

Attachment 6 The Opinion of the Independent Financial Advisor  
on the Disposition of Assets and the Connected Transaction

(Translation)

The Opinion of the Independent Financial Advisor  
on the Disposition of Assets and the Connected Transaction

of

Bangkok Post Public Company Limited



Presented to

The shareholders of Bangkok Post Public Company Limited

By



OptAsia Capital Company Limited

4 March 2020

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Subject The opinion of the Independent Financial Advisor on the disposition of assets and connected transaction  
of Bangkok Post Public Company Limited

To Shareholders  
Bangkok Post Public Company Limited

Reference to:

- 1) Notification of the resolutions of the Board of Directors Meeting No.5/2019, convened on 13 December 2019, and Information Memorandum
- 2) Notification of the resolutions of the Board of Directors Meeting No.1/2020, convened on 25 February 2020, and Information Memorandum
- 3) Form 56-1 and Annual report of Bangkok Post Public Company Limited as of 31 December 2016 - 2018
- 4) Audited and reviewed financial statements of Bangkok Post Public Company Limited for 12 months as of 31 December 2016-2019
- 5) Asset Appraisal Report prepared by Knight frank Charter (Thailand) Company Limited as of 21 November 2019
- 6) Company Affidavit, Memorandum of Association, regulations, information and other relevant documents, as well as, management interview and relevant staff of Bangkok Post Public Company Limited

### Abbreviation

“POST” or “the Company”	Bangkok Post Public Company Limited
The Companies group	The Company, its subsidiaries and its associated companies which are directly or indirectly hold by the Company
Bangna Asset	Printing plant and Distribution Center consisting of land and building, printing machine and equipment located at 999 Moo 9 Km. 19+700 ,Bang Chalong, Bang Phli, Samutprakarn
Klong Toey Asset	Office building consisting of land and building located at 136 Na Ranong Road, Klong Toey, Klong Toey district, Bangkok
“WACC”	Weighted average cost of capital
“NTA” or “Net Tangible Assets”	Net Tangible Assets
“Stock Exchange of Thailand” or “SET”	Stock Exchange of Thailand
“the Securities and Exchange Commission” or “SEC”	The Securities and Exchange Commission
“Independent Financial Advisor”	OptAsia Capital Company Limited
“Independent Appraiser” or “Knight Frank”	Knight Frank Chartered (Thailand) Company Limited
“Notification of acquisition or disposition transaction”	The Notification of Board of Governors of Stock Exchange of Thailand about the disclosure and listed company process in acquisition or disposition transaction in 2004 as of 29th October 2004 and the Notification of SEC no. Tor Chor 20/2551 about the criteria of the acquisition or disposition transaction as of 31st August 2008 and other additional adjustment notification
“Notification of connected transaction”	The Notification of The Capital Market Supervisory Board No. Tor Chor. 21/2551, regarding rules on connected transactions provided as transactions relating to assets and services, and the Notification of The Board of Governors of The Stock Exchange of Thailand regarding disclosure of information and other acts of listed companies relating to connected transactions B.E. 2546 (2003)

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## Executive Summary

The media consumption behavior has been drastically changed to digital era which is Media Disruption. People has increased internet consumption which affect the publication business including newspaper and magazine interested dropped. The sales of production and selling publication has been dropped, so the main group that are affect from the disruption is Media and Publication group. This group advertising revenue is extremely decreased. For the publication group, there were discontinued production and selling of many magazine and newspaper. The said cause made the Company to adjust the strategy and business model to cope with the impact, such as stopping production and distribution of Post Today and M2F, including stopping production and distribution of certain magazines which will help reduce costs and reduce operating losses. However, the Company still having operating losses for many consecutive years and experiencing a lack of liquidity of working capital. The Company has an opinion that Bangna Asset is not necessary for the business and, since the Company restructure its operation to be smaller, the Company has no longer use much office building as before. So, the disposition of Klong Toey Asset and Bangna Asset are transformed asset into cash to maximize their beneficial, help the company remain operate, repay long-term debt to financial institute and connected person, reduce interest liability, pay the office rent and the rest will be utilize as working capital in the business. This transaction can help the Company to continue the business.

The Board of Directors Meeting No. 5/2019 of the Company convened on 13 December 2019, passed a resolution to approve the disposition of asset and connected transactions which will propose to the extraordinary shareholders meeting no.1/2020 on 25 February 2020. The Company has postponed the shareholders meeting due to the Company and the Independent Financial Advisor are still preparing significant information and documents resulting that information and documents will not be completed on time. Therefore, The Board of Directors Meeting No. 1/2020 of Bangkok Post Public Company Limited convened on 25 February 2020, passed a resolution to approve the transaction which will propose to the Annual General Shareholders Meeting 2020 on 22 April 2020 in order to consider entering into the transactions. The difference could be summarized as follows.

Topic	Board of Directors No. 5/2019	Board of Directors No. 1/2020
Disposition of Assets	Disposition of Klong Toey Asset and Bangna Asset at the range of 90-100 percent of appraised price which is 1,439.37-1,684.50 Million THB	The price of assets disposal transaction will not be lower than 1,472.85 Million THB
Expected Buyer	Individuals who are not connected to the Company and/or connected person who is Mr. Suthikiati Chirathivat, the major shareholders of the Company equal to	Individuals who are not connected to the Company by disposing of assets by bidding method to provide opportunities for general investors who are interested

Topic	Board of Directors No. 5/2019	Board of Directors No. 1/2020
	24.22 percent and the Company's Chairman of the Board of Directors	
Period of Disposition of Assets	Expected to be completed by 2020, but if the time limit is exceeded, the Company will propose to the shareholders' meeting for further consideration.	Expected to be completed by August 2020, but if the time limit is exceeded, the Company will propose to the shareholders' meeting for further consideration.
Renting the Office (Klong Toey Asset)	Connected Transaction if the buyer is Mr. Suthikiati Chirathivat	There is no resolution on this matter. But will be renting back some office space from the person who is expected to be the expected buyer for approximately 4 months, depending on the negotiation. (Not an asset acquisition transaction and is not a connected transaction)
Financial Assistance from Mr. Suthikiati Chirathivat	The total credit line is 200 Million THB as of 31 December 2020. However, if the time limit is exceeded, the Company will propose to the shareholders' meeting for further consideration.	The total credit line is 250 Million THB as of 31 December 2020. However, if the time limit is exceeded, the Company will propose to the shareholders' meeting for further consideration.

The details of the Board of Directors resolution no.1/2020, convened on 25 February 2020 are as follows.

(1) Approval of the disposition of asset transaction which are Item 1 Klong Toey Asset Group; Office building (Klong Toey) consist of land and building located at 136 Na Ranong Road, Klong Toey, Klong Toey district, Bangkok and back of office building as known as "Klong Toey Asset" with the appraised value of 1,175 Million THB which consists of land 859.20 Million THB, Construction building and other 315.80 Million THB and Item 2 Bangna Asset Group; Printing plant and Distribution Center (Bangna) consist of land and building, printing machine and equipment, located at 999 Moo 9 Km. 19.5 ,Bang Chalong, Bang Phli, Samutprakarn as known as "Bangna Asset" with the value of 424.30-509.50 Million THB consists of Land 261.20 Million THB, Construction building and other 107.30 Million THB and Machinery and equipment that divided into 3 cases as follows;

-Market Value for the existing use (As it is) of 141.00 Million THB

-Relocate the machine to new production plant value of 93.00 Million THB

-Orderly liquidation value-piecement of 55.80 Million THB

The disposition of asset transaction is a transaction with expected buyers which are investor not connected to the Company

The meeting of the Board of Directors of the Company has approved the appropriate price range of the value of assets disposal which is in between 1,636.50-1,684.50 Million THB, details are as follows.

- 1,636.50 Million THB (Calculate from land value 261.20 Million THB and construction building and other 107.30 Million THB and machinery and equipment by Relocate the machine to new production plant value of 93.00 Million THB and Klong Toey Asset of 1,175.00 Million THB)
- 1,684.50 Million THB (Calculate from land value 261.20 Million THB and construction building and other 107.30 Million THB and machinery and equipment by market Value for the existing use value of 141.00 Million THB and Klong Toey Asset of 1,175.00 Million THB)

Thus, the Company set criteria for negotiation with person expects to be a buyer. Total transaction value will be no less than 90 % of the appraisal value, depends on the negotiation and benefits the Company will receive. Therefore, the range of Klong Toey Asset and Bangna Asset's price are not less than 90% of appraised value or value of 1,472.85 – 1,516.05 Million THB. Therefore, the Board of Directors of the Company has set the price entering into the disposition assets not lower than 1,472.85 Million THB. In which the Company sets guidelines for selling assets at the same time and divided into 2 major items which are Klong Toey Asset Group and Bangna Asset Group which must have a selling price not less than 90% of the appraised value of that asset group.

The Company has specified payment terms to be paid in cash. Therefore, ownership of the assets is transferred to the person who is expected to be the buyer. The Company expects that all such transactions will be completed within 4 months from the date of approval from the shareholders' meeting, which is within August 2020. However, if the bidding price for the said asset is lower than the price approved by the shareholders' meeting or there are no general investors interested in bidding, The Company will call the extraordinary general meeting of shareholders no.1 / 2020 for further consideration.

After entering into the disposition of assets, the Company will still have the same business nature as usual which are main revenue from advertising, selling Bangkok Post Newspaper, including revenue from event organizing and digital online management with having no significant changes in business characteristics or policies. The Company can hire outsourcing companies to produce newspapers or other publications. For office, the Company does not need to own the asset to generate revenue, these assets can be just operating location which the Company can change location or rent back from buyer. The main asset that generate revenue to the Company is its employees.

(2) Approval of the connected transaction

Approval of the financial assistance that has already occurred in 2019 and requests to receive all financial assistance from the connect person who is Mr. Suthikiati Chirathivat. The Company and its subsidiaries have requested for the financial assistance total of 161 Million THB as of 31 December 2019, including the additional financial assistance of 89 Million THB as necessary or total of 250 Million THB. The loan is the call

loan type with no collateral and 5.25 % interest rate reference from MLR-1.0 % (Bangkok Bank as of 27 May 2019). The period is set from the first drawdown date, which is 27 May 2019 until the due date is 31 December 2020, not exceeding 21.0 Million THB which the Company expects to repay the loan within 31 December 2020 and if the period is exceeded, the Company will propose for new transaction approval.

Including, requesting approval for a person or group of people assigned by the Board of Directors, has the power to proceed any actions that are necessary or relevant and beneficial to the Company and shareholders. The said transaction will help reduce the risk of capital structure management, due to inflow of working capital result in the Company is able to reduce debt and to support the company's cash flow needs in a timely manner.

The Company has not entered any acquisition or disposition of assets during the past 6 months before the Board of Directors Meeting passed a resolution to approve the Company to enter into such transactions. The maximum of asset disposal transaction size based on total value of consideration paid or received equal to 1,472.85 Million THB or 64.50 percent, which is considered as type 1 according to criteria of acquisition or disposition of assets. For that reason, it requires the Company to present the information to Stock Exchange of Thailand and has the duty to appoint Independent Financial Advisor to give opinions to the shareholders of the company, including disclosing the information of the said transaction to the Stock Exchange of Thailand which must be approved by the extraordinary general meeting of shareholders with a vote of not less than 3 in 4 of the total votes of the shareholders who attend the meeting, excluding the votes of shareholders having an interest in the matter and the Company must send a notice of the shareholders 'meeting together with the opinion of an Independent Financial Advisor to the shareholders at least 14 days in advance of the shareholders' meeting.

The financial assistance from Mr. Suthikiati Chirathivat, total of credit line 250 Million THB with 5.25 % interest rate. The period is set from the first drawdown date, which is 27 May 2019 until the due date is 31 December 2020, not exceeding 21.0 Million THB. This transaction is considered as connected transaction which transaction size is larger than 20 Million THB (due to the Company has negative net tangible assets, therefore it cannot be calculated as a percentage) and is considered as connected transaction of the listed companies as specified in The Notification of The Capital Market Supervisory Board No. Tor Chor. 21/2551, regarding rules on connected transactions provided as transactions relating to assets and services, and the Notification of The Board of Governors of The Stock Exchange of Thailand regarding disclosure of information and other acts of listed companies relating to connected transactions B.E. 2546 (2003). The Company requires to proceed the action same as the disposition of assets.

From the transactions, the Company needs to appoint Independent Financial Advisor for the opinion towards transaction. The Company appoints OptAsia Capital Company Limited as Independent Financial Advisor to give opinion towards Company's shareholders including enclosure information of disposition of asset



to the Stock Exchange of Thailand and connected transaction and present to the in the Company Shareholders' Meeting of Shareholders to consider approve entering into the transaction. The Independent Financial Advisor has studied information of the disposition of asset and connected transaction of the Company, including information from the interviewing with the Company executives, documents received from the Company, assumption, the forecasting, and the public information including from the enclosure in SET website and the Securities and Exchange Commission ("SEC") for the opinion towards the stated transaction.

From the information and characteristics of the transaction, there are advantages, disadvantages, and risk which are sum up as follow:

### Comparing the Advantage and Disadvantage of Entering into the Transaction

#### A. The Disposition of Assets

##### Advantages

- (1) The Company will have sufficient fund to repay debt and utilize as working capital

From the Company facing the problems, the Company are having losses from newspaper and magazine operation for several consecutive years which result in discontinued production and distribution of Post Today and M2F newspaper in March 2019, discontinued production of Bangkok Post newspaper at Printing Plant (Bangna) and outsource printing from September 2019. As a result, Bangna Asset is not necessary for the business and, since the Company restructure its operation to be smaller, the Company has no longer use much office building as before. So, the disposition of Klong Toey Asset and Bangna Asset are transformed asset into cash to maximize their beneficial, help the company remain operate, repay long-term debt to financial institute and connected person, reduce interest liability, pay the office rent and the rest will be utilize as working capital in the business.

- (2) The Company can reduce cost occurred from the asset

Since Bangna Asset, especially Building and Machine and Equipment, is not operated, there still have maintenance cost to preserve asset to operate in the future and in order to protect the property from causing excessive deterioration which may affect their selling price. For Klong Toey Asset, the Company utilize only some of the office space. However, the Company has maintenance cost for the whole asset. So, the disposition of asset will reduce unutilized asset cost e.g. Electricity expense, Maintenance cost, Repair cost of approximately 5-10 Million THB annually

##### Disadvantages

- (1) The Company may lose its opportunity cost of selling asset for higher value in the future

The Selling of vacant land in Bangna Asset and Klong toey Asset is in the center of the Bangkok, there is having possibility that the price of both assets may be higher in the future. Even though, the Company has not known who is going to be the buyer. However, the agreed price referred from the market price is suitable in the present which can be liquidize into cash to help the Company financial issue, to help the Company can continue to run the business and flexible in management, have financial liquidity for further business. For the

land with building in Bangna, it consists of printing plant which have the specific characteristic and may be hardly utilize by other. For the Machine and Equipment in printing plant, there will be disposition to other which interest in media industry that may not significantly increase in value or maybe decrease in value. However, it is expected that the assets will be sold within 2020. The Company may lose the opportunity to make a profit to sell the property at a higher price in the future when compared to the current appraised value.

(2) The Company may face the risk that there may not be a buyer of assets in expected period.

The Company will proceed with the disposition of assets by bidding method to provide opportunities for investors interested. The Company will advertise for 45 days after the date of receiving approval from the shareholders' meeting and will make an announcement within 30 days after the advertisement has ended. The Company may be at risk that there are no investors interested in participating in the bidding due to the stagnant economic conditions and the period is relatively short or due to other factors. However, the Company has a need to solve liquidity problems which are urgently needed and if the Company cannot proceed according to the resolution of the shareholders' meeting, the Company will call an extraordinary general meeting of shareholders for further consideration.

#### **B. Financial Assistance from its Major Shareholder which is Connected Person**

##### **Advantages**

(1) The Company has liquidity and financial management flexibility with low financing cost

The financial assistance is helping the Company's liquidity to make payment for significant cost e.g. operating cost, employee compensation cost, and long-term loan payment and interest. This make the Company to continue operate and flexibility in management, the liquidity in financial. The Company still has the bargaining power to stakeholders. When considering the Company operations and financial statement, the Company has fully used the loan from financial institutions and new source of fund or borrowing from other person is hard or may need higher financial cost or interest rate which make the Company with the higher financial liability in the future. However, borrowing from the connected person is the loan without any collateral with good prospect interest rate which is low financial cost comparing to the Company's current financial statement.

(2) The Company will not be forced to repay its debt or be prosecuted

The Company can use the financial assistance from connected person to help with its liquidity for the regulatory cost or the cost in the agreement which remain the Company as good debtor, not affect its credit that the Company has no trouble with the debt repayment with the financial institutes. However, if the Company does not have enough cash to repay and cover the cost within time, the Company may prosecuted, sued, or forced to repay its debt which may significantly affect the Company current operation, lower bargaining power and under the control of creditor.

##### **Disadvantages**

(1) The Type of Loan is a Call Loan

The Loan is a call loan with no time specific. So, the Company may have risk of on call payment anytime in future depend on the debtor which the Company may not has liquidity enough to repay its loan. However, when the Company receives financial assistance, it helps the Company continue to run the business, create flexible in management and have financial liquidity for further business.

### Conclusion of the Independent Financial Advisor Opinion

The Independent Financial Advisor has studied details of the transaction and summarize as follows;

#### The Disposition of Assets

The Independent Financial Advisor has an opinion that the appraised value of assets that been prepared by Knight Frank Chartered (Thailand) Co., Ltd. according to the appraisal date as of November 21, 2019, for public purposes, is the price that is appropriate for the current situation and in accordance with the nature of the appraised assets. Therefore, have an opinion that it is a reasonable price. The disposition of Klong Toey Asset at 1,175 Million THB and Bangna Asset at 461.50-509.50 Million THB with the expected buyer is not connected person. The Board of Directors of the Company has approved the range of appropriate disposal price in between of 1,636.50 – 1,684.50 Million THB and the Company set the specify guidelines for negotiating with an expected buyer with an agreed price not less than 90 percent of the appraised value depending on the negotiation and benefits that the Company will receive. The price of the total assets will be not less than 90 percent of the appraised value or value between 1,472.85 - 1,516.05 Million THB.

In this regard, the valuation of Bangna Assets, especially in machinery and equipment, the Independent Appraiser has appraised the machine into 3 scenarios which are scenario 1; machine as it is at value of 141 Million THB, scenario 2; relocate the machine to new production plant at value of 93 Million THB and scenario 3; orderly liquidation value-piecement of 55.8 Million THB. In the meantime, the Company has contacted the interested buyer in both domestic and international, however, there is no interested buyer in Thailand. There is some interested international buyers who wish to acquire only the machine and equipment and the Company has to relocate them to the buyer's location to remain operate which is in scenario 2 of the appraisal. Scenario 3 which has the appraised value of THB 55.80 million, it is the criteria of orderly liquidation value-piecement which is not conform to the disposition of the Company asset and value is too low comparing to the ability of the machine. So, the Independent Financial Advisor has used the appraised value of Land and Building with Machine in Scenario 2 to analyze on the appraised value and the value which is not less than 90% of the appraised value case, resulting in the value of asset in between 1,472.85 -1,636.50 Million THB. The said discount will help the Company to negotiate with the expected buyer which increase the possibility of selling the asset. The Board of Directors has resolved to sell assets at the price not less than 1,472.85 Million THB, therefore it is not lower than the lowest price that the Independent Financial Advisor has studied and is the appropriate price.

After obtaining approval from the shareholders in April 2020, the Company will sell the assets by bidding method with a third party who is not a connected person. . After that, the Company will arrange the date for public bid opening by the Board of Directors or person(s) assigned by the Board of Directors by inviting outsiders to witness for transparency. It is expected that all transactions will be completed within 4 months from the date of the shareholders' meeting. In selling Klong Toey Assets and the Company will specify conditions for requesting to rent back certain parts of the Klong Toey Assets and Bangna Assets which the Company will negotiate for renting back from September to December 2020 to use the space before preparing to relocate the workplace and rent a new office building from January 2021 onwards.

#### Requesting Financial Assistance from the connected person

Approval of the financial assistance that has already occurred in 2019 and requests to receive all financial assistance from the connect person who is Mr. Suthikiati Chirathivat. The Company and its subsidiaries have requested for the financial assistance total of 161 Million THB as of 31 December 2019, including the additional financial assistance of 89 Million THB as necessary or total of 250 Million THB. The loan is the call loan type with no collateral and 5.25 % interest rate reference from MLR-1.0 % (Bangkok Bank as of 27 May 2019). The period is set from the first drawdown date, which is 27 May 2019 until the due date is 31 December 2020, not exceeding 21.0 Million THB which the Company expects to repay the loan within 31 December 2020 and if the period is exceeded, the Company will propose for new transaction approval. The said transaction helps the Company about liquidity and is able to continue to operate the business without losing control of other third parties, have a lower cost than borrowing from a financial institution. Therefore, it is a transaction that the Company receives benefits and is suitable.

#### Forecasting Performance

The Company has adjusted strategic and business model in the past 2-3 years. The Company has discontinued the production and distribution of various publications. Later on, the Company has discontinued the production and distribution of Post Today and M2F in March 2019 in which the Company has plan to generate revenue from digital media e.g. Digital Advertising, Digital sale (Please see details in topic 3.2 Business Plan) to cope with the decreasing of publication revenue. By entering into the transaction, the Company will receive cash flow from selling of asset to repay the debt to financial institution and connected person. The Company will have less interest payment. From the overview of 2020, after the Company disposes the asset, the Company expect to have less loss compared to the past. The Company restructuring including this disposition of asset is coping with the Company debt and liquidity to not be more severe and to maintain its bargaining power with creditor and external parties and remain its management power to control and operate.

The Independent Financial Advisor is of the opinion that this transaction is necessary and suitable for solving problems according to current situations. The proceeds from the sale of assets will help the Company having good financial status and sufficient liquidity to continue business operations. However, the Company will need to proceed with long term strategies and business model to remain in long run. So, after considering advantages and disadvantages of entering into the transaction including risks, the Company will receive beneficial in long run from entering into the transaction. **The Independent Financial Advisor has opined that the Company shareholder should approve the disposition of asset at the price not lower than 1,472.85 Million THB and approve for financial assistance from connected person.**

The Independent Financial Advisor has studied, analyzed and prudently performed our duties under the Independent Financial Advisor accepted professional standard and rendered our opinion towards the fairness of disposition of asset, connected transaction and appropriateness of transaction value including the connected factors. The Independent Financial Advisor opinion in this report is not include the success of entering into the transaction and the company future operation connected to the disposition of asset transaction. The Independent Financial Advisor opinion is based on the information and documents received are correct and complete. Also, this opinion is based on the current information as of the report preparation period. However, if there is significant change or circumstance, it can significantly affect the Company operation, the Company's financial forecasting, the appraised and analysis by the Independent Financial Advisor, and the decision of shareholder towards disposition of asset and connected transaction above.

However, this vote should be made with shareholders' discretion as important, the Company shareholder should study information in documents attached with the invitation for consideration on the resolutions. The Independent Financial Advisor hereby certify that the above information has been researched and analyzed with consideration and professional moral which consider best interest for minor shareholder as important.

The English version is a translation of the original in Thai for information purpose only. In case of a discrepancy, the Thai original will prevail.

## 1. Characteristic and details of the disposition transaction and connected transaction

### 1.1 Objective of the transaction and Transaction background

The media consumption behavior has been drastically changed to digital era which is Media Disruption. People has increased internet consumption which affect the publication business including newspaper and magazine interested dropped. The sales of production and selling publication has been dropped, so the main group that are affect from the disruption is Media and Publication group. This group advertising revenue is extremely decreased. For the publication group, there were discontinued production and selling of many magazine and newspaper. The said cause made the Company to adjust the strategy and business model to cope with the impact, such as stopping production and distribution of Post Today and M2F, including stopping production and distribution of certain magazines which will help reduce costs and reduce operating losses. However, the Company still having operating losses for many consecutive years and experiencing a lack of liquidity of working capital. The Company has an opinion that Bangna Asset is not necessary for the business and, since the Company restructure its operation to be smaller, the Company has no longer use much office building as before. So, the disposition of Klong Toey Asset and Bangna Asset are transformed asset into cash to maximize their beneficial, help the company remain operate, repay long-term debt to financial institute and connected person, reduce interest burden, pay the office rent and the rest will be utilize as working capital in the business. This transaction can help the Company to continue the business.

The Board of Directors Meeting No. 5/2019 of the Company convened on 13 December 2019, passed a resolution to approve the disposition of asset and connected transactions which will propose to the extraordinary shareholders meeting no.1/2020 on 25 February 2020. The Company has postponed the shareholders meeting due to the Company and the Independent Financial Advisor are still preparing significant information and documents resulting that information and documents will not be completed on time. Therefore, The Board of Directors Meeting No. 1/2020 of Bangkok Post Public Company Limited convened on 25 February 2020, passed a resolution to approve the transaction which will propose to the Annual General Shareholders Meeting 2020 on 22 April 2020 in order to consider entering into the transactions. The difference could be summarized as follows;

Topic	Board of Directors No. 5/2019	Board of Directors No. 1/2020
Disposition of Assets	Disposition of Klong Toey Asset and Bangna Asset at the range of 90-100 percent of appraised price which is 1,439.37-1,684.50 Million THB	The price of assets disposal transaction will not be lower than 1,472.85 Million THB
Expected Buyer	Individuals who are not connected to the Company and/or connected person who is Mr. Suthikiati Chirathivat, the major	Individuals who are not connected to the Company by disposing of assets by bidding

Topic	Board of Directors No. 5/2019	Board of Directors No. 1/2020
	shareholders of the Company equal to 24.22 percent and the Company's Chairman of the Board of Directors	method to provide opportunities for general investors who are interested
Period of Disposition of Assets	Expected to be completed by 2020, but if the time limit is exceeded, the Company will propose to the shareholders' meeting for further consideration.	Expected to be completed by August 2020, but if the time limit is exceeded, the Company will propose to the shareholders' meeting for further consideration.
Renting the Office (Klong Toey Asset)	Connected Transaction if the buyer is Mr. Suthikiati Chirathivat	There is no resolution on this matter. But will be renting back some office space from the person who is expected to be the expected buyer for approximately 4 months, depending on the negotiation. (Not an asset acquisition transaction and is not a connected transaction)
Financial Assistance from Mr. Suthikiati Chirathivat	The total credit line is 200 Million THB as of 31 December 2020. However, if the time limit is exceeded, the Company will propose to the shareholders' meeting for further consideration.	The total credit line is 250 Million THB as of 31 December 2020. However, if the time limit is exceeded, the Company will propose to the shareholders' meeting for further consideration.

The details of the Board of Directors resolution no.1/2020, convened on 25 February 2020 are as follows;

(3) Approval of the disposition of asset transaction which are Item 1 Klong Toey Asset Group; Office building (Klong Toey) consist of land and building located at 136 Na Ranong Road, Klong Toey, Klong Toey district, Bangkok and back of office building as known as "Klong Toey Asset" with the appraised value of 1,175 Million THB which consists of land 859.20 Million THB, Construction building and other 315.80 Million THB and Item 2 Bangna Asset Group; Printing plant and Distribution Center (Bangna) consist of land and building, printing machine and equipment, located at 999 Moo 9 Km. 19.5 ,Bang Chalong, Bang Phli, Samutprakarn as known as "Bangna Asset" with the value of 424.30-509.50 Million THB consists of Land 261.20 Million THB, Construction building and other 107.30 Million THB and Machinery and equipment that divided into 3 cases as follows;

- Market Value for the existing use (As it is) of 141.00 Million THB
- Relocate the machine to new production plant value of 93.00 Million THB
- Orderly liquidation value-piecement of 55.80 Million THB

The disposition of asset transaction is a transaction with expected buyers which are investor not connected to the Company

The meeting of the Board of Directors of the Company has approved the appropriate price range of the value of assets disposal which is in between 1,636.50-1,684.50 Million THB, details are as follows;

- 1,636.50 Million THB (Calculate from land value 261.20 Million THB and construction building and other 107.30 Million THB and machinery and equipment by Relocate the machine to new production plant value of 93.00 Million THB and Klong Toey Asset of 1,175.00 Million THB)
- 1,684.50 Million THB (Calculate from land value 261.20 Million THB and construction building and other 107.30 Million THB and machinery and equipment by market Value for the existing use value of 141.00 Million THB and Klong Toey Asset of 1,175.00 Million THB)

Thus, the Company set criteria for negotiation with person expects to be a buyer. Total transaction value will be no less than 90 % of the appraisal value, depends on the negotiation and benefits the Company will receive. Therefore, the range of Klong Toey Asset and Bangna Asset's price are not less than 90% of appraised value or value of 1,472.85 – 1,516.05 Million THB. Therefore, the Board of Directors of the Company has set the price entering into the disposition assets not lower than 1,472.85 Million THB. In which the Company sets guidelines for selling assets at the same time and divided into 2 major items which are Klong Toey Asset Group and Bangna Asset Group which must have a selling price not less than 90% of the appraised value of that asset group.

The Company has specified payment terms to be paid in cash. Therefore, ownership of the assets is transferred to the person who is expected to be the buyer. The Company expects that all such transactions will be completed within 4 months from the date of approval from the shareholders' meeting, which is within August 2020. However, if the bidding price for the said asset is lower than the price approved by the shareholders' meeting or there are no general investors interested in bidding, The Company will call the extraordinary general meeting of shareholders no.1 / 2020 for further consideration.

After entering into the disposition of assets, the Company will still have the same business nature as usual which are main revenue from advertising, selling Bangkok Post Newspaper, including revenue from event organizing and digital online management with having no significant changes in business characteristics or policies. The Company can hire outsourcing companies to produce newspapers or other publications. For office, the Company does not need to own the asset to generate revenue, these assets can be just operating location which the Company can change location or rent back from buyer. The main asset that generate revenue to the Company is its employees.

## (2) Approval of the connected transaction

Approval of the financial assistance that has already occurred in 2019 and requests to receive all financial assistance from the connect person who is Mr. Suthikiati Chirathivat. The Company and its subsidiaries have requested for the financial assistance total of 161 Million THB as of 31 December 2019, including the additional financial assistance of 89 Million THB as necessary or total of 250 Million THB. The loan is the call



loan type with no collateral and 5.25 % interest rate reference from MLR-1.0 % (Bangkok Bank as of 27 May 2019). The period is set from the first drawdown date, which is 27 May 2019 until the due date is 31 December 2020, not exceeding 21.0 Million THB which the Company expects to repay the loan within 31 December 2020 and if the period is exceeded, the Company will propose for new transaction approval.

Including, requesting approval for a person or group of people assigned by the Board of Directors, has the power to proceed any actions that are necessary or relevant and beneficial to the Company and shareholders. The said transaction will help reduce the risk of capital structure management, due to inflow of working capital result in the Company is able to reduce debt and to support the company's cash flow needs in a timely manner.

## 1.2 Transaction date

The Company will enter the transaction after received approval from the Annual General Meeting 2020 on 22 April 2020 which the Company expect to be able to dispose assets within 4 months from the date of approval from the shareholders 'meeting which is within August 2020. For the financial assistance from connected person, the Company may request financial assistance as necessary, but if the time limit is exceeded, the Company will propose to the shareholders' meeting for approval.

(Please see more details in topic 1.8 Process and Timeline)

## 1.3 The Disposition of Asset

1.3.1 Party and relationship in the disposition of asset transaction which are Bangna Asset and Klong Toey Asset are as follows:

Seller	:	Bangkok Post Public Company Limited (“the Company”)
Expected Buyer	:	Investor not connected to the Company

### 1.3.2 General Characteristics of the Transaction and Asset Details

The Company will proceed selling the assets by bidding method which the success of each asset disposal transaction is independent of one another, depends on the negotiation and benefits the Company will receive. After entering into the disposition of assets, the Company will still have the same business nature as usual which are main revenue from advertising, selling Bangkok Post Newspaper, including revenue from event organizing and digital online management with having no significant changes in business characteristics or policies. The Company can hire outsourcing companies to produce newspapers or other publications. For office, the Company does not need to own the asset to generate revenue, these assets can be just operating

location which the Company can change location or rent back from buyer. The main asset that generate revenue to the Company is its employees.

In the event that the Company is able to complete all assets disposal transactions, the Company will have more cash flow, but that money will mainly be used to repay debts and the rest will be used as working capital. The Company still has other assets such as office equipment, vehicles, copyrights, computer software, etc.

Details of disposition of assets are as follow:

- (1) Klong Toey Asset which is Printing plant and Distribution Center consist of
  - a. Land located at 999 Moo 9 separates from Thepparat Road (highway number 34) at kilometer of 19+700 (inbound) head south around 70 meter in Kwang Ban Chalong, Khet Bang Pli, Samutprakan with area according to title deed of 19 rai, 1 ngan, and 40 square meters. Currently is the Printing plant and Distribution Center of the Company.
  - b. Building construction such as Printing plant, Warehouse, Distribution office, Chemical store, and Small power plant with average usable life of 13 years. Other constructions are concrete road, barbed and concrete pole with fence, and reinforced concrete bridge
  - c. There are 6 machinery and equipment for newspaper production totaling 23 sets/ machine. Most of machines have been used since 2007 with an average usable lifetime of 2-12 years; most are manufactured and imported from Germany, and some from the United States of American, Japan, and Thailand. The Company ceased printing operation since 31 August 2019 and hire Siam Sport Syndicate Public Company Limited since 1 September 2019 for printing such as Bangkok Post Newspaper.

Currently, the Company does not use Bangna Asset anymore and it was mortgaged for a loan with one financial institute.

- (2) Klong Toey Asset which is Office building which operated as it headquarters consisting of
  - a. Land located at 136 Na Ranong Road Klong, Kwang Klong Toey, Khet Klong Toey, Bangkok with area according to title deed of 7 rai, 64.0 square wah. Currently is the Company's head office
  - b. Building construction such as office building, service building, press building, and parking building with average usable life of 26 years with total usable area of 35,483 square meter. Other construction are security guard house, concrete road, and barbed and concrete pole with fence.

Currently, the Company has used Klong Toey Asset as headquarter and is obligation free asset. However, as 27 September 2019, the Company has signing guarantee with one financial institute to not sell or transfer or make any obligation for these assets without any written consent from the financial institute.

The Company is in the process of negotiating with various financial institutions. After receiving approval from the shareholders' meeting, the Company will send a requisition to the financial institution that provides long-term loans for consent of the disposal of Klong Toey Asset and request to redeem the collateral for the loan in respect of the Bangna Asset for sale to investors and will use the proceeds from the sale of assets to repay long-term loans and mostly short-term loans.

### 1.3.3 The Compensation Policy and Total Asset Value

From Notification of the Office of the Securities and Exchange Commission No. Sor Shor. 24/2555, according to the report dated 16 December 2012, the value of compensation is set in accordance with the value appraised by the asset appraisal company certified by the Securities and Exchange Commission of Thailand, Knight Frank Chartered (Thailand) Company Limited. according to the appraisal date as of November 21, 2019, with public purpose. There are details of appraisal as follow:

Unit: Million THB

Type of Asset	Approach	Bangna Asset	Klong Toey Asset
Property	Sales Comparison	261.20	859.20
Building and Improvement	Net Replacement Cost	107.30	315.80
Machine and Equipment	See Note *	93.00 – 141.00	-
<b>Total</b>		461.50 – 509.50	1,175.00
<b>Total Appraised Price</b>		1,636.50 – 1,684.50	
<b>Range of appraised value lower by 90 % of appraised price</b>		<b>1,472.85 - 1,516.05</b>	
<b>Board of Directors' Resolution Price</b>		<b>Not lower than 1,472.85 Million THB</b>	

\*The appraised value for machine has divided into 3 scenarios which are scenario 1; for the machine and equipment used for production at the factory site, machine as it is at value of 141.00 Million THB, scenario 2; relocate the machine to new production plant at value is 93 Million THB and scenario 3; orderly liquidation value-piecement is 55.80 Million THB. However, the Company has set the disposition price according to scenario 2 which is not lower than 93 Million THB.

Thus, the Company set criteria for negotiation with person expected buyer depends on the negotiation and benefits the Company will receive. Therefore, the range of Klong Toey Asset and Bangna Asset's price are not less than 90% of appraised value or value of 1,472.85 – 1,516.05 Million THB. Therefore, the Board of Directors of the Company has set the price entering into the disposition assets not lower than 1,472.85 Million THB. In which the Company sets guidelines for selling assets at the same time and divided into 2 major items which are Klong Toey Asset Group and Bangna Asset Group which must have a selling price not less than 90% of the appraised value of that asset group.

### 1.3.4 Term of Payment

Person(s) assigned by the Board of Directors will be the person(s) who enter into a relevant contract and stipulate conditions after receiving approval from the Annual General Meeting of Shareholders 2020 according to Bidding Method topic 1.3.5. However, the important condition of the transaction is that the Company must receive all cash payments from the sale of assets. Therefore, ownership of the assets is transferred to the person who is expected to be the buyer.

#### **1.3.5 Transaction Procedure**

The Company will proceed with the disposition of assets by bidding method to provide opportunities for investors interested, The Company will advertise on the Company's media channels both print and online for 45 days after the date receiving approval from the shareholders' meeting. The interested investors can submit a bid for one or all assets according to the process and conditions that the Company will make an announcement within 30 days after the advertisement has ended. After that, the Company will arrange the date for public bid opening by the Board of Directors or person(s) assigned by the Board of Directors by inviting outsiders to witness for transparency. In addition, the Company will consider dispose of the said assets to general investor that offer the highest price or higher than the price approves by the shareholders' meeting. The Company expected to be completed the process within August 2020.

However, if the offered price is lower than the price approved by the shareholders' meeting or there are no general investors interested in bidding, the Company will call the Extraordinary General Meeting of Shareholders' No.1/2020 for further consideration.

#### **1.4 The Connected Transactions which is received financial assistance from connected person**

In 2019, the Company has lack of financial liquidity and need financial assistance from the connected person which is Mr. Suthikiati Chirathivat of 146 Million THB consisting of 25 Million THB in May, 25 Million THB in June, 35 Million THB in August, and 35 Million THB in September and 26 Million THB in December. The loan type is a call loan without collateral with a fixed interest rate of 5.25 % annually which references from minimum loan rate (MLR) of Bangkok Bank Public Co., Ltd as of 27 May 2019 which currently, the Company has 5 loan agreements.

Moreover, the Company and its subsidiaries has received the additional financial assistance of 15 Million THB in quarter 4/2019, total of 161 Million THB which is call loan. The Company will be requesting additional financial assistance of 89 Million THB as necessary such as repayment long term loan in 2020, which altogether do not exceed 250 Million THB under the same conditions.

The Company therefore requires an approval of the occurred financial assistance and additional financial assistance. In calculating the size of transaction in case of financial assistance, the value of interest which is required to be paid is included. If the Company assumes that the term of the loan which calculates the maximum total interest value with the period from the first drawdown date, which is 27 May 2019 until the due date is 31

December 2020, not exceeding 21.00 Million THB which the Company expects to repay the loan within 31 December 2020 and if the period is exceeded, the Company will propose for approval of the transaction from the new shareholders' meeting.

### 1.5 Type and Size of the Transaction

The Company calculate the size of transaction by using the financial information from the Company consolidated financial statement as of 31 December 2019 which can calculate the net tangible asset value as follow:

Unit: Million THB

Financial Information	The Company <sup>/1</sup>
Total Asset	2,283.89
<u>Deducted</u> Total Liabilities	(1,985.43)
<u>Deducted</u> Intangible Asset	(44.09)
<u>Deducted</u> Deferred Tax Asset	(230.46)
<u>Deducted</u> Goodwill	(32.17)
<u>Deducted</u> Non-controlling interests	(3.25)
<b>Net Tangible Asset Value</b>	<b>(11.51)</b>

Note: <sup>/1</sup> the Company consolidated financial statement as of 31 December 2019 which are audited by auditors.

Calculation details of the transaction size are as follow:

Method	Calculation	Disposition of Asset
1. Book value of net tangible asset	$\frac{\text{Share proportion} \times \text{NTA}^* \text{ of investment in the company} \times 100}{\text{NTA of the Company}}$	Cannot Calculate (1)
2. Net Operation Profit	$\frac{\text{Share proportion} \times \text{Net operating profits of the investment} \times 100}{\text{Net operating profit of the Company}}$	Cannot Calculate (2)
3. Total value of consideration received/paid	$\frac{\text{Value of transaction received/paid} \times 100}{\text{Total assets of the Company}}$	1,472.85 / 2,283.89 Or equal to 64.50 % (3)
4. Equity Shares Issued	$\frac{\text{Equity shares issued for the payment of assets} \times 100}{\text{Paid-up shares of the company}}$	Cannot Calculate (4)

(1) Cannot calculate as NTA result in a negative value and is an asset disposal, not to acquire or dispose of business or buy shares in a company.

(2) Cannot calculate as an asset disposal, not to acquire or dispose of business or buy shares in a company.

(3) Value of assets that are expected to be sold Calculated from the lowest value of assets that expects to be sold.

(4) Cannot calculate as an asset disposal, not issue new shares for payment of assets

#### The Calculation of Asset Disposition Size

The Company has not entered any acquisition or disposition of assets during the past 6 months before the Board of Directors Meeting passed a resolution to approve the Company to enter into such transactions.

The maximum transaction size based on total value of consideration paid or received equal to 64.50 %, which is considered as type 1 according to criteria of acquisition or disposition of assets. For that reason, it requires approval from the shareholders meeting with votes of not less than three-fourth of total number of the shareholders attending the meeting and having voting rights, excluding the votes of shareholders having an interest in the matter. The Company is also required to appoint the Independent Financial Advisor to express views on the disposition of assets. The Independent Financial Advisor will express views on, for example, the rationality of transaction and benefits to the Company, fair pricing and conditions.

#### The Calculation of Connected Transaction

The financial assistance from Mr. Suthikiati Chirathivat, total of credit line 250 Million THB with 5.25 % interest rate. The period is set from the first drawdown date, which is 27 May 2019 until the due date is 31 December 2020, not exceeding 21.0 Million THB. The Company expects to repay all the loan within 31 December 2020. If the time limit is exceeded, the Company will proceed for the new approval. This transaction is considered as connected transaction which transaction size is larger than 20 Million THB (due to the Company has negative net tangible assets, therefore it cannot be calculated as a percentage) and is considered as connected transaction of the listed companies as specified in The Notification of The Capital Market Supervisory Board No. Tor Chor. 21/2551, regarding rules on connected transactions provided as transactions relating to assets and services, and the Notification of The Board of Governors of The Stock Exchange of Thailand regarding disclosure of information and other acts of listed companies relating to connected transactions B.E. 2546 (2003). The Company requires approval from the shareholders meeting with votes of not less than three-fourth of total number of the shareholders attending the meeting and having voting rights, excluding the votes of shareholders having an interest in the matter.

#### 1.6 Source of Capital to Entering into the Transaction

In case of requesting for financial assistance from connected person, the Company will use the source of capital from disposition of asset to repay principle and interest. Moreover, the money that will receive from the disposition of asset will use to pay back financial institutions. This could enhance the Company' financial position.

#### 1.7 Process and Timeline

Process		Timeline
1	Board of Directors Meeting No. 1/2020	25 February 2020
2	Prepare list of eligible shareholders entering the Annual General Meeting of Shareholder 2020	11 March 2020
3	The Annual General Meeting of Shareholder 2020	22 April 2020

Process		Timeline
4	Negotiation process with the expected buyer of the disposition of asset	Expects to be completed within August 2020

If the time limit is exceeded, the Company will propose to the extraordinary shareholders' meeting for further consideration.

## 2 Purpose and Appropriateness of Entering into the Transaction

To determine the appropriateness of entering into this transaction, the Independent Financial Advisor has considered the significant factors as follow:

### 2.1 Objective and Necessity of entering into the transaction

#### Necessity of entering into the transaction

The Company has established in 1946 with its business purpose to operate in first daily English newspaper in Thailand named “Bangkok Post”. After that, the Company has invested in business connected to newspaper and other media e.g. Production and Selling of other magazines as “Elle”, “Elle Men”, “Elle Decoration”, “Cleo”, “Marie Claire”, “Forbes Thailand”, and “Science Illustrated”, “Cycling Plus” Thai Daily newspaper “Post Today”, monthly magazine “Student Weekly” or “S Weekly”, Free newspaper “M2F”, and other magazine and media. Moreover, the Company has information services in both English and Thai via Digital media and mobile application to its Thai and foreign members. The Company also present information and news via Online channel to respond to the demand and human behavior to receive news from office or home computer, computer tablet or mobile phone and with its newspaper business which produce best seller books from foreign countries in Thai translation and interesting books in both Thai and English which written by news reporter and columnist of the Company group and other famous Thai writer.

However, the media consumption behavior has been drastically changed to digital era which is Media Disruption. People has increased internet consumption which affect the publication business including newspaper and magazine interested dropped. The sales of production and selling publication has been dropped, so the main group that are affect from the disruption is Media and Publication group. This group advertising revenue is extremely decreased, for example: digital TV. They were auctioned, but they cannot operate to bring profitable, resulting in some digital TV have to close and return their license. For the publication group, there were discontinued production and selling of many magazine and newspaper (Details in Media Business Overview section)

Considering important events that affect the operating of the Company’s group in the past 4 years (2016 – 2019) is summed up as follows:

2016	- Close the publication insourcing at 1 <sup>st</sup> October 2016
2017	- Discontinued the “Marie Claire” and “Cycling Plus” selling and production
2018	- Discontinued the “S Weekly” (formerly Student Weekly) and Elle Decoration
2019	- Discontinued the “Post Today” and “M2F” newspaper production in March 2019 and has laid off related employees which has compensation cost between January to September of THB 48.80 million - Discontinued the “Cleo” and “Science Illustrated” selling and production in June

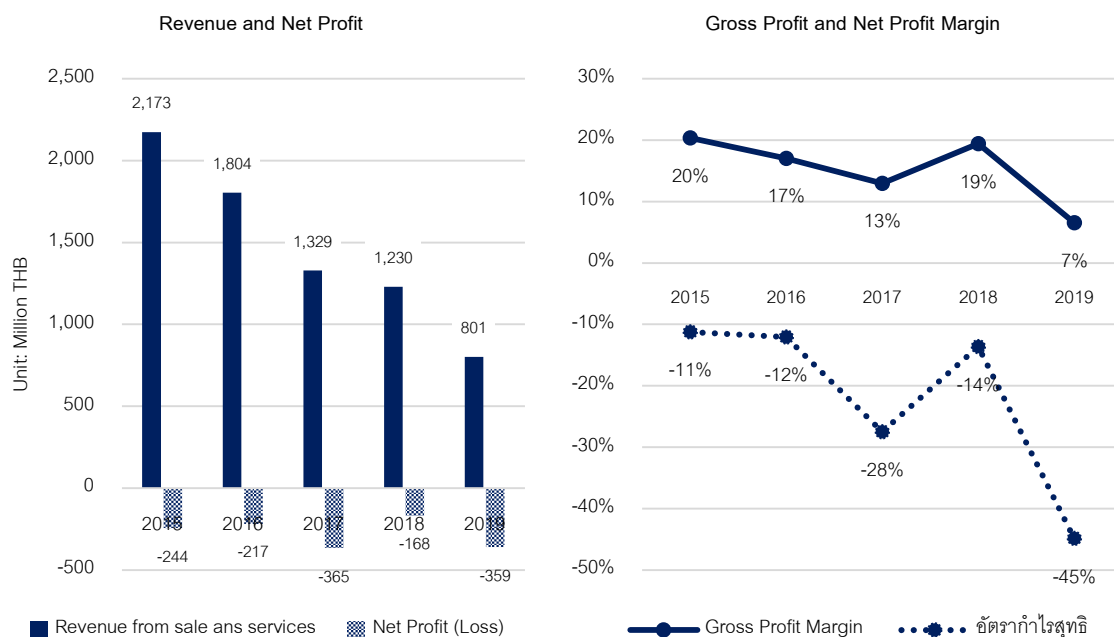


	<ul style="list-style-type: none"><li>- Reserved funds for additional employee's interests pursuant to the Labor Protection Act (No.7) B.E. 2562 (2019) which are for the employees who have worked for more than 20 years. The funds are reserved for the compensation which has been changed from 360 working days to 400 working days. This results in additional accounting cost of 12 Million THB.</li><li>- Discontinued production of "Bangkok Post" newspaper at the Company printing plant (Bangna) in September and outsource its production to other supplier which the Company has to record additional accounting cost that are Depreciation of machine and equipment of 94.03 Million THB and the first draw of printing employees compensation cost of 10.50 Million THB.</li></ul>
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Company's Performance and its financial status, from the historical analysis, can sum up significant issues as follow:

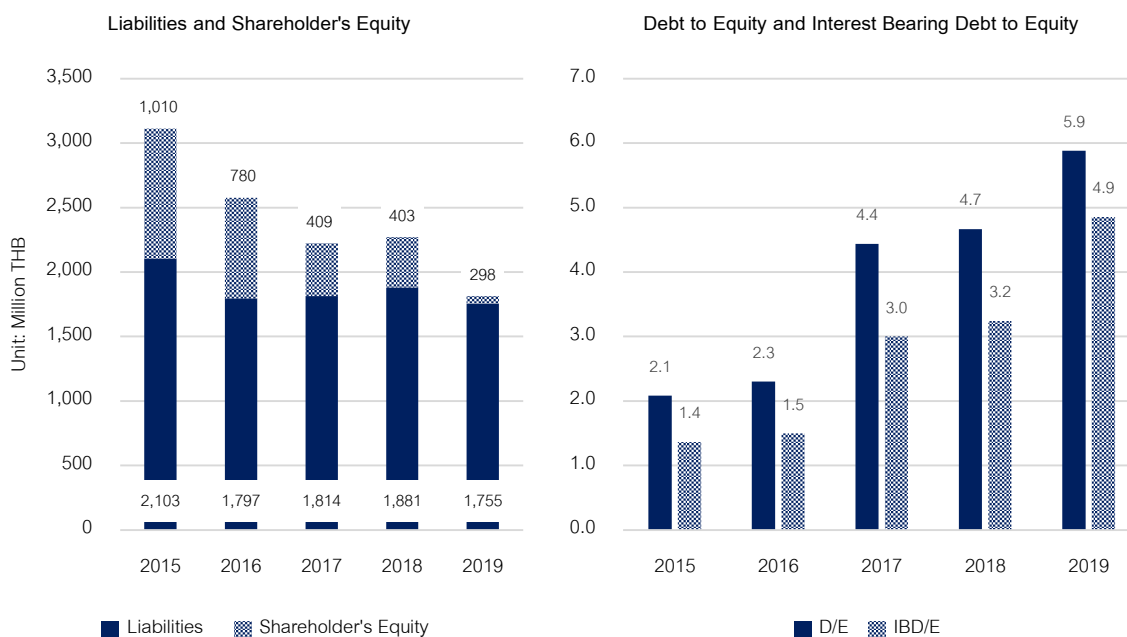
Total revenue of the Company has continuously decreased from 2,173 Million THB in 2015 to 801 Million THB in 2019 which has the decreased of 28.35 % annually. The main reason of the decreasing is from the revenue from advertising in newspaper and magazine dropped and the discontinued of Post Today and M2F newspaper in 2019 which caused by the changing in consumer behavior from offline channel to online channel via website or social media. These changing of digital technology has meet the consumer demand more, making consumer choices of information received via new media which respond faster and result in discontinued of newspaper and magazine as stated above.

Moreover, the Company's gross profit and net profit is continuously decreasing which in 2015, the Company net profit margin is (11) % to (28) % in 2017. In 2017, the reason that gross profit margin decreased is the decreasing in the Company's revenue, but the number of newspaper production is still the same. Moreover, the loss from operating and the allowance of goodwill impairment loss of 62 Million THB and loss from intangible asset and equipment impairment of 3.1 Million THB in 2017. In 2018, the gross profit margin is increasing to 19% due to the reduction in the number of newspaper production with the net profit margin is (14) % from the continue decreasing in revenue. In the year 2019, the gross profit margin decreased due to the reduced revenue more than the cost from the sold newspaper are less than the produced newspaper and compensation expenses for employees and has a net loss rate of (45)% due to lower operating income and accounting losses from 3 impairment items which are impairment of machinery, equipment and spare parts in the amount of 103.77 Million THB, loss from impairment of intangible assets 23.66 Million THB and loss from impairment of goodwill in the amount of 62.68 Million THB, including all impairment of 190.11 Million THB when Compared to the year 2018 which has no impairment of assets.



The Company equity is consecutively decreasing as well from the Company loss from 1,010 Million THB in 2015 to 60 Million THB in first 9 month of 2019, in which the Company equity starting to drop under 50 % of paid-up capital from Quarter 2/2019 of 500 Million THB. The Stock Exchange of Thailand has announced "C" on the trading of the Company stocks. In the 4<sup>th</sup> quarter, the Company recorded the building value according to the appraised value prepared by the Independent Appraiser which has a higher value than the book value. Therefore, surplus of building value has been recorded in the list. "Components of shareholders" increased by 258.87 Million THB and made the Company shareholders' equity equal to 298.46 Million THB, which is higher than 50 percent of the paid-up capital and the Stock Exchange of Thailand has lifted the "C" sign on February 27, 2020.

The Debt to Equity ratio and Interest-Bearing Debt to Total Equity of the Company is increasing consecutively. The Debt to Equity ratio is increasing from 2.1 times in 2015 to 5.9 times in 2019 and the Interest-Bearing Debt to Total Equity is increasing from 1.4 time in 2015 to 4.9 times in 2019.



From the Company continuous loss, the Company need to repay its long-term loan of 48 Million THB including the employee termination compensation cost of approximately 48.80 Million THB from the closing of “M2F” and “Post Today” in the first 9 months of 2019. The Company have to request financial assistance from connected person which is Mr. Suthikiati Chirathivat to assist the Company liquidity and operate. The total loan outstanding as of 30<sup>th</sup> June 2019 and 30<sup>th</sup> September 2019 are 50.00 Million THB and 120 Million THB respectively and total loan to the Company and Post Inter as of 31<sup>st</sup> December 2019, total of 161 Million THB and are short term Thai THB loan without guarantee, on call repay, and interest rate of 5.25 % annually. In the future, the Company still has long-term loans to be paid each quarter, including outstanding short-term loans and a large amount of interest paid while the company's business still not able to generate enough income to meet the obligations.

The Stock Exchange Criteria The Stock Exchange of Thailand has announced the “C” (Caution) mark on the registered asset to notify investors in the case where the listed company has significant incident that may affect the financial statements and operations, and required that the investors trade the stated asset by cash balance only. The listed company needs to hold a meeting to inform investors and connected people (Public Presentation) within 15 days after the securities received “C” mark. The Company needs to present recovery plan and report progress in order to remove the risks to the Board of Directors and the Audit Committee and to approve and report the plan and the progress via the information disclosure system of the Stock Exchange.

As seen, the Company equity is under 50% of paid-up capital deducted with the stock discount (if any). The financial statement audited by auditor without any adjustment are sum up as follow:

Unit: Million THB	Q1 – 2019	Q2 – 2019	Q3 - 2019	Q4-2019
Paid up Capital	500.00	500.00	500.00	500.00
50 % of Paid up Capital	250.00	250.00	250.00	250.00
The Company Equity (Consolidated Financial Statement)	265.98	179.52	23.18	295.21
Total Equity(Consolidated Financial Statement)	314.61	220.23	59.85	298.46

As the Company equity is under 50 % of paid-up capital from the operation in quarter 2/2019, the Stock Exchange of Thailand has announced "C" mark in the Company stock from 16<sup>th</sup> August 2019. The Company has followed the SET regulation by arrange the meeting to inform investors and related party which present its recovery plan on 27<sup>th</sup> August 2019 for the Company performance in quarter 2/2019 and on 26<sup>th</sup> November 2019 for the Company performance in quarter 3/2019.

On 31 December 2019, the Company recorded the building value according to the appraised value prepared by the Independent Appraiser which has a higher value than the book value. Therefore, surplus of building value has been recorded in the list. "Components of shareholders" increased by 258.87 Million THB and made the Company shareholders' equity equal to 298.46 Million THB, which is higher than 50 percent of the paid-up capital and the Stock Exchange of Thailand has lifted the "C" sign on February 27, 2020.

**Objective of entering into the transaction**

From the mentioned reasons, the Company has an opinion that Bangna Asset is not necessary for the business and, since the Company restructure its operation to be smaller, the Company has no longer use much Klong Toey Asset of office building as before. So, the disposition of Klong Toey Asset and Bangna Asset are transformed asset into cash to maximize their beneficial, help the company remain operate, repay long-term debt to financial institute and connected person, reduce interest burden, pay the office rent and the rest will be utilize as working capital in the business. This transaction can help the Company to continue the business. Apart from the operating loss, the Company also has debt burden with the financial institutes to repay its loan and interest, making the Company need of financial assistance by lending from connected person which is Mr. Suthikiati Chirativat.

## 2.2 The Appropriateness of Asset's Disposition Price which might be the connected transaction

### 2.2.1 The Appraisal by the Independent Appraiser

The assets' disposition under this transaction are Klong Toey Asset and Bangna Asset. The Company has appraised the stated asset for the fair value by appoint Knight Frank Chartered (Thailand) Company Limited which is the independent appraiser certified the Valuers Association of Thailand ("VAT") and asset appraiser in capital market which regulated by the Securities and Exchange Commission. The Objective of the appraisal report is for public beneficial according to the appraisal date as of November 21, 2019, the asset can be classified in two groups by their locations as follow:

**Klong Toey Asset** Located at 136 Na Ranong Road, Klong Toey, Klong Toey district, Bangkok which consist of land and building

**Bangna Asset** Located at 999 Village No. 9 Debaratana Road (highway no. 34) Bang Chalong, Bang Phli, Samutprakarn which the appraised asset are land and building, printing machine and equipment

The summary of appraisal report by the independent appraiser for both asset groups are as follow:

#### 1. The valuation of Klong Toey Asset consisting of land and building

##### 1.1 The Appraisal of Land

For the land appraisal, the independent appraiser has used Sales Comparison Approach which is stated that asset's value will be similar to the asset with likes or same characteristic which considering many factors e.g. location, transportation, property's size and shape, environment, and utilities system. After the Adjustment Grid Sale Analysis and analyze the Weight Quality Score, the appraised property is in details as follow:

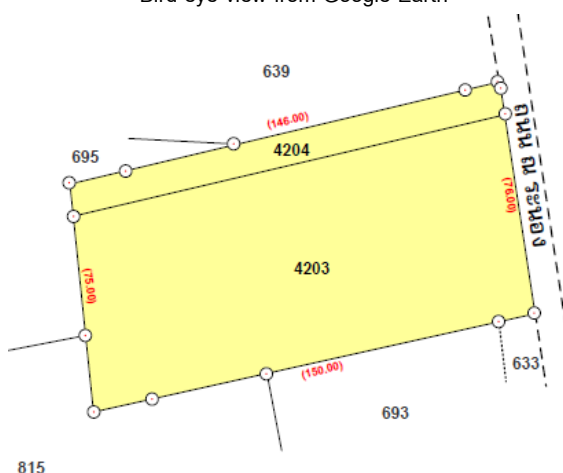
Appraisal objective	Public Purpose					
Title deed no. and size	No.		Title deeds no.		Property No.	
				Size		
				Rai	Ngan	Sq.Wa
	1	5729	4203	6	-	64.00
	2	6216	4204	1	-	-
Total			7	-	64.00	
Both properties are connected						
Type of assets	Property with building and other improvement					
Asset location	Located at 136 west of Na Ranong Road. Currently, the Company's office location is located in the South of Na Ranong Road by 600 meters. The asset is located in Klong Toey, Klong Toey district, Bangkok.					
Condition and connected area	Rectangle shape with its length connect to the west of Na Ranong Road around 76 meter and its dept about 150 meters. Property has filled in the road level					

Owner	Bangkok Post Public Co., Ltd. (Freehold)
Obligation	None, but on 27 September 2017, the Company signed with a financial institution by pledging not to dispose, transfer or create obligations in this property without the prior written consent from that financial institution.
State appraisal value	100,000 THB per Sq. Wa (Both plots)
Appraisal date	21 November 2019

Picture show the location of Klong Toey Asset



Bird-eye view from Google Earth



Picture of Land Plot

■ The Land Appraisal Approach

From the group example in nearby plants for comparison of 10 plants are as follow:

Plot No.	Asset type	Location	Size
1	Vacant Land	Connected to Soi Sukhumvit 16	2 Rai 1 Ngan 26.5 Sq. Wa
2	Vacant Land	Connected to Duang Pitak Road	2 Ngan 82.7 Sq. Wa
3	Vacant Land	Connected to Rama 3 Road Soi 81	1 Rai 4 Sq. Wa
4	Land with Building	Connected to Soi Sri Bamphen and Soi Mek Sawad	2 Ngan 5 Sq. Wa
5	Vacant Land	Connected to Soi Yen Akard 2 Section 3	1 Rai 19 Sq. Wa



Plot No.	Asset type	Location	Size
6	Vacant Land	Connected to Soi Yen Akard 2 Section 3	1 Rai 34 Sq. Wa
7	Land with Building	Connected to Thangrotfaisaikao Rd. Paknam	3 Rai 16 Sq. Wa
8	Vacant Land	Connected to Rama 4 Road	7 Rai 2 Ngan 25 Sq. Wa
9	Vacant Land	Connected to Rama 3 Road Soi 73	1 Rai 2 Ngan 37 Sq. Wa
10	Vacant Land	Connected to Soi Roem Charoen and Soi Sukhumvit 50	3 Rai 3 Ngan 24.7 Sq. Wa

Location of 10 comparison lands



The independent appraiser has chosen 3 plots to compare which are plot no. 1, 7 and 8 with the selection criteria are the land is similar to the appraised area the most regard the location factor, offering price,

selling price, environment, width, land access, road width, property level. Initially, selecting options based on market data and visiting. From 10 comparison plots, there are plots that are less suitable than the selected plots for many reasons such as the area size is too small compared to the evaluated plots, the price offer to the seller is too high, the roads in front of the land are too small in comparison, the access road is inferior to other plots, including the city plan. Although the comparable land is scattered throughout Bangkok, but there are many similar factors, similar access, similar land and located in Bangkok which the land has been developed, the Independent Appraiser will adjust the score for suitability again.



Comparison asset information to appraise market price

List	Appraised Asset	Plot 1	Plot 7	Plot 8
Asset Type	Land with building	Vacant land	Land with building (Commercial 2-floor building)	Vacant land
Location	Located at 136 west of Na Ranong Road. Currently, the Company's office location is located in the South of Na Ranong Road by 600 meters	Connected to Soi Sukhumvit 16	Connected to Thangrotfaisaikao Rd. Paknam	Connected to Rama 4 Rd.
Road connected to property	Two-lane reinforced concrete road with 8-meter road surface and 13-meter road width, together with sewage system, footpath and electricity	Two-lane reinforced concrete road with 7-meter road surface	Two-lane asphalt road with 8-meter road surface	Six-lane asphalt road with 20-meter road surface
Nearby utility system	Including Electric system, Water supply system and Telephone system	Including Electric system, Water supply system and Telephone system	Including Electric system, Water supply system, drainage system and Telephone system	Including Electric system, Water supply system, drainage system and Telephone system
City plan	Brown Zone – Land for high density residential area (area near no. Yor."8-20) (FAR 6:1 - OSR 5%)	Red Zone – Commercial Area "Area Phor. 5-4" (FAR 10:1, OSR 3%)	Brown Zone – Land for high density residential area "Area Yor. 8-23" (FAR 7:1, OSR 4.5%)	Brown Zone – Land for high density residential area "Area Yor. 9-23" (FAR 7:1, OSR 4.5%)
Property Size	7 rai 0 Ngan 64 Sq.Wa, 2 connected property	Approximately 2 Rai 1 Ngan 26.50 Sq.Wa (926.50 Sq.Wa)	Approximately 3 Rai 16.0 Sq. Wa (1,216.0 Sq.Wa)	Approximately 7 Rai 2 Ngan 25 Sq.Wa (3,025 Sq.Wa)
Property Description	A rectangular parcel of land with the lengths of the sides being approximately 76 meters (adjacent to Na Ranong Road) and 150 meters. The land is filled and levelled with the adjacent road.	A rectangular parcel of land with the lengths of the sides being approximately 40 meters (adjacent to the road). The land is filled and levelled with the adjacent road.	A trapezium parcel of land with the lengths of the sides being approximately 112 meters (adjacent to the road) and 64 meters in average (being 28 meters and 70 meters for each side). The land is filled and levelled with the adjacent road.	A rectangular parcel of land with the lengths of the sides being approximately 80 meters (adjacent to the road) and 158 meters. The land is filled and levelled with the adjacent road.
Selling Price/Offering Price		Selling Price of 365,893.- THB per Sq.Wa	Offering Price of 350,000.- THB per Sq.Wa	Offering Price of 720,000.- Sq.Wa
Offer Date		October 2017	November 2019	November 2019

Summary the details of appraised asset and comparison property no.1, 7, 8 including adjustment

List	Appraised Asset	Plot 1	Plot 7	Plot 8
Location	Connected to Na Ranong Rd. far from MRT Queen Sirikit Station around 1,300 Meter	Connected to Sukhumvit 16 far from BTS Asoke Station around 700 Meter	Connected to Old Railway Road, Paknam Rd. far from BTS Thong Lor Station around 1,800 Meter	Connected to Rama 4 Rd. far from BTS Thong Lor around 1,600 Meter
Size (Rai-Ngan-Sq.Wa)	7-0-64.0	2 - 1 - 26.5	3 - 0 - 16.0	7 - 2 - 52.0
Property Size (Sq.Wa)	2,864	926	1,216	3,052
Characteristic	Rectangular shape	Rectangular shape	Trapezoid shape	Rectangular shape
Length (Meter)	76.00	40.00	121.00	80.00
Property level (Meter)	0.00	0.00	0.00	0.00
Used of land	Commercial/Residential	Commercial/Residential	Commercial/Residential	Commercial/Residential
Offering price (THB/Sq.Wa)		-	350,000	720,000
Estimated price (THB/Sq.Wa)		-	260,000	600,000
Buying-Selling price (THB/Sq.Wa)		365,893	-	-
Offer / Buying-Selling Date		October 2017	November 2019	November 2019
Adjustment				
Adjust time value in buying-selling period (THB/Sq.Wa)		29,271	-	-
Adjust filling cost (THB/Sq.Wa)		-	-	-
Price after the adjustment (THB/Sq.Wa)		395,164	260,000	600,000

**Remark:** Adjustment of the difference in selling time, there is an increasing in price due to the average price increase according to the price assessed by the government.

The adjustment in increasing and decreasing depends on the suitability of various factors such as location, property condition, land size, use of land and others as the following table.

Analyze the related factors

Considered Factor	Plant 1		Plant 7		Plant 8	
	%	Adjusted	%	Adjusted	%	Adjusted
<b>Location factor</b>						
- Location and nearby environment	-15%	(59,275)	15%	39,000	-30%	(180,000)
<b>Asset-related factor</b>						
- Property size	-5%	(19,758)	-5%	(13,000)	0%	
- Property shape	0%		3%	7,800	0%	
- Property length	0%		-5%	(13,000)	0%	
- Utility system	0%		0%		0%	
- Road	0%		5%	13,000	-5%	(30,000)
- Highest potential used	5%	19,758	5%	13,000	-10%	(60,000)
- Related rules and regulations	-10%	(39,516)	-5%	(13,000)	-5%	(30,000)
<b>Total</b>	<b>-25%</b>	<b>(98,791)</b>	<b>13%</b>	<b>33,800</b>	<b>-50%</b>	<b>(300,000)</b>
Price after the adjustment		296,373		293,800		300,000

Each plot of land is compared with the evaluated land according to the above factors and the price has been adjusted to a percentage of the price after price of adjusting time value in buying-selling period which

any plots have comparative factors that are inferior to that evaluated land, will be increased by percentage in order to have more similar characteristics. If any plot has better comparison factors than the evaluated land, will be reduced by a percentage according to each factor such as price difference, type difference. When the factors of land between 2 plots are different such as lands that are close to each other but have different width or utilities, the price need to be adjusted. The price of land 1, 7, 8 has been increased or decreased in accordance with the above factors, reduced by 25%, increased by 13% and decreased by 50% respectively.

Final adjustment price

Plant	Final Adj Price	Absolute Adj	Proportion (1)	Inverse	Proportion (2)	Asset value
1	296,373	138,308	0.2514	3.9774	0.3706	109,844
7	293,800	111,800	0.2032	4.9205	0.4585	134,708
8	300,000	300,000	0.5453	1.8337	0.1709	51,261
<b>Total</b>	<b>890,173</b>	<b>550,108</b>	<b>1.0000</b>	<b>10.7316</b>	<b>1.0000</b>	<b>295,813</b>
Or approximately (THB/Sq.Wa)						<b>300,000</b>

From the price of adjusting time value in buying-selling period, location adjustment, plot condition compared to the evaluated land according to the percentage, there will be final adjustment price by finding the weight or proportion of each land that affect the appraised value. Plot that has been adjusted by little, will have more weight than others. This will take all 3 adjusted prices to find the coefficient of change from each price adjustment to the total price adjustment (Proportion (1)) and then to find the inverse ratio which is equal to 1 / Proportion (1) and find the weight proportion of each plot that will be multiplied by the Final Adj Price. In addition, the said method is commonly used by appraisers and is accepted by the Appraisers Association of Thailand. From the Sales Comparison and Adjustment Grid Sales, property of 2 plots of 7 Rai 64 sq. wah. are having fair market value of 300,000 THB per sq. wah. or total value of 859.20 Million THB.

## 1.2 The Appraisal of Construction Building and others

To appraise the construction building and others, the independent appraiser use Cost Approach which calculate to find the Depreciated Replacement Cost that consider the Replacement Cost New of building and improvement similar in terms of characteristics and beneficial with deduct of Depreciation of building and improvement by related factors which in details as follow:

Building and other improvements

List	Type	Area (Sq.m)	Cost per Sq.m	Asset Life	Replacement cost (THB)	Depreciation rate (%)	Net replacement cost (THB)
<b>Building</b>							
1	Office Building						
	- Area in G floor	910	24,000	26	21,840,000	52%	10,483,200
	- Area in 1 <sup>st</sup> -8 <sup>th</sup> floor	7,180	21,000	26	150,780,000	52%	72,374,400
	- Area in roof top	910	6,500	26	5,915,000	52%	2,839,200
	<b>Total</b>	<b>9,000</b>	<b>19,837</b>		<b>178,535,000</b>		<b>85,696,800</b>

Building and other improvements

List	Type	Area (Sq.m)	Cost per Sq.m	Asset Life	Replacement cost (THB)	Depreciation rate (%)	Net replacement cost (THB)
2	Services Building						
	- Area in G floor	615	18,000	26	11,070,000	52%	5,313,600
	- Area in 1 <sup>st</sup> -8 <sup>th</sup> floor	1,845	21,000	26	38,745,000	52%	18,597,600
	- Area in roof top	615	6,500	26	3,997,500	52%	1,918,800
	<b>Total</b>	<b>3,075</b>	<b>17,500</b>		<b>53,812,500</b>		<b>25,830,000</b>
3	Press Building						
	- Area in basement floor	2,116	25,000	26	52,900,000	52%	25,392,000
	- Area in G-4 <sup>th</sup> floor	8,428	23,000	26	193,844,000	52%	93,045,120
	- Area in roof top	1,152	6,500	26	7,488,000	52%	3,594,240
	<b>Total</b>	<b>11,696</b>	<b>21,737</b>		<b>254,232,000</b>		<b>122,031,360</b>
4	Parking Building						
	- Area in 1 <sup>st</sup> -7 <sup>th</sup> floor	10,248	15,000	26	153,720,000	52%	73,785,600
	- Area in roof top	1,464	6,500	26	9,516,000	52%	4,567,680
	<b>Total</b>	<b>11,712</b>	<b>13,938</b>		<b>163,236,000</b>		<b>78,353,280</b>
	<b>Total building cost</b>				<b>649,815,500</b>		<b>311,911,440</b>
<b>Other Construction</b>							
	- Guardhouse	11	12,000	26	132,000	52%	63,360
	- Parking and Concreted road	6,012	1,200	26	7,214,400	52%	3,462,912
	- barbed and concrete pole with fence.	523	1,500	26	784,500	52%	376,560
	<b>Total Other Construction</b>	<b>6,546</b>	<b>1,242</b>		<b>8,130,900</b>		<b>3,902,832</b>
<b>Total building and other construction</b>					<b>657,946,400</b>		<b>315,814,272</b>
<b>Or approximately</b>					<b>657,900,000</b>		<b>315,800,000</b>

- Note: 1. The above building appraisal has referred price per sq. meter(or per unit) as the standard criteria from the Valuer Association of Thailand 2017 and Thai Appraisal and Estate Agents Foundation
2. For the Company building's depreciation, considering depreciate by the depreciation rate of building and other construction from the Valuer Association of Thailand 2017 with the improvement depreciation rate by straight line 3% annually
3. List 3 Press Building, there are no press machine at present, it is office space and open storage.



Office Building



Services Building



Press Building



Parking Building



Guardhouse



Barbed and Concrete Pole with Fence

**Summary of Land and Building value of Klong Toey Asset**

List	Amount	Unit	Value (THB)
1.Property			
- Title deeds no. 5729	6 Rai 64.00 Sq.Wa	300,000 THB per Sq.Wa	859,200,000
- Title deeds no. 6216	1 Rai		
Total	7 Rai 64 Sq.Wa (7.16 Rai or 2,864 Sq.Wa)		
2.Building and Improvement	Consist of 4 main building: Office Building, Service Building, Press Building, Parking Building and other minor building	-	315,800,000
<b>Total value of Property and Building and Improvement</b>			<b>1,175,000,000</b>

From the valuation of Land and Building by independent appraiser, Klong Toey Asset value is approximately 1,175 Million THB.

2. The valuation of Bangna Asset consists of Land, Building Construction, and Machinery and Equipment

2.1 The Appraisal of Land

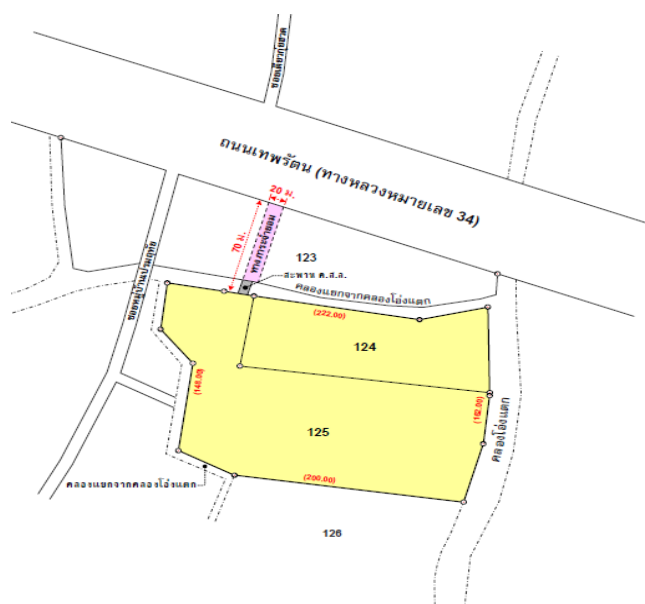
For the land appraisal, the independent appraiser has used Sales Comparison Approach which stated that asset's value will be similar to the asset with likes or same characteristic which considering many factors e.g. location, transportation, property's size and shape, environment, and utilities system. After the Adjustment Grid Sale Analysis and analyze the Weight Quality Score, the appraised property is in details as follow:

Appraisal objective	Public matter																											
Title deed no. and size	<table border="1"> <thead> <tr> <th rowspan="2">No.</th> <th rowspan="2">Title deeds no.</th> <th rowspan="2">Property No.</th> <th colspan="3">Size</th> </tr> <tr> <th>Rai</th> <th>Ngan</th> <th>Sq.Wa</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>11714</td> <td>125</td> <td>13</td> <td>1</td> <td>40.00</td> </tr> <tr> <td>2</td> <td>87094</td> <td>124</td> <td>6</td> <td>-</td> <td>-</td> </tr> <tr> <td colspan="3">Total size</td> <td>19</td> <td>1</td> <td>40.00</td> </tr> </tbody> </table> <p>The 2 plants are connected</p>	No.	Title deeds no.	Property No.	Size			Rai	Ngan	Sq.Wa	1	11714	125	13	1	40.00	2	87094	124	6	-	-	Total size			19	1	40.00
No.	Title deeds no.				Property No.	Size																						
		Rai	Ngan	Sq.Wa																								
1	11714	125	13	1	40.00																							
2	87094	124	6	-	-																							
Total size			19	1	40.00																							
Type of assets	Land with building and improvements, and machine and equipment																											
Asset location	Located at 999 Moo 9 separated from Thepharak Rd. (highway no. 34) Km. 19+700 (Inbound) to the South around 70 meter in Bang Chalong, Bang Phli, Samutprakarn																											
Condition and connected area	Polygon shape with length from North connected to Ongtak canel around 220.00 meter and from East connected to Ongtak canel around 162.00 meter. Property has filled in road level.																											
Owner	Bangkok Post Public Co., Ltd.																											
Obligation	Mortgage with Bangkok Bank																											
State appraisal value	27,000 THB per sq. wah. (Both plants)																											
Appraisal date	21 November 2019																											

Picture shows location of Bangna Asset



Bird-eye view from Google Earth



Picture of Land Plot

■ The land appraisal approach

From the group example in nearby plants for comparison of 8 plants are as follow:

Plant No.	Asset type	Location	Size
1	Vacant Land	Connected to Soi Jadsunpremuethai, intersect from Thepharak Rd. Km. 19+630 (Inbound) approximately 400 meters	Approximately 9 Rai
2	Vacant Land	Connected to Thepharak Rd. Km. 20, opposite of Thai Arrow Factory	11 Rai 3 Ngan 17 Sq.Wa
3	Vacant Land	Connected to (unnamed) ,intersect from Klong Chonlatan Pichit Rd. Km. 3+80 approximately 520	Approximately 45 Rai
4	Vacant Land	Connected to Klong Chonlatan Pichit Rd. Km. 4	Approximately 20 Rai
5	Vacant Land	Connected to Klong Chonlatan Pichit Rd. Km. 6	29 Rai 85 Sq.Wa
6	Vacant Land	Connected to Soi Ying Charoen, intersect from Tumru-Bangphli Rd. approximately 500 meters	3 Rai 75 Sq.Wa
7	Vacant Land	Connected to Thapharak Rd. Km. 18+400	10 Rai 3 Ngan 47 Sq.Wa
8	Vacant Land	Connected to Sao Thong-Chorakhe Yai Rd. and Soi Bunmanee	Approximately 35 Rai



Location of 8 comparison lands



The independent appraiser has chosen three plants to compare which are plant no. 1, 2 and 8 with the selection criteria are the land is similar to the appraised area the most regard the location factor, offering price, selling price, environment, width, land access, road width, property level. Initially, selecting options based on market data and visiting. From 8 comparison plots, there are plots that are less suitable than the selected plots for many reasons such as the type of area usage according to the city plan is the yellow and green areas, the road width in front of the land is different, the road access road is inferior to other plots and from evaluated land. The Independent Appraiser will adjust the score for suitability again which have details as follow:



Comparison asset information to appraise market price

List	Appraised Asset	Plant 1	Plant 2	Plant 8
Asset Type	Land with building and improvement	Vacant land	Vacant land	Vacant land
Location	Separated from Thepharak Rd. (highway no. 34) Km. 19+700 (Inbound) to the South around 70 meter in Bang Chalong	Connected to Soi Jadsunpremruethai, intersect from Thepharak Rd. Km. 19+630 (Inbound) approximately 400 meters	Connected to Thepharak Rd. Km. 20, opposite of Thai Arrow Factory	Connected to Sao Thong-Chorakhe Yai Rd. and Soi Bunmanee
Road connected to property	Reinforced concrete road with 20-meter road surface	Two-lane asphalt road with 7-meter road surface	Asphalt road with 20-meter road surface	Reinforced concrete road with 6-meter road surface
Nearby utility system	Including Electric system, Water supply system and Telephone system	Including Electric system, Water supply system and Telephone system	Including Electric system, Water supply system, drainage system and Telephone system	Including Electric system, Water supply system, drainage system and Telephone system
City plan	"Purple Zone" for the purpose of industrial estate and warehouse	"Purple Zone" for the purpose of industrial estate and warehouse	"Purple Zone" for the purpose of industrial estate and warehouse	"Purple Zone" for the purpose of industrial estate and warehouse
Property Size	19 Rai 1 Ngan 40 sq. wah, 2 connected plant	Approximately 9 Rai	Approximately 11 Rai 3 Ngan 17 sq. wah. (11.7925 Rai)	Approximately 35 Rai
Property Description	Polygon shape. Property has filled in road level.	Rectangular shape with its length connected to the road about 80 meters. Property has filled to road level in the front and the rest about 7.5 Rai is pond with 2-meter dept.	Rectangular shape with its length connected to the road about 72 meters. Property is not filled but the land level is in road level.	Rectangular shape with its length connected to the road about 110 meters. Property is not filled, and the land level is 1 meter below road level
Offering Price		Approximately 11,000,000 THB per Rai	Approximately 17,000,000 THB per Rai	Approximately 10,000,000 THB per Rai
Offer Date		November 2019	November 2019	November 2019

Summary the details of appraised asset and comparison property no. 1, 2, 8 including adjustment

List	Asset	Plant 1	Plant 2	Plant 8
Location	Connected to personal Rd. separate from Theparak Rd. approximately 70 meters	Connected to Soi JadsunpremrueThai separate from Theparak Rd. Approximately 400 meters	Connected to Theparak Rd.	Connected to Sao Thong-Chorakhe Yai Rd. and Soi Bunmanee
Size (Rai-Ngan-Sq.Wa)	19-1-40.0	9-0-0	11-3-17	35-0-0
Property Size (Rai)	19.3500 Rai	9.0000 Rai	11.7925 Rai	35.0000 Rai
Characteristic	Polygon	Rectangular	Rectangular	Rectangular
Length (Meter)	8.00	80.00	72.00	110.00
Property level (Meter)	0.00	-2.00	0.00	-1.00
Used of land	Industrial	Industrial	Industrial	Industrial
Offering price (THB/Sq.Wa)		11,000,000	17,000,000	10,000,000
Estimated price (THB/Sq.Wa)		10,500,000	16,000,000	9,500,000
Buying-Disposition price (THB/Sq.Wa)		-	-	-
Offer / Buying-Disposition Date		November 2019	November 2019	November 2019
<b>Adjustment</b>				
Adjust time value in buying-disposition period (THB/Sq.Wa)		-	-	-
Adjust filling cost (THB/Sq.Wa)		800,000	-	400,000
<b>Price after the adjustment (THB/Sq.Wa)</b>		<b>11,300,000</b>	<b>16,000,000</b>	<b>9,900,000</b>

Remark: Some part of 1 and 8 plots have pond and need to be filled to be similar as Appraised Asset.

The adjustment in increasing and decreasing depends on the suitability of various factors such as location, property condition, land size, use of land and others as the following table.

Analyze the related factors

Considered Factor	Plant 1		Plant 2		Plant 8	
	%	Adjusted	%	Adjusted	%	Adjusted
<b>Location factor</b>						
- Location and nearby environment	10%	1,130,000	-10%	(1,600,000)	25%	2,475,000
<b>Asset-related factor</b>						
- Property size	0%		0%		2%	198,000
- Property shape	-2%	(226,000)	-2%	(320,000)	-2%	(198,000)
- Property length	-3%	(339,000)	-3%	(480,000)	-2%	(198,000)
- Utility system	0%		0%		0%	
- Road	15%	1,695,000	0%		12%	1,188,000
- Highest potential used	0%		0%		0%	
- Related rules and regulations	0%		0%		0%	
<b>Total</b>	<b>20%</b>	<b>2,260,000</b>	<b>-15%</b>	<b>(2,400,000)</b>	<b>35%</b>	<b>3,465,000</b>
<b>Price after the adjustment</b>		<b>13,560,000</b>		<b>13,600,000</b>		<b>13,365,000</b>

Each plot of land is compared with the evaluated land according to the above factors and the price has been adjusted to a percentage of the price after price of adjusting time value in buying-selling period which

any plots have comparative factors that are inferior to that evaluated land, will be increased by percentage in order to have more similar characteristics. If any plot has better comparison factors than the evaluated land, will be reduced by a percentage according to each factor such as price difference, type difference. When the factors of land between 2 plots are different such as lands that are close to each other but have different width or utilities, the price need to be adjusted. The price of land 1, 2, 8 has been increased or decreased in accordance with the above factors, increased by 20%, decreased by 15% and increased by 35% respectively.

Final Adjustment

Plant	Final Adj Price	Absolute Adj	Proportion (1)	Inverse	Proportion (2)	Asset value
1	13,560,000	3,390,000	0.3374	2.9637	0.3116	4,225,832
2	13,600,000	2,400,000	0.2389	4.1863	0.4402	5,986,596
8	13,365,000	4,257,000	0.4237	2.3601	0.2482	3,316,787
<b>Total</b>	<b>40,525,000</b>	<b>10,047,000</b>	<b>1.0000</b>	<b>9.5101</b>	<b>1.0000</b>	<b>13,529,215</b>
Or approximately (THB/Rai)						<b>13,500,000</b>

From the price of adjusting time value in buying-selling period, location adjustment, plot condition compared to the evaluated land according to the percentage, there will be final adjustment price by finding the weight or proportion of each land that affect the appraised value. Plot that has been adjusted by little, will have more weight than others. This will take all 3 adjusted prices to find the coefficient of change from each price adjustment to the total price adjustment (Proportion (1)) and then to find the inverse ratio which is equal to 1 / Proportion (1) and find the weight proportion of each plot that will be multiplied by the Final Adj Price. In addition, the said method is commonly used by appraisers and is accepted by the Appraisers Association of Thailand. From the Sale Comparison and Adjustment Grid Sales, property of 2 plants of 19 Rai 1 Ngan 40 sq. wah. have fair value of 13,500,000 THB per Rai or total value of 261.20 Million THB.

## 2.2 The Appraisal of Construction Building and other

To appraise the construction building and others, the independent appraiser use Cost Approach which calculate to find the Depreciated Replacement Cost ("DRC") that consider the Replacement Cost New of building and improvement similar in terms of characteristics and beneficial with deduct of Depreciation of building and improvement by related factors which in details as follow:

Building and other improvements

List	Type	Area (Sq.m)	Cost per Sq.m	Asset Life	Replacement cost (THB)	Depreciatio n rate (%)	Net replacement cost (THB)
1	Printing House						
	- Printing area (1 <sup>st</sup> floor)	2,048	15,000	13	30,720,000	43%	17,510,400
	- Office area (2 <sup>nd</sup> floor)	1,202	16,000	13	19,232,000	43%	10,962,240
	- Generator, AHU and other system area	1,040	15,000	13	15,600,000	43%	8,892,000
	- Printing area (Phase 2)	1,440	32,000	13	46,080,000	43%	26,265,600
	- Walkway area in building (2 <sup>nd</sup> -3 <sup>rd</sup> floor)	617	8,000	13	4,936,000	43%	2,813,520
	- Loading area (1 <sup>st</sup> floor)	256	12,000	13	3,072,000	43%	1,751,040
	- Rooftop area (loading area)	280	2,000	13	560,000	43%	319,200
	- Walkway with Drainage around building	298	1,500	13	447,000	43%	254,790
	<b>Building system</b>						
	- Electrical and communication system	1	combine	13	32,000,000	65%	11,200,000
	- Air conditioning and ventilation system	1	combine	13	23,000,000	65%	8,050,000
	- Fire extinguishing and sanitation system	1	combine	13	11,000,000	65%	3,850,000
	<b>Total</b>				186,647,000		91,868,790
2	Warehouse						
	- Equipment warehouse	1,032	15,000	13	15,480,000	43%	8,823,600
	- Office and nursing room area	192	10,000	13	1,920,000	43%	1,094,400
	- Factory corridor area	90	5,500	13	495,000	43%	282,150
	- Walkway with Drainage around building	225	1,500	13	337,500	43%	192,375
	<b>Total</b>				18,232,500		10,392,525
3	Distribution Office	160	6,000	13	960,000	43%	547,200
4	Chemical Store	30	6,000	13	180,000	43%	102,600
5	Small Power Plant	7	8,500	13	59,500	43%	33,915
	<b>Total building</b>				206,079,000		102,945,030
6	Other Construction						
	- Concrete road	7,944	1,000	13	7,944,000	65%	2,780,400
	- Barbed and concrete pole with fence	732	700	13	512,400	65%	179,340
	- Reinforce concrete bridge	100	25,000	13	2,500,000	43%	1,425,000
	<b>Total Other Construction</b>				10,956,400		4,384,740
<b>Total Building and Other Construction</b>					217,035,400		107,329,770
<b>Or approximately</b>					<b>217,000,000</b>		<b>107,300,000</b>

Note: 1. The above building appraisal has referred price per sq. meter(or per unit) as the standard criteria from the Valuer Association of Thailand 2017 and Thai Appraisal and Estate Agents Foundation

2. For the Company building's depreciation, considering depreciate by the depreciation rate of building and other construction from the Valuer Association of Thailand 2017 with the improvement depreciation rate by straight line 3% annually



Printing House



Warehouse



Distribution Office



Chemical Store



Small Power Plant



Concrete Road



Barbed and Concrete Pole with Fence



Reinforce Concrete Bridge

### 2.3 The Appraisal of Machine and Equipment

For the appraisal of machine and equipment, the independent appraiser has observed the Replacement Cost NEW (“RCN”) which convert into Thai THB with freight charge, tax, transportation cost, and installation cost (if any) for the import machine. For old machine which cannot be created or bought due to being discontinued, the independent appraiser will use replacement cost by using Index or Historical Cost of machine converted to current cost, then consider the Physical Deterioration which recognizes the useful life by the standard from Department of Industrial Work, considers working life, current machine condition and its maintenance, Functional Obsolescence, and Economic / External Obsolescence which are in details as follow:

$$\text{Formula} \quad \text{FMV} = \text{RCN} * \text{P} * \text{F} * \text{E}$$

$$\text{P} = (1 - n / \text{N}) * \text{C}$$

Which define as follow:

- FMV : Fair Market Value
- RCN : Replacement Cost New
- P : Physical Deterioration
- N : Physical Life
- n : Chronological Age
- C : Condition Factor
- F : Functional Obsolescence
- E : Economic / External Obsolescence

Appraisal summary of machine and equipment's

No.	List	Useful life	Salvage Value (THB)	Replacement cost (THB)	Functional Obsolescence	Economic Obsolescence	Physical Deterioration	Condition Factor	Fair Market Value (THB)
Machine for newspaper production									
1	Printing machine	20	63,300,000	422,000,000	0.50	1.00	40%	1.00	84,400,000
2	Mail room machine Yr. 2007	20	23,655,000	157,700,000	0.50	1.00	40%	1.00	31,540,000
3	Mail room machine Yr. 2014								
	3.1 Offline sorting and packing machine	20	4,800,000	32,000,000	0.50	1.00	75%	1.00	12,000,000
4	Plate production machine								
	4.1 1 <sup>st</sup> Computer to Plate Printing Machine	20	1,200,000	8,000,000	0.50	1.00	40%	1.00	1,600,000
	4.2 2 <sup>nd</sup> Computer to Plate Printing Machine	20	1,200,000	8,000,000	0.50	1.00	40%	1.00	1,800,000
	4.3 3 <sup>rd</sup> Computer to Plate Printing Machine	20	1,050,000	7,000,000	0.50	1.00	80%	1.00	2,800,000
	4.4 Plate Drilling Machine and Plate Bending Machine	20	675,000	4,500,000	0.50	1.00	80%	1.00	900,000
5	Binding Machine	20	1,650,000	11,000,000	0.50	1.00	30%	1.00	1,650,000
Total newspaper production machine				650,200,000					136,690,000
Production support machine									
6	Lifting and transporting machine								
	6.1 25-ton crane	20	800,000	4,000,000	1.00	1.00	40%	1.00	1,600,000
	6.2 3.2-ton crane	20	100,000	500,000	1.00	1.00	40%	1.00	200,000
	6.3 Forklift -KOMUTSU	-	-	-	-	-	-	-	280,000
	6.4 Forklift - NISSAN	-	-	-	-	-	-	-	270,000
	6.5 Forklift	-	-	-	-	-	-	-	120,000
	6.6 Goods and equipment elevator	15	240,000	1,200,000	1.00	1.00	20%	1.00	240,000
7	Air-compressed machine	20	400,000	2,000,000	1.00	1.00	35%	1.00	700,000
	7.1 Air compressor								
	7.2 Air dryer								
	7.3 Air tank								
	7.4 Windpipe system								
	7.5 Air compressor	20	200,000	1,000,000	1.00	1.00	90%	1.00	900,000
Total production support machine				8,700,000					4,310,000
Total machine				658,900,000					141,000,000
Or approximately				659,000,000					141,000,000

Note: The appraisal of machine and equipment do not include the transportation cost, demolishing cost and installation cost, tax and insurance fee, teaching cost, and other related cost apart from the standard, etc.







Machinery and Equipment for Newspaper Production

The independent appraiser has additional opinions towards disposition of machine and equipment in two areas as follow:

1. For the Market Value in Exchange, the Company should consider the devaluation in case of changing hands and/or changing machine location, currently around 15% - 35%, which concern on several related factors e.g. Transportation Cost, Installation Cost, Any Tax & Insurance, Training and other related cost to machine and equipment. So, the machine should have Market Value in Exchange of 93 Million THB.

2. For the Orderly Liquidation Value-Piecement, refers to the estimated amount of money for the purchase of a machine, separated by condition and location of the machine at that time under the condition of a reasonable period of time which the machine owner is forced to sell in which the machines will be sold through an intermediary or being offered to buyers for other uses. The buyer will be responsible for all expenses. The Company should consider enforce disposition within 6 months and should devaluation the Market Value in Exchange around 40%. So, the machine should have the Orderly Liquidation Value – Piecement of approximately 55.80 Million THB.

Which are in details as follow:

Type of Machine	Replacement Cost New Value	Adjustment	Market Value in Exchange
Machinery for Newspaper Production	136.69	35.0%	88.85
Supporting Machinery and Equipment	4.31	15.0%	3.66
Total	141.00		92.51
<b>Or Approximately</b>			<b>93.00</b>
Orderly Liquidation Value-Piecement		40.0%	55.80

Note: Orderly Liquidation Value-Piecement is calculate from the estimated Market Value in Exchange



**Summary of Land, Building, Machine and Equipment value of Bangna Asset**

No.	Quantity	Price per unit	Value (THB)
1. Land			
Title deeds no. 11714	13 Rai 1 Ngan 40.00 sq. wah.	13,500,000 THB per Rai	261,200,000
Title deeds no. 87094	6 Rai		
Total area	19 Rai 1 Ngan 40 sq. wah. (19.35 Rai or 7,740 sq. wah.)		
2. Building and Other Construction	Consist of 5 main building: Printing Plant, Warehouse, Distribution Office, Chemical Store, Small Powerplant and Other Construction.	-	107,300,000
3. Machine and Equipment	Consist of 5 newspaper production processes or 11 machines and 2 production support processes or 12 machines	(1) Replacement cost approach	141,000,000
		(2) Market Value in Exchange	93,000,000
		(3) Orderly liquidation value - piecement	55,800,000
<u>Total value of Property, building and improvements, and machine and equipment (1)</u>			<u>509,500,000</u>
<u>Total value of Property, building and improvements, and machine and equipment (2)</u>			<u>461,500,000</u>
<u>Total value of Property, building and improvements, and machine and equipment (3)</u>			<u>424,300,000</u>

From the appraisal of land, building and machine and equipment of Bangna Asset by the independent appraiser, the total value of asset is approximately 424.30 – 509.50 Million THB.

**The Opinion of the Independent Financial Advisor towards the Appraisal Report presented by the Independent Appraiser**

The Independent Appraiser has appraised Klong Toey Asset and Bangna Asset which consist of land, building, and machine and equipment. The Independent Financial Advisor has opined towards the appraisal as follow:

**Land**                      The appraisal by using Sales Comparison Approach which compare the market price of the nearby plant is suitable since it was the comparison of the trading price or offering price on asset with similar characteristics and/or nearby location with the appraised asset in the present time with the adjustment for each different timeframe. The comparison and adjustment are using Market Weighted Average by the asset factor e.g. location, shape, area, facilities, transportation, etc. which positively reflect the present value with its condition.

**Building**                      The appraisal by using Cost Approach which consider the Depreciated Replacement Cost of building and other construction and deduct by their depreciation is suitable since it calculate from the cost per square meter referred from the standard building construction

cost 2017 by the Valuer Association of Thailand deducted with depreciation for each asset which reflect the present value with its condition.

Machine and Equipment     The appraisal by using Replacement Cost New deducted with depreciation by their useful life and by their functional Obsolescence is suitable since it close to the current price and can reflect the present value. The independent Appraiser assumes that the main machinery in the production of newspapers is complex and consists of many parts. Therefore, there is a cost to disassemble, transportation costs and other expenses. Therefore, having a 35% discount, which is higher than the supporting machine for production with a 15% discount because machine is less complicated and not difficult to disassemble which the rate determined by the Independent Appraiser. Same as the case of orderly liquidation value-piecement, the Independent Appraiser gives a discount of 40%.

The Independent Financial Advisor has an opinion that the main machine is complex to disassemble and might need specialist which has high cost, resulting in higher discount than the supporting machine. In case of orderly liquidation value-piecement, it is fast method to sell, and sell per piece like selling an equipment with low value per piece and less benefit. Therefore, the value will be lowest and has discount rate of 40% (highest discount rate). The Independent Financial Advisor has an opinion that it is appropriate and reflect the condition of asset, type of asset and purpose of disposition of asset.

The Independent Financial Advisor has opined that the appraisal approaches used by the appraisers are suitable for each type and characteristic of the asset with the adjustment by the related factor. So, the appraised price is suitable price.

### 2.3.2 Appropriateness of Asset Disposition Price

For the disposition of Klong Toey Asset and Bangna Asset consisting of land, building, and machine and equipment, the Independent Financial Advisor has considered comparing the appropriate method to evaluate the fair value of the asset by 2 methods: Book Value Approach which references from the Company latest financial statement as of 31 December 2019 that has been audited from the auditors certified by the SEC and Appraised Value Approach. The Independent Financial Advisor has sum up the appropriate price of asset as follow:

#### 1. Book Value Approach

The book values of asset of the Company as of 31 December 2019 are as follow:

Unit: Million THB

List	Land	Building	Machine and Equipment	Total
Klong Toey	859.20	315.80 <sup>2/</sup>	-	1,175.00
Bangna	261.20	107.30	54.27	422.77
<b>Total Book Value</b>	<b>1,120.40<sup>1/</sup></b>	<b>423.10</b>	<b>54.27</b>	<b>1,597.77</b>

Note: <sup>1/</sup> Land cost in book value is 201.50 Million THB

<sup>2/</sup> Klong Toey Assets in the building value, accumulated depreciation has been fully depreciated and there is no book value recorded. Later, in the 4<sup>th</sup> quarter of 2019, the Company recorded the building prices in Klong Toey Asset and Bang Na Asset according to the new appraised value prepared by an independent appraiser.

As of 31 December 2019, the Company records the value of buildings and land at the appraised value prepared by the Independent Appraiser. The difference between the appraised value and the net book value of land is 918.90 Million THB and the difference between the appraised value and the net book value of the building is 323.58 Million THB. The total difference of the value is 1,242.48 Million THB. In the two balance sheet transactions, namely

- Deferred income tax liabilities of 248.50 Million THB and
- Other components of shareholder's equity of 993.99 Million THB

Unit: Million THB

List	Land	Building	Total
Appraised Value	1,120.40	423.10	1,543.50
Net Book value <sup>1/</sup>	201.50	99.52	301.02
Difference	918.90	323.58	1,242.48

Note 1/ Net Book Value as of 31 December 2019 with the cost approach

The book value approach by the Company latest financial statement has record the land and building value as the appraised value. While, machine and equipment have record as their cost price which have been

depreciated by their useful life. Therefore, the Independent Financial Advisor has an opinion that the book value of the Company cannot reflect the real current market value of asset to enter disposition.

## 2. Appraised Value Approach

This approach is considering the appraised value from the independent appraiser. Moreover, from the Board of Directors Meeting No. 1/2020, the Company set additional criteria that the transaction value will be no less than 90 % of the appraisal value, depends on the negotiation with the expected buyer and benefits the Company will receive. To determine fair value of each asset type, there will be differences as for Land, used the market price, for Building, Machine and Equipment, used the replacement cost deducted by depreciation by their useful life.

The Independent Financial Advisor has compared the book value and appraised value and price after discount from their appraised value as follow:

### Klong Toey Asset

Unit: Million THB

Office Building (Klong Toey)	Land	Building	Total	Total Value of 90% of appraised value
Appraised Value	859.20	315.80	1,175.00	1,057.50
Book value as of 31 December 2020	859.20	315.80	1,175.00	1,175.00
Difference	-	-	-	(117.50)

So, the appraised value is in range of 1,057.50 – 1,175.00 Million THB. The difference between appraised value and book value of Office Building (Klong Toey) is in range of (117.50) – 0.00 Million THB.

### Bangna Asset

For the Bangna Asset, apart from the appraisal of Land and Building, the appraisal of machine and equipment that has done 3 scenarios. After, the Company has discontinued the newspaper production and has no intention to use the machine for production anymore. The machine is not broken or damaged, the Company has done maintenance as always. In which the Independent Financial Advisor interviewed the management of the Company regarding the guidelines and possibilities of selling assets, especially machinery which is relocate the machine to new production plant value of 93.00 Million THB. Therefore, the likelihood of the event occurring in scenario 1, which appraised value of 141 Million THB, is therefore very unlikely. In the Scenario 3 which has the appraised value of 55.80 Million THB, it is the criteria of orderly liquidation value-piecement which is not conform to the disposition of the Company. Therefore, the selling asset guideline will conform with scenario 2 which is relocate the machine to new production plant at 93.00 Million THB.

So, the Independent Financial Advisor has used the appraised value of Land and Building with Machine in Scenario 2 to analyze on the appraised value and the value which is not less than 90% of the appraised value case.

Unit: Million THB

Bangna Asset	Land	Building and Other Construction	Machine and Equipment	Total	Total Value of 90% of appraised value
Appraised Value	261.20	107.30	93.00	461.50	415.35
Book value as of 31 December 2020	261.20	107.30	54.27	422.77	422.77
Difference	-	-	38.73	38.73	(7.42)

So, the appraised value is in range of 415.35 – 461.50 Million THB. The difference between appraised value and book value of Klong Toey Asset is in range of (7.42) – 38.73 Million THB.

The Independent Financial Advisor has an opinion that the appraised value approach is an appropriate approach as this can reflect the current market value when comparing to other approaches.

### 3. Income Approach

From the past operating results, the Company mainly has assets, land, buildings, and machinery for the Company's operations and does not operate as a real estate developer with third parties or companies to lease and find benefits, including various costs. The Company is mainly for the printing media business which can analyze the characteristics of important assets as follows

- **Machine** Most of the guidelines for Independent appraisers in Thailand, machinery mainly is evaluated by the cost method. The above machines are specialized machines for the production of newspapers in high volumes with a specific design. This machine cannot be used to produce other types of printed media or print newspapers in small quantities resulting in the Company stopped production because there were fewer newspaper readers, the more production will cause more loss in the Company. Therefore, it is difficult to calculate the probability of machinery being used for generating income in the current situation as consumers are more interested in finding digital information and no one is interested in running the newspaper business at the level that the company had previously produced.
- **Building, the location of machine** Is an old building, about 13 years old, and specifically designed for machine installation unlike other buildings in general . The cost of the building is higher than the general building in that area and the land is also expensive. Therefore, the usage of the building is quite difficult. Other buildings also have not much space, built to support the production of newspapers, such as a paper warehouse with offices, small office building, electric control building, chemical storage plant, etc.

- Office building** Klong Toey Asset is 26 years old building. The main building is an 8-storey office building with an area of 9,000 square meters, a 7-storey car park with an area of 11,712 square meters. Other buildings such as the publishing house are the studio spaces for supporting filming which will be a building with high ceilings and a mostly open space, and the 3-story service building is a small office space only. This shows that the assets consist of many buildings and many types. From the interview with the Independent Appraiser about the possibility of renting office building to the third part has an opinion that there is low possibility comparing to general office building. The renovation of buildings to generate revenue from real estate takes a certain time to study and required the evaluation of new investment for new tenants and find tenants are difficult in order to meet the needs of the building, including the form of generate revenue, price comparison, occupancy rate.

In addition, the Company intends to sell assets which is land with building. This will generate high profit and solve the problem faster than use the asset to generate revenue as the Company is not specialized and take a period of time. The Independent Financial Advisor has an opinion that this approach is not appropriate to appraise the value of asset, not reflect the actual condition and not align with the Company's guideline to solve the Company's problem.

#### Summary of the valuation by Independent Financial Advisor

Unit : Million THB	Book Value	Appraised Value	Appraised Value (90%)
Office Building (Klong Toey)	1,175.00	1,175.00	1,057.50
Printing Center (Bangna)	422.77	461.50	415.35
Total	1,597.77	1,636.50	1,472.85
<b>Differences</b>			
Office Building (Klong Toey)		-	(117.50)
Printing Center (Bangna)		38.73	(7.42)
Total Differences		38.73	(124.92)

Note 1. from the Board of Directors Meeting No. 1/2020 convened on 25 February 2020, the total value of the transaction will be no less than 90 % of the appraised value

The Independent Financial Advisor has considered that the book value approach is not appropriate due to this approach cannot reflect the current market value even the record value is the appraised value, income approach is also not appropriate as the building condition is not designed for renting to third party. Meanwhile, the appraised value approach is appropriate and reflects the true value for this transaction which the current price be known and able to reflect the asset value according to the current condition which is the price range of land, building and machine for sale in scenario 2 (in case of disassembling and relocate the machine at a new location which the price is in between scenario 1 and scenario 3) which will receive the total price range between 1,472.85 - 1,636.50 Million THB and have the price difference in the range between (124.92) – 38.73

Million THB. The Independent Financial Advisor has an opinion that this is a way to help the Company in agility and have the flexibility to negotiate with expected buyer with relatively high value of asset and the machines have specific characteristics for specific groups of entrepreneurs. Therefore, the appraised value approach is considered as appropriate.

### Comparing the Advantage and Disadvantage of Disposition of Asset

#### Advantages

- (1) The Company will have sufficient fund to repay debt and utilize as working capital

From the Company facing the problems, the Company are having losses from newspaper and magazine operation for several consecutive years which result in discontinued production and distribution of Post Today and M2F newspaper in March 2019, discontinued production of Bangkok Post newspaper at Printing Plant (Bangna) and outsource printing from September 2019. As a result, Bangna Asset is not necessary for the business and, since the Company restructure its operation to be smaller, the Company has no longer use much office building as before. So, the disposition of Klong Toey Asset and Bangna Asset are transformed asset into cash to maximize their beneficial, help the Company remain operate, repay long-term debt to financial institute and connected person, reduce interest liability, pay the office rent and the rest will be utilize as working capital in the business.

- (2) The Company can reduce cost occurred from the asset

Since Bangna Asset, especially Building and Machine and Equipment, is not operated, there still have maintenance cost to preserve asset to operate in the future and in order to protect the property from causing excessive deterioration which may affect their selling price. For Klong Toey Asset, the Company utilize only some of the office space. However, the Company has maintenance cost for the whole asset. So, the disposition of asset will reduce unutilized asset cost e.g. Electricity expense, Maintenance cost, Repair cost of approximately THB 5-10 million annually

#### Disadvantages

- (1) The Company may lose its opportunity cost of selling asset for higher value in the future

The Selling of vacant land in Bangna Asset and Klong toey Asset is in the center of the Bangkok, there is having possibility that the price of both assets may be higher in the future. Even though, the Company has not known who is going to be the buyer. However, the agreed price referred from the market price is suitable in the present which can be liquidize into cash to help the Company financial issue, to help the Company can continue to run the business and flexible in management, have financial liquidity for further business. For the land with building in Bangna, it consists of printing plant which have the specific characteristic and may be hardly utilize by other. For the Machine and Equipment in printing plant, there will be disposition to other which interest in media industry that may not significantly increase in value or maybe decrease in value. However, it is expected that the assets will be sold within 2020. The Company may lose the opportunity to make a profit to sell the property at a higher price in the future when compared to the current appraised value.

(2) The Company may face the risk that there may not be a buyer of assets in expected period.

The Company will proceed with the disposition of assets by bidding method to provide opportunities for investors interested. The Company will advertise for 45 days after the date of receiving approval from the shareholders' meeting and will make an announcement within 30 days after the advertisement has ended. The Company may be at risk that there are no investors interested in participating in the bidding due to the stagnant economic conditions and the period is relatively short or due to other factors. However, the Company has a need to solve liquidity problems which are urgently needed and if the Company cannot proceed according to the resolution of the shareholders' meeting, the Company will call an extraordinary general meeting of shareholders for further consideration.

From the above reasons, OptAsia as the Independent Financial Advisor has opined that Shareholder of the Company should approve the disposition of asset which are Klong Toey Asset and Bangna Asset. However, the decision vote of entering into the transaction is under the Company's shareholder discretion and the shareholders should study information in the documents attached with the Invitation to General Meeting for consideration and decide proper vote.



### 2.3 The Appropriateness of the Connected Transaction

As the Company has faced consecutive loss for many years, the Company need to downsize its business and lay off some departments. The Company also has debt burden with the financial institutes to repay its loan and interest (Details in Section 2.1), making the Company need of financial assistance by lending from connected person which is Mr. Suthikiati Chirativat as in details as follow:

#### 2.3.3.1 Current Financial Assistance from Mr. Suthikiati Chirativat

Topics	Description
Lender	Mr. Suthikiati Chirathivat, 24.22 % shareholding of the Company, Company chairman
Borrower	Bangkok Post Public Co., Ltd.
Amount	5 times in 2019 as follow: In May of 25 Million THB In June of 25 Million THB In August of 35 Million THB In September of 35 Million THB In December of 26 Million THB Total Loan as of 31 December 2019 is 146 Million THB
Type	Call Loan
Interest Rate	Constant interest rate of 5.25 % annually (refer from MLR of Bangkok Bank Public Co., Ltd. equal to 6.25 % minus 1.00 %)
Guarantee	None
Objective	For the Company working capital
Installments	5 installments in accordance with the drawdown request demanded

Note: The financial assistance is under the Company vote among Board of Directors no. 2/2019 on 14 May 2019 and no. 3/2019 on 14 August 2019

In 2019, the Company has requested for the financial assistance from Mr. Suthikiati Chirathivat 5 times, total of 146 Million THB and Post International Media Co., Ltd. (Subsidiary) has loaned from Mr. Suthikiati Chirathivat, total of 15 Million THB with 5.25 percent interest rate per annum with the same condition as the Company. Therefore, the Company has loaned total of 161 Million THB as of 31 December 2019.

#### 2.3.3.2 Loan History from Financial Institute

As of 30<sup>th</sup> September 2019, the Company has loans with financial institutes in details as follow:

Limit	Long-term loan in total of 490 Million THB from financial institute	Overdraft and short-term loan in total of 923.75 Million THB from four financial institutes
Loan Outstanding as of 30 <sup>th</sup> September 2019	Long-term loan of 297.47 Million THB	923.75 Million THB

Interest Rate	5.50 % annually	Average of 5.84% annually
Payment Term	Quarter	Overdraft – can be used as usual 2-3 month promissory note and renewal
Installation	Bangna Asset	None
Criteria	Debt to Equity ratio does not exceed 2.25 times	None

From the financial institute loan and payment history, the Company has negotiated to extend the payment period with Bangkok Bank which make the Company be able to repay back its debt and interest within time. The long-term loan has to repay its principle in every quarter and interest on monthly basis and the overdraft and short-term loan has to pay interest in monthly basis. The Company has no NPL history or having trouble with financial institute. However, in case of long-term loan, there is a criterion that the Company must main its Debt to Equity ratio to not exceed 2.25 times. From the continuous loss, making the stated ratio exceed the agreement. The Company got waive in 2019 and the Company has made written waive document for 2020 on 1 November 2019 and currently under consideration by the financial institute.

#### 2.3.3.3 Loan history to its subsidiaries

The Company has no history of lending or borrowing from other or connected person (except financial institute), but there is only loan between the Company and group companies only which is the Company lend to its group companies on December 2019 and is in details as follow:

Borrower	Post International Media Co., Ltd.	Post News Co., Ltd.	Post TV Co., Ltd.
% of Company shareholding	100.00	51.00*	100.00
Outstanding	66.00 Million THB (repayment at quarter 4, 3.80 Million THB)	6.12 Million THB	332.66 Million THB
Payment Term	A Call loan	A Call loan	A Call loan
Interest Rate	6.00 % annually	7.00 % annually	7.125% annually
Guarantee	None	None	None
Objective	Working Capital	Working Capital	Working Capital
Agreement	None	None	None
Allowance for Doubtful Account	Normal debt and not record allowance for doubtful account	Fully record as allowance for doubtful account**	Fully record as allowance for doubtful account**

Note: The Company may lend additional loan as necessary to the group companies for working capital except Post News. Co., Ltd. and Post TV Co., Ltd.

\* Other shareholders are Mr. Surasak Mukpradap holding at 29% and E Content Company Limited holding at 20% (Major shareholder is Mr. Surachai Ninbanthoeng at 99.99%)

\*\* The company does not conduct business while the company is closed and the liquidation process is performed.

#### 2.3.3.4 Additional Financial Assistance from Mr. Suthikiati Chirathivat

From the Company group's financial assistance from Mr. Suthikiati Chirathivat which consists of the Company's loan as of 30 September 2019 equals to 120 Million THB and additional loan of the Company and Post International Media Co., Ltd. in Q4/2019, total of 41 Million THB, total of loan is 161 Million THB, the Company may require additional financial assistance for the Company's working capital of 89 Million THB. Its objective is to repay its long-term loan to financial institute and working capital for quarter 1 and 2/2020 before the Company enter the disposition of the asset and is sum up total loan outstanding to 250 Million THB. The details of the additional loan are the same as previous which are a call loan without any installation with fixed rate interest of 5.25 % annually and make loan agreement in time the Company withdraw the loan. The Company expect to repay its loan after entering into the transaction.

#### 2.3.3.5 The appropriateness of the approval of financial assistance and the obtainment of additional financial assistance from a connected person

A. From the Company performance and operating loss for the past years, the Company need financial assistance from the connected person which is Mr. Suthikiati Chirathivat. The Company receive financial assistance to help Company liquidity to the significant event in quarter 2-4 of 2019 in total of 161 Million THB e.g. Long-term loan quarterly repayment to financial institute, employee termination compensation which occurred in 2019. If the Company doesn't receive financial assistance in time, the Company will default the payment and may be prosecuted by the financial institutes and employees that didn't received compensation. For the long term loan which has the guarantee for property, building, and machine and equipment at Bangna which is the Company printing plant, it may be forced to sell to repay debt that the selling or auctioned price may under the appropriate price which may loss the benefit from selling the asset.

So, the approval of past financial assistance from a connected party is appropriate and beneficial to the Company and its shareholders.

B. From the present Company's business situation, The Company is expected to remain loss and require period of restructuring to make company group survived. As the Company still require fund to support its business cost, loan repayment to financial institute. Therefore, the Company need financial assistance from the connected person which is Mr. Suthikiati Chirathivat of additional 89 Million THB and result in total of 250 Million THB which has the same loan criteria as the first loan, making the Company to operate as normal and remain its management power and control, not by the creditor.

So, the additional financial assistance from the connected person of additional THB 89 million is suitable and beneficial to the Company and its shareholders

C. On the interest rate, currently, the Company has borrowing from the connected person with the interest rate of 5.25 % annually which refer from the long-term interest rate of Bangkok Bank Public Company Limited that consider from MLR – 1.00 (6.25 – 1.00 % as of 27 May 2019). The stated rate is calculated with the good bank prospect and comparing with the average loan rate of four financial institute that is 5.84 % annually. So, the loan interest cost from the connected person is under or lower comparing to the Company situation of its equity fall under the paid-up capital and consecutively operate loss. If the Company need to borrow from the financial institute or external person, the Company may has the financial cost higher than this interest rate because if the Company didn't receive financial assistance, the Company may default with the financial institute and has to payback with the highest rate from the banks.

So, the interest rate which the Company needs to pay to the connected person for the financial assistance are suitable and beneficial to the Company and its shareholders.

### The Comparison of Advantages and Disadvantages

#### Advantages

- (1) The Company has liquidity and financial management flexibility with low financing cost

The financial assistance is helping the Company's liquidity to make payment for significant cost e.g. operating cost, employee compensation cost, and long-term loan payment and interest. This make the company to continue operate and flexibility in management, the liquidity in financial. The Company still has the bargaining power to the related department. When considering the Company operations and financial statement, the Company has fully used the loan from financial institutions and new source of fund or borrowing from other person is hard or may need higher financial cost or interest rate which make the Company with the higher financial burden in the future. However, borrowing from the connected person is the loan without any collateral with good prospect interest rate which is low financial cost comparing to the Company's current financial statement.

- (2) The Company will not be forced to repay its debt or be prosecuted

The Company can use the financial assistance from connected person to help with its liquidity for the regulatory cost or the cost in the agreement which remain the Company as good debtor, not affect its credit that the Company has no trouble with the debt repayment with the financial institutes. However, if the Company does not have enough cash to repay and cover the cost within time, the Company may prosecuted, sued, or forced to repay its debt which may significantly affect the Company current operation, lower bargaining power and under the control of creditor.

#### Disadvantages

- (1) The Type of Loan is a Call Loan

The Loan is a call loan with no time specific. So, the Company may have risk of on call payment anytime in future depend on the debtor which the Company may not has liquidity enough to repay its loan. However, when the Company receives financial assistance, it helps the company continue to run the business, create flexible in management and have financial liquidity for further business.

From the stated reasons above, OptAsia as Independent Financial Advisor opines that the Shareholders of the Company should approve the approval for financial assistance from the Company's major shareholder, who is a connected person. However, the decision vote of entering into the transaction is under the Company's shareholder discretion and the shareholders should study information in the documents attached with the Invitation to General Meeting for consideration and decide proper vote.

### 3 The Projection of The Company Operation after Entering into the Transaction

The Company has negative cash flow from having losses from operation for several consecutive years. Causes are from change in media consumption behavior from print media to online media and overall economic slowdown, which result in a decline in advertising spending on print media and affect significantly to the Company operation. Moreover, the Company has high value of financial institute loan and most of which are short term loan. The Company has changed its strategy and business model in order to solve the problem of liability and liquidity. This transaction is one part of solving the problems in which the Independent Financial Advisor has projected the Company's operation and only for the separate financial statement, with the objective of studying the direction of the operating results solution and the impact on the Company mainly only after the disposition of asset and connected transaction that occurred with the separated financial statements that not related to subsidiaries and not including the operating results of other subsidiaries of the Company, namely; Post International Media Company Limited, Mushroom Group Company Limited and Bangkok Post-Bauer Media Company Limited that still operates as usual, meanwhile other subsidiaries have not been operated or in the process of liquidation.

The Important Company's guideline is as follows.

#### 3.1 Disposition and rent back of office building

##### Disposition plan

The Independent Financial Advisor interviewed with the Company management about the disposition plan. Currently, the Company is under negotiation with the expected buyers which are investor not connected to the Company. The Company will process the selling by bidding price and expect to dispose within 4 months from the date of approval from the shareholders' meeting which is August 2020. But, if the time limit is exceeded, the Company will propose to the shareholders' meeting for re-approval and will negotiate with the person who is expected to be the buyer for renting the office back partially for 4 months until the end of 2020 to prepare to move the office to a new area.

The Independent Financial Advisor has an opinion that the occurred case referred from topic 2.3 the appraisal of machine and equipment that has done 3 scenarios. In which the Independent Financial Advisor interviewed the management of the Company regarding the guidelines and possibilities of selling assets, especially machinery which is Relocate the machine to new production plant value of 93.00 Million THB. Therefore, the likelihood of the event occurring in scenario 1, which appraised value of 141 Million THB, is therefore very unlikely. In the Scenario 3 which has the appraised value of 55.80 Million THB, it is the criteria of orderly liquidation value-piecement which is not conform to the disposition of the Company. According to the notification of resolution of the Company's Board of Directors, the Independent Financial Advisor has considered the possibilities of disposition of asset in two cases: (A) Can dispose Klong Toey Asset and Bangna Asset for

100% of the appraised value and (B) Can dispose Klong Toey Asset and Bangna Asset for 90% of the appraised value. Moreover, the estimation of net profit after deducting cost as per timeline of disposition of asset including the cash inflow from selling of asset are as follow:

**Case (A) Asset sold at appraised value**

Unit: Million THB

Calculation details	Office Building (Klong Toey)			Printing Plant (Bangna)				Total Asset Sold
	Land	Building	Total	Land	Building	Machine	Total	
Selling Price (100%) <sup>1/</sup>	859.20	315.80	1,175.00	261.20	107.30	93.00	461.50	1,636.50
Deduct: Book value <sup>2/</sup>	859.20	306.87	1,166.07	261.20	97.45	39.94	398.59	1,564.66
Profit(Loss) from disposition	-	8.93	8.93	-	9.85	53.06	62.91	71.84
Deduct: Transfer fee <sup>3/</sup>	8.59	3.16	11.75	2.61	1.07	-	3.69	15.44
Deduct: Duty stamp <sup>4/</sup>	2.15	0.79	2.94	0.65	0.27	-	0.92	3.86
Deduct: Corporate tax <sup>5/</sup>	8.59	3.16	11.75	2.61	1.07	-	3.69	15.44
Net Profit	(19.33)	1.83	(17.50)	(5.88)	7.43	53.06	54.62	37.11
Net Cash Inflow <sup>6/</sup>	839.87	308.69	1,148.56	255.32	104.89	93.00	453.21	1,601.77

Note: 1/ Selling price is the expected price of 100% from the appraised value deducted by depreciation

2/ Book value as of selling date according to the procedure, Klong Toey Asset and Bangna Asset could be sold within August. However, if the bidding price is lower than the Board of Director's approved price or there is no interested buyer, the Company will arrange for the extraordinary general meeting of shareholders no.1/2020 for consideration.

3/ Estimated transfer fee of 2.0% from stated appraised value or selling price depends on which are higher and the buyer and seller are responsible for half of the transfer fee.

4/ Estimated duty stamp of 0.5% from selling price which is not under stated appraised value (Only if no specific business tax) and the buyer and seller are responsible for half of the transfer fee.

5/ Corporate tax of 1.0% of selling price (not under stated appraised value)

6/ Net cash inflow is calculate from expected cash received from selling asset which is not deducted by asset book value.

**Case (B) Asset sold at 90% of appraised value**

Unit: Million THB

Calculation details	Office Building (Klong Toey)			Printing Plant (Bangna)				Total Asset Sold
	Land	Building	Total	Land	Building	Machine	Total	
Selling Price (90%) <sup>1/</sup>	773.28	284.22	1,057.50	235.08	96.57	83.70	415.35	1,472.85
Deduct: Book value <sup>2/</sup>	859.20	306.87	1,166.07	261.20	97.45	39.94	398.59	1,564.66
Profit(Loss) from disposition	(85.92)	(22.65)	(108.57)	(26.12)	(0.88)	43.76	16.76	(91.81)
Deduct: Transfer fee <sup>3/</sup>	7.73	2.84	10.57	2.35	0.97	-	3.32	13.89
Deduct: Duty stamp <sup>4/</sup>	1.93	0.71	2.64	0.59	0.24	-	0.83	3.47
Deduct: Corporate tax <sup>5/</sup>	7.73	2.84	10.57	2.35	0.97	-	3.32	13.89
Net Profit	(103.32)	(29.04)	(132.36)	(31.41)	(3.06)	43.76	9.30	(123.06)
Net Cash Inflow <sup>6/</sup>	755.88	277.83	1,033.71	229.79	94.40	83.70	407.89	1,441.59

Note: 1/ Selling price is the expected price of 90% from the appraised value deducted by depreciation

2/ Book value as of selling date according to the procedure, Klong Toey Asset and Bangna Asset could be sold within August. However, if the bidding price is lower than the Board of Director's approved price or there is no interested buyer, the Company will arrange for the extraordinary general meeting of shareholders no.1/2020 for consideration.

3/ Estimated transfer fee of 2.0% from stated appraised value or selling price depends on which are higher and the buyer and seller are responsible for half of the transfer fee.

4/ Estimated duty stamp of 0.5% from selling price which is not under stated appraised value (Only if no specific business tax) and the buyer and seller are responsible for half of the transfer fee.

5/ Corporate tax of 1.0% of selling price (not under stated appraised value)

6/ Net cash inflow is calculate from expected cash received from selling asset which is not deducted by asset book value.

Summary of Asset Disposition

Unit: Million THB

Details	Case (A)	Case (B)
Profit (Loss) from asset disposition	71.84	(91.81)
Net Profit (Loss) after fee, duty stamp and corporate tax	37.11	(123.06)
Net Cash Inflow	1,601.77	1,441.59

Note: Case (A) is selling asset at appraised value and Case (B) is selling asset at 90% of appraised value

From the above estimation, Case (A) and Case (B), the profit from disposition of Klong Toey Asset and Bangna Asset is in range of (91.81) – 71.84 Million THB and after deducting related expense, the Company will be received net profit from disposition of (123.06) – 37.11 Million THB. However, the Company has accumulated loss from 2015 – 2018 which can use their tax benefit in 2020 of 537.70 Million THB (Not including the Company's net loss in 2019). So, there will be no corporate tax from the net profit from the asset disposition of 20%. From the disposition of the Company asset, there is estimated net cash inflow of 1,441.59 – 1,601.77 Million THB. The Independent Financial Advisor still use the appraised value prepared by the Independent Appraiser as the reference price and consider the possibility of any event, especially in the scenario of machinery sales according to the Company's policy.

### 3.2 Business Plan

The Independent Financial Advisor has interviewed with the Company management about the business plan to transform its current business model which mainly focused on revenue from printing media to focus on digital channel. Even though the Company has no longer owned the printing plant, the Company can outsource other companies to produce newspapers or other publications because the printing quantity is significantly lower than the past. The Company still has its major asset which is their employees to create content from the customer demand which only communication channel has changed from printing media to digital which the Company has operated for 1-2 years and expect to see result in 2020 that has major revenue channel as follow:

#### 1. Revenue from the printing media

This revenue will mainly generate from the selling of Bangkok Post newspaper which is the reliable media, accepted by those who interest in news and information. In 2019, the revenue from the printing media is stable. However, this revenue is expected to decrease annually as well as the revenue from newspaper advertising, but not much. So, the Company has collaborated with Wall Street Journal: WSJ from 2020 to give customer a chance to receive news and information via Bangkok Post channel which will help to get readers interested in the news and subscribe more. The Company expects revenue tends to decrease slightly by approximately 5.2-1.3 percent per year.

The revenue from selling of books and magazine tends to decrease as well.



## 2. Revenue from the event organizing

The Company has event organizing services to customers which receive revenue from event organizing and revenue from advertising. From the past, the Company receive constant revenue from seminar conference, rally event, sports event, charity event, fashion event and concert which normally organize for average of one event a month. The Company expect to constantly receive this part of revenue.

## 3. Revenue from Digital media

Currently, digital media has been the Company's main channel to communicate content to customers which the Company has seen opportunities and expected to received revenue from the following services:

A. Bangkok Post and Wall Street Journal news which is the subscription for those who generally received news

B. Digital Advertising which is the advertising in the Company website, media, and social media e.g. Facebook, Instagram, and twitter offering to clients

C. Digital Sale which is latest advertising sales by being an agency and support client's marketing e.g. Advertorial content, content creator which may be news or article connected to the target client's customers e.g. video clip, Annual report, and advertising in the Company's digital media or publication. The Company has developed team to offer such services to clients in 2020.

D. Ad network which is advertising agency and monitor advertisement in each media for clients. The services also include implementing system, data and statistics collection, and customer survey by the Company's network.

## 4. Employee expense management

From business problems that occurred in the past year, some departments were terminated, and employees were terminated, with compensation being paid. The Company Still operating losses and experiencing a shortage of liquidity of working capital. The Company therefore has a policy to reduce various expenses, including a fixed salary payment in 2020 without an increase in salary and may consider increasing if the situation of the Company returns to normal

### 3.3 Projection

The Independent Financial Advisor has prepared the financial statement forecast for 3 years from 2020 to 2022 to analyze the Company's performance and financial status, which the Company still has the same business nature as usual but some revenue categories may be increasing or decreasing from the above reasons. There is a new business expansion and decreasing in loan and interest since the short-term debt from financial institute are repaid by cash from the disposition of assets transaction. There is extra cost which is office rental expense which will state in detail further.

The assumptions for the projection are from the studies and documents received from the Company including the disclosure information. The assumptions are under the Company's business plan and policies and interviewing with management which based on the latest operating results following the discontinuation of production and distribution of Post Today and M2F in March. Therefore, the Independent Financial Advisor uses the information between April - December 2019 as the basis for determining the cost assumptions which will be explained in more detail which are in details as follow:

## 1. Revenue

The Revenue of the Company contributed from several channel, from newspaper, magazine, newspaper advertising, and others e.g. event organizing and new business plan which is digital media channel. There is assumption for revenue forecasting for each product as follow:

### A. Publication Advertising

Revenue from publication advertising is the revenue focusing on photography advertising on media e.g. magazines and newspaper in which the Independent Financial Advisor has estimated the revenue according to the future business plan of the Company which decreased at the rate of 5.20 percent in 2020 referring to the rate of revenue decline in between 2018-2019 of Bangkok Post and reduced to half the rate in 2021 which is 2.60 percent and reduced to half rate in 2022 which is 1.30 percent due to the advertising business on print media was not popular and changing consumer behavior by turning their attention to digital media. However, there are still some consumers who still read advertising on print media. The Company expected that the revenue decrease is not much as in the past since most of the clients are regular customers with continuous advertising in the Company's media. The Company estimated to maintain advertising revenue as the current year. The publication advertising revenue got deducted by agent's commission which the Independent Financial Advisor has considered the commission fee is 1.10% of the total revenue on publication advertising and event organizing which referred from the actual commission fee that occurred in April-December 2019.

Unit : Million THB	2018A	2019A	2020F	2021F	2022F
Revenue from publication advertising	357.19	233.36	221.29	215.52	212.71
Revenue Growth (%)		-34.67%	-5.17%	-2.61%	-1.30%

### B. Newspaper Sales

From the discontinued of Post Today and M2F in March 2019, the Independent Financial Advisor has forecasted the revenue from Bangkok Post newspaper sales only. The sales are calculated separate by the customer groups which have difference price and quantity which consists of general customers, hotel, airline and subscription with the newspaper quantity's trend is decreasing at the rate of 5.20 percent in 2020 referring

to the rate of revenue decline in between 2018-2019 of Bangkok Post. The Company expected that the revenue decrease is not much as in the past since most of the clients are regular customers. The Company estimated to maintain advertising revenue as the current year. The Independent Financial Advisor has set the decreasing rate by 5.20 percent in 2020 and reduced to half the rate in 2021 which is 2.60 percent and reduced to half rate in 2022 which is 1.30 percent which can be seen in average newspaper price and quantity as follow:

Unit : Million THB	2018A	2019A	2020F	2021F	2022F
Average Price (THB per copy)	15.79	15.41	15.41	15.41	15.41
No. of newspaper (million copies)	8.68	8.22	7.80	7.59	7.50
Revenue from Bangkok Post	136.98	126.75	120.16	117.04	115.51
Revenue from other newspaper	42.04	8.84	-	-	-
Total Revenue from Newspaper	179.02	135.59	120.16	117.04	115.51

\*Other newspaper e.g. Post Today and Student Weekly

### C. Digital media

Revenue from digital media can be categorizes as in topic 3 revenue from digital media. The Company has projected the new business which are Digital Sale and Ad network as follow:

The Company future business plan

Unit : Million THB	2020F	2021F	2022F
Digital Sale	27.61	40.03	58.05
Ad network	14.25	16.38	18.84

However, the Independent Financial Advisor has projected the Digital Sale and Ad network revenue for only 50% of the Company projection as the Conservative basis since it is a new business of the Company, the competition in this business group is quite high and it may take time to build a customer base. Moreover, the Company also has revenue from subscription fee in the website and revenue from Digital Advertising e.g. digital media advertising which the Independent Financial Advisor has estimated the revenue from subscription fee to grow 2% annually according to the Company's business plan as the number of members will grow less due to the Company's intention to turn regular member to subscribe more in Wall Street Journal, some part of regular member will be the Wall Street Journal members.

The Independent Financial Advisor has set the Digital Advertising revenue to be 65 Million THB which is close to the average revenue in 2018 and 2019, 66 Million THB.

Unit : Million THB	2018A	2019A	2020F	2021F	2022F
Subscription fee	9.44	6.89	8.63	8.93	9.25
Digital Advertising	69.02	62.73	65.00	65.00	65.00
Digital Sale	-	-	13.81	20.02	29.03
Ad network	-	-	7.12	8.19	9.42

Total Revenue from digital media	78.46	69.61	94.56	102.14	112.70
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#### D. Event Organizing

The Company has event organizing services which the Company hosted and sponsor event e.g. seminar conference, rally event, sports event, charity event, fashion event and concert which generally organize in every month on each year. The Independent Financial Advisor has estimated the revenue from the Company business plan which, in 2019 is estimated from the revenue that the Company can actually be collected and projects in the future for 4 Million THB per month from 2020 onwards, since the performance in 2019 has an average of 3-5 Million THB per month. The Independent Financial Advisor has adjusted to be the average of 4 Million THB per month according to Conservative Basis.

Unit : Million THB	2018A	2562A	2020F	2021F	2022F
Event Organizing	143.60	55.02	48.00	48.00	48.00
Revenue Growth (%)		-61.68%	-12.76%	0%	0%

#### E. Magazine Sales

Currently, the Company has selling three magazines: ELLE, FORBES, and ELLEMEN. The Independent Financial Advisor has calculated sales separately due to the different price and quantity. The Magazine trend is decreasing by 21.42% – 27.29%. The trend of ELLE is set to decrease by 27.29%, referring to the trend of declining in 2019 and the trend of FORBES to decrease by 21.42%, based on the trend of declining in 2019, and ELLEMEN set to decrease by 20% according to the historical in 2019 which can be seen in average price and quantity as follow:

Unit : Million THB	2018A	2019A	2020F	2021F	2022F
Average Price (THB per Copy)	124.51	123.59	124.69	125.80	126.92
Quantity (Copies)	62,775	51,256	38,482	28,939	21,799
Currently Operated Magazines	7.82	6.33	4.80	3.64	2.77
Other Magazines*	7.32	0.85	-	-	-
Total Magazines Sales	15.14	7.19	4.80	3.64	2.77

\*Other magazine e.g. CLEO and SCIENCE ILLUSTRATED

#### F. Other Revenue

Printing insourcing and book selling which book selling is discontinued in 2020 and printing services which the Independent Financial Advisor has estimated the revenue from the Company plan which is 1.50 Million THB annually since 2020 onwards.

Unit : Million THB	2018A	2019A	2020F	2021F	2022F
Other Revenue	13.26	19.80	1.50	1.50	1.50

### Total Revenue Estimation

Unit : Million THB	2018A	2019A	2020F	2021F	2022F
Newspaper Sales	179.02	135.59	120.16	117.04	115.51
Magazine Sales	15.14	7.19	4.80	3.64	2.77
Publication Advertising	357.19	233.36	221.29	215.52	212.71
Event Organizing	143.60	55.02	48.00	48.00	48.00
Digital Media	78.46	69.61	94.56	102.14	112.70
Other Revenue	13.26	19.80	1.50	1.50	1.50
<b>Total Revenue</b>	<b>786.67</b>	<b>520.57</b>	<b>490.31</b>	<b>487.84</b>	<b>493.19</b>

## 2. Cost of Sales and Services

Cost of Sales and Services consists of direct production cost or event organizing cost and cost in each department e.g. salary and over time, Freelance, Utility expense and communication fee, car rental and logistics cost, spare part and maintenance cost, depreciation expense and others. So, the Independent Financial Advisor has set assumption for cost of sales and services which varies to revenue by using data based on April to December 2019. The following period are the discontinued of production and distribution of Post Today and M2F newspaper which can be used as calculation based for cost of sales and services forecasting and cut the expenses that will not occur in the future such as factory expense, which are in assumptions as follow:

### Direct production cost

- Printing cost on the Company's publication e.g. newspaper and printing outsourcing – the Independent Financial Advisor has set assumption on the forecasting of 10.26 THB per copy according to actual expense in September – December 2019 which is the period that the Company hires others for production.
- Event organizing cost – the Independent Financial Advisor has set assumption on the forecasting of 4.0% as the Company's policies and past performance, the average expense to the revenue from event organizing equals to 37.24% in the 2019-2020 and adjust according to the conservative basis.
- Newspaper printing cost – No forecasting since the Company discontinued the newspaper production
- Magazine printing cost – the Independent Financial Advisor has set assumption on the forecasting of 86.11% as the magazine printing proportion to the magazine revenue in April to December 2019

Department cost set assumption for cost which varies to revenue by using data based on April to December 2019. The following period are the discontinued of production and distribution of Post Today and M2F newspaper which can be used as calculation based for cost forecasting

- Salary and Over Time – The Independent Financial Advisor has set that there is no increasing in salary and overtime in 2020 according to the Company’s plan. However, since 2021 onwards, the Independent Financial Advisor has set the increasing rate to be half of CPI which is 1.01% based on the conservative basis. As according to the Company’s policy, the Company will not increase the salary until the Company has normal operating result which generate net profit. But the Independent Financial Advisor determined that the rate of increasing, but not equal to CPI.
- Freelance – the Independent Financial Advisor has set assumption on the forecasting of 2.79% as the freelance proportion to the Company total revenue.
- Utility expense and communication fee e.g. water bill, electricity bill, internet bill – the Independent Financial Advisor has set assumption on the forecasting of 3.53% as the utility expense and communication fee proportion to the Company total revenue.
- Car rental and logistics cost of newspaper and magazine – the Independent Financial Advisor has set assumption on the forecasting of 0.10% as the car rental and logistics cost proportion to the Company’s total revenue.
- Spare parts and maintenance cost e.g. software or IT equipment - the Independent Financial Advisor has set assumption on the forecasting of 2.33% as spare parts and maintenance cost proportion to the Company total revenue.
- Other expense e.g. office stationery expense, IT equipment rental fee – the Independent Financial Advisor has set assumption on the forecasting of 3.27% as the other expense proportion to the Company total revenue.
- Depreciation – the Independent Financial Advisor has set assumption on the straight-line depreciation method (Please see details in topic 5 Depreciation and Amortization)

Unit : Million THB	2018A	2019A	2020F	2021F	2022F
<u>Direct Production Cost</u>					
Printing on Company’s Publication	112.10	79.02	79.99	77.91	76.90
Event Organizing	52.68	20.80	19.20	19.20	19.20
Newspaper Printing	9.07	8.41	-	-	-
Magazine Printing	13.12	6.19	4.13	3.13	2.38
<u>Department Cost</u>					
Salary and Overtime	287.61	252.73	196.51	198.50	200.50
Freelance	20.07	15.91	13.66	13.59	13.74
Utility expense and communication fee	38.59	25.10	17.33	17.24	17.43
Car rental and logistics cost	0.73	0.52	0.49	0.49	0.49
Spare parts and maintenance cost	29.03	16.44	11.41	11.35	11.48
Other expense	14.26	16.05	16.03	15.95	16.12

Unit : Million THB	2018A	2019A	2020F	2021F	2022F
Depreciation	79.04	67.79	46.21	9.89	9.89
Total Cost of Sales and Services	656.28	508.96	404.96	367.25	368.13

### 3. Selling expense

The Company selling expense consists of advertising expense, salary and over time, utility expense and communication fee, car rental and logistic cost, other expense which set assumption for cost of sales and services which varies to revenue by using data based on April to December 2019. The following period are the discontinued of production and distribution of Post Today and M2F newspaper which can be used as calculation based for cost forecasting and cut the expenses that will not occur in the future and depreciation with straight line method which are in assumption as follow:

- Book stall advertising expense – the Independent Financial Advisor has set assumption on the forecasting of 0.34% as the book stall advertising proportion to the Company total revenue.
- Salary and Over Time – The Independent Financial Advisor has set that there is no increasing in salary and overtime in 2020 according to the Company’s plan. However, since 2021 onwards, the Independent Financial Advisor has set the increasing rate to be half of CPI which is 1.01% based on the conservative basis. As according to the Company’s policy, the Company will not increase the salary until the Company has normal operating result which generate net profit. But the Independent Financial Advisor determined that the rate of increasing, but not equal to CPI.
- Utility expense and communication fee e.g. water bill, electricity bill, internet bill – the Independent Financial Advisor has set assumption on the forecasting of 3.08% as the utility expense and communication fee proportion to the Company total revenue.
- Car rental and logistics cost of newspaper and magazine – the Independent Financial Advisor has set assumption on the forecasting of 1.74% as the car rental and logistics cost proportion to the Company’s total revenue.
- Other expense e.g. freelance, maintenance, office stationery, and IT equipment rental – the Independent Financial Advisor has set assumption on the forecasting of 0.31% as the other expense proportion to the Company total revenue.
- Depreciation – the Independent Financial Advisor has set assumption on the straight-line depreciation method (Please see details in topic 5 Depreciation and Amortization)

Unit : Million THB	2018A	2019A	2020F	2021F	2022F
Advertising	15.73	12.79	1.66	1.65	1.67
Salary and Overtime	40.40	55.33	36.07	36.43	36.80
Utility expense and communication fee	18.40	15.65	15.08	15.00	15.17
Car rental and logistics cost	25.46	11.21	8.54	8.50	8.60



Other expense	2.75	1.41	1.50	1.49	1.51
Depreciation	1.52	1.08	0.70	0.15	0.15
<b>Total Selling Expense</b>	<b>104.27</b>	<b>97.47</b>	<b>63.55</b>	<b>63.23</b>	<b>63.89</b>

#### 4. Administration Expense

The Company administration expense consists of office rental, salary and over time, utility expense and communication fee, other expense, and depreciation which are in assumption as follow:

- Office Rental, the Independent Financial Advisor has categorized into 2 parts which are.
  - Klong Toey Rental in the period of after selling Klong Toey Asset which the Company has to rent back approximately 9,000 square meters for 4 months since September-December 2019 before relocation of the office building. The Independent Financial Advisor has set the rental rate equals to 400 THB per square meter per month for Klong Toey reference from rental rate of the appraised value from Knight Frank.
  - New office Building Rental (not Klong Toey office building) the Independent Financial Advisor set that the total rental area approximately 2,500 square meters as the Company has guidelines to consider the rental area from the rate of space utilization per person which is equal to 5 square meters per person and it is expected that the total number of employees working in the office on a regular basis is approximately 443 people or 73.22 % compared to the total number of employees currently, which results in approximately 2,215 square meters of office space. Other common areas expected demand for a total area of approximately 2,500 square meters and rental rate of 630 THB per square meter per month reference from the maximum rental price from the comparison method of Knight Frank which rent after Klong Toey Rental Period which is January 2020 onwards.
- Relocation Expense, the Independent Financial Advisor has set equals to 10 Million THB in 2020 according to the Company's plan.
- Salary and Over Time – The Independent Financial Advisor has set that there is no increasing in salary and overtime in 2020 according to the Company's plan. However, since 2021 onwards, the Independent Financial Advisor has set the increasing rate to be half of CPI which is 1.01% based on the conservative basis. As according to the Company's policy, the Company will not increase the salary until the Company has normal operating result which generate net profit. But the Independent Financial Advisor determined that the rate of increasing, but not equal to CPI.
- Utility expense and communication fee e.g. water bill, electricity bill, internet bill – the Independent Financial Advisor has set assumption on the forecasting of 2.69% as the utility expense and communication fee proportion to the Company total revenue in April to December 2019. The following

period are the discontinued of production and distribution of Post Today and M2F newspaper which can be used as calculation based for cost forecasting.

- Other expense e.g. building maintenance, office stationery, and audit fee – the Independent Financial Advisor has set assumption on the forecasting of 4.20% as the other expense proportion to the Company total revenue in April to December 2019. The following period are the discontinued of production and distribution of Post Today and M2F newspaper which can be used as calculation based for cost forecasting and cut the expenses that will not occur in the future.
- Depreciation – the Independent Financial Advisor has set assumption on the straight-line depreciation method (Please see details in topic 5 Depreciation and Amortization)

Unit : Million THB	2018A	2019A	2020F	2021F	2022F
Office Rental	-	-	14.40	18.90	18.90
Relocation Expense	-	-	10.00	-	-
Salary and Overtime	51.80	50.57	28.33	28.61	28.90
Utility expense and communication fee	15.54	13.85	13.18	13.11	13.25
Other expense	73.15	50.83	20.59	20.49	20.71
Depreciation	17.70	14.06	8.99	1.92	1.92
<b>Total Administration Cost</b>	<b>158.19</b>	<b>129.31</b>	<b>95.48</b>	<b>83.03</b>	<b>83.69</b>

## 5. Depreciation and Amortization

The Independent Financial Advisor has set assumption on the straight-line depreciation method which the depreciation of building for 20 years, machine for 5-15 years, Office furniture and vehicle for 5 years. The depreciation of Klong Toey Asset and Bangna Asset will have in 2020 for the last year. Moreover, the Company's patent and intangible asset will be amortized for 10 years.

## 6. Loan and Interest

The Company has loan with financial institute and its major shareholder as follow:

Financial Institute	Type of Loan	Loan outstanding as of 31 December 2020	Interest Rate
One Financial Institute	Long-term loan	297.47 Million THB	5.50% annually
Four financial institute	Short-term loan	925.53 Million THB	Average 5.84% annually

Major Shareholder	Type of Loan	Loan outstanding as of 31 December 2020	Interest Rate
Mr. Suthikiati Chirathivat (holding 24.22% of the Company share and is the Company chairman)	Short-term loan, pay at call	146 Million THB	5.25% annually

The Company has policies to repay debt to the financial institutes and major shareholder after entering into the disposition of asset and will make loan only for the necessary.

#### 7. Corporate Income Tax and Accumulated Loss

The Corporate income tax is equal to 20% for the projection period. However, the Company has accumulated loss which can use its tax benefit from 2015-2018 in 2020 onwards of 537.70 Million THB (excluding net loss in 2019). So, the net profit from disposition of asset does not pay for corporate income tax.

#### 8. Asset and Current Liabilities Turnover

The major asset and current liabilities turnover, referred from the information in 2018, is sum up as follow:

Account Receivable	Approximately 82 days
Inventory	Approximately 19 days
Account Payable	Approximately 60 days

The financial projection and financial statement

Scenario 1 the Disposition of Klong Toey Asset and Bangna Asset as appraised value

Unit : Million THB	2018A	2019A	2020F	2021F	2022F
Revenue from Sales and Services	786.67	520.57	490.31	487.84	493.19
Cost of Sales and Services	(656.28)	(508.96)	(404.96)	(367.25)	(368.13)
Gross Profit	130.39	11.61	85.35	120.59	125.06
Selling Expense	(104.27)	(97.47)	(63.55)	(63.23)	(63.89)
Administration Expense	(158.20)	(129.31)	(95.48)	(83.03)	(83.69)
Doubtful Account to Subsidiary	(1.02)	0.00	0.00	0.00	0.00
Spare part and Equipment Impairment Loss	0.00	(94.03)	0.00	0.00	0.00
Loss from impairment of investment in a subsidiary	0.00	(191.33)	0.00	0.00	0.00
Profit (Loss) from Disposition of Asset	0.00	0.00	71.84	0.00	0.00
Disposition Cost	0.00	0.00	(34.73)	0.00	0.00
Total Expense	(919.76)	(1,021.10)	(526.87)	(513.51)	(515.71)
Other Revenue	43.41	28.99	0.00	0.00	0.00
Profit (Loss) before Financial Cost and Corporate Income Tax	(89.69)	(471.53)	(36.56)	(25.67)	(22.52)
Financial Cost	(66.23)	(74.38)	(54.21)	0.00	0.00
Profit (Loss) before Corporate Income Tax	(155.91)	(545.91)	(90.77)	(25.67)	(22.52)
Corporate Income Tax	(7.67)	166.62	0.00	0.00	0.00
Net Profit(Loss)	(163.59)	(379.29)	(90.77)	(25.67)	(22.52)
Profit (Loss) Before Financial Cost and Corporate Income Tax and Depreciation	(34.83)	(433.18)	19.33	(13.71)	(10.56)

Unit : Million THB	2018A	2019A	2020F	2021F	2022F
Asset	2,077.65	2,101.32	622.35	588.03	564.96
Liabilities	1,678.85	1,828.14	191.46	182.81	182.26
Equity	398.79	273.17	430.89	405.22	382.70

Note : the profit from disposition of asset of 71.84 Million THB is from the disposition of land, building, and machine for both Klong Toey and Bangna site (Please see details in topic 3.1)

Unit : Million THB	2020F	2021F	2022F
<b>Cashflow From Operating Activities</b>			
Net Profit before Tax	(90.77)	(25.67)	(22.52)
Depreciation	55.89	11.96	11.96
Decreasing in Operating Asset (Increasing)	14.97	1.36	(1.53)
Increasing in Operating Liabilities (Decreasing)	(19.19)	(8.64)	(0.55)
<b>Net cashflow from operating activities</b>	<b>(39.10)</b>	<b>(21.00)</b>	<b>(12.64)</b>
<b>Cashflow From Investing Activities</b>	<b>1,564.66</b>	<b>0.00</b>	<b>0.00</b>
<b>Cashflow from Financial Activities</b>	<b>(1,369.00)</b>	<b>0.00</b>	<b>0.00</b>
Net Increasing in Cashflow (Decreasing)	156.56	(21.00)	(12.64)
Beginning of Cash	4.64	161.20	140.20
Ending of Cash	161.20	140.20	127.57

Scenario 2 the disposition of Klong Toey Asset and Bangna Asset as 90% of the appraised value

Unit : Million THB	2018A	2019A	2020F	2021F	2022F
Revenue from Sales and Services	786.67	520.57	490.31	487.84	493.19
Cost of Sales and Services	(656.28)	(508.96)	(404.96)	(367.25)	(368.13)
Gross Profit	130.39	11.61	85.35	120.59	125.06
Selling Expense	(104.27)	(97.47)	(63.55)	(63.23)	(63.89)
Administration Expense	(158.20)	(129.31)	(95.48)	(83.03)	(83.69)
Doubtful Account to Subsidiary	(1.02)	0.00	0.00	0.00	0.00
Spare part and Equipment Impairment Loss	0.00	(94.03)	0.00	0.00	0.00
Loss from impairment of investment in a subsidiary	0.00	(191.33)	0.00	0.00	0.00
Profit (Loss) from Disposition of Asset	0.00	0.00	(91.81)	0.00	0.00
Disposition Cost	0.00	0.00	(31.26)	0.00	0.00
Total Expense	(919.76)	(1,021.10)	(687.05)	(513.51)	(515.71)
Other Revenue	43.41	28.99	0.00	0.00	0.00
Profit (Loss) before Financial Cost and Corporate Income Tax	(89.69)	(471.53)	(196.74)	(25.67)	(22.52)
Financial Cost	(66.23)	(74.38)	(54.21)	(10.16)	(10.16)
Profit (Loss) before Corporate Income Tax	(155.91)	(545.91)	(250.95)	(35.83)	(32.68)
Corporate Income Tax	(7.67)	166.62	0.00	0.00	0.00
Net Profit(Loss)	(163.59)	(379.29)	(250.95)	(35.83)	(32.68)

Unit : Million THB	2018A	2019A	2020F	2021F	2022F
Profit (Loss) Before Financial Cost and Corporate Income Tax and Depreciation	(34.83)	(433.18)	(140.85)	(13.71)	(10.56)

Note : the profit from disposition of asset of (91.81) Million THB is from the disposition of land, building, and machine for both Klong Toey and Bangna site (Please see details in topic 3.1)

Unit : Million THB	2018A	2019A	2020F	2021F	2022F
Asset	2,077.65	2,101.32	635.93	591.45	558.23
Liabilities	1,678.85	1,828.14	365.21	356.57	356.02
Equity	398.79	273.17	270.72	234.89	202.21

Unit : Million THB	2020F	2021F	2022F
<b>Cashflow From Operating Activities</b>			
Net Profit before Tax	(250.95)	(35.83)	(32.68)
Depreciation	55.89	11.96	11.96
Decreasing in Operating Asset (Increasing)	14.97	1.36	(1.53)
Increasing in Operating Liabilities (Decreasing)	(19.19)	(8.64)	(0.55)
<b>Net cashflow from operating activities</b>	<b>(199.27)</b>	<b>(31.15)</b>	<b>(22.79)</b>
<b>Cashflow From Investing Activities</b>	<b>1,564.66</b>	<b>0.00</b>	<b>0.00</b>
<b>Cashflow from Financial Activities</b>	<b>(1,195.24)</b>	<b>0.00</b>	<b>0.00</b>
Net Increasing in Cashflow (Decreasing)	170.14	(31.15)	(22.79)
Beginning of Cash	4.64	174.78	143.63
Ending of Cash	174.78	143.63	120.83

From the three years forecasting (2020-2022) and the analysis of two scenarios which are disposition of asset as appraised value and disposition of asset as not lower than 90% of appraised value. The Independent Financial Advisor expects the Company operation which can be analyzed as follow:

#### Profit/Loss

From the Company changed in strategies and business model which focus on revenue from digital advertising and subscription fee, advertising agent, event organizing that are under current name “Bangkok Post” and “Post Today” and assumptions, the profit margin structure is sum up as follow:

#### Scenario 1 the Disposition of Klong Toey Asset and Bangna Asset as appraised value

	2020F	2021F	2022F
Gross Profit	17.41%	24.72%	25.36%
Earnings before Interest and Tax	-7.46%	-5.26%	-4.57%

Earnings before Interest Tax and Depreciation	3.94%	-2.81%	-2.14%
Net Profit (Loss)	-18.51%	-5.26%	-4.57%

Scenario 2 the disposition of Klong Toey Asset and Bangna Asset as 90% of the appraised value

	2020F	2021F	2022F
Gross Profit	17.41%	24.72%	25.36%
Earnings before Interest and Tax	-40.13%	-5.26%	-4.57%
Earnings before Interest Tax and Depreciation	-28.73%	-2.81%	-2.14%
Net Profit (Loss)	-51.18%	-7.34%	-6.63%

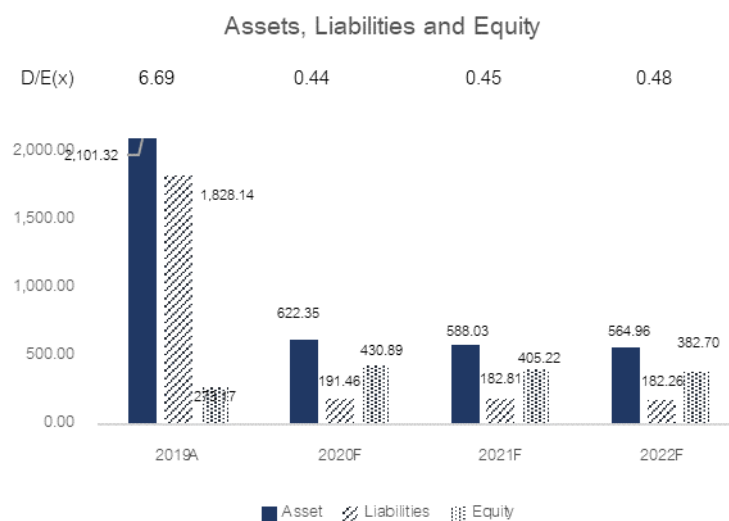
The difference of net profit in 2020 are from the difference disposition of asset value. However, the operation of both scenarios is insignificantly different except for Net Profit (loss) in Scenario 2 since there is higher interest payment than Scenario 1.

**Balance Sheet**

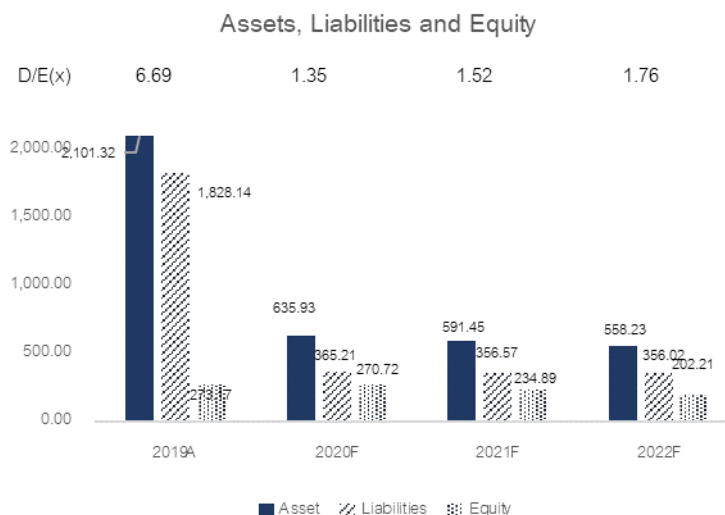
From the previous that the Company has asset mainly from land, building, and machine and equipment, the Company will transform its asset to be mainly on current asset for operation which consist of Account Receivable, secured saving bank, cash, and others. The liabilities will be decreasing by debt repayment both financial institute and committee loan. Moreover, the disposition of asset will generate profit from asset disposition which is recorded in "Unappropriated Retained Earning" which other components of shareholders' equity will disappear and the profit from asset disposition will increase the Company equity.

Moreover, the Company expect the decreasing in Debt to Equity ratio in each scenario as follow:

Scenario 1 the Disposition of Klong Toey Asset and Bangna Asset as appraised value



Scenario 2 the disposition of Klong Toey Asset and Bangna Asset as 90% of the appraised value



When the Company returned all loans after the disposition of asset, the conditions for the maintain debt to shareholders' equity will be cancelled.

However, the Independent Financial Advisor expects the Company will still be having losses from operation but with positive trend. Currently, The Company will need to proceed with strategies and policies by controlling and reducing unnecessary operating expenses in order to remain in long run. From the past 2-3 years, the Company restructuring including this disposition of asset is coping with the Company debt and liquidity to not be worsen and to maintain its bargaining power with creditor and external parties and remain its management power to control and operate.

The Independent Financial Advisor has opined that entering into the transaction is necessary and appropriate which solve the Company situation. The Company will have additional working capital to use to reduce debts and accommodate the needs of cash flow. However, the Company will need to proceed with long term strategies and business model to remain in long run.

#### 4. Summary of Independent Financial Advisor Opinion

The Board of Directors Meeting No. 5/2019 of the Company convened on 13 December 2019, passed a resolution to approve the disposition of asset and connected transactions which will propose to the extraordinary shareholders meeting no.1/2020 on 25 February 2020. The Company has postponed the shareholders meeting due to the Company and the Independent Financial Advisor are still preparing significant information and documents resulting that information and documents will not be completed on time. Therefore, The Board of Directors Meeting No. 1/2020 of Bangkok Post Public Company Limited convened on 25 February 2020, passed a resolution to approve the transaction which will propose to the Annual General Shareholders Meeting 2020 on 22 April 2020 which are

(1) Approval of the disposition of Klong Toey Asset at appraisal value of 1,175 Million THB and Bangna Asset at value in between of 461.50 – 509.50 Million THB which expects to have the transaction with expected buyer that are not connected to the Company. The Board of Directors have approved the resolution at the range of 1,636.50-1,684.50 Million THB and the Company has set the guideline to negotiate with the expected buyer who is not connected to the Company depend on the negotiation and benefit to the Company. The process will be done by bidding and categorized into 2 groups which are Klong Toey Asset Group and Bangna Asset Group which the price will be not less than of 90% of appraised value or 1,472.85-1,516.05 Million THB. Therefore, the Board of Directors have approved the resolution to sell the assets not lower than 1,472.85 Million THB which is the suitable price and is not lower than the Independent Financial Advisor has studied in the range of 1,472.85-1,636.50 Million THB. The Company has specified payment terms to be paid in cash. Therefore, ownership of the assets is transferred to the person who is expected to be the buyer. The Company expects that all such transactions will be completed within 4 months from the date of approval from the shareholders 'meeting. But, if the time limit is exceeded, the Company will propose to the shareholders' meeting for re approval and will negotiate with the expected buyer to rent back some part of the office for 4 months until the end of 2020 for preparation of relocating to the new area.

(2) Approval for Connected transaction

Approval of the financial assistance that has already occurred in 2019 and requests to receive all financial assistance from the connect person who is Mr. Suthikiati Chirathivat. The Company has requested for the financial assistance total of 161 Million THB as of 31 December 2019, including the additional financial assistance of 89 Million THB as necessary or total of 250 Million THB. The loan is the call loan type with no collateral and 5.25 % interest rate reference from MLR-1.0 % (Bangkok Bank as of 27 May 2019). The period is set from the first drawdown date, which is 27 May 2019 until the due date is 31 December 2020, not exceeding 21.0 Million THB which the Company expects to repay the loan within 31 December 2020 and if the period is exceeded, the Company will propose for new transaction approval. The said transaction helps the Company to have liquidity and is able to continue to operate the business without losing control to third parties, have a lower



cost than borrowing from a financial institution. Therefore, it is a transaction that the Company receives benefits and is suitable.

. The said transaction will help reduce the risk of capital structure management, due to inflow of working capital result in the Company is able to reduce debt and to support the company's cash flow needs in a timely manner. After entering into the disposition of assets, the Company will still have the same business nature as usual which are main revenue from advertising, selling Bangkok Post Newspaper, including revenue from event organizing and digital online management with having no significant changes in business characteristics or policies. The Company can hire outsourcing companies to produce newspapers or other publications. For office, the Company does not need to own the asset to generate revenue, these assets can be just operating location which the Company can change location or rent back from buyer. The main asset that generate revenue to the Company is its employees.

The Independent Financial Advisor has considered information and has opined that the Company is necessary to enter into the disposition of Klong Toey Asset and Bangna Asset which is to convert assets into cash for use in business operations and in order to repay long-term loans from financial institutions and loans from connected persons and reducing the interest liability. The rest will be kept as working capital for further business operations. For the connected transaction with Mr. Suthikiati Chirathivat, the major shareholder of the Company holding 24.22 % of total paid-up capital of the Company, the Company still needs to request financial assistance in the amount of 250 Million THB. This helps the company to be able to continue its business without losing control of other third parties. The Company will not be forced to repay its debt or be prosecuted, including a low cost of borrowing. In addition, when the Company has a profit from the sale of assets, the Company can use tax deficit to help save tax expenses.

Thus, after the completion of the transaction in 2020, the Company expect to have decreased loss in 2021 onwards. the Company restructuring including this disposition of asset is coping with the Company debt and liquidity to not be worsen and to maintain its bargaining power with creditor and external parties and remain its management power to control and operate. The Independent Financial Advisor has opined that entering into the transaction is necessary and appropriate which solve the Company situation. The Company will have additional working capital to use to reduce debts and accommodate the needs of cash flow. However, the Company will need to proceed with long term strategies and business model to remain in long run.

So, after considering advantages and disadvantages of entering into the transaction including risks, the Company will receive beneficial in long run from entering into the transaction than not entering. **The Independent Financial Advisor has opined that the Company shareholder should approve the disposition of asset at the price not lower than 1,472.85 Million THB and approve for financial assistance from connected person.**

However, this vote should be made with shareholders' discretion as important, the Company shareholder should study information in documents attached with the invitation for consideration on the resolutions.

OptAsia Capital Company Limited as the Independent Financial Advisor hereby certifies that the opinions have prudently been provided in compliance with the professional standards and principles, with due regard to the shareholders' benefits.

Your Sincerely,  
OptAsia Capital Company Limited

*Jarin Saksirisilp*

*Jariya Poonyavanich*

(Mr. Jarin Saksirisilp)

(Ms. Jariya Poonyavanich)

Director

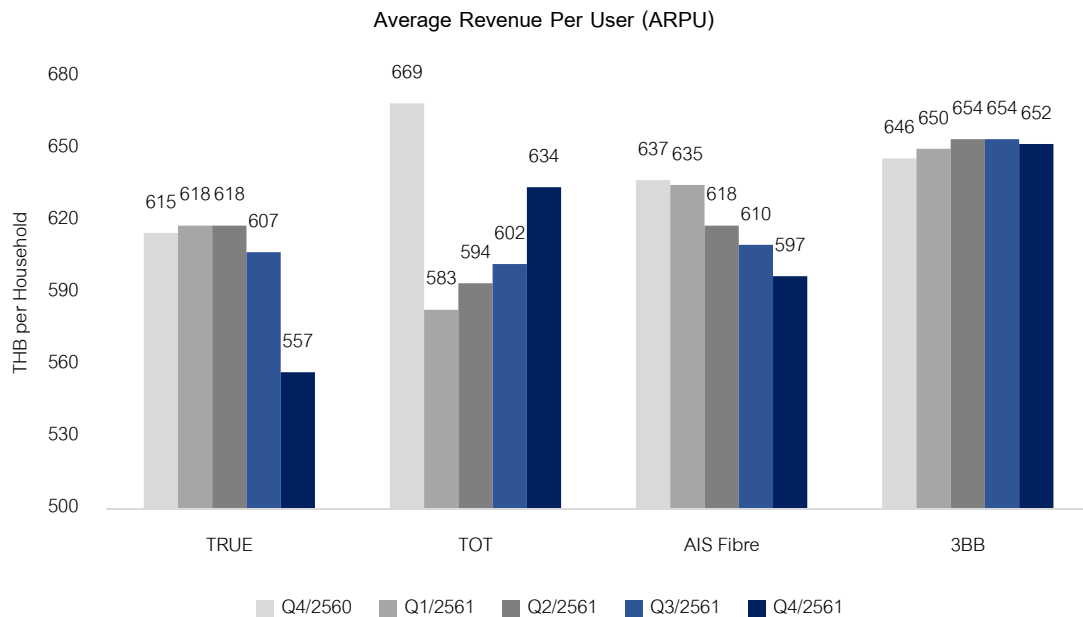
Director

*Annop Saengvanich*  
(Mr. Annop Saengvanich)  
Supervisor

**Attachment 1**

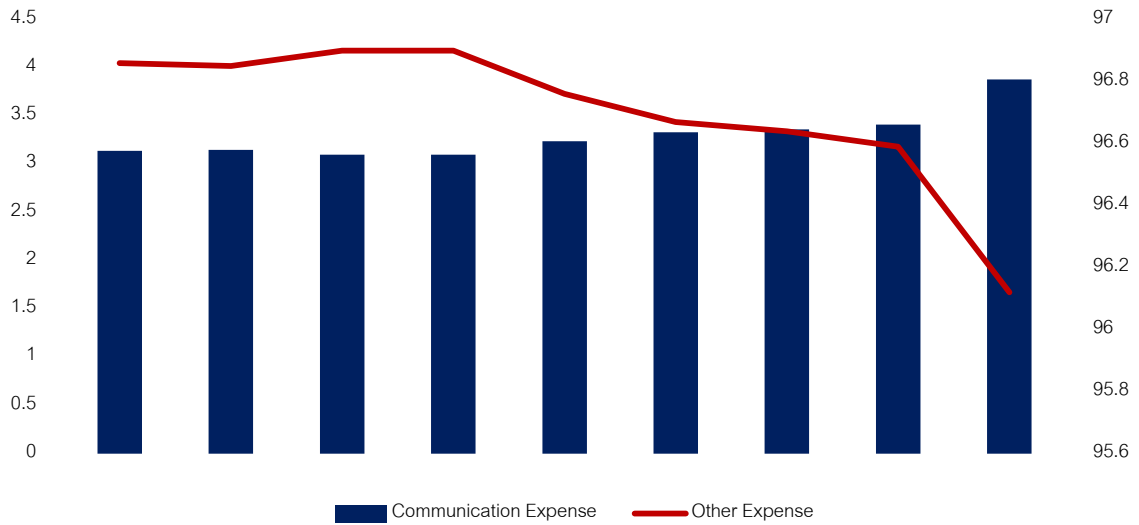
**Media Business Overview**

The change in media consumption behavior from print media to online media make many printing media companies losses because the online channel is becoming main channel and the advertising is decreasing. From the Electronic Transactions Development Agency (ETDA), Thai people use internet for an average of 10 hours 5 minutes per day in 2018, increasing 3 hours and 30 minutes from 2017. This can show that Thai people spend almost half of a day in online media which Thailand has 46 million users in 2018 (Source: We Are Social and Hootsuite). In this number, almost 90% of users use their mobile phone which, from 2012 to 2017, is increasing by 9 times(Source: National Statistic Office Thailand). The increasing in internet usage is from the government policies to support the internet infrastructure which result in highspeed internet cover through all area in Thailand. Moreover, the development in communication technology has meet the mobile usage in anywhere and anytime including the affordable of mobile devices e.g. smartphone, tablet, laptop and internet packages. So, the online media consumption is faster and give more direct attention, customers don't have to wait for morning news, or weekly and monthly magazines.



Source: Telecommunications Policy and Resources Management Bureau NBTC, July 2019

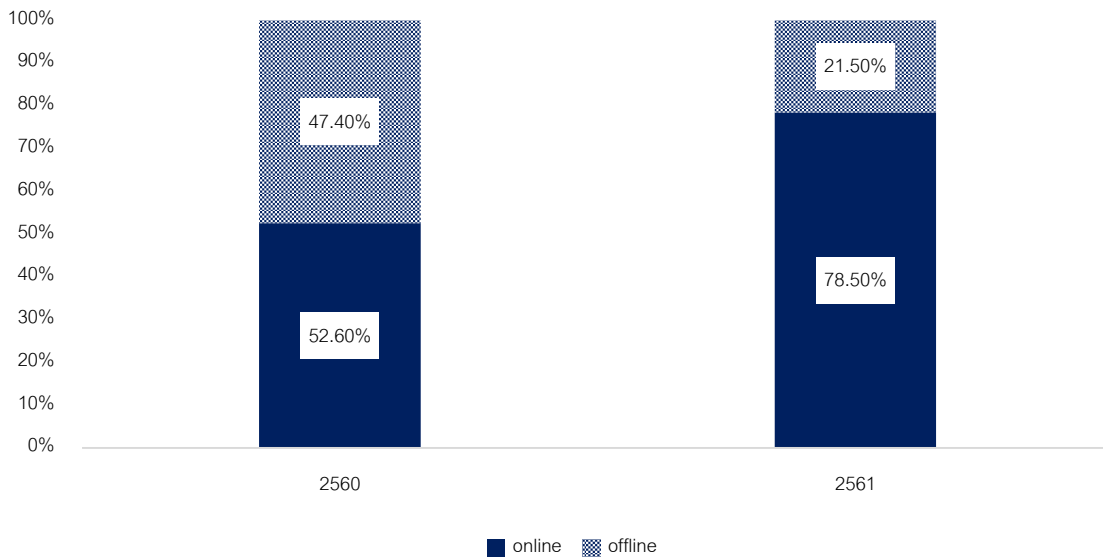
Average Proportion of Expense per Month



Source: Surveying socioeconomic conditions of households National Statistic Office Thailand

Currently, Thai people is changing activities from offline to become more online e.g. message texting, hotel booking, products and services payment, or reading books. From the survey, there is increasing in online reading to 52.60% in 2017 and 78.5% in 2018 which leave the publication reading e.g. newspaper of only 21.5%.

%age of online and offline reading



Source: ETDA

These factors have affected the original media to decrease, in addition with the higher paper cost. The advertising budget in newspapers and magazines has been continuously decreased from THB 7,704 million to THB 6,100 million in 2017 and 2018 respectively, or decreasing 21%, and is expected to decrease to THB 4,880 million in 2019 or decreasing 20%. For the advertising budget in magazines, it is decreasing from THB 1,980

million to THB 1,300 million in 2017 and 2018 respectively, or decreasing 34%, and is expected to decrease to THB 975 million in 2019 or decreasing 25%.

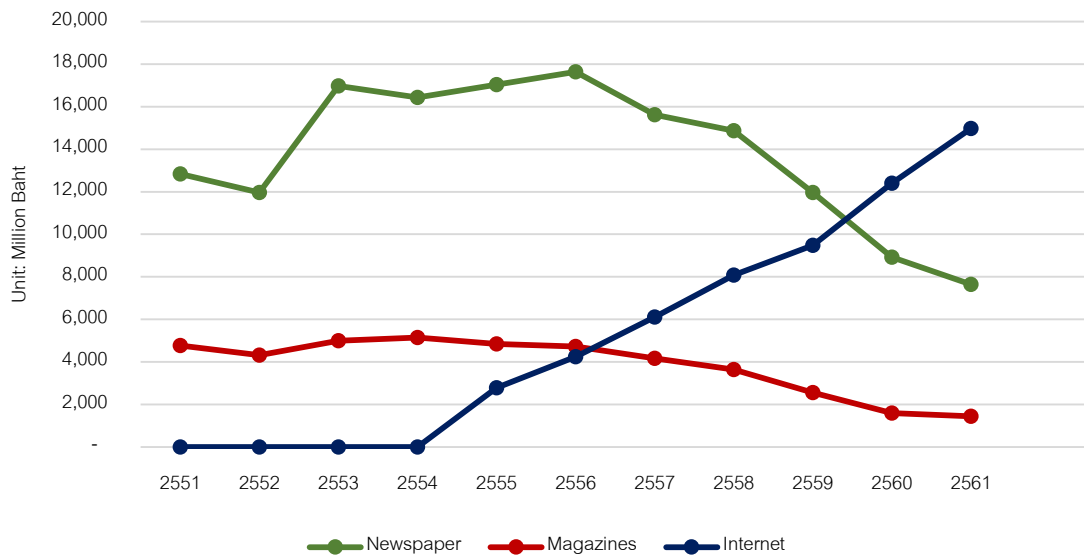
In addition, the advertising budget in internet has been continuously increased from THB 11,418 million to THB 15,348 million in 2017 and 2018 respectively, or increasing 34%, and is expected to increase to THB 17,863 million in 2019 conforming with the report from Digital Advertising Association (Thailand)-DAAT and Kantar TNS (Thailand) Co., Ltd. They have surveyed the digital advertising investment and found that not only the growth is higher but also the investment in half year of 2019 is tremendously increase comparing to previous year.

#### Advertising Budget in 2017-2018 and Forecast Budget in 2019

	2017		2018		2019F		% Change 2017-2018	% Change 2018-2019F
	Million THB	%	Million THB	%	Million THB	%		
Digital TV	62,781	56	66,000	57	66,000	57	5	0
Cable TV	2,692	2	2,400	2	2,100	2	(11)	(13)
TV	65,473	59	68,400	59	68,100	58	4	0
Radio	4,468	4	4,600	4	4,370	4	3	(5)
<i>Newspaper</i>	<i>7,704</i>	<i>7</i>	<i>6,100</i>	<i>5</i>	<i>4,880</i>	<i>4</i>	<i>(21)</i>	<i>(20)</i>
<i>Magazine</i>	<i>1,980</i>	<i>2</i>	<i>1,300</i>	<i>1</i>	<i>975</i>	<i>1</i>	<i>(34)</i>	<i>(25)</i>
Cinema	6,815	6	7,100	6	6,319	5	4	(11)
Outdoor	6,391	6	6,800	6	6,664	6	6	(2)
Transportation	5,878	5	5,900	5	6,490	6	0	10
Store	946	1	1,100	1	1,100	1	16	0
<i>Internet</i>	<i>11,418</i>	<i>11</i>	<i>15,348</i>	<i>13</i>	<i>17,863</i>	<i>15</i>	<i>34</i>	<i>16</i>
<b>Total</b>	<b>111,073</b>	<b>100</b>	<b>116,648</b>	<b>100</b>	<b>116,761</b>	<b>100</b>	<b>5</b>	<b>0</b>

Source: Nielsen Media Research

**Advertising in Newspaper, Magazines, and Internets**



Source: DAAT and Group M Thailand

The newspaper and magazine media have faced difficult condition and have to adjust their strategies to cope with such effects e.g. employee layoff, reducing publication page, free copy, creating online content. In the end, many newspaper and magazine have to discontinue the production which magazines have at least 35 brands discontinued e.g. Supsip, OOPS! OHO, ZOO, FHM, Prew, lemonade, candy, VIVA! FRIDAY, KC WEEKLY, C-KiDs!, VOLUME, IMAGE, COSMOPOLITAN, Bangkokweekly, Nationweekend, seventeen, SakulThai, WHO, I LIKE, FLIMAX, Kwanruen, Dichan, madame FIGARO, Kusrang Kusom, Ploykamped, Marie Claire, Men’s Health, Women’s Health, THE HOLLYWOOD REPORTER Thailand, billboard Thailand, HEALTH & CUISINE, Krua, Go Genius, WRITER in 2015-2017. Moreover, in 2018, ‘Starpics’ launched its last monthly magazine of 888<sup>th</sup> in April 2018, ‘Student Weekly’ launched its last magazine in 30 September 2018 (left only online channel), ‘Men Fitness Thailand’ launched its last magazine in December 2018. In 2019, ‘Lonely Planet Traveler Thailand’ has discontinued in February 2019. In addition, many newspapers have been discontinued due to its negative performance and having consecutive loss from their decreasing in advertising revenue.

Month-Year Discontinued	Newspaper Brand
December 2016	Baan-Muang Newspaper has been discontinued and publish only online channel
March 2018	Chiang Mai news has been discontinued and publish only online channel
March 2019	M2F (free newspaper) and Post Today have been discontinued and publish only online channels
June 2019	The Nation has been discontinued and publish only online channel

For the publication media that own TV license, there are decreasing in revenue as well. For example, Matchon Public Company limited and its subsidiaries that operate business in newspaper, magazine which consist of Matchon, Prachachat, Khaosod, Matchonweekly, Sentangsedtee, Technologychaoban, Silpa-Mag, and Pocket books are decreasing in revenue from THB 843 million in 2016 to THB 731 million in 2018, or decreasing 13.29%. Bangkok Post Public Company Limited is the publisher and distributors of Bangkok Post, Post Today, and M2F and is decreasing in revenue from THB 1,803 million in 2016 to THB 1,230 million in 2018, or decreasing 31.78%. As well as Nation Multimedia Group Public Company Limited, there is decreasing in revenue in publishing and advertising from THB 868 million in 2016 to THB 628 million in 2018 or decreasing 27.65%.

The company's performance in media industry

Revenue (Unit: Million THB)	2016	2017	2018
Matchon Public Company Limited*	843	814	731
Bangkok Post Public Company Limited	1,803	1,329	1,230
Nation Multimedia Group Public Company Limited*	868	715	628

Note \*Revenue from only publishing and advertising

Source: SET

In reality, the consumers haven't change in number, but the media consumption behavior has change by the technology from printing media from newspaper or magazine to online media e.g. website, social media or E-Book. There are many internet reporters and most of them increase their subscriber every week. In addition, Thai social is socialized society and like to listen or read only the sum up of information.