation expense, accounted for 9.17% of the total expenses.

Finance Costs

In 2020, the Company and its subsidiaries had finance costs of 8.33 million Baht, decreasing by 0.73 million Baht or 8.06% compared with the same period last year, which amounted to 9.06 million Baht. It was due to the loan repayments to financial institutions.

Net Profit (Loss)

In 2020, the Company and its subsidiaries had a gross profit of 126.72 million Baht compared to 2019 which had a gross profit of 55.22 million Baht. Also, in 2020, the gross profit margin was 23.25%, increasing from the same period last year which had the gross profit margin of 12.08%. This was mainly due to an increase in revenue from tourism services of an indirect subsidiary, and the subsidiaries was able to control costs more effectively.

For the performance of the Company and its subsidiaries, they incurred an operating profit of 32.13 million Baht compared with the same period last year, which had an operating profit of 405.25 million Baht. If excluding the reversal of impairment loss on the digital television license amounting to 457.07 million Baht in 2019, the Company would incur a net loss of 51.82 million Baht.