

**Information Memorandum on  
Disposition of Assets and Connected Transactions  
Of  
Bangkok Post Public Company Limited**

As the Board of Directors Meeting No. 5/2019 of Bangkok Post Public Company Limited (“the Company”), convened on 13 December 2019, passed a resolution to approve the Company to enter into the disposition of assets and connected transaction of (1) Printing plant and Distribution Center (Bangna) consist of land and building, printing machine and equipment, and (2) Office building (Klong Toey) consist of land and building, which will seek approval from the Extraordinary General Meeting of Shareholders No. 1/2020 that scheduled on 25 February 2020 and to seek approval for any person(s) assigned by the Board of Directors to have the authority to perform any acts necessary or related and beneficial to the Company and the shareholders. The Meeting also passed a resolution for the Company to seek approval regarding a total receipt of financial assistance from the major shareholder totaling 161 million baht; of the Company in May, June, August, September and December 2019 at 146 million baht and of its subsidiary in December 2019 at 15 million baht. However, the Company will request for additional financial assistance of 39 million baht while proceeds with the disposition of assets. The maximum amount of financial assistance request will not exceed 200 million baht. All of which is considered as entering into a transaction with a connected person.

Then, the Company has notified about postponement of the Extraordinary General Meeting of Shareholders No. 1/2020 and cancellation of the Record date, scheduled on 14 January 2020, that determines the shareholders entitled to attend the meeting by letters POST 003/2020 and 004/2020 dated 3 February 2020 respectively to the President of the Stock Exchange of Thailand 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 in order to send the Notice of the Shareholders’ Meeting. The Company is aware of rights and interests of the shareholders of the Company to receive all complete information and documents which are of significance for consideration.

However, the Meeting of the Board of Directors No. 1/2020 held on 25 February 2020 passed resolutions to cancel the Extraordinary General Meeting of Shareholders No. 1/2020 and deemed appropriate to propose the agenda regarding entering into the disposition of assets and connected transaction to the 2020 Annual General Meeting of Shareholders for consideration. Moreover, the Meeting also approved the appropriate price range of value of assets disposal according to opinion of Independent Financial Advisor in a total of 1,636.50 - 1,684.50 million baht and set criteria for negotiation with person expects to be a buyer that the agreed price shall not be less than 90 percent, depending on negotiation and

benefits the Company will receive, which the price range of not less than 90 percent will be in a total of 1,472.85 - 1,516.05 million baht. Therefore, the price of assets disposal transaction will not be lower than 1,472.85 million baht. In addition, the Meeting also approved a receipt of additional financial assistance while the Company proceeds with the disposition of assets from the maximum of not exceeding 200 million baht to not exceeding 250 million baht.

The 2020 Annual General Meeting of Shareholders is scheduled on 22 April 2020 with the following agenda:

- Agenda 1 To approve the Minutes of the 2019 Annual General Meeting of Shareholders held on 24 April 2019
- Agenda 2 To acknowledge the Annual Report of the Company and approve the audited financial statements of the Company for the year-ended 31 December 2019
- Agenda 3 To consider the omission of dividend payment
- Agenda 4 To consider candidates nominated as directors to replace the directors who shall retire by rotation and consider the authority of directors (if any)
- Agenda 5 To fix directors' remuneration
- Agenda 6 To appoint independent auditor and fix the audit fee
- Agenda 7 To consider and approve the entering into assets disposal transaction between the Company and general investors and approve person(s) assigned by the Board of Directors to have the authority to perform any acts necessary or related and beneficial to the Company and the shareholders
- Agenda 8 To consider and approve the entering into connected transaction
- Agenda 9 To consider other business (if any)

The Company would like to disclose the information memorandum of the above transactions as follows:

#### 1. Transaction date

**Disposition of assets** : Entering into the disposal of assets will occur after receiving approval from the 2020 Annual General Meeting of Shareholders that is scheduled on 22 April 2020. The Company will make assets disposal of (1) Printing plant and Distribution Center (Bangna) consist of land and building, printing machine and equipment and (2) Office building (Klong Toey) consist of land and building.

At present, the Company is negotiating with 2-3 persons expected to be a buyer but has not made any transaction. The Company will proceed with the disposition of assets by bidding method to provide opportunities for investors interested. By advertising on the Company's media channels both print and online for 45 days after the date of receiving approval from the shareholders' meeting, in accordance with the methods and conditions that the Company will announce within 30 days after the advertisement has ended. After that, the Company will arrange a public bid opening by the Board of Directors or person(s) assigned by the Board of Directors. The Company will consider dispose of the above assets to investor who offer the highest price or higher than the price approved by the shareholders' meeting. In addition, the Company set the payment term to be paid in cash before ownership of assets can be transferred to the person expected to be a buyer.

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

**2. Transaction parties**

<b>Seller</b>	:	Bangkok Post Public Company Limited
<b>Expected Buyer</b>	:	The Company offers selling each asset to general investor not connected to the Company.

**3. General transaction description** : Transaction (1) Printing plant and Distribution Center (Bangna) consist of land and building, printing machine and equipment. Totaling value of 424.30 – 509.50 million baht according to the appraised value.

Transaction (2) Office building (Klong Toey) consist of land and building. Totaling value of 1,175.00 million baht according to the appraised value.

After entering into the disposition of assets, the Company will still have the same business nature as usual having main source of revenue from advertising and distribution of Bangkok Post newspaper, including from organizing events and providing digital media services. The Company will not have significant changes in business characteristics or policies and can hire outsourcing companies to produce newspapers or other publications. 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 have other assets such as office decorations, vehicles or computer software licenses.

**4. Purpose of Transaction** : The Company has negative cash flow from having losses from operation for several consecutive years. Causes are from changes in media consumption behavior, from print to online, and overall economic slowdown that resulted in a decline in advertising spending in print. However, the Company has adjusted its strategic and business model to cope with such effects.

In addition, as the Company stopped printing Bangkok Post newspaper at Printing plant and Distribution Center (Bangna) on 31 August 2019 and hires Siam Sport Syndicate Public Company Limited to be responsible on that part since 1 September 2019, the Company considers that it is no longer necessary for the business. For Office building (Klong Toey), the Company considers that it is not necessary for revenue

generation, just a place to conduct business which the Company can change to other place. Moreover, from restructuring operations to be smaller, the Company did not need to use office area as much as in the past.

Therefore, disposing of Klong Toey and Bangna assets is like converting assets into cash for the benefit of this ongoing business, to repay long-term loans from financial institutions and loans from a connected person, reduce interest expenses and the rest will be used as working capital for further business operations.

If the Company can dispose of Office building (Klong Toey), the Company may need to lease back some office area from the person expected to be a buyer until the Company can find new site to run business, depending on negotiation with person expected to be a buyer.

After completion of the transactions, the Company will proceed with strategies and policies by controlling and reducing unnecessary operating expenses together with developing digital and online platform, monetizing brand and focusing more on consumers.

Moreover, entering into transactions will help reduce risk of capital structure management from having additional working capital. The Company will be able to reduce debts and accommodate the needs of cash flow in a timely manner.

## 5. Details of disposition of assets

### Type of assets

- :
- (1) Printing plant and Distribution Center (Bangna)  
Land located at 999 Moo 9 separate 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 meter. Currently is the Printing plant and Distribution Center of the Company.

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.

There are 6 machinery and equipment for newspaper production totaling 23 sets/ machine. Most of the machines, produced and imported from Germany, and some from United States of America, Japan, and Thailand, have been used since 2007 with lifespan of about 2-12 years.

(2) Office building (Klong Toey) consist of land and building

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.

Building construction such as office building, service building, press building, and parking building has lifespan of about 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.

**Liabilities**

- :
- (1) Printing plant and Distribution Center (Bangna) – mortgaged to a financial institution
  - (2) Office building (Klong Toey) – Free of obligation. On 27 September 2017, the Company entered into an agreement with a financial institution by pledging not to distribute, transfer or create obligations in this asset without the prior written consent of that financial institution.

**Total Assets Value** : Based on appraised value prepared by an appraisal company, Knight Frank Chartered (Thailand) Company Limited, which has been approved by the Securities and Exchange Commission of Thailand according to Notification of the Office of the Securities and Exchange Commission No. SorChor. 24/2555. According to assets valuation date as at 21 November 2019. It is an appraisal for public purpose.

(1) Printing plant and Distribution Center ( Bangna) totaling value of 424.30 – 509.50 million baht consist of

Land value of 261.20 million baht

Construction building and others value of 107.30 million baht

Machinery and equipment value of 55.80 – 141.00 million baht, divided into 3 cases as follows:

- 141.00 million baht (market value for the existing use)
- 93.00 million baht (market value in exchange)
- 55.80 million baht (orderly liquidation value - piecement)

(2) Office Building (Klong Toey) totaling value of 1,175.00 million baht consist of

Land value of 859.20 million baht

Construction building and others value of 315.80 million baht

The Meeting of the Board of Directors No. 1/2020 held on 25 February 2020 approved the appropriate price range of value of assets disposal according to opinion of Independent Financial Advisor in a total of 1,636.50 (calculated from land value of 261.20 million baht + construction building and others value of 107.30 million baht + machinery and equipment value of 93.00 million baht, market value in exchange, at Bangna + office building at Klong Toey 1,175.00 million

baht) to 1,684.50 million baht (calculated from land value of 261.20 million baht + construction building and others value of 107.30 million baht + machinery and equipment value of 141.0 million baht, market value for the existing use, at Bangna + office building at Klong Toey 1,175.00 million baht) and set criteria for negotiation with person expects to be a buyer that the agreed price shall not be less than 90 percent, depending on negotiation and benefits the Company will receive, which the price range of not less than 90 percent will be in a total of 1,472.85 to 1,516.05 million baht. Therefore, the price of assets disposal transaction will not be lower than 1,472.85 million baht.

**Policy to determine**

**the value of consideration**

: Based on appraised value prepared by an appraisal company, Knight Frank Chartered (Thailand) Company Limited, which has been approved by the Securities and Exchange Commission of Thailand according to Notification of the Office of the Securities and Exchange Commission No. SorChor. 24/2555. According to assets valuation date as at 21 November 2019. It is an appraisal for public purpose.

**Term of payment**

: Person(s) assigned by the Board of Directors will be the one entering into a relevant contract and stipulate conditions after receiving approval from the 2020 Annual General Meeting of Shareholders. At present, the Company is in process of negotiating with person(s) expected to be a buyer but no contract or agreement has been made. In addition, the Company set the payment term to be paid in cash before ownership of assets can be transferred to the person expected to be a buyer.



**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 of receiving approval from the shareholders' meeting. Investors interested in the acquisition of the said assets can offer a bidding price for each or both assets, in accordance with the methods and conditions that the Company will announce within 30 days after the advertisement has ended. After that, the Company will arrange a public bid opening by the Board of Directors or person(s) assigned by the Board of Directors and outsiders will be invited to witness for transparency. In addition, the Company will consider dispose of the said assets to investor who offer the highest price or higher than the price approved by the shareholders' meeting. In addition, the Company set guideline to dispose of assets all at once by dividing into 2 major items; Klong Toey assets and Bangna assets.

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

**Type of transaction** : Transaction size is calculated based on the announcement of the acquisition or disposition of assets and the Company's audited financial statements for the year-ended 31 December 2019 as follows:

**(1) Calculation based on the value of net tangible assets (NTA)**

Incalculable due to NTA resulted in a negative value and it is assets disposal not the acquisition

or disposition of business or trading of the Company's shares.

Net tangible assets (NTA) = total assets – intangible assets – goodwill – deferred tax assets – total liabilities – non-controlling interests (if any)

$$\begin{aligned} \text{NTA} &= 2,283.9 - 44.1 - 32.2 - 230.5 - 1,985.4 - 3.3 \\ &= (11.6) \text{ million baht} \end{aligned}$$

**(2) Calculation based on net operating profits**

Incalculable due to it is assets disposal, not the acquisition or disposition of business or trading of the Company's shares.

**(3) Calculation based on total value of consideration paid or received**

Value of assets that are expected to be sold, calculating from minimum value of assets that are expected to be sold.

$$\begin{aligned} \text{Transaction size} &= \frac{\text{Minimum value of transaction received} \times 100}{\text{Total assets}} \\ &= \frac{1,472.85 \times 100}{2,283.9} \\ &= 64.50 \text{ percent} \end{aligned}$$

**(4) Calculation based on value of equity shares issued for the payment of assets**

Incalculable due to it is assets disposal, not issuing new shares for the payment of assets.

The Company did not enter into assets disposal during the past 6 months before the Board of Directors Meeting passed a resolution to approve

the Company to enter into the this transaction. From calculating the transaction size according to all 4 criteria, the transaction size based on total value of consideration paid or received will not be less than 1,472.85 million baht or 64.50 percent, which is considered as type 1, according to Notification of the Board of Governors of the Stock Exchange of Thailand Re: Disclosure of Information and Other Acts of Listed Companies Concerning the Acquisition and Disposition of Assets, 2004. Approval from the shareholders' meeting is required 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. In this regard, the Company is required to appoint the Independent Financial Advisor to express views on entering into transactions. The Independent Financial Advisor will have to express views on, for example, rationality and benefits, fair pricing and conditions of the transactions. In addition, the Company appointed OptAsia Capital Company Limited, which has been approved by the Securities and Exchange Commission ("SEC") as the Independent Financial Advisor of the Company.

#### 6. Connected transaction

<b>Type of transaction</b>	:	A receipt of financial assistance from a connected person
<b>Details of connected person</b>	:	A major shareholder of the Company, who is Mr. Suthikiati Chirathivat, holding 24.22 percent of the Company's total shares and is the Chairman of the Board of Directors.

**Transaction size** : As at 31 December 2019, the Company and its subsidiary have requested for financial assistance totaling 161 million baht and will request additional financial assistance of 89 million baht while proceed with the disposition of assets. The maximum amount will not exceed 250 million baht and under the same loan conditions.

Transaction size is determined by the principle of 250 million baht times interest rate of 5.25 percent per annum, using hypothesis of 1-year loan from the date of signing the first contract on 27 May 2019 to 31 December 2020, based on MLR (minimum loan rate) of Bangkok Bank Public Company Limited as at 27 May 2019 minus 1.00 percent. It is a call loan without collateral. Maximum interest expense will be 21.0 million baht.

The said transaction is considered as a large-size connected transaction since it is larger than 20 million baht (Incalculable due to the Company has negative net tangible assets) according to the Notification of the Capital Market Supervisory Board No. TorChor. 21/2551, regarding rules on connected transactions provided as transactions relating to assets and services, and the Notification of The Stock Exchange of Thailand regarding disclosure of information and other acts of listed companies relating to connected transactions B.E. 2546 (2003). Therefore, the Company arrange the 2020 Annual General Meeting of Shareholders to seek approval with a total vote 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 will submit the Notice of the shareholders' meeting, Information Memorandum on Disposition of Assets and Connected Transactions, together with the

Opinion of the Independent Financial Advisor to the shareholders at least 14 days prior to the shareholders' meeting date. In addition, the Company appointed OptAsia Capital Company Limited that has been approved by the Securities and Exchange Commission ("SEC") as the Independent Financial Advisor of the Company.

#### 7. Connected person and/or shareholder having interests in the matter and not eligible to vote

Entering into such transactions required approval of not less than three-fourth of total number of the shareholders attending and having voting rights, excluding the votes of shareholders having interests in the matter and not eligible to vote, is as follows:

Name of shareholder having interests in the matter and not eligible to vote	No. of shares held in the Company		Relationship with the counterparty to the transaction
	No. of shares	%	
Mr. Suthikiati Chirathivat	121,096,150	24.22	Counterparty to a connected transaction, which is providing financial assistance

Source: Thailand Securities Depository Co., Ltd. as at 11 March 2020

#### 8. Opinion of the Board of Directors

The Board of Directors, which excluded the directors having interests in the matter, agreed that the Company should enter into the disposal of assets listed above to utilize as working capital, repay debts, and accommodate the needs of cash flow. The Board of Directors also agreed that the Company should request for financial assistance from a connected person due to the Company has negative cash flow and has fully used credit loans from financial institutions, and finding new loan sources is difficult.

#### 9. Opinions by the Audit Committee and/or director significantly different from those by the Board of Directors

– None –

## 10. Information of Bangkok Post Public Company Limited

### 10.1 General Information and details of business operation

Company Name	: Bangkok Post Public Company Limited (“the Company”)
Securities name	: POST
Business type	: Publishing and providing news and information through newspapers and magazines including online channels
Address	: 136 Sunthorn Kosa Road Klong Toey Bangkok 10110
Registered Capital	: 505,000,000 baht, divided into 505,000,000 ordinary shares, at the par value of 1 baht per share
Paid-up Capital	: 500,000,000 baht, divided into 500,000,000 ordinary shares, at the par value of 1 baht per share

### 10.2 Nature of business

Bangkok Post Public Company Limited (“The Company”) is the publisher and provider of news and information of Bangkok Post, Thailand’s oldest English-language daily newspaper, through print and online channels. The Company also produces and publishes the English-language lifestyle magazines GURU and B Magazine; Post Today, a Thai-language online news site, and News Clear, an online video channel dedicated to current affairs and trends. Through its subsidiary, Post International Media Company Limited, the Company publishes and distributes the popular Thai-language editions international magazines comprises Elle Thailand, Elle Men Thailand and Forbes Thailand. Apart from distributing Bangkok Post newspaper the Company also distributes these magazines. The Company also operates digital edition of Cleo Thailand with another subsidiary, Bangkok Post-Bauer Media Company Limited. Moreover, the Company has a majority stake in Mushroom Group Company Limited, a producer of television programming and online content for both domestic and Asian region markets.

Since its founding in 1946, the Company has continuously improved, developed and expanded the business of content production and distribution including organizing events and seminars through various media channels both print and online through strategic initiatives to meet the needs of consumers.

The Company’s missions are to grow and develop business activities with aims to expand readership base and audience in various media platforms. In addition, the Company is committed to be the leading multi-media publisher and distributor in Thailand, based on longstanding position in Thai media industry as ‘the most trusted source of news and features.’

### 10.3 List of first ten shareholders as at 11 March 2020

Name of shareholders	Number of shares	Percentage
1. Mr. Suthikiati Chirathivat	121,096,150	24.22
2. Bangkok Bank Public Company Limited	43,463,480	8.69
3. Mr. Thiradej Chirathivat	42,012,755	8.40
4. Com-Link Company Limited *	42,000,000	8.40
5. Mr. Worachai Bhichanrচিত্র	36,350,960	7.27
6. Mr. Thirayuth Chirathivat	21,245,255	4.25
7. Mrs. Sujittra Mongkolkiti	20,100,860	4.02
8. Vacharaphol Company Limited *	13,911,790	2.78
9. Mr. Ek-Rit Boonpiti	13,426,380	2.69
10. Mr. Thirakiati Chirathivat	13,139,755	2.63
<b>Total</b>	<b>366,747,385</b>	<b>73.35</b>
Other shareholders	133,252,615	26.65
<b>Total shareholders</b>	<b>500,000,000</b>	<b>100.00</b>

Source : Thailand Securities Depository Company Limited

\*With reference to [www.bol.co.th](http://www.bol.co.th), the major shareholders of Com-Link Company Limited is Mr. Santi Bhirom Bhakdi holding 17.50 percent and Ms. Jutiporn Suksriwong holding 14.50 percent. The major shareholders of Vacharaphol Company Limited is Mrs. Yingluck Watcharaphol holding 45.16 percent and Mr. Sarawut Watcharaphol holding 40.23 percent.

### 10.4 The Board of Directors

The Board of Directors comprises 12 directors as follows:

Non-executive Directors	Position
1. Mr. Suthikiati Chirathivat	Chairman of the Board of Directors and Chairman of the Executive Committee
2. Mr. Worachai Bhichanচিত্র	Vice Chairman of the Board of directors, member of the Executive Committee and Chairman of the Nomination and Remuneration Committee
3. Mr. Chatsiri Sophonpanich	Director
4. Mr. Ek-Rit Boonpiti	Director, member of the Executive Committee and member of the Risk Management Committee
5. Mr. Thirakiati Chirathivat	Director, member of the Executive Committee and member of the Risk Management Committee
6. Dr. Siritaj Rojanapruk	Director
7. Dr. Ronnachit Mahattanapreut	Director and member of the Executive Committee

<b>Independent Directors</b>	<b>Position</b>
1. Prof. Dr. Pornchai Chunhachinda	Independent Director and Chairman of the Audit Committee
2. Asst. Prof. Wutisak Lapcharoensap	Independent Director, member the Audit Committee and member of the Nomination and Remuneration Committee
3. Mr. John Thompson	Independent Director and member the Audit Committee
4. Mr. Russell Leighton Kekuewa	Independent Directors and Chairman of the Risk Management Committee
5. Mr. Charoon Intachan	Independent Director and member of the Nomination and Remuneration Committee

## 10.5 Management

Management comprises as follows:

1. Mr. Charoenchai Kittisuwan	Chief Financial Officer and Company Secretary
2. Mr. Chiratas Novatpumin	Acting Chief Operating Officer – Newspaper Business
3. Mr. Soonruth Boonyamanee	Editor - Bangkok Post
4. Mr. Wut Nontarit	Editor - Post Today
5. Mr. Wittanu Chumsuwan	EVP - Human Resources
6. Mrs. Patarika Juttijudata	Internal Audit Director

## 10.6 Connected transaction between year 2019

During the year, the Company and subsidiaries have had significant business transactions with related parties. Such transactions arose in ordinary course of business and were concluded on commercial terms and bases agreed upon between the Company and those related parties. The transfer pricing policy is based on market price or by comparison with other business conductig similar transaction, as follows:

### 10.6.1 Post International Media Company Limited

<b>Nature of business</b>	Publishing, distribution and advertising of Elle Thailand, Elle Men Thailand and Forbes Thailand
<b>Relationship</b>	The Company holds 100% of shares
<b>Transaction</b>	Sale of magazines to the Company worth 5.5 million baht. Interest paid 3.8 million baht for loan from the Company worth 66.0 million baht. Management fee and rental of office space from the Company plus other related charge worth 10.8 million baht.
<b>Transfer Pricing Policy</b>	Fixed rate for intetest on loan and market price for the others



#### 10.6.2 Post IM-Plus Company Limited

Nature of business	Publishing and distribution of magazines
Relationship	The Company holds 49% of shares and Post International Media holds 51% of shares
Transaction	None
Transfer pricing policy	None
Status	<b>Ceased operation</b>

#### 10.6.3 Post News Company Limited

Nature of business	Production of television programming
Relationship	The Company holds 51% of shares
Transaction	Interest paid 0.4 million baht for loan from the Company worth 6.1 million baht
Transfer pricing policy	Fixed rate for interest on loan
Status	<b>Under liquidation</b>

#### 10.6.4 Bangkok Post-Bauer Media Company Limited

Nature of business	Publishing and advertising of CLEO Thailand
Relationship	Post International Media holds 70% of shares
Transaction	Sale of magazines to the Company worth 0.7 million baht. Management fee and rental of office space from the Company plus other related charge worth 1.5 million baht.
Transfer pricing policy	Market price

#### 10.6.5 Flash News Company Limited

Nature of business	Production of radio programming
Relationship	The Company holds 40% of shares
Transaction	None
Transfer pricing policy	None
Status	<b>Ceased operation</b>

#### 10.6.6 Post TV Company Limited

Nature of business	Production of television content and programmes, and rental of studio space
Relationship	Post Holding holds 100% of shares
Transaction	Rental of office space from the Company plus other related charge worth 4.5 million baht. Interest paid 18.9 million baht for loan from the Company worth 332.6 million baht.
Transfer pricing policy	Fixed rate for interest on loan and market price for the others
Status	<b>Ceased operation</b>

#### 10.6.7 Post Holding Company Limited

Nature of business	Investment
Relationship	Post New Media holds 100% of shares
Transaction	None
Transfer pricing policy	None
Status	<b>Ceased operation</b>

#### 10.6.8 Post New Media Company Limited

Nature of business	Investment
Relationship	The Company holds 100% of shares
Transaction	None
Transfer pricing policy	None
Status	<b>Ceased operation</b>

#### 10.6.9 Mushroom Group Company Limited

Nature of business	Production of television programmes and online content
Relationship	The Company holds 51% of shares
Transaction	None
Transfer pricing policy	Market price

11. Summary table on financial statements during the past 4 years from year 2016 - 2019

Summary of financial status and operating results of the Company

Consolidated Financial Statement

(Unit: Million Baht)

	2019		2018		2017		2016	
		% to total assets		% to total assets		% to total assets		% to total assets
<b>Assets</b>								
<b>Current Assets</b>								
Cash and cash equivalents	5.7	0.2	8.8	0.4	12.1	0.5	69.6	3.7
Trade and other receivables	218.8	9.6	388	17.0	394.1	17.7	475.7	18.5
Inventories	13.1	0.6	69.9	3.1	69.9	3.1	54.3	2.1
Other current assets	117.2	5.1	122.0	5.3	114.6	5.2	123.0	4.8
<b>Total current assets</b>	<b>354.8</b>	<b>15.5</b>	<b>588.7</b>	<b>25.8</b>	<b>590.7</b>	<b>26.5</b>	<b>722.6</b>	<b>28.0</b>
<b>Non-current assets</b>								
Restricted bank deposits	-	-	-	-	-	-	10.4	0.5
Investment in joint ventures	7.5	0.3	10.2	0.4	16.8	0.8	23.1	0.9
Property, plant & equipment	1,609.7	70.5	1,450.4	63.5	1,339.9	60.3	1,424.1	55.3
Deferred tax assets	-	-	50.4	2.2	59.3	2.7	89.0	3.5
Other non-current assets	311.9	13.7	184.2	8.1	216.1	9.7	307.6	11.9
<b>Total non-current assets</b>	<b>1,929.1</b>	<b>84.5</b>	<b>1,695.2</b>	<b>74.2</b>	<b>1,632.1</b>	<b>73.5</b>	<b>1,854.2</b>	<b>72.0</b>
<b>Total assets</b>	<b>2,283.9</b>	<b>100.0</b>	<b>2,283.9</b>	<b>100.0</b>	<b>2,222.8</b>	<b>100.0</b>	<b>2,576.8</b>	<b>100.0</b>

Consolidated Financial Statement (cont.)

(Unit: Million Baht)

	2019		2018		2017		2016	
		% to total assets		% to total assets		% to total assets		% to total assets
<b>Liability and equity</b>								
<b>Current liabilities</b>								
Bank overdrafts and short-term loans from financial institutions	981.8	43.0	936.2	41	843.9	38.0	695.6	27
Trade and other payables	46.4	2.0	101.9	4.5	114.8	5.2	157.8	6.1
Short-term loans from non-controlling interests of the subsidiary	5.9	0.3	5.9	0.3	5.9	0.3	5.9	0.2
Short-term loans from director	161.0	7.0	-	-	-	-	-	-
Current portion of long-term loans	99.0	4.3	64.0	2.8	12.5	0.6	192.3	7.4
Accrued expenses	45.2	2.0	66.7	2.9	93.0	4.2	70.0	2.7
Other payables	32.5	1.5	29.7	1.2	37.7	1.5	37.7	1.5
Unearned subscription fee	30.7	1.3	46.2	2.0	51.6	2.3	60.0	2.3
Other current liabilities	29.5	1.3	56.2	2.5	57.0	2.7	65.7	2.5
<b>Total current liabilities</b>	<b>1,432.0</b>	<b>62.7</b>	<b>1,306.8</b>	<b>57.2</b>	<b>1,212.8</b>	<b>54.7</b>	<b>1,285.3</b>	<b>49.9</b>
<b>Non-current liabilities</b>								
Long-term loans, net current portion	201.4	8.8	300.5	13.2	364.5	16.4	275.3	10.7
Deferred tax liabilities	252.4	11.0	188.6	8.3	151.7	6.8	154.7	6.0
Provision for long-term employee benefits	99.6	4.5	84.9	3.7	85.0	3.8	81.6	3.2
<b>Total non-current liabilities</b>	<b>553.4</b>	<b>24.2</b>	<b>574.0</b>	<b>25.2</b>	<b>601.2</b>	<b>27.0</b>	<b>511.6</b>	<b>19.8</b>
<b>Total liabilities</b>	<b>1,985.4</b>	<b>87.0</b>	<b>1,880.8</b>	<b>82.4</b>	<b>1,814.0</b>	<b>81.7</b>	<b>1,769.9</b>	<b>68.7</b>

Consolidated Financial Statement (cont.)

(Unit: Million Baht)

	2019		2018		2017		2016	
		% to total assets		% to total assets		% to total assets		% to total assets
<b>Shareholders' Equity</b>								
Share capital – issued and fully paid-up	500.0	21.9	500.0	21.9	500.0	22.5	500.0	19.4
Retained earnings								
Appropriated – statutory reserve	50.5	2.2	50.5	2.2	50.5	2.3	50.5	1.9
Unappropriated	(1,249.2)	(54.6)	(935.3)	(41.0)	(771.8)	(34.8)	(407.2)	(15.8)
Other components of shareholders' equity	993.9	43.5	735.1	32.2	577.4	26.0	577.3	22.4
Non-controlling interests of the subsidiaries	3.3	-	52.8	2.3	52.7	2.3	59.3	2.3
<b>Total shareholders' equity</b>	<b>298.5</b>	<b>13.0</b>	<b>403.1</b>	<b>17.6</b>	<b>408.8</b>	<b>18.3</b>	<b>779.9</b>	<b>30.3</b>
<b>Total liabilities and shareholders' equity</b>	<b>2,283.9</b>	<b>100</b>	<b>2,283.9</b>	<b>100</b>	<b>2,222.8</b>	<b>100.0</b>	<b>2,576.8</b>	<b>100.0</b>

## Consolidated statement of income

(Unit: Million Baht)

	2019		2018		2017		2016	
		% to total rev.		% to total rev.		% to total rev.		% to total rev.
Revenues								
Sales and services income	800.8	97.7	1,230.0	96.8	1,328.5	97.4	1,803.5	97.3
Other income	14.5	2.3	40.2	3.2	35.7	2.6	50.6	2.7
<b>Total sales and services income</b>	<b>815.3</b>	<b>100.0</b>	<b>1,270.2</b>	<b>100.0</b>	<b>1,364.2</b>	<b>100.0</b>	<b>1,854.1</b>	<b>100.0</b>
Expense								
Cost of sales and services	(748.4)	(91.8)	(991.3)	(78.1)	(1,156.3)	(84.7)	(1,496.2)	(80.7)
Selling and administrative expenses	(334.7)	(41.0)	(367.2)	(28.9)	(491.3)	(36.1)	(554.1)	(29.9)
Loss on impairment of machinery, equipment and spareparts	(103.7)	(12.7)	-	-	-	-	-	-
Loss on impairment of intangible assets	(23.6)	(2.9)	-	-	-	-	-	-
Loss on impairment of goodwill	(62.7)	(7.7)	-	-	-	-	-	-
<b>Total sales and services income</b>	<b>(1,273.1)</b>	<b>(156.1)</b>	<b>(1,358.5)</b>	<b>(106.9)</b>	<b>(1,647.6)</b>	<b>(120.8)</b>	<b>(2,050.3)</b>	<b>(110.5)</b>
Loss before finance cost and income tax expenses	(457.8)	(56.2)	(88.3)	(6.9)	(283.4)	(20.8)	(196.2)	(10.6)
Share of profit (loss) from investment in joint venture	(2.6)	(0.3)	(0.4)	-	2.7	0.2	11.0	0.5
Loss before income tax expenses	(460.5)	(56.5)	(88.7)	(6.9)	(280.7)	(20.6)	(185.2)	(9.9)
Finance costs	(78.6)	(9.6)	(69.7)	(5.5)	(56.1)	(4.1)	(57.3)	(3.0)
Tax expenses	179.9	22.1	(9.2)	(0.7)	(28.5)	(2.1)	25.1	1.3
Total loss for the year	(359.2)	(44.1)	(167.6)	(13.2)	(365.3)	(26.8)	(217.4)	(11.7)
Non-controlling interests	50.4	6.2	0.1	-	(6.5)	(0.5)	(2.1)	(0.1)
Total net loss attributable to equity holders of the Company	(308.8)	(37.9)	(167.7)	(13.2)	(358.8)	(26.3)	(215.3)	(11.3)
<b>Loss per share (baht)</b>	<b>(0.62)</b>	<b>-</b>	<b>(0.34)</b>	<b>-</b>	<b>(0.72)</b>	<b>-</b>	<b>(0.43)</b>	<b>-</b>

\* 500,000,000 paid-up ordinary shares, at the par value of 1 baht per share

## Financial ratio

	2019	2018	2017	2016
<b>1. Liquidity Ratio</b>				
1.1 Current Ratio (times)	0.25	0.45	0.49	0.56
1.2 Quick Ratio (times)	0.24	0.40	0.43	0.52
<b>2. Asset Management Ratio</b>				
2.1 Inventory Turnover (times)	18.92	14.19	18.62	21.81
2.2 Days Sales Outstanding (days)	138.28	116.93	119.49	124.70
2.3 Fixed Asset Turnover (times)	0.50	0.84	0.99	1.27
2.4 Total Asset Turnover (times)	0.35	0.53	0.60	0.70
<b>3. Debt Management Ratio</b>				
3.1 Total Debt to Total Assets	86.93%	82.35%	81.61%	69.73%
3.2 Times Interest Earned (times)	(5.86)	(1.27)	(5.00)	(3.23)
<b>4. Profitability Ratios</b>				
4.1 Profit Margin on Sales	(44.05)%	(13.29)%	(26.78)%	(11.73)%
4.2 Basic Earning Power	(20.16)%	(3.88)%	(12.63)%	(7.19)%
4.3 Return on Assets	(15.73)%	(7.34)%	(16.44)%	(8.44)%
4.4 Return on Equity	(120.36)%	(41.57)%	(89.39)%	(27.88)%

## **Summary of financial position of the Company**

The Company had consolidated net (loss) attributable to equity holders of the Company increased 84.1 percent from 167.7 million baht in year 2018 to 308.8 million baht in year 2019, mainly from operating structural adjustment. In 1Q/2019, the Company ceased print edition of Post Today newspaper and has converted to focus on delivering news and information online, and ceased production and distribution of M2F newspaper. In 2Q/2019, the Company's subsidiaries ceased production of unprofitable magazines comprises Cleo Thailand and Science Illustrated Thailand to reduce costs to suit the Company's situation. In 3Q/2019, the Company stopped printing Bangkok Post newspaper at the Printing and Distribution Center at Bangna and hire Siam Sports Syndicate Public Company Limited to be responsible on that part. For that reason, the Company has recorded employee compensation, impairment of machinery, equipment and spareparts, impairment of intangible assets, impairment of goodwill, and provision for long-term employee benefits totaling 247.9 million baht. If not including the said items, consolidated net loss attributable to equity holders of the Company for year 2019 will be 60.9 million baht or decreased 63.7 percent.

## **Operational analysis**

### **Sales from operation**

Total sales and services income decreased 34.4 percent from 1,220.6 million baht in year 2018 to 800.8 million baht in year 2019, which newspaper revenue decreased 24.3 percent and newspaper advertising revenue decreased 37.6 percent from ceasing production of Post Today and M2F newspaper. Magazine revenue decreased 52.5 percent and revenue from television program production decreased 40.3 percent. The main reason is the economic slowdown, which has led to a decline in advertising spending in print and advertising including changes in media consumption behavior, from print to online.

### **Cost and expenses from operation**

Total costs of sales and services decreased 24.5 percent from 991.3 million baht in year 2018 to 748.4 million baht in year 2019. Selling expenses decreased 5.4 percent from 144.6 million baht in year 2018 to 136.9 million baht in year 2019, as a result of controlling distribution cost of newspaper and magazines to be consistent with sales and services income. Administrative expenses decreased 7.3 percent from 213.3 million baht in year 2018 to 197.9 million baht in year 2019 from an ongoing cost control measures. Finance cost increased 12.9 percent from 69.7 million baht in year 2018 to 78.6 million baht in year 2019 from higher interest rates and loans from director to enabling cash flow.



## **Profitability**

(Loss) before income tax expenses decreased from (13.3) percent in year 2018 to (44.1) percent in year 2019 as the Company and its subsidiaries ceased production of unprofitable newspapers and magazines as aforementioned.

Return on assets decreased from (7.3) percent in year 2018 to (15.7) percent in year 2019 from stopped printing Bangkok Post newspaper at the Printing and Distribution Center at Bangna, which the Company has recorded impairment of machinery, equipment and spareparts totaling 103.8 million baht, led to an increase in (loss) before finance cost and income tax expenses 419.0 percent or 395.7 million baht from (88.7) million baht in year 2018 to (460.5) million baht in year 2019.

Return on equity decreased from (41.6) percent in year 2018 to (120.4) percent in year 2019 due to the Company's (loss) for the year increased (114.3) percent or (191.6) million baht from (167.6) million baht in year 2018 to (359.2) million baht in year 2019.

## **Trade receivables and inventories**

Total trade receivables before allowances for doubtful accounts sales return in year 2019 was 203.4 million baht or 25.4 percent of total trade receivables, decreased 37.3 percent when compared to 324.4 million baht or 26.4 percent of total trade receivables in year 2018.

Trade receivables not yet due in year 2019 was 41.0 million baht or 24.9 percent of total trade receivables, compared to 141.8 million baht, or 46.5 percent of total trade receivables in year 2018.

Trade receivables passed due up to 3 months in year 2019 was 107.2 million baht or 65.1 percent of total trade receivables, compared to 115.9 million baht or 38.1 percent of total trade receivables in year 2018.

Trade receivables passed due from 3 to 6 months in year 2019 was 13.2 million baht or 8.0 percent of total trade receivables, compared to 10.7 million baht or 3.5 percent of total trade receivables in year 2018.

Trade receivables passed due from 6 to 12 months in year 2019 was 7.3 million baht or 4.4 percent of total trade receivables, compared to 21.0 million baht or 6.9 percent of total trade receivables in year 2018.

Trade receivable passed due over 12 months in year 2019 was 34.7 million baht or 21.1 percent of total trade receivable, compared to 35.0 million baht or 11.5 percent of total trade receivables in year 2018.

The majority of the Company's top 50 clients were government agencies and advertising agencies. The Company believed that current provisions were sufficient and the trade receivables net of current provisions would be collectable in the future.

Inventories net of allowance to reduce cost to net realizable value decreased from 69.9 million baht in year 2018 to 13.1 million baht in year 2019. The Company believed that the allowance to reduce cost to net realizable value was sufficient.

### **Assets**

Total current assets decreased 233.9 million baht from 588.7 million baht in year 2018 to 354.8 million baht in year 2019. Total non-current assets increased 233.8 million baht from 1,695.2 million baht in year 2018 to 1,929.1 million baht in year 2019.

### **Financial structure and liquidity**

Total borrowing from banks decreased 18.4 million baht from 1,300.6 million baht in year 2018 to 1,282.3 million baht in year 2019. Long-term loans decreased 64.0 million baht from 364.5 million baht in year 2018 to 300.5 million baht in year 2019. Whereas bank overdrafts and short-term loans increased 45.6 million baht from 936.2 million baht in year 2018 to 981.8 million baht in year 2019. In addition, the Company had directors' loan totaling 161 million baht in year 2019. It is a call loan without collateral with interest rate of 5.25 percent per annum.

The decrease in selling and administrative expenses in relation to sales enable the Company to have the ability to repay long-term loans to financial institutions from 364.5 million baht in year 2018 to 300.5 million baht in year 2019, or decreased 17.6 percent. The debt to equity ratio was 6.65 times, however, interest-bearing debt ratio was 4.84 times.

In addition, the Company was allowed to maintain the financial ratio at a rate higher than prescribed in the loan agreement in respect of the 2019 financial statements.

The Company did not make dividend payment in year 2018 and 2019.

## **Cash flow statement**

Cash flow from (used in) operating activities for year 2018 was (92.9) million baht compared to (146.6) million baht in year 2019. Cash flow from (used in) investing activities for year 2018 was 9.9 million baht compared to 0.8 million baht in year 2019. Cash flow from (used in) financing activities for year 2018 was 79.8 million baht compared to 142.6 million baht in year 2019 from bank overdrafts and short-term loans from financial institutions 45.6 million baht, long-term loans repayment (64.0) million baht and short-term loans from directors 161.0 million baht. Whereas cash and cash equivalents decreased 3.1 million baht or equivalent to 35.5 percent from year 2018.

### **15. Other information that may significantly affect the shareholders' decision**

– None –

### **16. Financial estimates of this year**

– None –

### **17. Pending material lawsuit or claims**

Currently, the Company has no legal disputes which may have an adverse impact upon the Company's assets by more than 5 percent of shareholders' equity and the Company has no legal disputes that have a material adverse impact upon the business operations by the Company.

### **19. Opinion of Independent Financial Advisor**

The Opinion of the Independent Financial Advisor, OptAsia Capital Company Limited, on the Disposition of Assets and the Connected Transaction. (*Attachment 6*)

### **20. Proxy form and list of independent directors proposed by the Company to act as proxies for the shareholders**

Proxy form and details of independent directors proposed by the Company to act as proxies for the shareholders. (*Attachment 8 and 4*)