



บริษัท ดีมีเตอร์ คอร์ปอเรชั่น จำกัด (มหาชน)

Demeter Corporation Public Company Limited

เลขที่ 191/43 อาคารซีทีไอ ทาวเวอร์ ชั้น 21 ถนนรัชดาภิเษก แขวงคลองเตย เขตคลองเตย กรุงเทพฯ 10110

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บมจ.0107537002109

Tel. 0 2204 2601 Fax. 0 2204 2616

DCORP 051/2019

December 16, 2019

Subject: Notification of the Resolution of the Board of Directors Meeting Re: the Investment in N.E.X.T Company Limited (additional)

To: President
Stock Exchange of Thailand

Enclosure: Information Memorandum Regarding the Acquisition of Assets of Demeter Corporation Public Company Limited (Schedule 1)

Demeter Corporation Public Company Limited (the “Company”) would like to inform that the Board of Directors Meeting No.11/2019 held on November 11, 2019 at 13.00 has resolved to approve the investment in the business of in-store audio advertising media (Smart-radio) and event and concert organizing, by investing in N.E.X.T Company Limited (“NEXT”) by acquiring all shares of NEXT’s existing shareholders (the “Seller”) and by the subscription of NEXT’s newly issued shares (collectively, the “Transaction”). The details of the Transaction are as follows;

1. Acquisition of NEXT Ordinary Shares from the Seller

The Company shall acquire 4,750,000 shares at par value of 10 Baht per share, equivalent to 100.00 percent of the total shares of NEXT, from the Seller. The Company shall pay for the share acquisition upon a condition that the payment amount is varied according to the calculation from the earnings before interest and taxes (EBIT) based on NEXT’s operating performance reported in the audited financial statements for the year ended December 31, 2020 (the “Financial Statement”), and the amount shall not exceed 83,000,000 Baht. With the sole discretion of the Company, the payment shall be paid either means as follows:

- (1) by cash within 30 days from the date which the Financial Statement has been completed;
or
- (2) by a private placement of the Company’s newly issued shares offered to the Seller, with the offering price of 1.00 Baht per share, and the number of issuing shares equal to the amount of payment. The Company shall procure the Board of Directors to **consider the Financial Statement and** offering of the private placement of shares within 30 days from



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the date which the Financial Statement has been completed. Then, the Board of Directors shall propose for the Shareholder Meeting to approve and allocate the private placement shares to the Seller accordingly. The Extraordinarily General Meeting is expected to be held within July, 2021. In case that the Company pays by issuing the private placement of the Company's newly issued shares offered to the Seller, the Company shall comply with laws regarding securities and stock exchange including relevant regulations and notifications of the Securities and Exchange Commission and the Board of Governors of the Stock Exchange of Thailand.

In case that the Company pays by issuing the private placement according to (2), the Seller shall be subject to lock-up period for 3 years. Nevertheless, the Seller have the right to sell 25% of shares which has been received per year in the anniversary of year 1 to year 3 from the date of the receipt of share according to (2).

Further, the Seller (whether directly or indirectly, or incorporation with others, or as a principal, agent, shareholder, director, consultant, contractor or any other means), relatives of the Seller shall not conduct any business which is alike or similar to NEXT, or competes or is likely to compete with NEXT, all the time in which the Seller holds the shares received according to (2) more than 50% and for the period of 2 years after the completion of the Transaction.

2. Subscription of NEXT Newly Issued Shares

The Company shall subscribe for NEXT's 5,250,000 newly issued shares at par value of 10 Baht, totaling 52,500,000 Baht, after the share acquisition from the Seller has been completed. The objectives of the capital increase shall be the working capital of NEXT including event and concert organizing.

The Transaction shall be subject to the completion of the conditions precedent under the share purchase agreement. After the Transaction completed, the Company will hold 100.00 percent of shares in NEXT and the paid-up capital of NEXT will be 100.00 million Baht. The Company expected that the share transfer will be completed within January 2020. Nevertheless, the Company shall not have any obligations before the conditions precedent fulfilled by the Seller. The summary of the important conditions precedent are as follows:



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1. the due diligence has been completed and there is no material adverse effect to the Transaction.
2. NEXT has revised the objectives of the company to cover its business operations of NEXT, including the issuance of share certificates and the share registration book.
3. NEXT has negotiated of the debt restructuring with the related person as specified by the Company.
4. NEXT has made the payment under the loan agreement between NEXT and a director dated September 10, 2019 in the amount of 10,000,000 baht including the interest.
5. NEXT has negotiated debt restructuring with its trade creditors as specified by the Company.
6. NEXT has extended the advertising rights agreements for advertising media management with all contract parties, with the terms and conditions not inferior to the original agreements.
7. the Seller and high-level executives of NEXT have entered into agreements with NEXT regarding the restructuring of salary salaries owed by NEXT according to the conditions specified by the Company.
8. the Seller has licensed to use the patent of system to control and manage digital media players via telephone network, which is under the process of registration to NEXT in accordance with the conditions specified by the Company. In this regard, the Seller shall continue to monitor and / or cooperate with the Company until the relevant registration is completed, including but not limited to the registration of the license agreement once the patent has been registered.
9. the Seller and high-level executives of NEXT have entered into employment agreements with NEXT for the period agreed by the parties but not less than 48 months from the completion of the Transaction.
10. any additional conditions precedent according to the due diligence (if any).
11. **Negotiating the accrued salary of senior management and the directors' loan in the amount of 13,5000,000 Baht must have a written agreement to be completed.**

The Transaction constitutes an asset acquisition transaction of the Company pursuant to the Notification of the Capital Market Supervisory Board No. TorChor. 20/2551 Re: Rules on Entering into Material Transactions Deemed as Acquisition or Disposal of Assets and the Notification of the Board of Governors of the Stock Exchange of Thailand Re: Disclosure of Information and Other Acts of Listed Companies Concerning the



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Acquisition and Disposition of Assets, 2004 (collectively, the “Notifications on Acquisition or Disposal”), having the highest transaction value of 22.37 percent calculated based on the Total Value of Consideration basis (in this regard, as there were no other asset acquisition transactions of the Company during the six-month period prior to the date of this transaction), regarding the Consolidated Financial Statement for the 9 months period ended 30 September 2019 of the Company. The Transaction, therefore, is classified as a Class 2 Asset Acquisition Transaction, i.e., a transaction with the value of equivalent to or higher than 15 percent but lower than 50 percent pursuant to the Notifications on Acquisition or Disposal. Thus, the Company is required to disclose an information memorandum on the entering into of the transaction to the Stock Exchange of Thailand (the “Stock Exchange”), and to distribute a letter informing the shareholders of the Transaction within a period of 21 days from the date on which the Transaction is disclosed to the Stock Exchange. The Company and the Seller do not have any relationship pursuant to the Notification of the Capital Market Supervisory Board No. TorChor 21/2551 Re: Rules on Connected Transactions, and the Notification of the Board of Governors of the Stock Exchange of Thailand and the Re: Disclosure of Information and Other Acts of Listed Companies Concerning the Connected Transactions, 2003.

Moreover, to facilitate the processes involved, Managing Director or the person appointed by Board of Directors shall negotiate, enter into agreement, decide, amend the details or conditions, and take any necessary and proper actions including, signing of agreement, memorandum, or other documents, and to contact with relevant government sectors for the benefits of the Company.

Details of the Transaction are appeared in the information memorandum regarding the acquisition of the asset of the Company (Enclosure).

Please be informed accordingly.

Your sincerely,

Demeter Corporation Public Company Limited

(Ms. Sureeporn Udompolvanich)

Directors and Chief Executive Officer



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Information Memorandum

Regarding the Acquisition of Assets of

Demeter Corporation Public Company Limited (Schedule 2)

The Board of Directors Meeting No.11/2019 of Demeter Corporation Public Company Limited (the “Company”), held on November 11 2019, has resolved to approve the investment in N.E.X.T Company Limited (“NEXT”); a company engaging in the business of advertising service on voice media, event and concert organizer, by (1) acquisition of 4,750,000 shares at par value of 10 Baht per share, equivalent to 100.00 percent of the total shares of NEXT, from the existing shareholders of NEXT (the “Seller”). The Company shall pay for the share acquisition upon a condition that the payment amount is varied according to the calculation from the earnings before interest and taxes (EBIT) based on NEXT’s operating performance reported in the audited financial statements for the year ended December 31, 2020 (the “Financial Statement”), and the amount shall not exceed 83,000,000 Baht, and (2) Subscription of 5,250,000 newly issued shares at par value of 10 Baht, totaling 52,500,000 Baht which shall be proceeded after the ownership of the Seller has been transferred to the Company. The highest amount of the investment shall not exceed 135,500,000 Baht (hereinafter the “Transaction”). After the transaction has been completed, the Company will hold 10,000,000 shares in NEXT, equivalent to 100.00 percent of the existing shares of NEXT.

The Transaction constitutes an asset acquisition transaction of the Company pursuant to the Notification of the Capital Market Supervisory Board No. TorChor. 20/2551 Re: Rules on Entering into Material Transactions Deemed as Acquisition or Disposal of Assets and the Notification of the Board of Governors of the Stock Exchange of Thailand Re: Disclosure of Information and Other Acts of Listed Companies Concerning the Acquisition and Disposition of Assets, 2004 (collectively, the “Notifications on Acquisition or Disposal”), having the highest transaction value of 22.37 percent calculated based on the Total Value of Consideration basis (in this regard, as there were no other asset acquisition transactions of the Company during the six-month period prior to the date of this transaction), regarding the Consolidated Financial Statement for the 9 months period ended 30 September 2019 of the Company. The Transaction, therefore, is classified as a Class 2 Asset Acquisition Transaction, i.e., a transaction with the value of equivalent to or higher than 15 percent but lower than 50 percent pursuant to the Notifications on Acquisition or Disposal. Thus, the Company is required to disclose an information memorandum on the entering into of the transaction to the Stock Exchange of Thailand (the “Stock Exchange”), and to distribute a letter informing the shareholders of the Transaction within a period of 21 days from the date on which the Transaction is disclosed to the Stock Exchange. The Company and the Seller do not have any relationship pursuant to the Notification of the Capital Market Supervisory Board No.



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The Company would like to disclose the following information on the entering into the transaction as follows:

1. **Transaction Date**

The Company and NEXT shall enter into a share purchase agreement in relevant to the Transaction (the "Share Purchase Agreement") later. The Transaction shall be completed once the conditions precedent under the Share Purchase Agreement has been fulfilled, including the due diligence has no material adverse effect to the Transaction.

2. **Name of Related Party and its Relationship with the Company**

2.1 Acquisition of NEXT Ordinary Shares from the Seller

Buyer	:	The Company		
Seller	:	1.	Mr. Prethanat Sorat	950,000 shares
		2.	Mr. Krish Detter	950,000 shares
		3.	Mr. Komsan Chetchotisak	950,000 shares
		4.	Mr. Jirapong Rojanavasee	950,000 shares
		5.	Mr. Chodiwat Duntanasan	950,000 shares

Relationship with the Company : There is no relationship and the Seller is not a connected person of the Company

2.2 Subscription of NEXT Newly Issued Shares

Subscriber : The Company

Issuer : NEXT

: Regarding the share purchasing agreement, after the shares of NEXT has been transferred from the existing shareholders to the Company completely, the Company shall proceed to increase the capital and subscription for



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the newly issued shares of NEXT, totaling 5,250,000 shares at par value of 10 Baht.

Relationship with the Company : As of the date which the Board of Directors Meeting resolved to invest in NEXT, the Company does not have any relationship with the Seller. However, the share subscription will be proceeded after the Company received all shares of NEXT of the existing shareholders. Therefore, upon the share subscription date, NEXT will have become the Company's subsidiary.

3. General Characteristics, Type and Value of the Transaction

3.1 Acquisition of NEXT Ordinary Shares from the Seller

The Company shall purchase all ordinary shares of NEXT from the Seller, totaling 4,750,000 shares at par value of 10 Baht, equivalent to 100.00 percent of its paid-up shares. The Company shall pay the Seller upon a condition that the payment amount is varied according to the calculation from the earnings before interest and taxes (EBIT) based on the Financial Statement, and the amount shall not exceed 83,000,000 Baht. The Company shall either pay in cash or issuance of private placement to the Seller upon sole discretion of the Company.

3.2 Subscription of NEXT Newly Issued Shares

After the share transfer the Company shall proceed to increase the registered capital of NEXT from 47,500,000 Baht to 100,000,000 Baht by issuance of 5,250,000 newly issued shares at par value of 10 Baht, totaling 52,500,000 Baht. Thus, the total transaction value is not over than 135,500,000 Baht.

The transaction size can be calculated using methods specified in the Notifications on Acquisition or Disposal, using the information from the Consolidated Financial Statement for the 9 months period ended September 30, 2019 of the Company, as follows:



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Basis	Method	Transaction Size
1. Net Tangible Assets: NTA	$= \frac{\% \text{ of shares acquired} \times \text{NTA of target company} \times 100}{\text{NTA of the Company}}$ <p>*Not applicable since the NTA of NEXT is in negative number</p>	N/A
2. Net Profit	$= \frac{\% \text{ of shares acquired} \times \text{Net profit of target company} \times 100}{\text{Net profit of the Company}}$ <p>* Not applicable since NEXT reported a net loss for the year 2018</p>	N/A
3. Total Value of Consideration	$= \frac{\text{Total value of consideration paid} \times 100}{\text{Total asset value of the Company}}$ $= \frac{135.50 \times 100}{605.61}$ $= 22.37\%$ <p>* based on the Company's consolidated financial statement for 9 months period ended 30 September 2019</p>	22.37%
4. Value of Securities Issued	$= \frac{\text{Number of shares issued} \times 100}{\text{Number of paid-up shares of the Company}}$ <p>* Not applicable since the value of consideration and method of payment shall be determined upon NEXT's operating performance reported in NEXT's financial statement for the year 2020, and shall be paid in the year 2021. The payment can be paid either by cash or by issuance of the Company's newly issued shares.</p>	N/A

In this regard, as there were no other asset acquisition transactions of the Company during the six-month period prior to the date of this Transaction.

Regarding the calculations presented in the table, the highest value of the Transaction is equal to 22.37 percent based on the Total Value of Consideration basis. The transaction is classified as a Class 2 Asset Acquisition Transaction, i.e., a transaction with the value of equivalent to or higher than 15 percent but lower than 50 percent pursuant to the Notifications on Acquisition or Disposal. As a result, the Company is required to disclose an information memorandum on the entering into of the Transaction to the Stock Exchange, and to distribute a



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letter informing the shareholders of the transaction within a period of 21 days from the date on which the Transaction is disclosed to the Stock Exchange. On this regard, the Company and Seller do not have any relationship pursuant to the Notification of the Capital Market Supervisory Board No. TorChor 21/2551 Re: Rules on Connected Transactions, and the Notification of the Board of Governors of the Stock Exchange of Thailand and the Re: Disclosure of Information and Other Acts of Listed Companies Concerning the Connected Transactions, 2003.

4. Details of the Acquired Assets

Acquired Assets : Ordinary shares of NEXT

Number of shares acquired and : All ordinary shares NEXT totaling 4,750,000 shares or 100.00
proportion of shareholding after : percent of paid-up shares
the acquisition

4.1 General Information

Company Name : N.E.X.T Company Limited

Registration Number : 0105548084932

Registration Date : June 29, 2005

Head Office : 21 TST Tower, 12nd floor, Vibhavadi Rangsit Road, Chom
Phom, Chatuchak Bangkok 10900

Paid-up Capital : 47,500,000 Baht

4.2 Nature of Business

NEXT operates a business of in-store radio advertising media (Point of Purchase Radio: POP Radio) in several modern trade stores and convenient stores, and event and concert organizer. The nature of business can be described as follows:

(1) Radio Advertising Media Business

NEXT provides audio advertising service which NEXT was granted the right to broadcast and manage in-store radio from several modern trade stores, hypermarkets, supermarkets and convenient stores such as Big C, Tops, Makro, 7-11 etc. NEXT earned its revenue from selling advertising slots to its target customers including product manufacturers/distributors and advertising agencies who want to advertise their products



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and services via NEXT's media channel. In-store radio and audio advertising service increase consumer awareness and demand on products and services.

(2) Event and Concert Organizing Business

NEXT is an organizer providing organizing services for events, concerts and other marketing activities for product/service owners, who wants to arrange activities to directly approach and create interaction with their target customers to offer products and services. This marketing approach provides more customer interaction and experience with product brands. Moreover, NEXT has been organizing concerts for several artists-- such as Jennifer Kim Diva Chinatown concert, Tata Young My Perfection Concert--while the radio media channel providing direct access to end consumer is advantageous to NEXT as the concert organizer.

4.3 Summary of Financial Status and Performance

The financial statements for the year 2016 – 2018 of NEXT were audited by EY Company Limited. The financial information is summarized as follows:

Financial Position	31 December 2016		31 December 2017		31 December 2018	
	Baht	%	Baht	%	Baht	%
Current Assets	44,546,999	54.56%	44,537,677	58.86%	69,500,449	75.13%
Non-current Assets	37,103,215	45.44%	31,133,738	41.14%	23,004,525	24.87%
Total Assets	81,650,214	100.00%	75,671,415	100.00%	92,504,974	100.00%
Current Liabilities	38,270,324	46.87%	42,272,369	55.86%	113,469,731	122.66%
Non-current Liabilities	2,215,414	2.71%	1,994,300	2.64%	2,810,002	3.04%
Total Liabilities	40,485,738	49.58%	44,266,669	58.50%	116,279,733	125.70%
Paid-up Capital	47,500,000	58.17%	47,500,000	62.77%	47,500,000	51.35%
Retained Profit (Loss)						
Appropriated	750,000	0.92%	750,000	0.99%	750,000	0.81%
Not Appropriated	(7,085,524)	-8.68%	(16,845,254)	-22.26%	(72,024,759)	-77.86%
Total Shareholders' Equity	41,164,476	50.42%	31,404,746	41.50%	(23,774,759)	-25.70%
Total Liabilities and Shareholders' Equity	81,650,214	100.00%	75,671,415	100.00%	92,504,974	100.00%



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Profit and Loss	31 December 2016		31 December 2017		31 December 2018	
	Baht	%	Baht	%	Baht	%
Revenue from Services	130,297,291	100.00%	138,944,933	100.00%	169,292,437	100.00%
Other Revenue	1,104,646	0.85%	2,885,590	2.08%	3,219,889	1.90%
Total Revenue	131,401,937	100.85%	141,830,523	102.08%	172,512,326	101.90%
Cost of Services	80,774,137	61.99%	105,804,161	76.15%	172,290,233	101.77%
Selling and Administrative Expenses	42,617,260	32.71%	44,981,548	32.37%	54,608,687	32.26%
Total Expenses	123,391,397	94.70%	150,785,709	108.52%	226,898,920	134.03%
Financial Expense	(435,600)	-0.33%	(361,461)	-0.26%	(792,911)	-0.47%
Tax	(912,332)	-0.70%	(443,083)	-0.32%	-	0.00%
Net Profit (Loss)	6,662,608	5.11%	(9,759,730)	-7.02%	(55,179,505)	-32.59%

4.4 Shareholder before the Transaction

NEXT has paid-up capital of 47,500,000 Baht, divided into 4,750,000 common shares at par value of 10 Baht, with the following shareholders:

No.	Name	No. of Shares	% of Shares
1	Mr. Prethanat Sorat	950,000	20.00%
2	Mr. Krish Detter	950,000	20.00%
3	Mr. Komsan Chetchotisak	950,000	20.00%
4	Mr. Jirapong Rojanavasee	950,000	20.00%
5	Mr. Chodiwat Duntanasan	950,000	20.00%
	Total	4,750,000	100.00%

4.5 Directors

No.	Name	Position
1	Mr. Prethanat Sorat	Director
2	Mr. Komsan Chetchotisak	Director

After entering into the transaction, the Company shall appoint 2 persons as the Company's representatives holding a position of NEXT's director who are authorized, altogether with the existing directors of NEXT to sign on its behalf.



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5. Total Value of Consideration and Condition of Payment

Total value of consideration of the transaction must not exceed 135,500,000 Baht comprising of; the payment for the existing shares totaling not over than 83,000,000 Baht, and the increase of paid-up capital of NEXT totaling 52,000,000 Baht—which to be proceeded after the share transfer--, under the following conditions:

1. Payment for the Existing Shares

The amount of payment for the existing shares to be paid to the seller is varied based on the earnings before interest and taxes (EBIT) based on NEXT's Financial Statement for the year ended 2020. The calculation can be demonstrated as follows;

NEXT's Y2020 Earnings before Interest and Tax (EBIT)	Payment Amount (Vary according to EBIT)
EBIT \leq 0 – 10.00	0.00 – 14.82
10.00 – 20.00	14.82 – 29.64
20.00 – 30.00	29.64 – 44.46
30.00 – 40.00	44.46 – 59.29
40.00 – 50.00	59.29 – 74.11
50.00 – 60.00	74.11 – 83.00

For example, if NEXT's EBIT in 2020 equals to 10 million Baht, the payment amount for the existing share will be 14.82 million Baht, and if NEXT's EBIT in 2020 equals to 20 million Baht, the payment amount for the existing share will be 29.64 million Baht etc. In case of the earnings before interest and taxes (EBIT) based on the Financial Statement is equal to zero or in negative number, the Company shall not have obligation to pay the Seller. The maximum amount of the payment shall not exceed 83,000,000 Baht

With the sole discretion of the Company, the payment shall be paid either means as follows:

- (1) by cash within 30 days from the date which the Financial Statement has been completed;
- or



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- (2) by a private placement of the Company's newly issued shares offered to the Seller, with the offering price of 1.00 Baht per share, and the number of issuing shares equal to the amount of payment. The Company shall procure the Board of Directors to **consider the Financial Statement and** offering of the private placement of shares within 30 days from the date which the Financial Statement has been completed. **Then, the Board of Directors shall propose for the Shareholder Meeting to approve and allocate the private placement shares to the Seller accordingly. The Extraordinarily General Meeting is expected to be held within July, 2021.** In case that the Company pays by issuing the private placement of the Company's newly issued shares offered to the Seller, the Company shall comply with laws regarding securities and stock exchange including relevant regulations and notifications of the Securities and Exchange Commission and the Board of Governors of the Stock Exchange of Thailand.

In case that the Company pays by issuing the private placement according to (2), the Seller shall be subject to lock-up period for 3 years. Nevertheless, the Seller have the right to sell 25% of shares which has been received per year in the anniversary of year 1 to year 3 from the date of the receipt of share according to (2).

Further, the Seller (whether directly or indirectly, or incorporation with others, or as a principal, agent, shareholder, director, consultant, contractor or any other means), relatives of the Seller shall not conduct any business which is alike or similar to NEXT, or competes or is likely to compete with NEXT, all the time in which the Seller holds the shares received according to (2) more than 50% and for the period of 2 years after the completion of the Transaction.

2. Subscription of NEXT Newly Issued Shares

The Company shall subscribe for NEXT's 5,250,000 newly issued shares at par value of 10 Baht, totaling 52,500,000 Baht, after the share acquisition from the Seller has been completed. The objectives of the capital increase shall be the working capital of NEXT including event and concert organizing.



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6. Total Value of the Acquired Asset and the Basis Used to Determine the Total Value of Consideration

The total value of consideration was determined from the negotiation between the Company and the Seller, which the highest value of consideration is not exceed 135,500,000 Baht comprising of; the capital increase of NEXT 52,500,000 Baht, and the payment for the Seller to be paid to the Seller—who is the shareholders and the management of NEXT--, which is varied depending on NEXT's operation performance in 2020 as previously described, and shall not exceed 83,000,000 Baht.

Though NEXT had been facing with a loss for consecutive years, from 2018 onward, NEXT has been receiving income from the new business; an event and concert organizing business, which it benefits from its current customer base in the in-store media business, As a result, NEXT's income increased by 22 percent from the previous year. However, the increase of income is not enough to cover the expense and NEXT reported net loss of 55.18 million Baht and (34.49) million Baht of shareholders' equity. In 2019, there was a growth in the event and concert organizing business and NEXT's revenue for the first 7 months was 107.02 million Baht, which equaled to 62 percent of its income in 2018.

To ensure that the valuation of NEXT represents its appropriate value of firm, on this regard, the Company has appointed Silom Advisory Co., Ltd to act as financial advisor ("the Financial Advisor") to perform the valuation of NEXT. The financial advisor has worked during September 2019 and performed valuation of NEXT for the period of the last 5 months of 2019 and the year 2020-2024, based on NEXT's internal financial statement for the period ended 31 July 2019, previous operating performance, and information from the interview with the management of NEXT. The Financial Advisor assumed that NEXT will increase its paid-up capital to 100,000,000 Baht, and will continuously operate its existing business without any significant change, under the same economic conditions and circumstance.

The Financial Advisor suggested that the valuation based on the Discounted Cash Flow approach (DCF) was the most appropriate method to consider NEXT's corporate value as NEXT currently has negative shareholders' equity. The valuation approach considers several factors including historical and current business performance of a company, future economic trend, profitability of the company, projected costs and expenses, and future cash flows generated from the business. Thus, share value evaluated by the approach should reflect the fair value of NEXT. Using the Discounted Cash Flow approach, NEXT's corporate value as of 31 December 2019 was 93,720,000 Baht.



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7. Expected Benefits to the Company

As the Company invests in NEXT, it will immediately benefit from earnings from radio media and organizing business, without having to invest its time and effort to start the business. Moreover, the Company shall benefit from NEXT's capability and the rights to broadcast radio advertising in several hypermarkets, supermarkets and convenient stores, as well as NEXT's customer base, which will expand the existing businesses of the Company. In addition, with several years of experience in advertising media, and event and concert organizing business of the management of NEXT, the Company can strengthen its media business.

The Company can limit its investment risk according to the conditions of payment; which indicates that the Company shall invest 52,500,000 Baht in NEXT's paid-up capital while the payment for the Seller who are NEXT's current shareholders shall be paid later based on NEXT's Y2020 operating result (as previously mentioned in No. 5); and the conditions of the Transaction (to be explained in No.8). Moreover, after the Transaction has been completed, the Company will have full control of NEXT allowing it to manage resource sharing to increase efficiency in cost management, which will show the result in the Company's performance.

8. Conditions of the Transaction

8.1 Conditions to Enter into the Transaction

The Transaction shall be subject to the conditions precedent. Nevertheless, the Company shall not have any obligation before the conditions precedent fulfilled by the Seller. The summary of the important conditions precedent are as follows:

1. the due diligence has been completed and there is no material adverse effect to the Transaction.
2. NEXT has revised the objectives of the company to cover its business operations of NEXT, including the issuance of share certificates and the share registration book.
3. NEXT has negotiated of the debt restructuring with the related person as specified by the Company.
4. NEXT has made the payment under the loan agreement between NEXT and a director dated September 10, 2019 in the amount of 10,000,000 baht including the interest.



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5. NEXT has negotiated debt restructuring with its trade creditors as specified by the Company.
6. NEXT has extended the advertising rights agreements for advertising media management with all contract parties, with the terms and conditions not inferior to the original agreements.
7. the Seller and high-level executives of NEXT have entered into agreements with NEXT regarding the restructuring of salary salaries owed by NEXT according to the conditions specified by the Company.
8. the Seller has licensed to use the patent of system to control and manage digital media players via telephone network, which is under the process of registration to NEXT in accordance with the conditions specified by the Company. In this regard, the Seller shall continue to monitor and / or cooperate with the Company until the relevant registration is completed, including but not limited to the registration of the license agreement once the patent has been registered.
9. the Seller and high-level executives of NEXT have entered into employment agreements with NEXT for the period agreed by the parties but not less than 48 months from the completion of the Transaction.
10. any additional conditions precedent according to the due diligence (if any).
11. Negotiating the accrued salary of senior management and the directors' loan in the amount of 13,500,000 Baht must have a written agreement to be completed.

8.2 Conditions of Payment

The Company shall pay to the Seller according to a condition that the payment amount is varied according to the calculation from the earnings before interest and taxes (EBIT) based on the Financial Statement, and the amount shall not exceed 83,000,000 Baht and in case that the earnings before interest and taxes (EBIT) reported in the Financial Statement is negative, the Company shall not have obligation to pay the Seller.

9. **Opinion of the Board of Directors on the entering into the transaction**

The Board of Directors of the Company is of the opinion that the acquisition of shares is reasonable and benefitting the Company and its shareholders in accordance with the reasons stipulated in Clause



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9. Moreover, such Transaction will also continuously generate a return on investment, profit, growth of assets, profits and cash flow to the Company and shareholders in a long-term period.
10. Opinion of the Audit Committee or directors of the Company which are different from those of the Board of Directors

All 3 audit committees do not have different opinion from the Board of Directors' opinion.

The Company certifies the true content of this information memorandum.

Please be informed accordingly.

Your sincerely,

Demeter Corporation Public Company Limited

(Ms. Sureeporn Udompolvanich)

Directors and Chief Executive Officer