

RS GROUP

RS.SET 07/2566

RS Public Company Limited

27 RS Group Bldg., Prasert-Manukitch Rd.
Sena Nikhom, Chatuchak, Bangkok 10900, Thailand

02 037 8888 | www.rs.co.th

30 June 2023

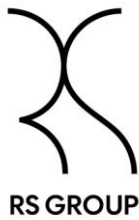
Re: Notification of Resolutions of the Board of Directors Meeting Regarding the Disposal of Assets

Attention: President of the Stock Exchange of Thailand

Enclosures: Information Memorandum of RS Public Company Regarding the Disposal of Assets

RS Public Company Limited ("**the Company**") would like to inform you that Board of Directors Meeting No. 4/2023, held on 30 June 2023, resolved to approve the internal restructuring by the Company, whereby the strategic investor, which is Universal Music Group, and/or its affiliates (the "**Purchaser**"), will be involved in the investment, and the Company will transfer its assets in connection with rights, including intellectual property rights in relation to music owned by the Company and/or its affiliates, or over which the Company or its affiliate has the right to control; rights, entitlements, and other interest (including rights and other benefits regarding the aforementioned rights, title, and other interest worldwide, whether they now exist or will exist in the future,) in connection with sound recordings (including soundtracks), audio-visual recordings (including music videos and motion pictures, lyrics and compositions (typically known as publishing rights), photographs and images, artworks, and designs); rights to artist agreements (including recording agreements, but not including management agreements); and rights under acquisition and license agreements (including repertoire license agreements and production contracts), together with the physical medium embodying the relevant materials, that are owned and/or controlled by the Company and/or its affiliates (collectively referred to as the "**Music Catalogs**") to a limited liability subsidiary that will be newly established by the Company, at the market price ("**New Co**"). The Company will hold 100 percent of the total issued and sold shares of New Co, and will sell 70 percent of the total issued and sold shares of New Co to the Purchaser, at a total transaction value of USD 45.5 million, or THB 1,613.8 million¹, and may receive additional consideration from the Purchaser of up to USD 4.9 million, or equivalent to THB 173.8 million, with the terms and conditions to be mutually agreed by the parties (the "**Transaction of Disposing of Investment in the Subsidiary**"). The board of directors meeting also resolved to approve the execution of agreements regarding the Transaction of Disposing of Investment in the Subsidiary, with conditions precedent (the "**Relevant Agreements**"). Following the Transaction of Disposing of Investment in the Subsidiary, the Company will hold 30 percent of total issued and sold shares of New Co, which results in New Co ceasing to be a subsidiary of the Company.

¹ The exchange rate is based on the exchange rate of the Bank of Thailand as of 29 June 2023.



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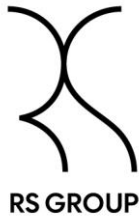
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The Transaction of Disposing of Investment in the Subsidiary process can be summarized below.

- (1) The Company will establish New Co as a subsidiary, in which the Company will hold 100 percent of the total issued and sold shares. The establishment is considered as the acquisition of assets by the company, under the Notification of the Capital Market Supervisory Board No. Tor Jor. 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 SET re: Disclosure of Information and Other Acts of Listed Companies Concerning the Acquisition or Disposal of Assets, B.E. 2547 (2004), as amended (collectively referred to as the **'Notifications on Acquisition or Disposal of Assets'**). Based on the transaction size calculation criteria, as per the Company's consolidated financial statements for quarter 1/2023, ending 31 March 2023, the establishment constitutes the highest transaction size calculated on the consideration paid basis. Together with other asset acquisitions in the previous six months, the combined value is lower than 15.00 percent. Therefore, the Company is not obliged to comply with the provisions in the Notifications on Acquisition or Disposal of Assets.

In this regards, the Company will further disclose information with respect to the establishment of New Co, a subsidiary of the Company, in accordance with the relevant laws and regulations.

- (2) Next, New Co will increase its registered capital through the sale of its newly issued shares to the Company, as the existing shareholder, pro rata to the Company's shareholding. Then, the Company will sell the Music Catalogs to New Co for use by the Company and the Purchaser, which will make a joint investment in New Co, as per the details provided hereafter.
- (3) Once New Co has completed its increase of authorized capital and share allocation, the Company will begin the Transaction of Disposing of Investment in the Subsidiary, whereby the Company sell 70 percent of the total issued and sold shares of New Co to the Purchaser, at a total transaction value of USD 45.5 million, or THB 1,613.8 million, and may receive additional consideration from the Purchaser of up to USD 4.9 million, or equivalent to THB 173.8 million, with the terms and conditions to be mutually agreed by the parties. This Transaction of Disposing of Investment in the Subsidiary is considered as the disposal of an asset by the Company under the Notifications on Acquisition or Disposal of Assets. According to the Company's consolidated financial statements for quarter 1/2023, ending 31 March 2023, the sale of the shares constitutes the highest transaction size calculated on the consideration paid basis equivalent to 23.8 percent. Together with other asset disposals in the previous six months, the combined value is 23.8 percent, which can be considered as the disposal of a type 2 asset, under the Notifications on Acquisition or Disposal of Assets, for a transaction of the value equivalent to 15 percent and above, but lower than 50 percent. Therefore, the Company must disclose the information memorandum of its transaction to the Stock Exchange of Thailand (the **'SET'**), and send a notice to its shareholders within 21 days after the date of its disclosure to the SET.



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Initially, the Company expects the Transaction of Disposing of Investment in the Subsidiary to be completed by quarter 3/2023. However, the Transaction of Disposing of Investment in the Subsidiary will only take place once the conditions precedent have been fulfilled.

The Transaction of Disposing of Investment in the Subsidiary is not considered as a connected transaction, as the counterparty is not a connected person under the Notification of the Capital Market Supervisory Board No. Tor Jor. 21/2551 re: Rules on Connected Transactions, and the Notification of the Board of Governors of the SET re: Disclosure of Information and Other Acts of Listed Companies Concerning Connected Transactions, B.E. 2546 (2003), as amended (collectively referred to as the "**Notifications on Connected Transactions**"). Therefore, the Company is not obliged to comply with the provisions in the Notifications on Connected Transactions.

The board of directors meeting also resolved to approve the delegation of authority to the Company's board of directors and/or chief executive officer; and/or the person designated by the Company's board of directors and/or chief executive officer to:

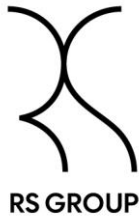
- (1) consider, determine, and/or amend any details that are relevant to, and necessary for, the Transaction of Disposing of Investment in the Subsidiary; and to engage in any activities that are relevant to the Company's internal restructuring, as appropriate, to the extent permissible under applicable notifications, regulations, or laws;
- (2) communicate and negotiate on, enter into, and amend agreements, application documents, notices, and evidentiary materials that are necessary for, and relevant to, the Transaction of Disposing of Investment in the Subsidiary and the Company's internal restructuring; and
- (3) engage in any necessary and relevant activities to ensure the successful Transaction of Disposing of Investment in the Subsidiary and the successful internal restructuring and funding of the Company; and to designate another suitable person to act as his or her substitute attorney to perform the aforementioned acts.

This is for your information.

Yours sincerely,

-signed-

(Mr. Wittawat Wetchabutsakorn)
Director and Chief Financial Officer
Authorized person to disclose information



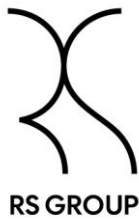
Information Memorandum of RS Public Company Limited

Regarding the Disposal of Assets

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The Transaction of Disposing of Investment in the Subsidiary process can be summarized below.

- (1) The Company will establish New Co as a subsidiary, in which the Company will hold 100 percent of the total issued and sold shares. The establishment is considered as the acquisition of assets by the company, under the Notification of the Capital Market Supervisory Board No. Tor Jor. 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 SET re: Disclosure of Information and Other Acts of Listed Companies Concerning the Acquisition or Disposal of Assets, B.E. 2547 (2004), as amended (collectively referred to as the "**Notifications on Acquisition or Disposal of**



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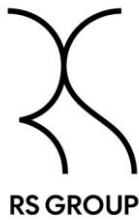
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- Assets**). Based on the transaction size calculation criteria, as per the Company's consolidated financial statements for quarter 1/2023, ending 31 March 2023, the establishment constitutes the highest transaction size calculated on the consideration paid basis. Together with other asset acquisitions in the previous six months, the combined value is lower than 15.00 percent. Therefore, the Company is not obliged to comply with the provisions in the Notifications on Acquisition or Disposal of Assets.
- (2) Next, New Co will increase its registered capital through the sale of its newly issued shares to the Company, as the existing shareholder, pro rata to the Company's shareholding. Then, the Company will sell the Music Catalogs to New Co for use by the Company and the Purchaser, which will make a joint investment in New Co, as per the details provided hereafter.
 - (3) Once New Co has completed its increase of authorized capital and share allocation, the Company will begin the Transaction of Disposing of Investment in the Subsidiary, whereby the Company sell 70 percent of the total issued and sold shares of New Co to the Purchaser, at a total transaction value of USD 45.5 million, or THB 1,613.8 million, and may receive additional consideration from the Purchaser of up to USD 4.9 million, or equivalent to THB 173.8 million, with the terms and conditions to be mutually agreed by the parties. This Transaction of Disposing of Investment in the Subsidiary is considered as the disposal of an asset by the Company under the Notifications on Acquisition or Disposal of Assets. According to the Company's consolidated financial statements for quarter 1/2023, ending 31 March 2023, the sale of the shares constitutes the highest transaction size calculated on the consideration paid basis equivalent to 23.8 percent. Together with other asset disposals in the previous six months, the combined value is 23.8 percent, which can be considered as the disposal of a type 2 asset, under the Notifications on Acquisition or Disposal of Assets, for a transaction of the value equivalent to 15 percent and above, but lower than 50 percent. Therefore, the Company must disclose the information memorandum of its transaction to the Stock Exchange of Thailand (the "SET"), and send a notice to its shareholders within 21 days after the date of its disclosure to the SET.

Initially, the Company expects the Transaction of Disposing of Investment in the Subsidiary to be completed the quarter 3/2023. However, the Transaction of Disposing of Investment in the Subsidiary will only take place once the conditions precedent have been fulfilled.

The Transaction of Disposing of Investment in the Subsidiary is not considered as a connected transaction, as the counterparty is not a connected person under the Notification of the Capital Market Supervisory Board No. Tor Jor. 21/2551 re: Rules on Connected Transactions, and the Notification of the Board of Governors of the SET re: Disclosure of Information and Other Acts of Listed Companies Concerning Connected Transactions, B.E. 2546 (2003), as amended (collectively referred to as the "**Notifications on Connected Transactions**"). Therefore, the Company is not obliged to comply with the provisions in the Notifications on Connected Transactions.



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1. Date of transaction

After the Board of Directors' Meeting No. 4/2023, which was held on 30 June 2023, resolved to approve the Transaction of Disposing of Investment in the Subsidiary, the Company expects to complete its signing of the Relevant Agreements within August 2023. However, the Transaction of Disposing of Investment in the Subsidiary will only begin once the conditions precedent have been fulfilled. The Company expects the Transaction to be completed by the third quarter of 2023.

2. Relevant party and its relationship with the Company

Purchaser Universal Music Group, and/or its affiliates
Seller RS Public Company Limited and/or its affiliates
Relationship The Purchaser is not a connected person with the Company under the Notifications on Connected Transactions. Therefore, this Transaction cannot be considered as a connected transaction under the Notifications on Connected Transactions.

3. General characteristics of the Transaction

3.1. General characteristics

Following the completion of the Company's internal restructuring, as per the details provided above, the Company will sell 70 percent of the total issued and sold shares of New Co to the Purchaser for a total transaction value of USD 45.5 million, or THB 1,613.8 million, and may receive additional consideration from the Purchaser of up to USD 4.9 million, or equivalent to THB 173.8 million, with the terms and conditions to be mutually agreed by the parties. The price has been agreed upon between the Company, as the Seller, and the Purchaser, subject to the terms and conditions under the Relevant Agreements. Following the Transaction of Disposing of Investment in the Subsidiary, the Company will hold 30 percent of the total issued and sold shares of New Co, which results in New Co ceasing to be a subsidiary of the Company.

3.2. Type and size of the Transaction

The Transaction of Disposing of Investment in the Subsidiary can be considered as the disposal of assets under the Notifications on Acquisition or Disposal of Assets. The Purchaser must pay consideration under the Relevant Agreements, in total of USD 45.5 million, or THB 1,613.8 million. The Company may receive additional consideration from the Purchaser of up to USD 4.9 million, or equivalent to THB 173.8 million, with the terms and conditions to be mutually agreed by the parties. Therefore, according to the Company's consolidated financial statements for quarter 1/2023 ending 31 March 2023, the Transaction constitutes the highest transaction size calculated on the consideration paid basis



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equivalent to 23.8 percent. Together with other asset disposals in the previous six months, the combined value calculated on the consideration paid basis is 23.8 percent. The transaction value can be calculated using several methods, as detailed below.

1. Net tangible asset (NTA) method

Transaction size

$$= \frac{\text{NTA* of the investment in New Co} \times \text{proportion to be disposed of} \times 100}{\text{NTA* of the Company}}$$

* NTA = total assets - total intangible assets - total liability - any non-controlling interest

The calculation is impossible because as of the date of the request for approval, the establishment of New Co is still underway.

2. Net operating profit method

Transaction size

$$= \frac{\text{Net operating profit regarding investment in New Co} \times \text{proportion to be disposed of} \times 100}{\text{Net operating profit of the Company}}$$

The calculation is impossible because as of the date of the request for approval, the establishment of New Co is still underway.

3. Total consideration value method

Transaction size

$$= \frac{\text{Receivable transaction value} \times 100}{\text{Total assets of the Company}}$$

$$= \frac{1,787,647,680 \times 100}{7,495,505,808}$$

$$= 23.8 \text{ percent}$$

4. Valuation of capital stocks as consideration

Transaction size

$$= \frac{\text{Number of capital stocks issued by the Company as consideration for assets} \times 100}{\text{Number of issued and paid-up shares of the Company}}$$

The calculation is impossible because the Company has issued no capital stock as consideration for the assets.

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Summary of the calculation of the Transaction of Disposing of Investment in the Subsidiary

Calculation method	Transaction size
1. Net tangible asset (NTA) method	Incalculable
2. Net operating profit method	Incalculable
3. Total consideration value method	23.8 percent
4. Valuation of capital stocks as consideration	Incalculable

Together with other asset disposals in the previous six months, the combined value (calculated using the total consideration value method) is 23.8 percent, which can be considered as the disposal of a type 2 asset under the Notifications on Acquisition or Disposal of Assets, for a transaction with a value equivalent to 15 percent or higher, but lower than 50 percent. Therefore, the Company must disclose the information memorandum of the transaction to the SET, and send a notice to its shareholders within 21 days after the date of its disclosure to the SET.

4. Description of assets to be disposed of

4.1 Assets to be disposed of

The Company wishes to sell 70 percent of the total issued and sold shares of New Co for a total transaction value of USD 45.5 million, or THB 1,613.8 million, and may receive additional consideration from the Purchaser of up to USD 4.9 million, or equivalent to THB 173.8 million, with the terms and conditions to be mutually agreed by the parties.

4.2 General information about New Co

New Co will be a subsidiary to be newly established by the Company, with limited liability. Before the Transaction, the Company will hold 100 percent of the total shares issued and sold of New Co. After the disposal, the number of New Co shares to be held by the Company will hold 30 percent of the total shares issued and sold of New Co.



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5. Total value of disposed assets

As the establishment of New Co is still underway, it has no book value.

Following the establishment of New Co, the Company wishes to sell 70 percent of the total issued and sold shares of New Co for a total transaction value of USD 45.5 million, or THB 1,613.8 million, and may receive additional consideration from the Purchaser of up to USD 4.9 million, or equivalent to THB 173.8 million, with the terms and conditions to be mutually agreed by the parties.

6. Total value of consideration and payment terms

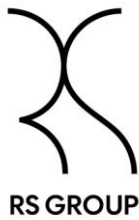
The total sale and purchase price for the 70 percent of New Co shares is USD 45.5 million, or THB 1,613.8 million, and the Company may receive additional consideration from the Purchaser of up to USD 4.9 million, or equivalent to THB 173.8 million, with the terms and conditions to be mutually agreed by the parties. These prices have been mutually agreed upon between the Company, as the Seller, and the Purchaser, subject to the terms and conditions under the Relevant Agreements. The Seller will transfer its shares in New Co to the Purchaser once the conditions precedent, as contemplated in the Relevant Agreements, have been fulfilled and the Purchaser has paid the sale and purchase price to the Seller.

7. Criteria for determination of the value of consideration

The price is mutually agreed upon between the Company, as the Seller, and the Purchaser, subject to the terms and conditions under the Relevant Agreements.

8. Expected benefits of the Transaction for the Company

1. More cash will be available for the Company for the purpose of expanding the businesses of the Company's group. This will boost the Company's competitiveness and operating growth in the long term.
2. The Company will be able to expand its music-related businesses to overseas markets. These businesses include the development of content and artists, and the arrangement of activities, in collaboration with its business partners, who possess world-class expertise.
3. Online channels will drive growth in income, due to collaboration with, and resources from, its partners.



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9. Spending plan regarding proceeds from the disposal

The Company plans to use the proceeds obtained through the disposal of its investment in New Co to improve liquidity and provide circulating funds for its business operations. These proceeds will also provide the Company with financial sources for its expansion and approach to other potential businesses in the future.

10. Opinions of the Company's board of directors on the approved transaction

The Board of Directors' Meeting No. 4/2023 considered the information presented by the management, financial advisors, and legal advisors, and was of the opinion that the Transaction of Disposing of Investment in the Subsidiary to the Purchaser is reasonable, appropriate, and in line with the Company's policies, and will generate maximum benefits for the Company and its shareholders. The Board of Directors' Meeting also believed that the sale and purchase price under the Transaction of Disposing of Investment in the Subsidiary is reasonable and in line with the Company's business plan, and will cause no substantial adverse effects on its total income and expenses, or the total income and expenses of its subsidiaries.

11. Opinions of the audit committee or individual directors, if different from the opinions of the Company's board of directors

After consideration, the audit committee had no different or inconsistent opinion from the opinions of Company's board of directors, as provided in item 10 above.