



(TRANSLATION)

Minutes of the Annual General Shareholder Meeting of 2019

Of

BEC World Public Company Limited

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Time and Place

The Meeting was held on Friday, 26 April 2019, at 2.00 p.m., at the Kanyalak Room, 3<sup>rd</sup> Floor, The Four Wings Hotel, 40 Sukhumvit Soi 26, Khlong Toei Sub-District, Khlong Toei District, Bangkok, THAILAND, 10110. Mr. Somchai Boonnamsiri, Independent Director, Chairman of the Board and the Chairman of the Audit Committee, served as the Chairman of the Meeting.

The Chairman stated that there were 88 shareholders present in person, representing 899,515,361 shares, and 142 represented through proxies, representing 504,800,015 shares, i.e. a total of 1,404,315,376 shares or about 70.22% of the issued shares, and thereby a quorum was constituted pursuant to **Articles of Association (“AOA”)** of the Company. Therefore, the Chairman stated that the general shareholders meeting of 2019 was convened.

However, after the Chairman of the Meeting stated that the Meeting was convened, thereafter some shareholders joining the Meeting. Finally, there were a total of 314 shareholders attending the Meeting, comprising of 145 shareholders in person, representing 921,688,133 shares and 169 represented through proxies, representing 505,893,018 shares, i.e. a total of 1,427,581,151 shares, equivalent to 71.38% of the total issued shares. Therefore, for completeness and correctness, this Minute of the Annual General Shareholder Meeting will present the votes as actually registered for each agenda.

The Chairman introduced the Directors of the Company, attending the Meeting as follows:

- 1) Mr. Prachum Maleenont Vice-Chairman of the Board and Chairman of the Executive Committee
- 2) Mr. Somprasong Boonyachai Non-Executive Director and Chairman of the Corporate Governance Committee
- 3) Mr. Ariya Banomyong Executive Director and President
- 4) Miss Ratana Maleenont Executive Director and Member of the Nomination and Remuneration Committee
- 5) Miss Amphorn Maleenont Executive Director
- 6) Mrs. Ratchanee Nipatkusol Executive Director and Member of the Corporate Governance Committee
- 7) Miss Nipa Maleenont Non-Executive Director
- 8) Mr. Prathan Rangsimaporn Independent Director, Member of the Audit Committee and Chairman of the Nomination and Remuneration Committee
- 9) Mr. Manit Boonprakob Independent Director, Member of the Audit Committee, Member of the Nomination and Remuneration Committee and Member of the Risk Management Committee
- 10) Mr. Chansak Fuangfu Independent Director and Chairman of the Risk Management Committee



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| 11) Mr. Matthew Kichodhan | Non-Executive Director   |
| 12) Mr. Tospol Maleenont  | Non-Executive Director, Member of the Corporate Governance Committee and Member of Risk Management Committee |

The total number of directors attending the Meeting are 13 directors out of the current 13 directors, i.e. all directors attended the Meeting.

The executive officers of the Company attending the Meeting are as follows:

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|----------------------------------|---------------------------------|
| 1) Mr. Piriyaudit Choophungart   | Chef Financial Officer          |
| 2) Mr. Subundit Suwannop         | Deputy Chief Operating Officer  |
| 3) Mr. Nopphadol Khemayotin      | Chief Investment Officer        |
| 4) Mr. Charkrit Direkwattanachai | Chief Corporate Affairs Officer |

Mr. Chatchai Thiamtong, acting as Secretary of the Board of Directors, Secretary of the Audit Committee, and Secretary of the Nomination and Remuneration Committee, was the assistant of the Chairman in convening this Meeting.

Also attending the Meeting were Dr. Virach Aphimeteetamrong, an auditor from Dr. Virach and Associates Office and Mr. Paiboon Amonpinyokeat, a legal consultant from P&P Law Firm.

Before the Meeting was convened, the Chairman assigned the Secretary of Board of Directors ("**Secretary**") to inform the Meeting about all procedures in making queries, sharing opinions and exercising their voting rights. In this regard, the Secretary informed that in order to enable the meeting to be efficient, we would like to ask for cooperation from the shareholders who wish ask or propose their opinion to use the microphone, provided by the Company, and state their names and the amount of shares held, (the names and the amount of shares held of the grantor, in case of proxy) to the Meeting Any shareholder, who was uncomfortable asking a question publicly, might send a question in writing to the Company's officer (wearing yellow uniform with a sticker), in order that the Minutes of such Meeting shall be properly recorded. In addition, we would ask for cooperation from the shareholders to ask the question which was related to the Meeting agenda. If any questions were not relevant to the Meeting agenda, the Directors and Management would proceed the meeting in other agenda specified in the Invitation Letter for Shareholder Meeting, and answer the questions after the Meeting, therefore, it would not disturb other shareholders.

In exercising the voting right in each agenda, the shareholder has one vote per share. In this regard, the Company prepared voting cards for the agenda for consideration only, and gave such voting cards to shareholders upon his/her registration for attending the Meeting. The shareholders were entitled to vote by marking a sign in voting card which is either approval, disapproval or abstain. The vote of each shareholders could not be divided, except the vote from Custodian, using the proxy form C. Furthermore, the Company applied the bar code system for supporting the registration and vote counting.

For proxies using the proxy form B and form C and Custodian, whose grantor has already specified the intention to vote in any agenda, the registration officer will record such votes into the system as specified in the proxy upon the registration. Furthermore, to enable the meeting to be efficient, in counting votes, the Company will only count rejection votes and abstention votes, which would leave the rest of the votes as approving votes.

In counting votes to resolve each agenda, to expedite the procedure if there was no shareholder or proxy objecting or having a different opinion from that of the Board of Directors, it should be deemed that the Meeting agreed or approved the matter as proposed by the Board of Directors. Any shareholder or proxy who wished to



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cast vote for not approving or abstain from voting should mark a sign on the voting card and give the said card to the Company's officer for counting.

In order to record the Minutes of the Meeting accurately, the voting card should be returned to the Company after the Meeting was closed by placing the voting card on the table to enable the Company to verify the voting cards.

In case the shareholder or proxy holder attending the Meeting failed to specify his/her intention, whether disapproval or abstain from voting, and failed to return the voting card to the Company, it shall be deemed that he/she approved such agenda.

If the shareholders, attending the meeting by themselves, or proxies who received the right from the grantor to consider and cast the vote as they deemed appropriate, wished to leave the meeting before the meeting was closed, and wished to cast the vote for disapproval or abstain in advance, we would ask for cooperation from such shareholders or proxies to inform the Company's staffs before leaving.

In exercising the voting right in each agenda, it shall be resolved by the majority vote of the shareholders who attended the meeting and was entitled to vote, except for the agenda for considering the remuneration of the directors, it shall be resolved by the approval vote not less than two - third of the vote from shareholders who attended the meeting and was entitled to vote. In this regard, all shareholders were entitled to cast their vote in each agenda. The announcement of result of each agenda shall be specified the number of approval vote, disapproval vote, abstention vote and void ballot number.

Afterwards, the Secretary requested Mr. Kittisak Akarasirisombat, the representative from Dr. Virach and Associates Co., Ltd. to be the inspector of the vote counting to be transparent and in accordance with the law and the Company's AOA. The Secretary also requested Miss Siriwan Jiamjaipaiboon to give the related legal opinion to the Meeting. In addition, to ensure that the vote-counting procedure was carried on properly, the Secretary requested one of shareholders to witness such vote-counting procedure.

In this regard, Mr. Nitiwat Chanyarayachon, the shareholder, volunteered to be the witness in vote counting. In addition, Miss Kodchakorn Namkiatsakul, the representative of Shareholders' right protection volunteer from the Thai Investors Association, also attended the meeting.

The Chairman commenced the Meeting to consider each agenda, respectively, as specified in Invitation Letter for Shareholder Meeting, previously sent to all shareholders, having details as follows:

**1. To Acknowledge Board of Directors Report:**

The Chairman informed the Meeting that the Company's AOA specifies that the Meeting shall consider and acknowledge the annual report of the Board of Directors with respect to the prior year's operating result. A copy of the Board of Directors report regarding the Company's activities in 2018, as shown in the Annual Report 2018, has been sent to all shareholders, as supporting document for the 1<sup>st</sup> Agenda, together with an Invitation Letter for the Shareholder Meeting.

The Board of Directors opined that the Board of Directors report regarding the Company's activities in 2018 shall be proposed to the Meeting for acknowledgement. The Chairman, therefore, assigned the Secretary to present the Board of Directors' report to the Meeting for acknowledgement as follows:

To: Company Shareholders

BEC World Public Company Limited

2018 is another year which our industry regressed slightly since the beginning of the year, compared to 2017. Consequently, despite the fact that we can generate more advertising revenue from our new channels almost Baht 200 million, BEC World Group's, whose revenue base is higher than other operators



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in the past, advertising revenue generation in 2018 is only Baht 8,789 million which is 10.2% or Baht 1,011 million lower compared to the previous year. However, due to the organization restructuring and our effort to create new revenue bases, BEC World Group is able to generate more revenue from copyright licensing and other services, which is 70 % or Baht 436 million higher than the last year.

As a result of the continuous regression of advertising expenditure since the beginning of 2015 and the fact that there is no indication whatsoever for any change to the current trend, BEC World Group has been constantly controlling the costs and expenses since many years ago to reduce the loss while we are waiting for the rise of advertising expenditure. However, the intense competition from new channels, who becoming more known after operating more than four years, is the major obstacle for BEC World Group to maintain its costs and expenses as we need to keep our audience share. Despite our need to create new sources of incomes and having expenses from the reduction of organization size and the adjustment of the reserve expenses for employees' long-term benefits as special expenses, our cost and expense still decrease considerably compared to the previous year. Nevertheless, we still able to maintain our position as the top-rated television channel as ever.

Despite the fact that, in 2018, our revenue from copyright licensing and other services is Baht 436 million higher compared to the previous year and the fact that we had made effort to reduce the costs and expenses, our advertising revenue still plunged by Baht 1,011 million due to the regressive trend of the industry. In addition, since we have special expenses from the reduction of the organization size and the adjustment of the reserve expenses for employees' long-term benefits, BEC World Group's profit for 2018, which is the shareholder equity, is Baht 391 Million lower compared to the last year. Consequently, we suffered loss in the amount of Baht 330 million.

Despite the significant dropped in the profit compared to the last year, BEC World Group financial position is still stable and we can still generate cash flow from our operation at a high rate as before. Moreover, due to the governments' measure to delay the payment of licenses, the Company has more current assets with a decrease of current liabilities. As a result, it has a higher liquidity ratio.

In the early year of 2019, although there is no indication that the advertising expenditure will increase, but from the projected higher growth rate of macro-economic, the national elections and various economic stimulus, as well as the well-known plan to adjust the distribution of revenue, it is expected that the domestic purchasing power will grow. This growth of the domestic purchasing power will be the main factor to stimulate more competition in the domestic consumer market. Therefore, we are anticipating the growth of advertising expenditure in this year. We still committed to expand this business which is our expertise to create a stable and sustainable business growth. In this regard, we will focus increasing the efficiency of revenue generation and controlling the costs and expenses to reduce loss as before.

Despite the drop in our operating result in the previous year due to unfavorable environment, it is a result of the efforts, dedication, abilities and cooperation of our employees and associates at all levels, as well as the good support from customers, mass media, investors, our shareholders and the public. On behalf of the Board of Directors of BEC World Plc., we hereby expressed our sincere gratitude to all concerned parties.

Signed, Mr. Somchai Boonnamsiri, the Chairman of the Board

Furthermore, the Secretary reported to the Meeting the development regarding the declaration of intent to join the private sector's Collective Action Coalition (CAC) to prevent corruption. The Company already initiated the declaration of intent process by contacting the Thai Institute of Directors (IOD). In this regard, the Company has set out anti-corruption policies, which was disclosed in the Company Social Responsibility report, and has set out guidelines in the Code of Conduct. The Company then communicated the said policies and guidelines to employees at every level. In addition, the Company also



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encouraged executives and employees to be seriously conscious of this matter to create a clear guideline in the same direction for the whole organization. In this matter, the Company appointed a committee to evaluate and review the guideline to ensure the sufficient efficiency of the internal control system so that the Company is ready to declare its intention and join the private sector's Collective Action Coalition (CAC) to prevent corruption.

During this agenda, there was no query or suggestion from any shareholder or proxy.

**Resolution:** The Meeting acknowledged the report of the Company's activities in the year 2018 as proposed by the Board of Directors.

2. **Consideration to Approve the Financial Statement for the Fiscal Year as of December 31, 2018:**

Pursuant to the AOA of the Company, the Board of Directors is required to prepare a balance sheet and income statement at the end of fiscal year and provide the same to the auditor to verify and render his/her opinion prior to submission such documents to the shareholders in the Annual General Shareholder Meeting for their approval.

The financial statement as of the year ended December 31, 2018, the auditor report and the Explanations and Management Analysis was prepared by the Board of Directors and audited without qualified opinion (please see page 30 to 95). For the convenience of the shareholders, a copy of this annual report, financial statement, and the explanation of the material matters have been sent to all shareholders, as supporting document for 2<sup>nd</sup> Agenda, together with an Invitation Letter for Shareholder Meeting. The Explanations and Management Analysis was summarized, as follows:

**Revenue**

BEC Group's advertising income for the year 2018 was Baht 8,878.8 million, a decreased of 10.2% from year 2017 at Baht 9,890.2 million while the total advertising expenditures slightly grew at 3.9%. The main advertising income of BEC Group accounted for 85.5% of total revenue and was mainly from the advertising sales from "Channel 3". The decline in advertising income was from the high competition in the advertising market while the economic conditions had resulted in restricted advertising spending from advertisers than in the past. Moreover, advertising income from radio business also declined.

Income from copyrights and other services for the year 2018 was at Baht 1,054.8 million, an increase of Baht 436.2 million, or 70.5% from the year 2017 at Baht 618.6 million. The increase was mainly from an increase in revenue of online businesses via BEC Group's online platform and websites such as CH3Thailand and Mello as well as partnership platforms and growth of Global Content Licensing.

Income from organizing concerts and shows for the year 2018 was at Baht 368.5 million or 18.9% lower than the year 2017 and the revenue from product sales of Baht 73.5 million or 2.2% higher than the year 2017 at Baht 72 million.

In this regard, the total revenue of BEC Group in the year 2018 was Baht 10,486.4 million.

**Expenses**

BEC's total cost for the year 2018 was at Baht 8,480.3 million which decreased by or 3.5% from the year 2017 at Baht 8,790.3 million. The decrease in BEC's total cost for the year 2018 was from production expenses which decreased by Baht 284 million or 4.8% from Baht 5,910.7 million for the year 2017 to Baht 5,626.7 million for year 2018. In addition, the cost related to networks in the year 2018 decreased by Baht 122 million from year 2017 mainly from NBTC's assistance measures.



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However, in the year 2018 BEC Group had a retirement and manpower reduction programs according to the organizational restructuring policy and paid extra compensation in the consolidated financial statement in the amount of Baht 250.3 million. Under this program, a part of extra compensation was deducted from incremental liabilities from provision for long-term employee benefits in the consolidated financial statement in amount of Baht 109.7 million and recorded as expenses in the consolidated statement of income in the amount of Baht 140.6 million (recorded in the Cost of sales and cost of services amounting to Baht 87.5 million and recorded in the selling and administrative expenses of Baht 53.1 million). While the cost of organizing concerts and shows in 2018 amounted to Baht 308.8 million, a decrease of Baht 77.7 million or 20.1% according to the smaller number and size of activities in 2018 compared to 2017.

In addition, selling and administrative expenses of BEC Group has continuously decreased during year but registered an increase of Baht 53.1 million from the retirement and manpower reduction programs according to the organizational restructuring policy. Commission and sales promotion expenses increased by Baht 32.2 million or 8.5 % to Baht 411.1 million for the year 2018. From the reasons mentioned, selling and administrative expenses in 2018 was at Baht 1,795.4 million and decreased by only 0.2% from 2017 at Baht 1,799.4 million.

**Operating Results:**

In 2018, the net loss which attributed to the shareholder equity of BEC World Group was Baht 330.2 million, a decreased of Baht 308.9 million or 641.2% lower than the previous year.

However, if we consider only the real operating result by deducting expenses that are not recurring, the normalized operating result of BEC in 2018 was Baht 98.1 million loss.

**Financial positions:**

*As of December 31, 2018, BEC group had total assets of Baht 14,320.1 million which decreased by Baht 10.8 million from Baht 14,931.0 million as of December 31, 2017. In this regard, the total current assets increased by 30% mainly from cash and cash equivalent and short-term investments.*

As of December 31, 2018, BEC group had total liabilities of Baht 8,083.7 million, an increase of Baht 298.3 million or 3.8% from end of year 2017 at Baht 7,785.4 million, while the total shareholders' equity was at Baht 6,236.4 million a decrease due to the drop in retained earnings of Baht 255.4 million from net loss for the year. BEC World Group financial position is still stable and we can still generate cash flow from our operation at a high rate as before.

The Board of Directors considered and resolved that the Meeting should approve the financial statement for the year ending 31 December 2018, which had been audited by the auditor without qualified opinion, and acknowledge the said auditor's report.

Therefore, the Chairman proposed this agenda to the Meeting for their consideration.

During this agenda, the shareholder and proxy asked the question and proposed opinion, as follows:

Mr. Siriwat Worawechwutthikul, the shareholder and proxy of Mr. Adisorn Wongkanchana, asked that, according to the news, the sale of Nakee 2 movie was at Baht 400 million, and since the movie was profitable but Channel 3 was at a loss, which part of the financial statement shows the figure for the revenue and profit from the sale of Nakee movie? How much is the revenue? How much is Channel 3's profit?

Mr. Piriyaudit Choophungart, the CFO, clarified that the Company's revenue from the movie is shown in the advertising income. The Company has no part in the investment for the production.



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Mr. Chatchai Thiamtong, the Secretary, further clarified that the Nakee drama which broadcasted via Channel 3 is the copyright of Channel 3, while the Nakee movie in cinemas is not Channel 3's copyright. However, since Channel 3 provided advertisement for it, the revenue from the movie is only revenue from advertising which is already shown in the advertising income.

Mr. Siriwat Worawechwutthikul further inquired that, in 2017, the advertising income was Baht 9,890 million with the cost of sales and services at Baht 8,790 million. However, the cost of sales and services in 2018 was Baht 8,480 million while the advertising income was Baht 8,879 million. Why does the income of 2018 reduce over a billion but the cost of sales and services decreased slightly.

Mr. Piriyaudit Choophungart, the CFO, clarified that the cost of sales and services mainly comprises of cost of program or "content" while the advertising minute is the same. The cost that we can reduce is mainly the reduction of content investment. However, since we also have to maintain the quality of our program, the reduction need to be gradual and cannot be decreased to be equal as the reduction amount of revenue.

Mr. Siriwat Worawechwutthikul inquired that, from the order of the NCPO, or as known as "Section 44", which entitles digital television operators to return the channel license, which line of page 10 of the presented document does the subsidy under the NCPO's measure is shown? How much is the operation costs of the 3 channels? How will this measure help improve the operating result of 2019?

Mr. Piriyaudit Choophungart, the CFO, clarified that it is shown in the cost of sales and services.

Mr. Chatchai Thiamtong, the Secretary, further clarified that, in 2018, we use deferred method for the license fee. Notes No. 16 in page 77 of the 2018 Annual Report shows the amortization of right to use spectrum during the year at Baht 384.76 million. It can be estimated that we paid for the license fee around almost Baht 400 million per year. As for how will this measure help improve the company operation, the executive team is currently discussing with the auditor at the moment. From this measure, we will not have to pay the remaining Baht 2,000 million license fee. What being discussed is regarding the license fee which we already paid for in the amount of Baht 4,000 million. The remaining term of these licenses are 10 years from the total of 15 years, which we already recognized in accounting at Baht 400 million per year for the total of 5 years or approximately Baht 2,000 million. Thus, there is Baht 2,000 million recognized license fee remaining. Therefore, from the total license fee of Baht 6,000 million, the NCPO's measure will save us Baht 2,000 million, and the Baht 400 million is not lost but will be reduced instead. In addition, this measure also supports the network leasing fee, which will save us around Baht 100 million per year for the remaining 10 years period. Finally, it is estimated that this measure will reduce the costs of the license fee and network fee by Baht 400 million per year, approximately.

Mr. Siriwat Worawechwutthikul stated that, having considered the documents, he believed that the actual operating result in 2018 is not to the extent of loss but it is due to the reserve for long-term employee benefits which will only occur once in 2018. However, why does the separate financial statement show profit but the consolidated financial statement shows loss? Normally, most of the listed company's separate financial statement will not have much profit as most of the profit will be in the consolidated financial statement. BEC World, on the other hand, is the opposite. Mr. Siriwat, therefore, asked that, since the separate financial agreement shows Baht 4,064 million revenue, how can we have Baht 546 million profit?

Mr. Piriyaudit Choophungart, the CFO, clarified that shareholders should consider our operating result from the consolidated financial statement as the separate financial statement only show the operating result of one company, it will not reflect the operating result of the Company Group as a whole.

Mr. Chatchai Thiamtong, the Secretary, further clarified that BEC World Public Company Limited was listed in the SET since 1996. At that time, there was no concept regarding "holding company". BEC World,



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therefore, need to have its own business. In this regard, BEC World chose drama production business which supports our main business, i.e. the broadcasting of Channel 3 television channel. However, we have to accept that during the past 5 years, operators were affected by the reduction of advertising income. The cause of this decrease is due to the recession of advertisement purchasing, i.e. we used to be able to sell almost all of the total 240 advertising minutes per day, but the current purchase is clustered in the primetime period only while the sale of non-primetime period is not good. Hence, the revenue is clustered during the primetime period which is the airing period of dramas produced by BEC World. This is the answer to Mr. Siriwat's question as to why the separate financial statement shows profits while other subsidiaries cannot make as much profit or even at loss.

Mr. Boonchai Samranvanakij, the shareholder, inquired as follows: (1) What is the reason behind the re-running of Rang Ngao and Thong Ek Mhorya Tha Chalong drama? And will there be any other drama?; (2) from (1), is it because we are unable to sell advertising airtime?; (3) the drama which have many teasers during advertising period means that such drama/variety have vacant advertising slot, is this correct? and how?; and (4) are unaired drama classified as inventory?

Mr. Chatchai Thiamtong, the Secretary, clarified that, in fact, Channel 3 has reran many dramas already. As for "Rang Ngao 1" it is being rerun to pave the way for the upcoming sequel "Rang Ngao 2". For "Thong Ek Mhorya Tha Chalong", it is planned to be rerun after "Rang Ngao 1" even though it has just finished its first broadcast recently. This is because the Company considers it to be a waste since, although "Thong Ek" is very popular, its popularity began to bloom after many episodes have been broadcasted and reached its peak at the end, so there is a chance to preserve the audience. Moreover, rerunning is a strategy for lowering the cost as the first airing of drama would need at least Baht 2 million per hour costs. Thus, rerunning will save around Baht 2 million per day. In this regard, in rerunning a drama, we must make sure that we will not lose the viewer and revenue since the revenue growth at the moment is unclear. For question (2), is it related to being unable to sell advertising minute? It is not true. Our revenue is not lost and the chosen drama is popular drama. For instance, "Rang Ngao 1" has even higher rating than some new dramas. Everything is due to opportunity and reason. As mentioned before, the rerunning of "Rang Ngao 1" is the preparation for the first airing of "Rang Ngao 2". For question (3), the drama which have many teasers during advertising period means that such drama/variety have vacant advertising slot, is this correct? and how? Mr. Chatchai clarified that the maximum number of advertising minute per hour as permitted by law is not exceeding 12.5 minutes per hour and at the average of not over 10 minutes per hour per day. In this matter, teasers do not count as advertising minute. Having teasers do not mean that the sale of advertising minute is bad, but the station needs teasers to promote the program schedule to the audience. The reason for showing teasers of drama/variety repeatedly is because we use teasers to help in the administration of broadcasting time to be in accordance with the program schedule. For instance, 3 miti news begins at 22.45, if there is no teasers, 3 miti news will start earlier than what specifies in the program schedule. For question (4), is unaired drama classified as inventory? Yes it is. Not all dramas can be aired immediately when the production is completed. It may have to wait due to the cue, the market, or the suitable opportunity to air such drama. We also need to adapt ourselves. Despite being produced at 80% only, some of the drama is cue up for airing already. It depends on the right moment and there is no problem for this matter so far.

The Chairman further clarified that, in addition to saving costs, rerunning dramas also aim for viewer base as well. Since the viewer base for pre-news drama and post-news drama is different, we would obtain pre-news drama viewer base by rerunning post-news drama before the news.

Anonymous attendee of the Meeting asked the Chairman as follows: How many channels will BEC return to the NBTC? Please return all but one channel so that we would not be at loss.



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The Chairman requested Mr. Ariya Banomyong, the President, to clarify this matter. Mr. Ariya clarified to the Meeting that as the time limit for returning the licenses is May 10, 2019, we still have some time to thoroughly consider this matter before finalizing on how many channels we will return. The Chairman further clarified that, since the measure is still uncertain and the NBTC has just appointed the committee under such order, the details of the benefit that we would receive if we return the license is still unclear. In this regard, the Chairman is of the view that notifying our intention to return the license within May 10, 2019, is not a concern as the NBTC affirms that if the rules for returning licenses is not satisfactory, the licensee may withdraw its intention to return the license. However, if the licensee does not notify its intention within May 10, 2019, the licensee may not return the license afterward. Consequently, the Company should submit the intention beforehand. The Chairman then asked the shareholders to rest assured as Mr. Ariya and the team will thoroughly consider this matter for the best interest of the Company.

Mr. Siriwat Worawechwutthikul, the shareholder and proxy of Mr. Adisorn Wongkanchana, stated that, since BEC World is a public limited company, he requests the directors and executives to consider all shareholders and employees when making any decision for the management of the Company.

As there is no further question and comment from shareholders and proxies, the Secretary has announce the result of the vote. During this agenda, there were a total of 287 shareholders attending the Meeting, having 1,422,772,912 cast votes (comprising of 128 shareholders in person, representing 917,126,094 votes, and 159 proxies, representing 505,646,818 votes) with 1,236,100 abstentions, not included in the vote. The Meeting had resolved by a majority vote of the shareholders attending the Meeting and voting with 1,421,536,812 affirmative votes, representing 100.00% of the quorum, and 0 negative votes, representing 0.00% of the quorum without any voided ballot.

**Resolution:** The Meeting considered and resolved by majority of the shareholders who attended the Meeting and entitled to vote, to approve the financial statement for the fiscal year ending December 31, 2018, as proposed.

3. **Consideration to Approve Profit Allocation and the Abstention of the Final Dividend Payment for the Year 2018:**

The Chairman stated to the Meeting that the AOA regulates that the Company are required to allocate the annual profit as the reserved fund pursuant to the law at the rate not less than 10% of the annual net profit. Dividend payment must be paid from profit. If the Company still have accumulated loss, paying dividend is forbidden. Dividend payment must be approved by the shareholder meeting, however, the Board of Directors may also announce interim dividend payment to shareholder if they are of the view that the Company have sufficient profit to do so. Upon any interim dividend payment, the Board of Directors must report them to the next shareholder meeting for acknowledgement.

The Company allocated for the reserved fund in the amount Baht 200,000,000.- (Two Hundred Million Baht) or at 10% of registered capital of the Company, in accordance with the law and the AOA.

The Company has a customary payment policy to pay dividend at least 90% of net profit to the shareholders as shown in consolidated financial statement and under such practice, the Company will pay dividend for 2 times per year, i.e., interim dividend payment upon informing public about operating result in second quarter of each year, and annual dividend payment as approved by the AGM.

For 2018, BEC World Group suffered net loss in the shareholder equity in the amount of Baht 330,178,407 (Three Hundred Thirty Million One Hundred and Seventy-Eight Thousand Four Hundred and Seven Baht). In this regard, BEC World's shareholder equity net profit shown in the Company's separate financial statement is Baht 545,984,308 (Five Hundred Forty-Five Million Nine Hundred Eighty-Four Thousand



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Three Hundred and Eight Baht). The remaining unallocated retained earnings of the Company as of 31 December 2018 is Baht 2,691,422,436 (Two Thousand Six Hundred Ninety-One Million Four Hundred Twenty-Two Thousand Four Hundred and Thirty-Six Baht) as stated in its consolidated financial statement, and 3,190,411,326 Baht (Three Thousand One Hundred Ninety Million Four Hundred Eleven Thousand Three Hundred and Twenty-Six Baht) as stated in its separate financial statement.

In 2018, BEC World Group suffered net loss in the shareholder equity as shown in its consolidated financial statement in the amount of Baht 330,178,407 (Three Hundred Thirty Million One Hundred and Seventy-Eight Thousand Four Hundred and Seven Baht) or 0.17 net loss per share.

The Board of Directors opines to propose to the Meeting to refrain from paying the final dividend for the operating result in 2018.

The Chairman, therefore, required the Meeting to consider this matter.

During this agenda, the shareholder and proxy asked the question and proposed opinion, as follows:

Mr. Wason Pongputtamon, the shareholder, proposed to the Meeting to reconsider the abstention of dividend payment. He opined that the Company's operating result has been good for many consecutive years. During such year, the Company always pays the dividend to shareholders, which the better the operating result means the more the dividend payment. The Company has just been in the loss and abstained from paying dividend last year. While the share price dropped dramatically, the Company retained earning is as high as Baht 2,691 million. It would be nice if the Company pays some dividend to shareholders. Thus, Mr. Wason proposed to the Chairman to reconsider the decision and proposed to have the Company pay dividend in the amount as decided by the Board of Directors. Since we still have plenty of retained earning, therefore, paying dividend should not affect our financial discipline. There are other listed companies who does not make a profit but they still pay dividend as well. Moreover, there are also the measure under Section 44 which supports the digital television operators. Therefore, the operating result should be better.

The Chairman apologized to the shareholders that the Company suffered a loss in 2018. The Chairman then further clarified that the Board of Directors greatly recognize the importance of this matter as it affects the shareholders directly. We have discussed many issued regarding this matter. We are a listed company and we have issued Baht 3,000 million debentures as approved by the shareholders meeting in 2017. Although we have no problem regarding cash flow, those debentures force us to have financial discipline. The rating agencies also recognize the importance and also monitor this matter. The Board of Directors well aware that the shareholders wish for the paying of dividend. Even though the Maleenont members are the major shareholder as well as the directors and executives of the Company, they also recognize the importance and agree to abstain from paying the dividend in this year. Another reason for abstention of dividend payment is because on the date of the Board of Directors meeting which consider calling for the AGM and whether to pay or not to pay the dividend, the order of the NCPO under Section 44 has not been issued yet. Therefore, the Board of Directors have decided to continue holding the money as we do not know what difficulties is awaiting us in this year and how much more money would we need to invest. However, after such meeting, as we have Mr. Ariya Banomyong as the new executive and the government also issued this support measure, we now have more hope for the Company. If the Company's situation is more stable in the future, we will consider the paying of dividend as we have ever paid the interim dividend in the past.

Mr. Siritwat Worawechwutthikul, the shareholder and proxy of Mr. Adisorn Wongkanchana, stated that he disagrees with the opinion of Mr. Wason. He opined that the Board of Directors' decision to abstain from paying dividend is correct. Having considered the operating result of 2018, it can be seen that the most we can pay dividend is Baht 0.01 per share. Although the Maleenont member who are shareholders, directors



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and executives are also affected by this decision, they also decide to abstain from paying dividend. In addition, considering the dividend payment history, we can also see that the Board of Directors decided to pay the interim dividend at Baht 0.10 per share in 2017 despite having only Baht 0.03 profit per share. This dividend payment is amount to 327.8% of the profit. He believe that as of the date of the decision for paying such interim dividend, the Board of Directors would not expect that the operating result would be that low. Moreover, it is clear from the AOA which specifies that the paying of dividend must be from the profit and no dividend shall be paid if the Company has retained loss. In addition, the Company should not request the resolution to amend the AOA as paying the dividend would significantly reduce the shareholder equity to the extent that might affect the future. In the next 2-3 years, the Company's debentures would mature. If the Company needs to issue any debentures, having low equity without retained earning would affect the debentures' rating. Consequently, the Company debentures would have much higher interest rate than the current interest rate. The more the interest, the lesser the profit will then lower the book value as well. Nevertheless, the situation of the Company tends to improve as we have new executive and the measure under Section 44, if the operating result in 2019 improves, Mr. Sriwat requests the Board of Directors to consider paying dividend in the AGM 2020.

Mr. Paiboon Vachiramethikul, the proxy of Miss Vassana Vachiramethikul, proposed to the Chairman to consider issuing warrant to shareholders instead of paying dividend from retained earning for the benefit of the shareholders.

The Chairman replied that he gladly accepts Mr. Paiboon's proposal and clarified that when the Company is in need of money, warrants is also interesting financial instrument. If issuing warrant would benefit the shareholders at that moment, then we would consider this option.

Afterwards, the Secretary announced the result of the vote. During this agenda, there were a total of 305 shareholders attending the Meeting, having 1,427,548,666 cast votes (comprising of 137 shareholders in person, representing 921,659,648 votes, and 168 proxies, representing 505,889,018 votes) with 30,500 abstentions, not included in the vote. The Meeting had resolved by a majority vote of the shareholders attending the Meeting and voting with 1,422,878,566 affirmative votes, representing 99.67% of the quorum, and 4,639,600 negative votes, representing 0.33% of the quorum without any voided ballot.

**Resolution:** The Meeting considered and resolved by majority of the shareholders who attended the Meeting and entitled to vote, to approve the profit allocation and the abstention of the final dividend payment of 2018 as proposed by the Board of Directors.

**4. Considering Replacement of Directors who Retired by Rotation:**

The Chairman informed the Meeting that, according to section 71 of the Public Limited Companies Act and the AOA of the Company, the Company shall have at least 5 directors and one-third of all directors shall be due by rotation retirement at the AGM. The directors who serve the Company for the longest period are due by rotation retirement and could be re-elected for another term by the shareholder meeting

Currently, the Company has 13 directors. For this 2019, there are 3 directors who are due by rotation retire as follows:

- 1.) Mr. Somchai Boonnamsiri Independent Director, Chairman of the Board and the Chairman of the Audit Committee;
- 2.) Mr. Chansak Fuangfu Independent Director and Chairman of the Risk Management Committee; and
- 3.) Mr. Matthew Kichodhan Non-Executive Director.



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During 1 October 2018 - 31 December 2018, the Company offered shareholders an opportunity to propose any person, having proper qualification to be appointed as director to the AGM 2019 for consideration. In this regard, there has been no candidate proposed by shareholders so far.

Pursuant to the AOA of the Company, there is no restriction to re-elect the director who are due by rotation retirement as directors for another term. In addition, having inquired the said retired directors, they are pleased to be directors for another term. The Nomination and Remuneration Committee excluding an interested person is of the view that the above retired directors are qualified under the Public Limited Companies Act and has no offence record under the Securities and Exchange Act. Furthermore, the retired directors have good knowledge in the Company business which is very beneficial for Company's advantage. Previously, the retired directors performed their duty with responsibility, care and honesty, which was in accordance with the relevant law, the Company's objectives, AOA and the resolutions of shareholders meeting. In addition, the Independent Directors are also independent in making their decisions.

The details and profiles of the persons nominated to be appointed as the Company directors are shown in the supporting document for the 4<sup>th</sup> Agenda.

The Board of Directors, excluding the interested person, agreed with the suggestion of the Nomination and Remuneration Committee that the shareholder meeting should re-elect Mr. Somchai Boonnamsiri, Mr. Chansak Fuangfu and Mr. Matthew Kichodhan who are due by rotation retirement as directors for another term. In this regard, the Board of Directors is of the view that the qualifications of the above nominated directors are suitable for the Company's business operation. Moreover, the decision made by Independent Directors are independent and compliance with relevant regulation.

The Chairman, therefore, required the Meeting to consider the replacement of directors who retired by rotation.

As this agenda considered the reappointment of the directors who retired by rotation, to allow shareholders to give their opinion freely as per the good governance principle, while the Meeting considered this agenda, Mr. Somchai Boonnamsiri, Mr. Chansak Fuangfu and Mr. Matthew Kichodhan, the directors who will be retired by rotation have excused themselves from the Meeting and Mr. Prachum Maleenont, the Vice-Chairman of the Board, acted as the Chairman on behalf of Mr. Somchai Boonnamsiri, the Chairman of the Board.

During this agenda, there was no query or suggestion from any shareholder or proxy.

Afterwards, the Secretary announced the result of the vote. During this agenda, there were a total of 313 shareholders attending the Meeting, having 1,427,579,251 cast votes (comprising of 144 shareholders in person, representing 921,686,233 votes, and 169 proxies, representing 505,893,018 votes). Considering and resolving to reappoint all directors who retired to be directors for another term with the following votes;

- 1.) Reappointing Mr. Somchai Boonnamsiri to be the Company's Independent Director for another term with 1,284,759,944 affirmative votes, or 90.00% of the quorum; 142,747,807 negative votes, or 10.00% of the quorum; and at 71,500 abstentions (does not count to the vote), without any voided ballot.
- 2.) Reappointing Mr. Chansak Fuangfu to be the Company's Independent Director for another term 1,284,759,944 affirmative votes, or 90.00% of the quorum; 142,747,807 negative votes, or 10.00% of the quorum; and at 71,500 abstentions (does not count to the vote), without any voided ballot.
- 3.) Reappointing Mr. Matthew Kichodhan to be the Company's Non-Executive Director for another term with 1,154,849,646 affirmative votes, or 80.90% of the quorum; 272,659,105 negative votes, or 19.10% of the quorum; and at 70,500 abstentions (does not count to the vote), without any voided ballot.



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The Secretary has invited the directors, who left the Meeting temporarily during this agenda, to rejoin the Meeting accordingly.

**Resolution:** The Meeting considered and resolved with majority of the shareholders who attended the Meeting and entitled to vote, to appoint Mr. Somchai Boonnamsiri, Mr. Chansak Fuangfu and Mr. Matthew Kichodhan, who are due to be directors for another term.

5. **Considering Director Remuneration for the Year 2019:**

The Chairman informed the Meeting that, according to the AOA of the Company, the Director shall be entitled to receive remuneration—salary, rewards, meeting allowances, allowances, bonuses, welfares and other remunerations in the same manner, provided that the Company has paid compensation to its Directors only for meeting allowance and remuneration.

The Board of Directors considered and opined to propose the Meeting to consider Directors compensation for the year 2019 at the same rate as follows:

**A. The Meeting Allowance:**

- 1) The meeting allowance for each director meeting should be fixed, as follows:
  - For the Chairman of the Board of Directors shall be fixed at Baht 30,000 (Thirty Thousand Baht).
  - For other directors shall be fixed at Baht 20,000 (Twenty Thousand Baht).
- 2) The meeting allowance for each meeting of any sub-committee should be fixed
  - For the Chairman of each Committee shall be fixed at Baht 25,000 (Twenty-Five Thousand Baht).
  - For each member of the committee shall be fixed at Baht 20,000 (Twenty Thousand Baht).

**B. Compensation:** in the amount of Baht 18,000,000 (Eighteen Million Baht), equal to the previous year and to assign directors to allocate and use this budget as deemed appropriate.

The Chairman, therefore, requested the Meeting to consider this proposal.

During this agenda, the shareholder and proxy asked the question and proposed opinion, as follows:

Mr. Wason Pongputtamon, the shareholder, inquired about the total amount of the director compensation allocated in 2018.

Mr. Chatchai Thiamtong, the Secretary, clarified that the amount was disclosed in page 107 of the 2018 Annual Report which specified that, from the total of Baht 18 million director compensation in 2018, the Board of Directors allocated Baht 16,112,526 and the remaining Baht 1,887,474 was returned to the Company's account.

Mr. Wason Pongputtamon, the shareholder, opined to the Meeting that some companies refer their director remuneration to dividend payment. Some directors even refused to accept the director remuneration when the company is at a loss. Although there is no dividend for the shareholders, our directors still receive compensation and meeting allowance, and the executives also receive salary. He, therefore, opined that he disagreed with paying compensation to directors in 2019.

The Chairman stated that he respected the opinion of all shareholders. However, every companies need to have directors to govern the company policy. In 2018, the Board of Directors worked much harder.



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Previously, we had a meeting once every quarter but since the operating result of 2018 reduced significantly, the meeting were more frequent to supervise the Company. Thus, the directors had to work harder. To keep directors with the Company, we need to remunerate directors.

Mr. Siriwat Worawechwutthikul, the shareholder, opined that he agreed with the Chairman that to keep directors with the Company, remuneration is necessary. He stated that as he has been a shareholder for a long time, he has seen that the directors work harder when the Company faced difficulty, especially the Maleenont member directors and shareholders who collectively hold 42.88% of the Company shares have worked very hard. However, the impact of the industrial environment causes the Company's operating result in terrible situation. Nevertheless, he would like to entrust the Board of Directors to perform their duties by taken into consideration the best interest of the current 12,118 shareholders. The Board of Directors have to oversee to ensure that all the interest lies with the Company.

Afterwards, the Secretary announced the result of the vote. During this agenda, there were a total of 314 shareholders attending the Meeting, having 1,427,581,151 cast votes (comprising of 145 shareholders in person, representing 921,688,133 votes, and 169 proxies, representing 505,893,018 votes) with 70,500 abstentions, not included in the vote, representing 0.00% of the quorum. The Meeting had resolved by a majority vote of the shareholders attending the Meeting and voting with 1,315,135,045 affirmative votes, representing 92.12% of the quorum, and 112,375,606 negative votes, representing 7.88% of the quorum without any voided ballot.

**Resolution:** The Meeting considered and resolved by not less than two-thirds of the total votes of the shareholders who attended the Meeting and entitled to vote, to approve the directors' compensation for the year 2019, as proposed.

**6. Consideration of the Appointment of Auditor and Auditing Fee for the Year 2019:**

The Chairman informed the Meeting that the Public Limited Companies Act specifies that the shareholder meeting shall appoint auditor and fix auditing fee of the Company every year provided that the same auditor may be re-appointed.

The Audit Committee has been assigned by the Board of Directors to select and propose the appointment or dismissal of auditor including the remuneration. The Audit Committee recommended the Board of Directors to nominate Dr. Virach Aphimeteetamrong, CPA# 1378 and/or Mr. Chaiyakorn Aunpitipongsa CPA# 3196, and/or Mr. Apiruk Ati-anuwat CPA# 5202 and/or Dr. Preecha Suan CPA# 6718 of Dr. Virach & Associates Office, the prior auditor, to be the auditor of the Company Group for the fiscal year 2019, due to their abilities, expertise and reliability. In addition, their performances in the past are acceptable and reliable. They are also independent auditor, having no personal relationship or interests with the Company and its subsidiaries. This year of 2019 will be the first year which Dr. Virach Aphimeteetamrong is the signatory auditor for the financial statement.

The Audit Committee opines that the Meeting should appoint Dr. Virach Aphimeteetamrong and/or Mr. Chaiyakorn Aunpitipongsa and/or Mr. Apiruk Ati-anuwat and/or Dr. Preecha Suan of Dr. Virach & Associates Office to be the auditors of the BEC Group Company for the fiscal year 2019 again.

With respect to auditing fees for 2019, the auditors proposes to reduce the auditing fee in accordance with the proposal of Audit Committee regarding the amount of work that is expected to be reduced due to the termination of the operation of the two subsidiaries that do not generate profits. Although, there is also an increase of works from the new media business and Digital TV business (from the expansion of business), the total amount of work is still lower than last year. Therefore, the auditor is pleased to reduce the auditing fee and propose the auditing fee for the Company Group and all subsidiaries in the amount of Baht 7,177,000 (Seven Million One Hundred and Seventy-Seven Thousand Baht), which is Baht 123,000 (One



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Hundred and Twenty-Three Thousand Baht) or 1.68% lower comparing to last year. In this regard, the auditing fee can be separated into two parts as follows; the auditing fee for the Company is Baht 1,390,000 (One Million Three Hundred and Ninety Thousand Baht) which is the same rate as the previous year and Baht 5,787,000 (Five Million Seven Hundred and Eighty-Seven Thousand Baht) for subsidiaries.

The Audit Committee is of the view that the proposed auditing fee is appropriate and is suitable with the expected amount of work in the BEC Group Company due to the termination of the businesses of the subsidiaries that do not generate profits. The Audit Committee therefore proposes the above auditing fee to the Board of Directors meeting to consider to propose this agenda to the AGM 2019 for approval.

The Board of Directors agrees with the suggestion of the Audit Committee that the Meeting should appoint Dr. Virach Aphimeteetamrong, CPA# 1378 and/or Mr. Chaiyakorn Aunpitipongsa CPA# 3196 and/or Mr. Apiruk Ati-anuwat CPA# 5202 and/or Dr. Preecha Suan CPA# 6718 of Dr. Virach & Associates Office as the Company Group's auditors for the fiscal year 2019, and the meeting should fix the auditing fee for the BEC Group Company in the amount of Baht 7,177,000 (Seven Million One Hundred and Seventy-Seven Thousand Baht). Based on such amount, the auditing fee for the Company is Baht 1,390,000 (One Million Three Hundred and Ninety Thousand Baht) which is the same rate as the previous year, and Baht 5,787,000 (Five Million Seven Hundred and Eighty-Seven Thousand Baht) for subsidiaries. In addition, the Board of Directors is of the view that the proposed auditing fees is appropriate and is in accordance with the amount of work in the Company Group.

The Chairman, therefore, requested the Meeting to consider the proposal.

During this agenda, there was no query or suggestion from shareholders or proxy.

Afterwards, the Secretary announced the result of the vote. During this agenda, there were a total of 314 shareholders attending the Meeting, having 1,427,581,151 cast votes (comprising of 145 shareholders in person, representing 921,688,133 votes, and 169 proxies, representing 505,893,018 votes) with 69,700 abstentions, not included in the vote. The Meeting had resolved by a majority vote of the shareholders attending the Meeting and voting with 1,427,495,345 affirmative votes, representing 100.00% of the quorum, and 16,106 negative votes, representing 0.00% of the quorum without any voided ballot.

**Resolution:** The Meeting considered and resolved by majority of the shareholders who attended the Meeting and entitled to vote, to appoint Dr. Virach Aphimeteetamrong, CPA# 1378 and/or Mr. Chaiyakorn Aunpitipongsa CPA# 3196 and/or Mr. Apiruk Ati-anuwat CPA# 5202 and/or Dr. Preecha Suan CPA# 6718, should be appointed as the Company's auditors for the fiscal year 2019, and the meeting should fix the auditing fee for the Company Group in the amount of Baht 7,177,000 (Seven Million One Hundred and Seventy-Seven Thousand Baht), and the auditing fee for the Company is Baht 1,390,000 (One Million Three Hundred and Ninety Thousand Baht) which is the same rate as the previous year, and Baht 5,787,000 (Five Million Seven Hundred and Eighty-Seven Thousand Baht) for subsidiaries.

At this moment, the Meeting already covered all agenda. The Chairman then requested Mr. Ariya Banomyong to present to the Meeting his vision for the business direction of BEC World Group, in both short-term and long-term, and also allowed the shareholders and proxies attending the Meeting to inquire or give suggestions.

Mr. Ariya Banomyong, the President, clarified to the meeting that since he had just worked with BEC World for only one week, starting on April 18, 2019, it may be too early for him to make plans for BEC World. In this regard, he is expecting that the details for this matter will be discussed in the second quarter. Meanwhile, the short-term measures are: (1) creating growth in advertising business. At first, shareholders should look at the overall picture of the advertising market. Despite a recession in advertising market, the advertising market is as large as Baht 110,000 million and 60% of them is television advertising market.



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Therefore, even with recession, advertising expenditure is still remain. What he envision is to bring the television advertising expenditure back to television advertising. As you can see from foreign countries, the advertising expenditure tendency has shifted to grow in online market. In Thailand, the online market is also growing. Nevertheless, its market is still small when compares to other industries. The issue is that the online market rating cannot be measured yet. If we combine the amount of viewers from online and television, we can see that the amount of viewers of Channel 3 dramas does not reduce. However, what we are seeing today is from the rating measurement of television only. We believe that we can still grow in online market. (2) our goods and services should be more packaged for the benefit of advertisement buyers. This is to increase the sale of their product and so that people could keep the advertisement buyers brand and organization image in their mind. We may combine our services in television advertising, online advertising, and event organizing to make it more societal. For the long-term measure: (1) we should not just focus on domestic market only, but we should also focus on international market. In this regard, we should consider the OTT group, i.e. online platforms, for instance, YouTube, NETFLIX, Amazon Prime, and Disney. These platforms require contents. We should get to this international market in which there is a high demand in content. However, this is still a small portion for us. Therefore, it is an opportunity for us to grow. Instead of competing only in domestic market, we also sell them to foreign countries. Since we already invested our money in the production of dramas for domestic broadcasting, having opportunity to sell them in foreign countries is additional benefit from our former investment. (2) we should create new business and new business model.

Mr. Thachanapong Piriyalertsak, the shareholder, inquired the President as follow: (1) Does Mr. Ariya come to work with BEC World individually or with a team? (2) I have watched Mello and saw that there are hundred millions of viewers, for instance, Krong Karm series has 120 million views, how could we generate revenue from these online audiences? (3) Can we create a subscription service with the audience base of Mello? Is it strong enough? (4) How is simulcast broadcasting with Tencent? How is its revenue?

Mr. Ariya clarified as follows: For question (1) some colleagues from my former workplace also join BEC World, but due to the ethic issue and the fact that BEC World is a business partner with Line Thailand, we have to be cautious about this matter. For question (2) for digital business, we have revenue from Mello and [www.ch3thailand.com](http://www.ch3thailand.com) and we also do business with LineTV and YouTube. We also have a tendency to do more business with other OTT Platforms. In this regard, Thailand's market is approximately the 6<sup>th</sup> biggest market in the world for VDO consumption, therefore it is a sizeable market. In the previous year, despite the fact that BEC World Group's revenue from digital platform was almost Baht 350 million, the growth is not as high as it should be. Nevertheless, we are certain that there is opportunity to do business in digital business as the audience base is enormous. Therefore, our short-term measure is to go online since there are plenty of room to do business. For question (3) in subscription service, the issue is the payment and power of payment which is overlooked. 90% of the current mobile phone users are of prepaid basis, in which the average amount of prepaid is mostly around Baht 100. To make this group of consumer pay Baht 200 – 300 per month to watch VDO when there is a free VDO service is not easy. For domestic subscription service providers, they only have customer base of around hundred of thousands subscribers at the moment. However, if the question is whether this business could generate income or not, then the answer is it could. Nevertheless, as the customer base is not big and there is also an issue of payment whether it should be via credit card or online channel, there is still some obstacle to this issue. For question (4) regarding the simulcast broadcasting, particularly for Chinese market, it is an opportunity that we keep our eyes on, but we still have to adapt to it. In this matter, there are limitations on simulcasting, censoring, price, and quota which we have to adapt our production process in order to meet Chinese market requirements. Regarding the revenue, this portion is still small and can be grown as Chinese market likes Thai series and Thai TV shows. In addition, while China still has issue in purchasing contents from Korea, we have the opportunity to penetrate the Chinese market.



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Mr. Wason Pongputtamon, the shareholder, inquired about the Board of Directors' opinion and the operation regarding the measure under Section 44. He further stated that the shareholders are concerned and want to know the direction which the executives will improve the operating result. Moreover, can the target for this year generate revenue or recover the business or not?

Mr. Ariya replied that as the Chairman replied earlier, returning the license is a way to reduce cost, however for now, we have to wait for the NBTC to announce a clear measure for it. As for the issue of timeline, we have to notify our intention to return the license within May 10. During this period and after May 10, we still have time to consider this matter thoroughly since there is an opportunity to withdraw the intention to return the license because we would have to stick with this decision for the next 10 years as per the remaining license time. With respect to the concern about the direction of business operation, the short-term measure is to first bring the revenue back by penetrating online market, in which there is a lot of opportunity to generate revenue. Since TV advertising market is shrinking, therefore, we should make a service package of TV advertising, online advertising, and activity organizing together and create new services which do not depend only on television advertising. As for the long-term, we plan to expand to international market, which is a big opportunity. Our target is the group which requires contents, especially the OTT group, and to create digital platform as an opportunity to increase revenue. We may even have Thai Pop to export to foreign countries and we also have to create new business and business model.

The Chairman explained that we planned our budget plan, which shows both revenue and expenses, every year. However, in this year, the industry does not seem to grow at all. Therefore, we have to reduce our costs and expenses instead. Our main target is that our figure shall not be negative and not deficit. As Mr. Ariya recently started working with us on mid-April, we have 8 months left for this year to implement both short-term and long-term measures that Mr. Ariya presented. In this regard, the Board of Directors also aimed to eliminate the deficit. Furthermore, the measure under Section 44 should improve our operating result and not being in deficit.

Mr. Wisit Pattana, the proxy of Ms. Sujitra Pattana and Mr. Montri Ratanakaset, inquired about the manner of the content business in foreign countries that Mr. Ariya mentioned, will it be content production or what manners?

Mr. Ariya explained that the foreign platforms do not require us to create new content for them. They want to consume the content that we produce for Thai people which Thai people watch as it is in accordance with Chinese' demand already. Simulcasting with Tencent has over 600 million views. If we compared this to audiences in Thailand, we could see that there is still a lot of opportunity. Another aspect is cost. We already invested when we produce contents for Thai people, accordingly, selling them to foreign countries will not require any additional production cost. If we look at the content on NETFLIX, we can see that the contents are from different countries, including Germany, Turkey, and Spain. The market is very big. NETFLIX alone already purchased content in 2018 for 12,000 million dollars. We could see that it is an opportunity for us to make a debut. We are not competing with them, but we are becoming their business partner.

Mr. Prachum Maleenont, the Chairman of the Executive Committee, further explained that BEC World's business is entertainment & media business. The free TV market of the media part is enormous. We, therefore, focus in media growth. We try to keep our revenue base, but there is a lot of limitation in media business and the whole domestic free TV industry shrunk. On the other hand, we also have strength in entertainment business. We have a lot of actors/actresses. We, therefore, try to generate new revenue by selling programs to foreign countries. The suggestions that the shareholders presented are what we are considering. Every business requires investment. Even doing subscription business, we have considered selling contents to foreign countries. We have to adapt since there are so many limitations, including



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preference, censors, and quota system, which we are trying to adapt into. For media business, aside from online and offline businesses, we are trying to find new service to support them as well.

Mr. Siriwat Worawechwutthikul, the shareholder and proxy of Mr. Adisorn Wongkanchana, informed that Mr. Adisorn left a suggestion to the President that Channel 3 should make a contract with actors/actresses before they get famous. Because when we make them famous, they will have revenue from being presenter for advertisements. We should have some share from such revenue. In addition, Mr. Siriwat inquired about the current business creation of Line Thailand. Mr. Siriwat suggested that BEC World Group should decrease investment in network equipment and invest in new technology, in which Mr. Ariya is skillful, and look for opportunity to make benefit from the invested assets.

Mr. Manupol Jariyakodchakorn, the shareholder, inquired as follows:

(1) Does JKN Company who sells contents and dramas to foreign countries generate return or revenue as BEC expected?

Mr. Prachum Maleenont, the Chairman of the Executive Committee, explained that we have already set up the target for sale, but JKN does not reached the target yet at the moment. However, it is understandable that the beginning phase is a phase for creating market, thus the benefit will not result immediately. Nevertheless, we are accepted by the market. In this beginning phrase, the purchases will be at low price since most of them were to examine the market. Our customers receive good feedbacks from their audiences from the popularity of our actors/actresses. However, it is still lower than our expectation. JKN is also devoted, but we did not make an exclusive contract with a single agent. We will have more agents in the future. We are new to this foreign market and we give importance to technology to reach audiences in foreign countries. Technology reduces a lot of our cost in selling of rights to foreign countries. The sale of rights to foreign countries generate a good amount of revenue and it is a challenging business. Mr. Ariya is experienced in this field, and we need a good business partner.

(2) In the future, do we still need JKN to sell our contents to foreign countries? Or do we have a plan to do it ourselves?

The Chairman explained that as Mr. Prachum answered in the first question, we did not make an exclusive contract with JKN.

(3) The cost required to create each dramas is different, does Channel 3 provide all the budget required to the producer? For instance, the series "The Crown Princess" which requires high cost for production. Moreover, after this drama, is there going to be anymore dramas that require high cost? And will it be exclusive rights of Channel 3?

The Chairman explained that the dramas that our Company produced is the copyright of the Company. We do not sell them to any specific country or exclusively license them to any agent. For instance, "The Crown Princess" was broadcasted in the Philippines and its rating is higher than that of the domestic programs, which is a proof that our program is high in quality.

Mr. Chatchai, the Secretary, clarified about the cost of production of dramas and whether or not Channel 3 provides all the budget to producer that, for the 7 pm and 8.15 pm dramas, the drama is the copyright of BEC World since we hire the producer to produce them for us. Consequently, the rerun dramas are also the copyright of the Company Group. On the other hand, some programs, such as, the Saturday and Sunday morning program, which are airtime rental part, is not our copyright. For the dramas that are the copyright of the Company Group, we can use them as much as we want without any time limitation. Regarding the cost of production, we are responsible for them. While some is paid in advance at the beginning of the production, some is paid when the work is finished, there is no compelling criteria. We



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produce approximately 40 series a year, and almost 10 of them is blockbusters. Each dramas have different features. The production team is selected from the best teams and we believe that our dramas have potential and will be popular by the viewers all over the country. However, we cannot expect all of our dramas to always have highest popularity.

(4) What is other revenue generation channel of the actors/actresses who signed contract with Channel 3 aside from acting in dramas?

The Chairman explained that this point is the same with what Mr. Adisorn, the shareholder, asked Mr. Siriwat, the proxy, to inform the President. In this regard, Mr. Ariya already explained this issue in the previous inquiry that we have arranged advertisement sale package and organized events. Consequently, we will have our actors/actresses to have more participation in the events we arranged to service product owners.

(5) What do we do with the old dramas that have not been broadcasted?

The Chairman explained that, as Mr. Chatchai explained, the dramas that finished its production would have to wait for a suitable broadcasting period. In this regard, we try to broadcast every completed dramas since they are assets of the Company. Furthermore, the Company also has the policy to use its assets to generate the most benefits possible.

(6) In the future, do we have a plan to produce movie to play in cinema?

Mr. Ariya explained that the foundation of the Company is already drama production. Producing a movie is costly and is also high in risk. Whether we decide to produce a movie or not depends on the opportunity and chances, but we do not close ourselves to this aspect.

The Chairman informed the Meeting that he accepted every suggestion and comment to further develop the Company.

As there are no other query, the Chairman stated in the Meeting that the Meeting covered all agenda, and the shareholders have been informed all the clarification and details for all matters, as well as voting and certifying all issues in this Meeting already. In addition, the Chairman gave the opportunity to the shareholders to ask the questions and give the opinion to the Company. The Company is pleased to receive all suggestion and opinion to improve our performance. If any shareholders have any additional queries or suggestions, please leave the question at or contact the Company's investor relation department. The Board of Directors would like to thank all shareholders who sacrificed their valuable time to attend this Meeting. The Chairman then closed the Meeting.

The Chairman, closed the Meeting at 4.45 p.m.

Signed \_\_\_\_\_ Signature \_\_\_\_\_  
(Mr. Somchai Boonnamsiri)  
Chairman of the Meeting

Signed \_\_\_\_\_ Signature \_\_\_\_\_  
(Mr. Chatchai Thiamtong)  
The Reviewer

Signed \_\_\_\_\_ Signature \_\_\_\_\_  
(Mrs. Chalaiporn Itthithavorn)  
The Recorder