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1.1 Our Vision, Mission & Values

VISION

To be the leader of innovative lifestyle media networks and solutions with commitments to corporate social responsibilities

MISSION

To provide the best solutions with the highest impact lifestyle media networks towards society, community and the environment at large

VALUES

V = VERY
G = GOOD
I = INDEED
H = HELPFUL
E = ENERGETIC
A = ADAPTIVE
R = RELIABLE
T = TEAMWORK

MOTTO



1.2 Financial Highlights

	2015/16	2014/15	2013/14
STATEMENT OF COMPREHENSIVE INCOME (THB mn)			
Revenue from services ¹	2,106	2,963	3,149
BTS-related media	1,813	1,805	1,679
Office building & Other media	243	189	175
Modern Trade media	50	969	1,295
Cost of sales	769	1,325	1,342
Gross profit	1,337	1,638	1,807
EBITDA	1,336	1,225	1,510
Net profit	941	838	1,146
STATEMENT OF FINANCIAL POSITION (THB mn)			
Total assets	3,099	3,286	2,741
Total liabilities	857	1,457	788
Total shareholders' equity	2,242	1,829	1,953
CASH FLOW (THB mn)			
Cash from operating activities	784	1,070	1,292
Capital expenditures	(158)	(521)	(510)
PER SHARE DATA (THB / share)			
Earnings per share	0.1	0.1	0.3
Dividend per share ²	0.1	0.2	0.3
Book value per share	0.3	0.3	0.6
KEY RATIOS			
Gross profit margin (%)	63.5%	55.3%	57.4%
EBITDA margin (%)	63.5%	41.4%	47.9%
Net profit margin (%)	44.7%	28.3%	36.4%
Debt to equity (times)	0.1x	0.3x	No leverage
ROA (%)	29.5%	27.8%	43.1%
ROE (%)	46.2%	44.3%	60.7%
SHARE INFORMATION (as of 31 March)			
Share price (THB)	4.78	5.45	11.40
Outstanding shares (shares mn)	6,864	6,864	3,432
Market capitalisation (THB mn)	32,812	37,411	39,125
Par value (THB per share)	0.1	0.1	0.1

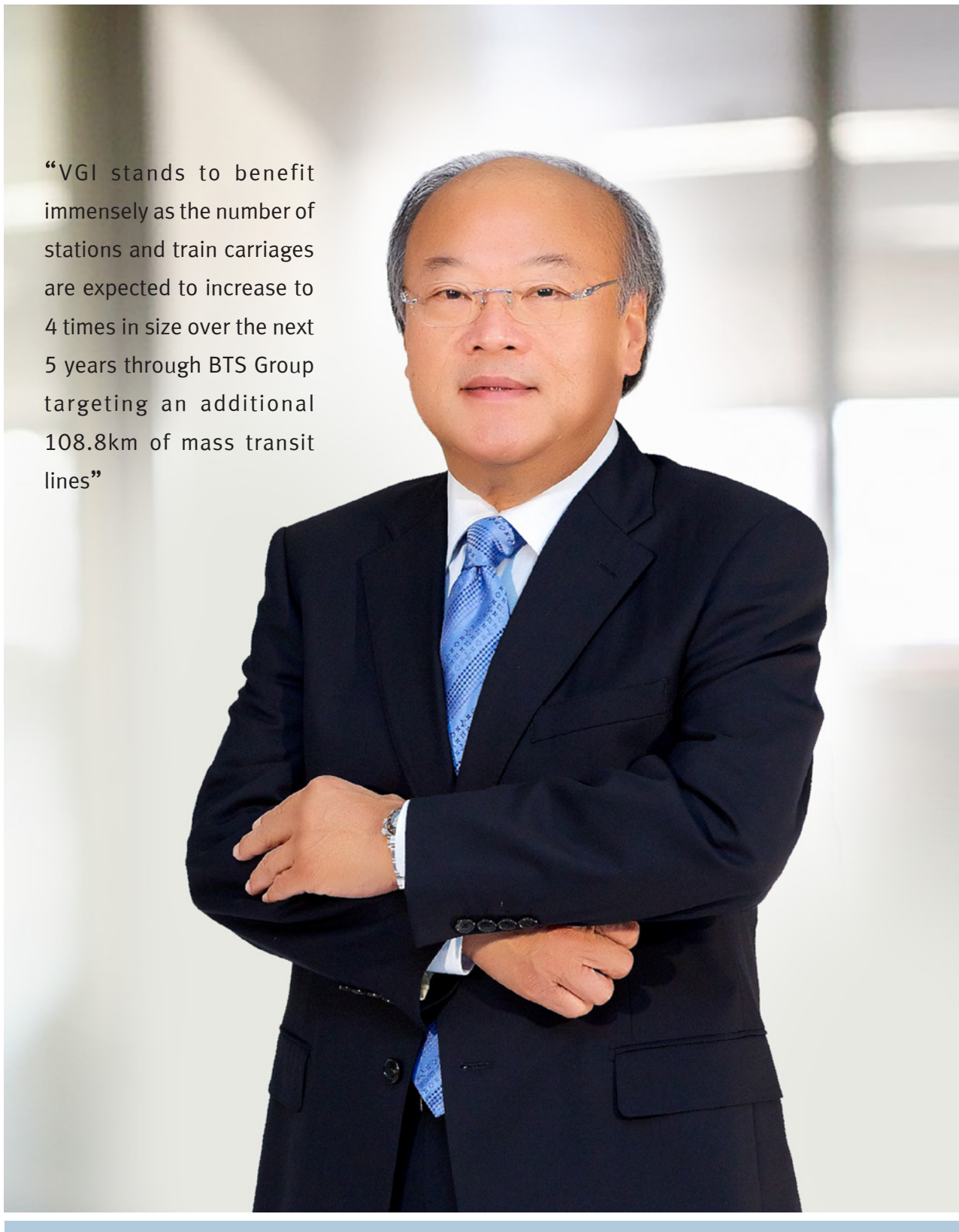
Note:

¹ Excludes other income

² The total dividend payment from 2015/16 operations was THB 755mn (the dividend payment from 2nd half of 2015/16 operation is subject to the resolution of Annual General Meeting, which will be held on 5 July 2016).

1.3 Message from the Chairman

“VGI stands to benefit immensely as the number of stations and train carriages are expected to increase to 4 times in size over the next 5 years through BTS Group targeting an additional 108.8km of mass transit lines”



Despite a challenging year, VGI has made noteworthy achievements and laid a strong foundation for future success and growth. Thai household debt levels remain at historic highs and income growth stifled by weak exports, low agricultural prices and drought. Given this, economic growth remains historically soft at 2.8%¹. Annual Media spending fell 1.2% as a result.

Yet, I am optimistic and with challenges come new opportunities. We embark on an exciting journey towards becoming a **“Nationwide Integrated Media Platform”** in 6 key media segments within 2 years. We have already made an initial successful strategic step by announcing our intention to acquire an additional stake in Master Ad Public Company Limited (“MACO”) on 17 March 2016, which will trigger a tender offer for the entirety of the company as per SEC regulations. Through MACO, we emerge from a Bangkok-centric media player to a nationwide media player – and one which shall serve a long underserved customer base.

Although overall media spend has fallen, revenue from BTS-related media remains steadfast, affirming the quality and sustainability of our business. Ridership continues to grow along current mass transit lines and the steady progress of new mass transit lines and extensions will enhance and feed our existing business and create new prospects for VGI. We stand to benefit immensely as the number of stations and train carriages are expected to increase to 4 times in size over the next 5 years through BTS Group targeting an additional 108.8km of mass transit lines.

As domestic pioneers and leaders in the Office Building media, we’ve continued to extend our leadership in this segment, growing our portfolio to 135 buildings. As we grow our portfolio of buildings, we augment our pricing power and competitive strength. We continue to be leaders with 63%² market share of the office building media market. We have also entered a small but high growth residential building media segment by being an exclusive sale agent for Artista Media Limited Partnership. Together with our Office Building media, we believe that this will create lucrative cross-selling opportunities.

In our Other media segment, we’ve made progress with our entry into the Aviation media business through our 20% strategic stake in Aero Media Group Company Limited (“Aero Media”). Tourism arrivals and flights continue to break new records and we are well-positioned to benefit from this. Aero Media has developed at an astonishing rate since its establishment in 2014. Currently its media portfolio covers 13 domestic airports and we have an option to increase our stake further to 30%.

Online and mobile-related media is an increasingly attractive and significant aspect of the media industry. In the future, we expect to deepen our service offering to our customers by leveraging our partnership with Rabbit to provide smart, targeted and measurable advertising and activation capability through data analysis of consumer behavior and patterns.

With a solid and unencumbered balance sheet, we are in a favourable condition to pursue future acquisitions and partnerships that will complement and reinforce our business.

I would like to announce that after 20 years of passionate and dedicated service, Mr. Marut Arthakaivalvatee will be stepping down from his role as our Chief Executive Officer. Mr. Marut’s leadership, expertise and experience have proven invaluable to VGI’s success. I am pleased that he will remain a key part of VGI in his new role as Vice Chairman of the Board of Directors and I look forward to continue working with him.

Finally, I would like to express my appreciation and gratefulness to all our staff members, shareholders, partners and stakeholders for their support, commitment and professionalism. I look forward to recalling more successes for the year ahead.



Keeree Kanjanapas
Chairman of the Board of Directors

¹ The Bank of Thailand

² Includes Grade A and B office buildings

1.4 Message from the Chairman of the Executive Committee and CEO



2015/16 was one of the most challenging years in our Company's history. The industry has continued to suffer in line with lackluster consumer confidence, seeing advertising expenditure contracted by 1.2% YoY. Our Company continued to adjust to the closure of its Modern Trade business segment, a strategic decision taken to strengthen our long-term sustainable profit. New competitors emerged, more sophisticated than before and consumer preference continues to be evolving quickly, with online and social media increasingly becoming primary channel for customer engagement.

VGI's overall revenue fell by 28.9% mainly due to the impact of the Modern Trade business termination. In spite of this, our margins increased, with gross profit margin increasing to 63.5% in 2015/16 from 55.3% in 2014/15. Net profit margins also improved markedly from 28.3% to 44.7% as following the business restructuring, we are left with more profitable business units and a leaner cost structure.

In BTS-related media, the Company secured 7 additional green line extension stations in May 2015. Our Office Building media business continues to expand, reaching a total of 135 buildings, surpassing our year-end target. We've now tapped into a complimentary market as sales agent for Artista Media Limited Partnership across 219 residential buildings. Through our stake in high-growth Aero Media Group Company Limited zeroing in on Aviation media, we've also expanded our services to include additional advertising contracts for 342 LCD screens at all gates in Suvarnabhumi Airport, 57 aerobridges and being a sales agent for 19 aircraft of Lion Air. The Company's revenue from BTS-related media and Office Building & Other media grew 0.4% and 28.6%, respectively.

On 17 March 2016, VGI Global Media announced its intention to create a **Nationwide Integrated Media Platform** within 2 years. VGI will focus across 4 segments, namely; Transit, Office, Outdoor and Aviation media. It will also

transpose a growing capability in Digital media and Activation across these segments, enabling it to jump from being a Bangkok centric advertising media company to a Nationwide Integrated Media Platform.

VGI is already established as a leading player in Transit and Office media. On 17 March 2016, we took the first step to becoming a Nationwide Integrated Media Platform by executing an agreement to acquire 12.46% of Master Ad Public Company Limited (“MACO”), a nationwide Outdoor billboard company subsequently will increase our shareholding from 24.96% to 37.42%¹. Under SEC obligations, we are required to make a tender offer for the remaining shares of MACO, and we expect to surpass the 50% level of ownership by closure of the tender offer period (3 June – 8 July 2016). MACO is already the leader in large format billboards and will become the leader of VGI’s efforts in the outdoor segment. In the coming months, we expect further announcements across all our other segments.

Whilst our main pursuit is to becoming a Nationwide Integrated Media Platform within 2 years, our growth (based on transactions already announced) forecast for 2016/17 are as follows: Revenue is expected to grow 50% and revenues reach in excess of THB 3,100mn².

We aim to achieve this from solid growth in BTS-related media of 5% as occupancy rates increase. Office Building media is expected to grow by 25% by increasing the number buildings and package prices. Other media is expected to grow more than 200%. MACO is expected to generate revenues of THB 800mn, to be driven by increasing media capacity.

Social-contribution activities are a crucial part of the Company’s mission. In the past year, we continued to participate in CSR projects, such as “One Day, One

Thousand Smiles,” donating advertising space for more than 10 social support projects including “Emergency in South Sudan” campaign launched by UNICEF and the Nepal earthquake fundraising initiative.

We are proud to announce that on 19 October 2015, the Company was awarded 5 stars for CG score. We pride ourselves on our commitment to excellence in all aspects in corporate governance, including operation, and believe that this contributes to our sustainable growth over the long-term future.

Let us also take this opportunity to inform you on some changes to roles within the senior management of VGI Global Media. After serving the Company in an executive role for more than 17 years, Mr. Marut Arthakaivalvatee, Chief Executive Officer, will step down from his executive capacity at the end of June. His vision, expertise and passion have been instrumental in the success of VGI Global Media. As such, it is imperative that Mr. Marut will continue to remain part of the VGI family and we look forward to his continued involvement as Vice Chairman of the Board of Directors.

“I am proud to have served as Chief Executive Officer of VGI Global Media and build the Company to what it is today. As the industry changes, however, I think it is more appropriate that a new CEO takes the helm for the next phase. I am looking forward to contribute as the Vice Chairman of the Board of Directors and giving direction to my colleagues and the new management team.

Finally, on behalf of my Executive Chairman, the Board of Directors and myself, I would like to extend my sincere appreciation to my colleagues for their continued support as well as all the stakeholders for their commitment”



Kavin Kanjanapas
The Chairman of the Executive Committee



Marut Arthakaivalvatee
Chief Executive Officer

¹ Subject to shareholder approval at Extraordinary General Meeting on 30 May 2016

² Assuming the consolidation of revenues since June 2016

1.5 Audit Committee Report

The Audit Committee of VGI Global Media Public Company Limited (the “Company”) consists of 3 Independent Directors, namely Associate Professor Jaruporn Viyanant as the Chairman of the Audit Committee, Mrs. Maneeporn Siriwatanawong and Mr. Mana Jantanayingyong as the Members of the Audit Committee and Mr. Pipop Intaratut as the Secretary to the Audit Committee.

In 2015/16, the Audit Committee to undertake the duties and responsibilities regarding matters assigned by the Board of Directors as follows;

1. Reviewed the Company’s financial reports, including quarterly and annual financial statements with regards to their accuracy and adequacy of disclosure. The Audit Committee has had meetings with the Company’s auditor and found no reason to believe that such financial reports were not prepared in accordance with Generally Accepted Accounting Principles.
2. Reviewed and ensured the Company has an appropriate and efficient internal control and internal audit system, considered the adequacy of the budget, manpower and considered the independence of the internal audit department. Also the audit committee has monitored the approval, promotion, transfer, and layoff of chief of internal audit and any other functions which work under the internal audit department. The internal audit department is under the Audit Committee and is tasked with evaluating the appropriateness and effectiveness of the internal control system by considering business operation, prevention and control of loss, authority to make financial decisions ensuring the compliance with applicable laws, ensuring internal control system that the company has an appropriate and adequate internal control system in each of the Company’s activities to achieve the purpose and goals of the Company and to manage the Company’s business.
3. Reviewed the Company’s operations to be in compliance with the regulations of the Securities and Exchange Commission and the Stock Exchange and all applicable laws relating to the Company’s business. Has conducted meetings with the management and head of related departments to ensure the Company had good and efficient operations and management processes in accordance with the principle of good corporate governance. In addition, the Audit Committee has reviewed the practices of Corporate Governance according to the principles of Corporate Governance of Thailand Listed Companies. The management always considers social and environmental responsibility, so that the Company can comply with the international principles.
4. Considered, selected and nominated independent persons to act as the Company’s auditor by proposing to the Board of Directors to appoint Mr. Narong Puntawong, Certified Public Accountant (Thailand) No.3315, and/or Mr. Supachai Phanyawattano, Certified Public Accountant (Thailand) No.3930, and/or Mrs. Chonlaros Suntiasvaraporn, Certified Public Accountant (Thailand) No.4523 from EY Office Company Limited to act as the auditor for the Company and its subsidiaries with the exception of VGI Advertising China Company Limited which is domiciled in China and has appointed Shanghai Shangshen Certified Public Accounts Co., Ltd. as an auditor. Such appointment and fee for fiscal year 2015/16 were approved by the Board of Directors and are to be proposed to the General Meeting of Shareholders of the Company.


5. Considered and reviewed the connected transactions or the transactions that may lead to conflicts of interest between the Company with related person or related companies and whether the transactions are appropriate and benefit the company and have been transacted on an arm's length basis.
6. Prepared this Audit Committee Report and disclosed the Report signed by the Chairman of the Audit Committee in the Annual Report 2015/16.
7. From 1 April 2015 to 31 March 2016, the Audit Committee conducted nine meetings by which each member has attended the meetings as follows

Names	Position	Times attended/ Total number of meetings
Associate Professor Jaruporn Viyanant	Chairman of the Audit Committee	8/8
Mrs. Maneeporn Siriwatanawong	Member of the Audit Committee	7/8
Mr. Mana Jantanayingyong	Member of the Audit Committee	8/8

Overall Audit Committee's Opinions

In the fiscal year 2015/16, the Audit Committee is of the opinion that it performs its duties under the Audit Committee Charter, which in turn follow the Stock Exchange of Thailand's regulations. In this regard with full cooperation and support of all parties, the Audit Committee has efficiently performed its functions within a responsible and satisfactory manner. The Audit Committee has reviewed the Company's financial reporting and found that it is

accurate, adequate, and complied with the General Accepted Accounting Principles. The Internal Control and Internal Audit systems are suitable and efficient enough for achieving the Company's target, in line with the principles of good corporate governance and in compliance with the Public Companies Act, the Securities and Exchange Act, as well as all relevant laws and regulations that relate to the Company's operation.



Associate Professor Jaruporn Viyanant
Chairman of the Audit Committee

1.6 Nomination and Remuneration Committee Report

The Nomination and Remuneration Committee of VGI Global Media Public Company Limited (the “Company”) consists of 3 Independent Directors, namely, Mrs. Maneeporn Siriwatanawong as the Chairman of the Nomination and Remuneration Committee, Associate Professor Jaruporn Viyanant, Mr. Mana Jantanayingyong, and 2 Executive Directors, namely, Mr. Marut Arthakaivalvatee and Mr. Chan Kin Tak as the Members of the Nomination and Remuneration Committee and Mrs. Sununya Srinoikhao as the Secretary to the Nomination and Remuneration Committee.

In 2015/16, the Nomination and Remuneration Committee conducted 3 meetings, which were attended by all members, to undertake the duties and responsibilities regarding matters assigned by the Board of Directors. The Nomination and Remuneration Committee’s significant activities during the year are summarised below:

1. Considered and recommended on the Board of Directors’ structure, i.e., the appropriate size and composition of the Board of Directors, taking into consideration the Company’s size and business strategy in comparison with the current size and composition of the Board of Directors, as well as, reviewed the independence of each of independent directors, so as to adjust the Board of Directors’ structure correspond with the Company’s strategy and further proposed to the Board of the Directors’ meeting for consideration and approval;
2. Determined the criteria and process for nominating a person for the position of director by considering:
 - Qualifications of a director which are appropriate for and correspond with the Company’s strategy, structure, size and composition of the Board of Directors as determined by the Board of Directors;
 - Appropriateness of his/her knowledge, experience, expertise and availability, as well as, other requirements as stipulated by the laws or regulations of the government authorities;
 - Diversity in the structure of the Board of Directors (Board Diversity) and other qualifications that are necessary and are still lacking in the Board of Directors by making the Board Skill Matrix;
3. Nominated director candidates who have qualifications in accordance with the specified qualification criteria in the event that a director retires by rotation and recommended to the Board of Directors for approval and further proposed to the shareholders’ meeting for consideration and approval;
4. Considered the structure, amount, form and criteria for all types of remuneration (monetary and non-monetary) for the Chairman of the Board of Directors, directors and members of the sub-committees, by reviewing the appropriateness of current criteria in comparison with the remuneration paid by other companies within the same industry and other listed companies with the similar market capitalisation in order to motivate and retain valuable directors with the Company, and proposed the same to the Board of Directors’ approval, e.g., studying in the director and officer insurance or D&O;
5. Considered and recommended the performance evaluation criteria of the Chairman of the Executive Committee and the Chief Executive Officer and proposed the results of such evaluation for the Board of Directors’ approval, and proposed the amount and form of remuneration of the Chairman of the Executive Committee and the Chief Executive Officer, in line with the result of the performance evaluation for the Board of Directors’ approval;
6. Conducted the self-evaluation of the 2015/16 performance and concluded that all duties had been fully discharged as assigned by reported to the Board of the Directors’ meeting, as well as reported the result of the performance evaluation to the Board of Directors;
7. Prepared this report of the Nomination and Remuneration Committee in order to report the 2015/16 performance to the Board of the Directors and/or the shareholders, which is disclosed in the 2015/16 Annual Report.



Maneeporn Siriwatanawong
Chairman of the Nomination and
Remuneration Committee

1.7 Corporate Governance Committee Report

The Corporate Governance Committee of VGI Global Media Public Company Limited (the “Company”) consists of 1 Independent Director, namely, Associate Professor Jaruporn Viyanant as the Chairman of the Corporate Governance Committee, and 2 Executive Directors, namely, Mr. Marut Arthakaivalvatee and Mr. Chan Kin Tak as the Members of the Corporate Governance Committee and Ms. Tamtawan Srilaemthong as the Secretary to the Corporate Governance Committee.

In 2015/16, the Corporate Governance Committee conducted 3 meetings, which were attended by all members, to undertake the duties and responsibilities regarding matters assigned by the Board of Directors. The Corporate Governance Committee’s significant activities during the year are summarised below:

1. Initiated appropriate corporate governance actions in order for the Company’s corporate governance to be in line with the principles of corporate governance for listed companies set out by the Stock Exchange of Thailand and the Thai Institute of Directors, which have been adopted from the internationally recognized standards of OECD and ASEAN Corporate Governance Scorecard;
2. Set the framework for corporate social responsibilities, including its strategy and action plan, for sustainable growth of the Company;
3. Determined the material aspects and approved the 2015/16 sustainability report of the Company, which was prepared for the first time by the Company in accordance with the reporting guideline of the Sustainability Reporting Guidelines of Global Reporting Initiative – G4, to present the Company’s performance in economic, social and environmental aspects;
4. Considered the application criteria for certification of membership of Thailand’s Private Sector Action Coalition Against Corruption;
5. Conducted the self-evaluation of the 2015/16 performance and concluded that all duties had been fully discharged as assigned by the Board of Directors;
6. Prepared this report of the Corporate Governance Committee in order to report the 2015/16 performance.

As a result of the Company’s firm commitment to operate its businesses in accordance with the good corporate governance standards, and its continual participation in the social responsibility activities, the Company was awarded “Excellent” or “5-Star” in the Corporate Governance Report of Thai Listed Companies 2015 surveyed by the Thai Institute of Directors.



Associate Professor Jaruporn Viyanant
Chairman of the Corporate Governance Committee

1.8 Our Board of Directors

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- 1. Mr. Keeree Kanjanapas**
Chairman of the Board of Directors
- 2. Mr. Marut Arthakaivalvatee**
Vice Chairman of the Board of Directors
- 3. Mr. Kavin Kanjanapas**
Director
- 4. Mr. Surapong Laoha-Unya**
Director
- 5. Mr. Kong Chi Keung**
Director
- 6. Mr. Chan Kin Tak**
Director
- 7. Associate Professor Jaruporn Viyanant**
Independent Director and
Chairman of the Audit Committee
- 8. Mrs. Maneeporn Siriwatanawong**
Independent Director and
Member of the Audit Committee
- 9. Mr. Mana Jantanayingyong**
Independent Director and
Member of the Audit Committee



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1.9 Our Management

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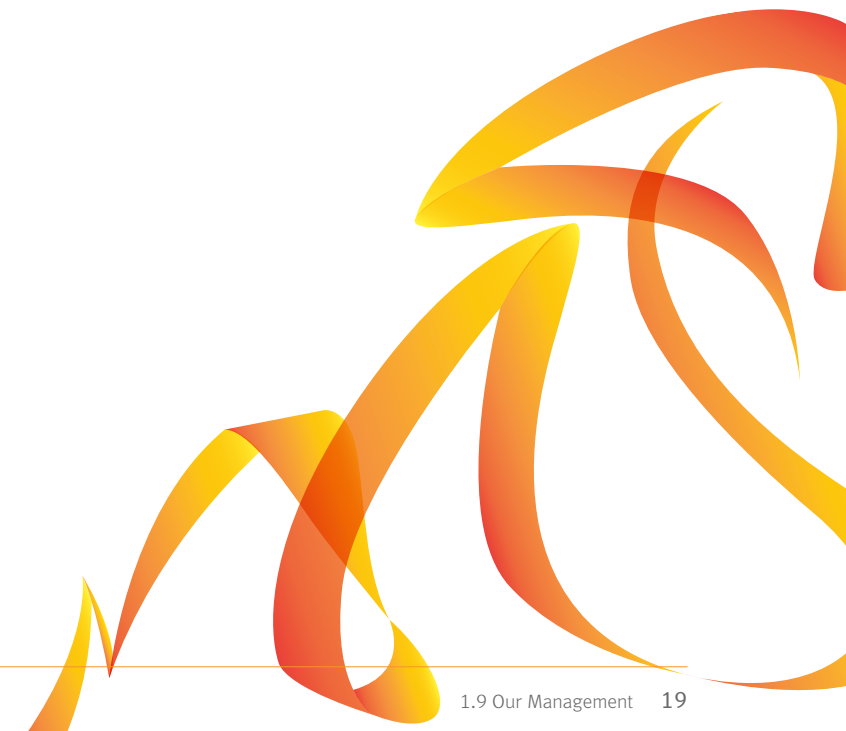
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- 1. Mr. Kavin Kanjanapas**
Chairman of the Executive Committee
- 2. Mr. Marut Arthakaivalvatee**
Member of the Executive Committee and
Chief Executive Officer
- 3. Mr. Chan Kin Tak**
Member of the Executive Committee and
Chief Operating Officer
- 4. Mrs. Oranuch Rujirawona**
Member of the Executive Committee and
Chief Sales and Marketing Officer
- 5. Mr. Chavin Kalayanamitr**
Member of the Executive Committee and
Chief Technology Officer
- 6. Mrs. Suparanan Tanviruch**
Member of the Executive Committee and
Chief Financial Officer
- 7. M.L. Kriengkrai Hastindra**
Member of the Executive Committee and
Deputy Chief Sales and Marketing Officer
(not an Executive by definition of SEC)
- 8. Ms. Daranee Phanklin**
Financial Controller
- 9. Mrs. Pitchapaksorn Jitopas**
Billing and Accounting Director

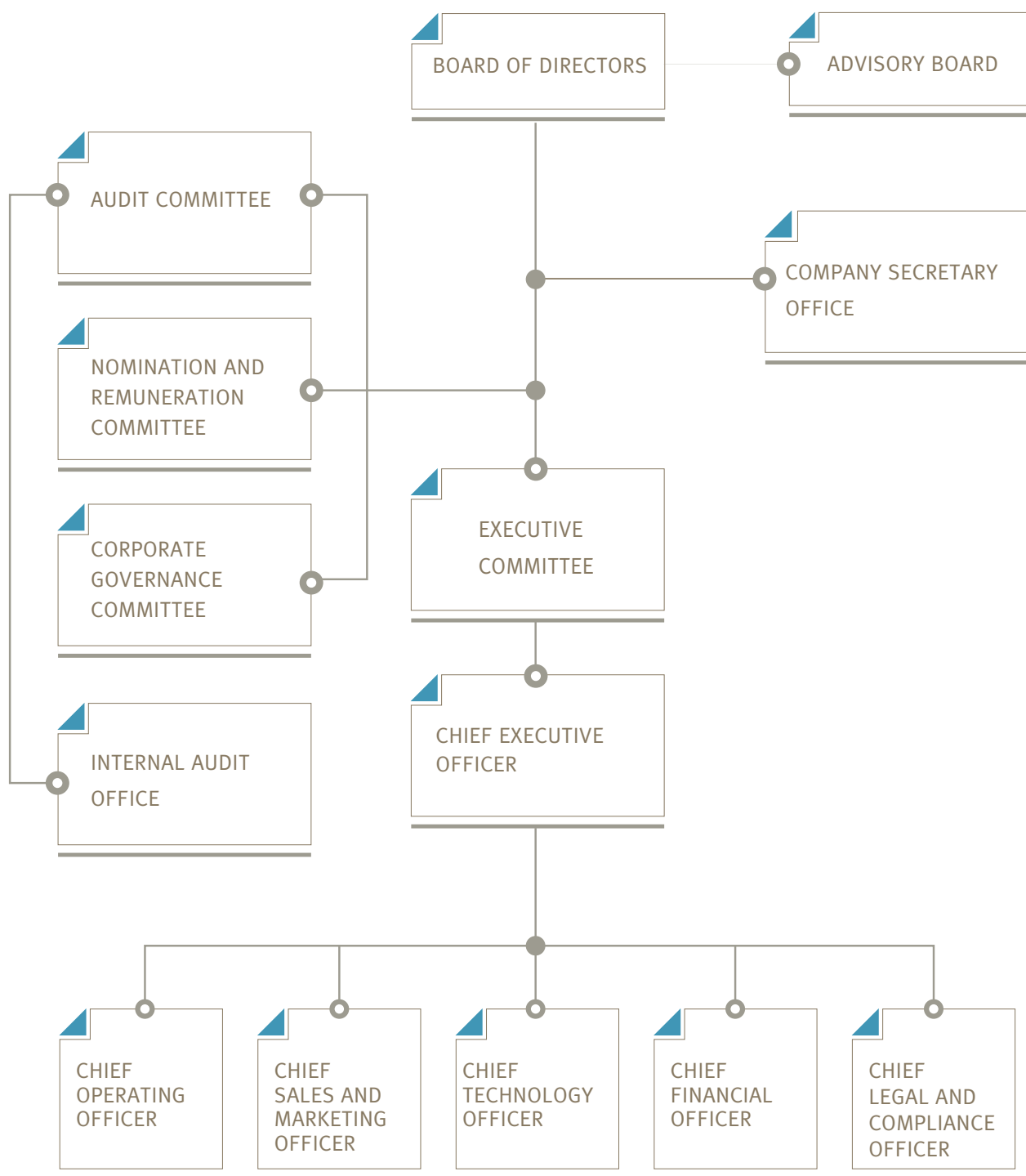


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1.10 Organisation Chart

(as of 31 March 2016)



2.0

HIGHLIGHTS 2015/16 AND 2016/17

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2.1 Important Events 2015/16

May 2015

- Terminated the Advertising Display Concession Agreement for the right to manage advertising space in Big C Supercenter and Mini Big C, as well as stopped the operation of Modern Trade media.
- Signed a contract with Bangkok Mass Transit System Public Company Limited, receiving rights to manage advertising and merchandising areas on 7 extensions (On Nut to Bearing and Krunthon Buri to Wongwian Yai) from 2015 to 2029.
- Subscribed 20% for newly issued ordinary shares in Aero Media Group Company Limited, whose business is providing advertising media service in 13 domestic airports. Please find more detail in *Section 3.4.2: Office building and Other media*.

June 2015

- Disposed all of investment in 999 Media Company Limited, total amount of THB 3mn.

September 2015

- Gradually decreased investment in Midas Global Media Company Limited to 11.11% as of 31 March 2016.
- Disposed all of investment in VGI Advertising China Company Limited, total amount of THB 65mn

October 2015

- Gradually secured 32 new contracts into the office building portfolio, a total of 135 buildings as of 31 March 2016 Please find more detail in *Section 3.4.2: Office building and Other media*.

November 2015

- Granted right to manage advertising for Artista Media Limited Partnership across 219 residential buildings (549 screens) under leading brands such as AP, LPN, U Delight and Grand Unity Development. Please find more detail in *Section 3.4.2: Office building and Other media*.

February 2016

- Interim cash dividend of THB 0.05 per share (a total of THB 343mn) paid on 19 February 2016.

March 2016

- Company announced its intention to evolve into a “Nationwide Integrated Media Platform” and announced its intention to acquire additional 12.46% stake in Master Ad Public Company Limited, which will trigger a tender offer for the entirety of the Company per SEC regulation. Please find more detail in *Section 2.4: 2-year Strategy and Section 3.4.2: Office building and Other media*.

May 2016

- On 11 May 2016, the BOD resolved to approve the cash dividend payment from the operating results of 2H 15/16 at THB 0.06 per share (a total of THB 412mn). The total dividend payment from 2015/16 operations will be equal to THB 755mn (subject to the resolution of 2016 Annual General Meeting of Shareholders, which will be held on 5 July 2016).



2.2 Business Target Assessment 2015/16

Slow economic growth continued to undermine business confidence and consumer spending. In a tough growth environment, businesses tend to cut expenditures, and advertising expenditure is often one of the first expenses to be cut. Overall media spending fell 1.2% YoY. A decline in media spending usually intensifies competition among industry players. Revenue growth becomes challenging and margins may be affected from package prices being slashed. In spite of this, VGI Global Media continued to see revenue and net profit growth of 3.1%, after excluding the discontinued Modern Trade business.

BTS-RELATED MEDIA



Target : **+5%**

Actual : **+0.4%**

BTS-related media faced challenges from overall media spending decline as price dumping from other media players made other mediums temporarily more attractive to agencies. Subsequently, we achieved near flat growth to our target of 5% growth.

During the year, the Company successfully secured concession to 7 additional extension stations. In the future, we stand to benefit immensely from mass transit network expansion over the long-run, from directly increasing our concession but also indirectly from ridership feeder effects from new mass transit lines.

OTHER MEDIA



Target : **+260%**

Actual : **+61.4%**

In Other media segment, we targeted 260% growth but were able to achieve 61.4%.

The Company expected growth contribution from LED screens at Victory Monument and Chamchuri Square, however the Company prudently decided to discontinue its operations at Victory Monument because it did not meet initial projections.

OFFICE BUILDING MEDIA



Target : **+30%**

Actual : **+23.6%**

In the Office Building media segment we were able to secure rights to 135 buildings, growing revenues by 23.6% and slightly missing our 30% revenue growth target.

Office buildings continue to benefit from stable occupancy rates and limited supply growth, particularly in Grade A spaces. Our partnership with Artista Media Limited Partnership in the residential building space is a natural expansion of our services and opens a large and lucrative market, considerably increasing our potential media inventory.



2.3 Business Outlook 2016/17

VGI aims to become a “**Nationwide Integrated Media Platform,**” within 2 years, hence 2016/17 will be a year of pursuing strategic alliances or acquisitions in diverse media segments, including transit, office building, outdoor, aviation, big data and activation. Our first step of the aforementioned strategy was made in March 2016 when the Company announced the intention to acquire 12.46% of total shares in MACO from major shareholders and to commence a tender offer to purchase up to 1,484mn publicly held shares amounting to 48.79% of total shares. We expect our 2016/17 performance to be driven by organic expansion as well as realising the value and synergies of our increased investment in MACO.

Further details are as follows:

Total revenue

Total revenue is expected to increase by 50%¹ from the previous year, mainly from the consolidation of MACO’s financial statement.

EXPECTED GROWTH

50 %



BTS - related Media revenue

BTS-related media revenue is expected to increase by 5% from the previous year, primarily from an increase in occupancy rates in all existing media and 7 new extension stations.

EXPECTED GROWTH

5 %



CAPEX FOR 2016/2017 IS EXPECTED TO BE THB 500MN,

¹ On assumption that the Company is holding 50% in MACO. The transaction is subject to the resolution of Extraordinary General Meeting, which will be held on 30 May 2016.

Office Building Media revenue

In the Office building media, VGI will continue to grow its footprint in major office buildings throughout Bangkok. This business unit is expected to see healthy revenue growth of 25% driven by the expansion of the network to 160 buildings (135 buildings as of March 2016) as well as an increase in package prices by 20%. Moreover, we have also identified substantial expansion opportunities in underserved Grade B office buildings.

EXPECTED GROWTH

25%

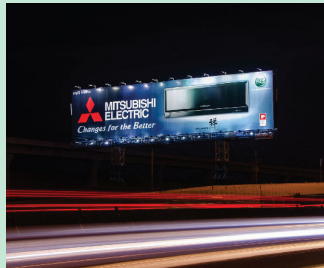


Outdoor Media revenue

Outdoor media revenue, post-MACO acquisition, is expected to recognise revenue of THB 800mn in 2016/17 as a result of the network expansion both in Bangkok and upcountry.

EXPECTED GROWTH

THB 800MN



Other Media revenue

Other media revenue, which includes projects such as 1) Chamchuri Square, 2) Empire Tower, 3) Wi-Fi projects, 4) Upcountry Co Mass and 5) Clock towers. These projects are expected to grow more than 200% from the previous year.

EXPECTED GROWTH

>200%



COMPRISING THB 300MN AT THE COMPANY LEVEL AND THB 200MN FROM MACO ITSELF.

2.4 2-Year Strategy “Nationwide Integrated Media Platform”

NATIONWIDE INTEGRATED MEDIA PLATFORM

TRANSIT	OFFICE	OUTDOOR	AVIATION	DIGITAL	ACTIVATION
55% market share	63% market share (Grade A&B building)	>37.42% in MACO	20% in Aero Media	ONLINE & OFFLINE	TARGETED
>700,000 viewers reached daily	>650,000 viewers reached daily	178 mega billboards	>115MN viewers reached annually	5MN card holders	2MN registered loyalty members
LONG TERM contracts end 2029 & 2042	135 office buildings	480 networking billboards	342 LCD screens	90 offline merchants	16MN monthly emails targeted for FY16
4X expected capacity	219 condominiums	678 street furniture	4,500 trolleys	>30MN potential e-wallet members	2.6MN monthly deliveries (Kerry)
70% GP margin	60% GP margin	56% GP margin	57 aerobridges	33MN potential online impressions	
PROVEN WINNER		1 st STRATEGIC STEP		GROWTH PROSPECTS	

On 17 March 2016, the Company announced its intention to evolve into a **“Nationwide Integrated Media Platform.”** We aim to expand on our leadership in transit (BTS-related media) and Office Building media towards outdoor, aviation, digital and activation segments to **enable the Company to jump from being a Bangkok-centric advertising media company to a Nationwide Integrated Media Platform within 2 years.**

Our first strategic step was an announcement to acquire an additional 12.46% of Master Ad Public Company Limited (“MACO”) from the founding shareholders. Post-transaction,

the company will gain control and consolidate MACO. MACO is a rapidly growing company with significant media inventory upcountry. 84% of the population, 80% of households and 75% of total income are located upcountry, but receive only 30% of Out-of-Home media spending¹. We believe that this is a pivotal opportunity to benefit from the significantly asymmetric distribution of media spending and a clearly underserved market. Please find more detail in *Section 3.4.2: Office Building and Other media.*

The Company made further inroads by entering into the rapidly expanding aviation media market through a 20%



acquisition in Aero Media Group Company Limited (“Aero Media”). Aero Media provides media services for 13 airports throughout Thailand, including prime airports: Suvarnabhumi and Don Muang and budget carrier Lion Air. Growth in this segment is underpinned by the number of international and domestic passengers at all airports, which grew 20% and 23%, respectively from the previous year². To compound further growth, we have the option to increase our stake further in this company.

The Company has been developing our in-house digital media and activation capability and begun to leverage our relationship with BSS Holdings Company Limited (“BSSH”) and its subsidiaries. From our partnership with BSSH, we simultaneously gain: (1) online media inventory, (2) access to “offline” data sources such as Rabbit’s 5mn active card users and 2mn Carrot Reward members, (3) “online” data sources through Rabbit Online web portal and Rabbit Line Pay app - a JV with LINE.

Our vision is to become a one-stop, integrated online/offline media platform and enable our customers to create “smarter”, targeted advertising to activate customer/brand engagement across our nationwide segments.

NATIONWIDE INTERGRATED MEDIA PLATFORM “within 2 years”



¹ Department of Provincial Administration, Nation Statistical Office (Ministry of Information and Communication Technology), the Bank of Thailand and company’s research

² Airports of Thailand Plc





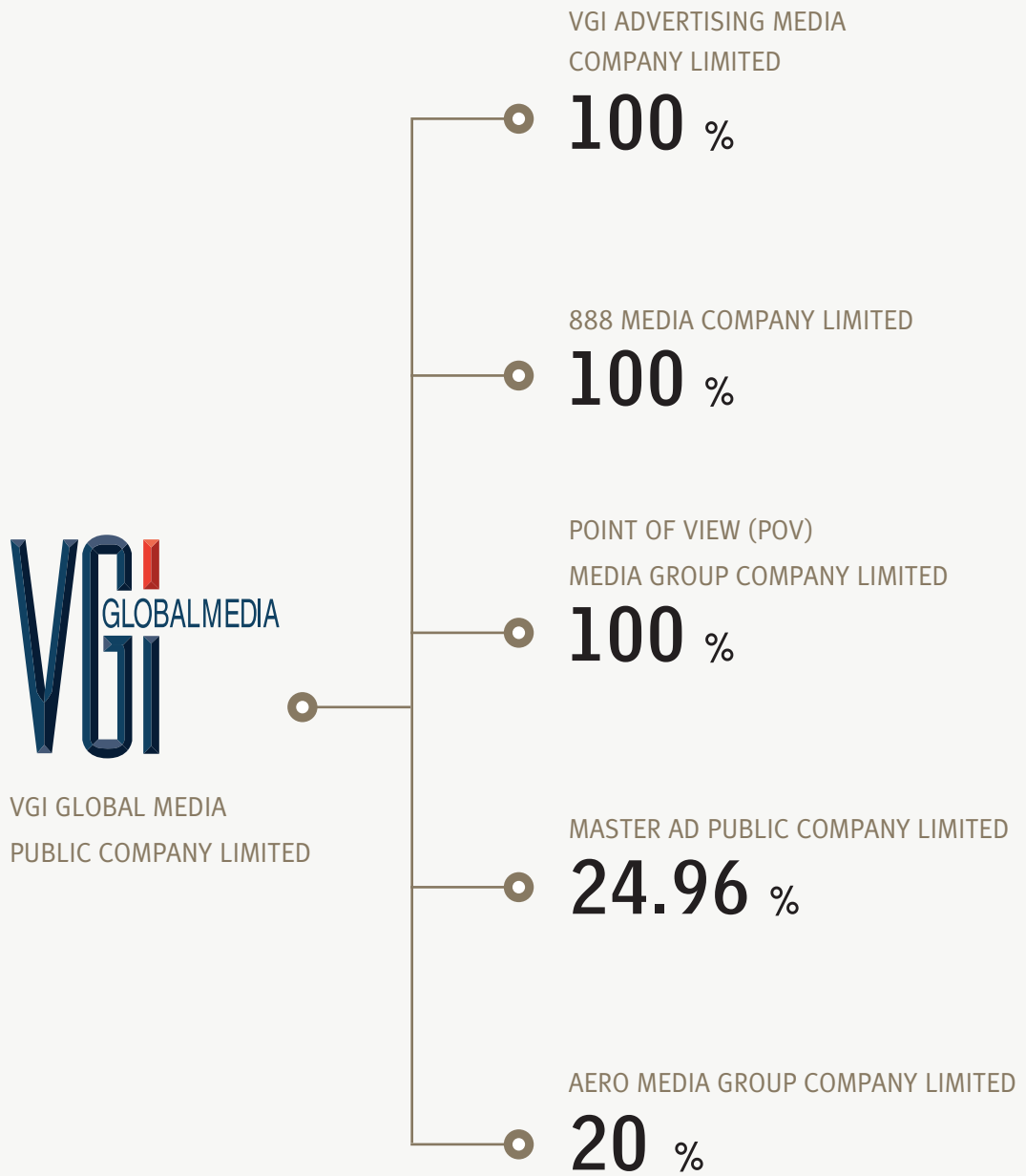
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THE COMPANY AND MEDIA INDUSTRY

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3.1 Corporate Structure



3.2 Corporate Information

Company Profile

Year Established:	1995
Equity First Trade Date:	11 October 2012
Stock Symbol:	VGI
Market:	SET
Industry:	Services
Sector:	Media & Publishing
Registered Capital (as of 31 Mar 2016):	THB 857,993,253.00
Paid-up Capital (as of 31 Mar 2016):	THB 686,432,185.20
No. of Listed Shares (as of 31 Mar 2016):	6,864,321,852 shares
No. of VGI-W1:	857,791,689 Units
Par Value:	THB 0.10 per share

Stock Registrar

Thailand Securities Depository Co., Ltd.	
Address :	93 Ratchadaphisek Road, Dindaeng, Bangkok 10400, Thailand
Tel:	+66 (0) 2009 9000
Call Center:	+66 (0) 2009 9999
Fax:	+66 (0) 2009 9991
Website:	http://www.set.or.th/tsd

Company Registered Address

Address :	21 TST Tower, 9 th Floor Viphavadi-Rangsit Road Chomphon, Chatuchak Bangkok 10900 Thailand
Registration No.:	0107555000066
Website:	www.vgi.co.th

Key Contact Details

Head Office

Tel:	+66 (0) 2273 8884
Fax:	+66 (0) 2273 8883

Company Secretary

Tel:	+66 (0) 2273 8884 ext. 556, 557
Fax:	+66 (0) 2273 8883
Email:	companysecretary@vgi.co.th

Investor Relations

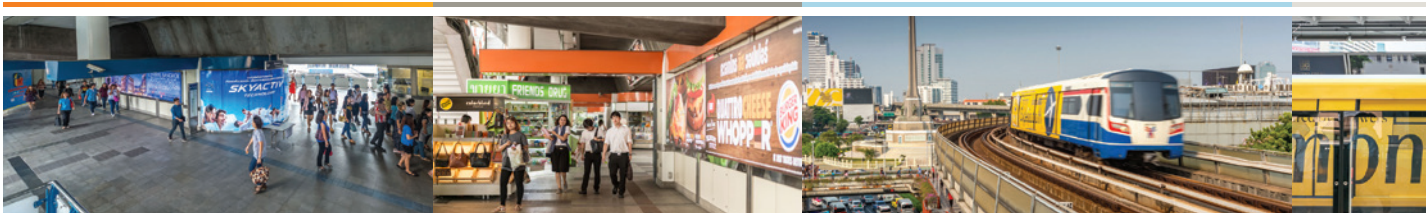
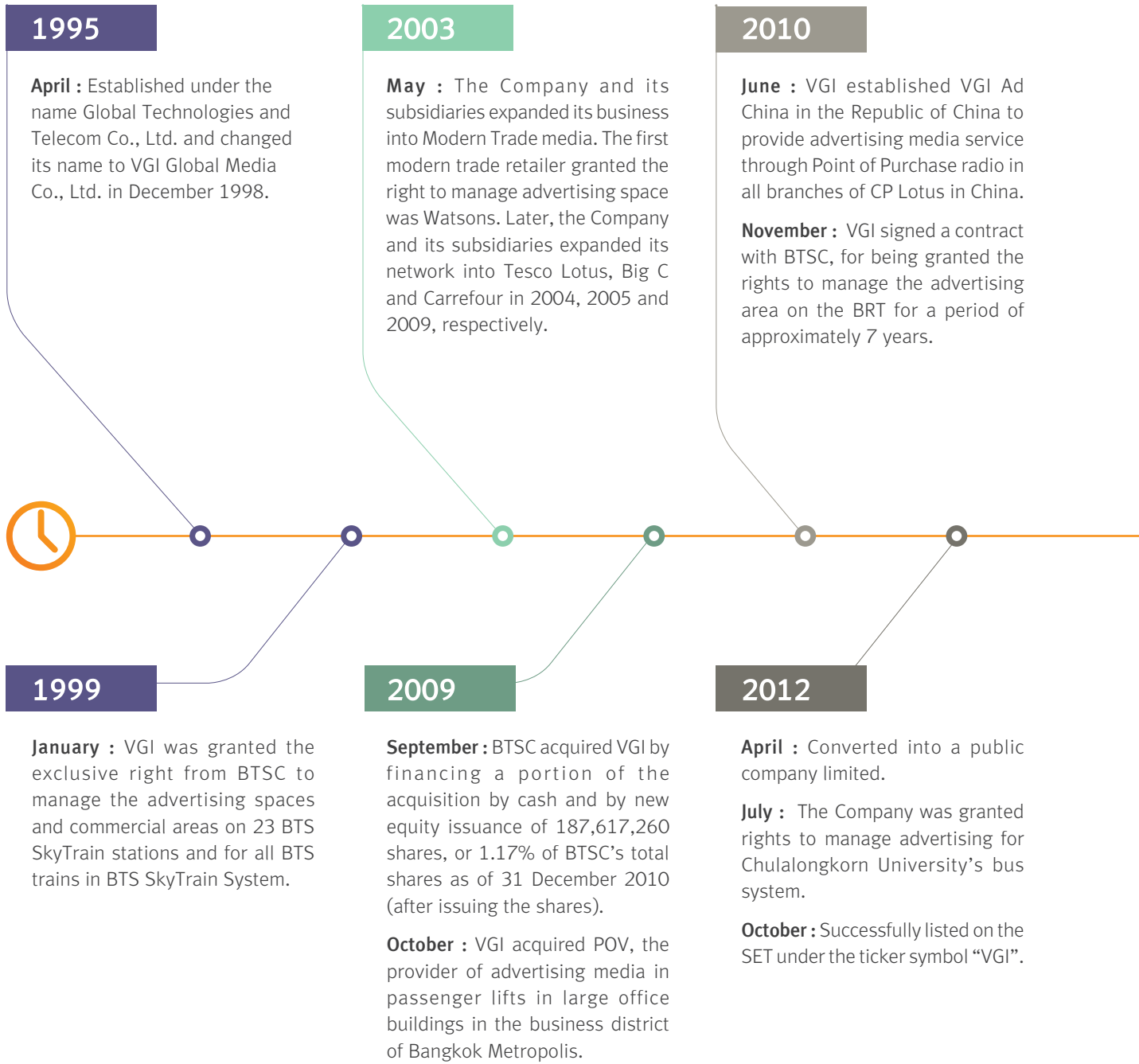
Tel:	+66 (0) 2273 8611-5 ext. 1528, 1529
Fax:	+66 (0) 2273 8610
Email:	ir@vgi.co.th

Auditor

EY Office Limited

Address:	33 rd Floor, Lake Rajada Office Complex 193/136-137 New Rajadapisek Road Klongtoey, Bangkok 10110, Thailand
Tel:	+66 (0) 2264 0777
Fax:	+66 (0) 2264 0789-90
Mr. Supachai Phanyawattano Certified Public Accountant No. 3930	

3.3 Our History



2013

September : VGI changed the par value from THB 1.00 to THB 0.10 per share, to increase the liquidity of the Company's shares trading on the SET. VGI's new shares begin trading on SET with new par value on 27 September 2013.

2015

January : The Company bid for and was awarded to manage all of the advertising space inside and outside Chamchuri Square

May : VGI terminated Advertising Display Concession Agreement for the right to manage advertising space in Big C Supercenter and Mini Big C, as well as stopped the operation of Modern Trade media.

VGI subscribed 20% for newly issued ordinary shares in Aero Media Company Limited ("Aero Media"), whose business is providing advertising media service in 13 domestic airports.

May : The Company signed a contract with BTSC, receiving rights to manage advertising space on 7 extensions (On Nut - Bearing and Krungthon Buri - Wongwian Yai) from 2015 to 2029.

November : The Company was granted right to manage advertising for Artista Media Partnership ("ARTISTA") across 219 residential buildings.

2014

May - June : VGI acquired 751mn shares or 24.96% of the total issued shares of Master Ad Public Company Limited ("MACO"), the leading Out-of-Home media advertising company and listed on SET.

July : VGI issued and allocated VGI-W1 to the existing shareholders at pro rata to their respective shareholdings (Rights Offering), in order to provide readiness and enhance financial strengths and flexibility to the Company in proceeding with its future projects as well as to allow the Company to reserve funds to be used as working capital. VGI-W1 begins trading on SET on 18 August 2014.

VGI was selected to be the "Best Under A Billion" of small and midsize listed companies, screened on sale growth, earnings growth and return on equity, in Asia Pacific by Forbes Asia 2014.

2016

March : The Company announced to acquire 12.46% of total shares in MACO from major shareholders and to commence a tender offer to purchase up to 1,484.0mn publicly held shares amounting to 48.79% of total shares. See more detail in *section 2.4: 2-year strategy and section 3.4.2: Office Building and Other media.*



3.4 Industry and Business Overview

1. Thai Media Industry in 2015/16

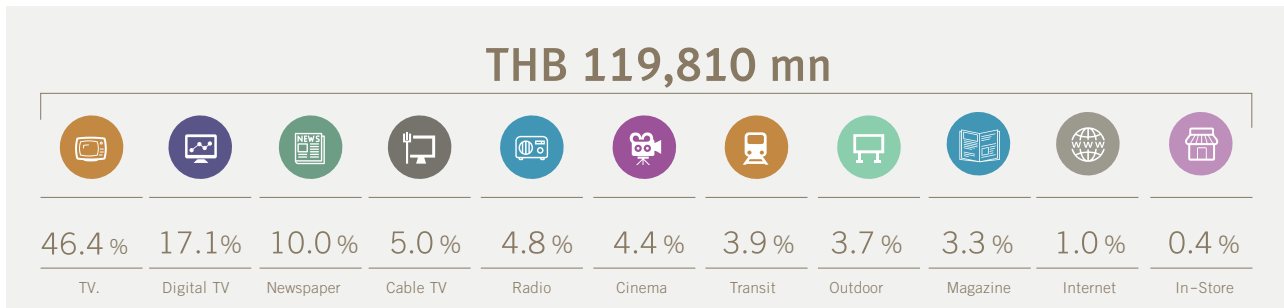
Thailand remains one of the slowest-growing economies in South-East Asia, expanding by 2.8% in 2015, down from the Bank of Thailand’s original estimate. The moderate expansion in GDP was mainly supported by higher government spending; nevertheless, the lower-than-expected growth was weighed down by exports contracting 5.6%¹ from softening global growth as well as lackluster consumption and investment growth.

The advertising industry continued to suffer in line with weak household spending, with advertising spend contracting by 1.2% YoY. After the liberalisation of TV segment, digital TV was the best performing sector in the media industry, growing by 51.2% to THB 20,462mn (analogue TV dropped by 11.4%), followed by the internet, cinema and transit sectors, which grew 22.5%, 19.3% and 18.5%, respectively.

In relation to the Company, transit media is expected to continue to grow solidly on the back of mass transit line expansion, and a burgeoning aviation media subsector. With the exit of the Company’s modern trade business (part of In-Store sector), the segment now comprises mainly the Company’s Office Building media segment which continues to show sizeable growth of 23.6% over the previous year.

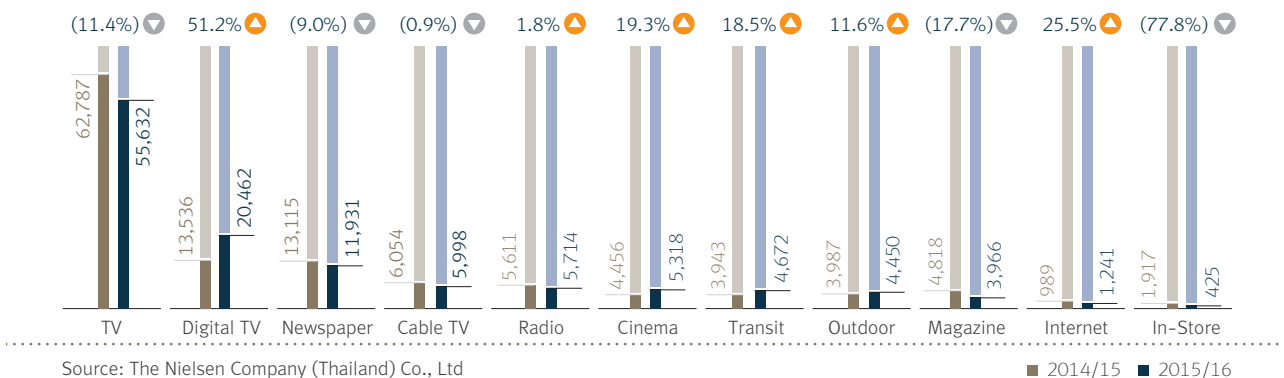
Overall media spending is heavily asymmetrical, where upcountry has long been an underserved geographical segment. With 80% of the households and 75% of the country’s household income derived from areas beyond Bangkok and its vicinities, only 30% of Out-of-Home (“OOH”) media spend has been allocated to this market². As the potential of this segment becomes realised, OOH media spending growth should continue to outperform.

Figure 1: Media Industry Market Share in Thailand in 2015/16



Source: The Nielsen Company (Thailand) Co., Ltd

Figure 2: Advertising Expenditure in Thailand in 2015/16 vs 2014/15 (THB mn)



Source: The Nielsen Company (Thailand) Co., Ltd

¹ The Bank of Thailand

² Department of Provincial Administration, National Statistical Office (Ministry of Information and Communication Technology), the Bank of Thailand and Company Research.



2 . Key Trends

2.1 Out-of-Home Media vs. Traditional Media in Thailand

In 2015/16, OOH media spending which includes transit, outdoor and in-store media was THB 9,547mn or 8.0% of Thailand's advertising spending, which totaled THB 119,810mn. OOH media has grown continuously at a higher rate each year compared to traditional media segments such as analog TV, radio, newspaper and magazines. Whilst traditional media still had the highest market share at 64.4% of Thailand's advertising spending, the trend is expected to move towards OOH media over time. This is apparent from the faster growth in advertising spending in OOH media during the past 5 years.

During 2010/11 - 2015/16, Transit and Outdoor media had compound annual growth rate (CAGR) of 15.6% and 2.4%, respectively whereas conversely, the three lowest growth segments in Traditional media were Radio, Television and Newspaper with CAGR of -1.2%, -2.3% and -4.5%, respectively. OOH media segment gained the most market share, which grew from 6.3% in 2005/06 to 8.0% in 2015/16, or a 1.7% increase. By comparison, traditional media's market share declined from 92.1% in 2005/06 to 64.4% in 2015/16 (or a 27.7% decrease).

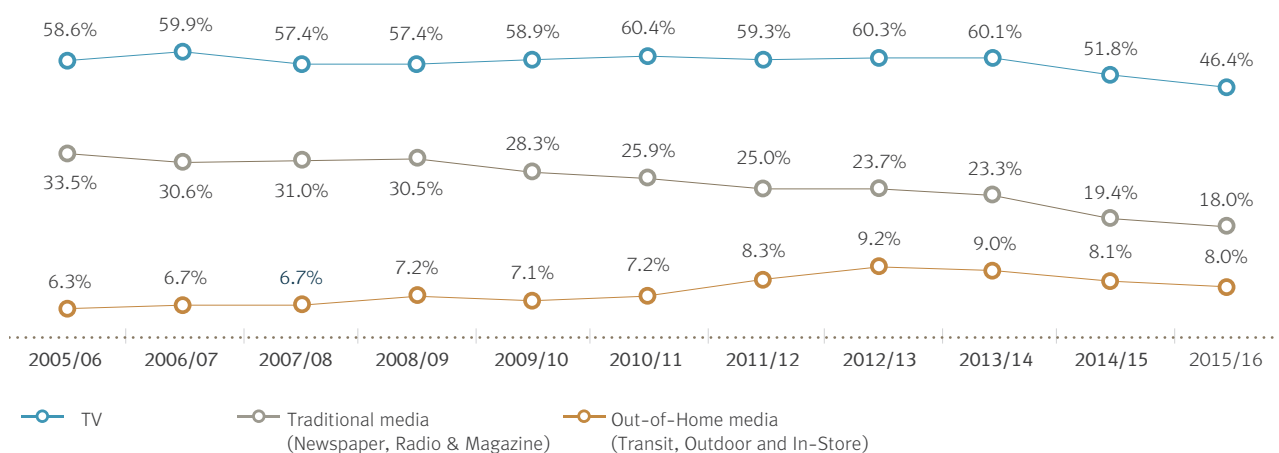
Figure 3: 2010/11 – 2015/16 Thailand Media Industry Spend

	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	5YRS CAGR (%)
TV	62,537	62,528	68,755	68,107	62,787	55,632	-2.3%
Digital TV	-	-	-	685	13,536	20,462	97.3%*
Newspapers	15,038	14,650	14,993	14,743	13,115	11,931	-4.5%
Cable TV	-	-	-	1,797	6,054	5,998	27.3%*
Radio	6,057	6,027	6,335	6,134	5,611	5,714	-1.2%
Cinema	6,382	7,231	7,205	5,360	4,456	5,318	-3.6%
Transit	2,262	2,650	3,189	3,533	3,943	4,672	15.6%
Outdoor	3,962	4,319	4,471	4,161	3,987	4,450	2.4%
Magazine	5,764	5,715	5,662	5,508	4,818	3,966	-7.2%
Internet	328	500	645	860	989	1,241	30.5%
In-Store	1,198	1,760	2,813	2,488	1,917	425	-18.7%
Total Industry AdSpend	103,527	105,382	114,068	113,377	121,213	119,810	3.0%

Source: The Nielsen Company (Thailand) Co., Ltd

* Based on 2 years CAGR

Figure 4: Out-of-Home vs Traditional Media Market Share Trend (2005/06 – 2015/16)



Source: The Nielsen Company (Thailand) Co., Ltd

2.2 Urbanisation shifts advertising spending to Out-of-Home Media

Urbanisation continues to play a role in driving social changes in Thailand, correlating with the increase in growth of OOH media spending. High population density and severe traffic congestion as a result of urbanisation and lack of road development have made it inevitable for Bangkok to aggressively develop rail mass transit.

BTS SkyTrain's Core Network ridership has increased significantly over the past 5 years from 145mn passengers in 2010/11 to 244mn passengers in 2015/16, representing CAGR of 9.9%. [This excludes any additional ridership growth from extensions to the Core Network, the Blue line and the Red line]. The growth in mass transit ridership has resulted in increased OOH media spending, particularly in the Transit sector which had CAGR of 15.6% over the past 5 years.

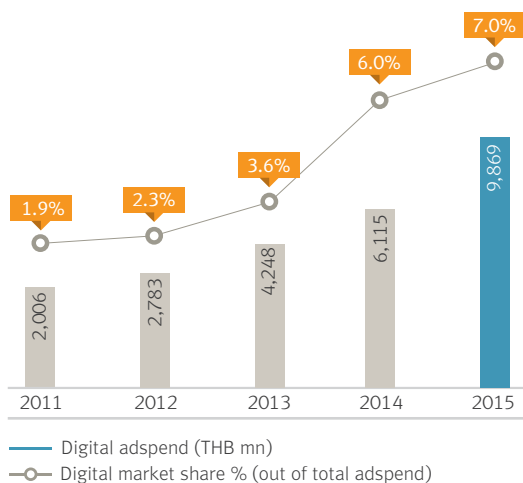
Furthermore, today's consumers are spending more time than ever outside of their homes. Most of this time is spent commuting in their cars, in rail mass transit, buses, office buildings, shopping malls or airports. To capture this ever changing lifestyle of consumers, advertisers have increased their advertising spending on OOH media to THB 9,547mn, representing a CAGR of 5.2% over the past 5 years.

2.3 Transition to Digital Media

A remarkable change in the media landscape is the increasing proliferation of digital media. According to figures released by the Digital Advertising Association, Thailand (DATT), Thai digital advertisement spending has grown from THB 2,006mn in 2011 to THB 9,869mn in 2015, representing CAGR of 48.9%. Moreover, the market share of digital advertisement spending out of total advertisement spending has increased significantly from 1.9% to 7.0%, or a 5.1% increase. Recent development in digital media is posing a major threat to traditional media, particularly for newspapers as is evident from the decline of 20.7% in advertisement spending from THB 15,038mn in 2010/11 to THB 11,931mn in 2015/16.



Figure 5: Digital advertising spending and market share (2011 - 2015)



Source: Digital Advertising Association (Thailand)

The growth of digital media is supported by its flexibility and scalability for advertisers to deliver messages to a target audience. Through its flexibility, advertisers can easily and more quickly deploy marketing campaigns, which reach a broader scope of audience compared to static media. Hence, digital media is becoming more time and cost-effective than other traditional media, which is one of the most critical components to keep up with the trend in the media industry going forward.

Digital media allows advertisers to deliver dynamic images which is a powerful tool that can more easily capture attention from the audience as well as evoke a sense of interaction. At the consumer-end, the ever increasing demand for instant information gives digital media the ability to keep consumers informed responsively and interactively. Hence, media owners who are able to offer advertisers media that are increasingly interactive and provide better engagement with consumers would have a competitive advantage.

3. Competitive Environment

There are a few local key players in OOH Media in Thailand. The table below shows the key listed players based on 2015 revenues:

Company	Revenue (THB mn)	Net Profit (THB mn)
VGI Public Company Limited*	2,106	941
Plan B Media Public Company Limited	2,170	400
Master Ad Public Company Limited	694	171
Aqua Corporation Public Company Limited	562	285
Three Sixty Five Public Company Limited	430	(730)

*Fiscal Year ends 31 Mar

In the past 2-3 years, the trend for allocating advertising budgets has become increasingly fragmented across different media types since each has its own strengths and effectiveness in communicating messages to consumers, and the allocation across multiple media types often enhances the effectiveness of a single message. Advertising agencies and product owners therefore opt to employ a wide variety of media in their advertising mix that is suitable to their target groups and budget in order to create consistent brand and product recognition, expand the customer base, and reinforce brand loyalty. For this reason, competition in the media industry today is not merely to grab the market share from the same type of media but also to compete with all types of media in the industry.

Companies that have media networks covering a wide range of media and reaching all target groups thus have competitive advantage in meeting the needs of advertisers, which translates into capturing more market share. Furthermore, consumers in this generation have a tendency to multitask and as a result, using a single type of media as per earlier generations no longer matches this change in consumer behaviour. As a consequence, there is increasing acceptance in combining conventional and digital media and in integrating innovative elements into these media to create an engaging and enjoyable experience for viewers.

As the number and variety of media platforms that reach all target groups increase, Traditional media also needs to keep up with the trend since advertising agencies or media consumers are opting to pay for the most suitable media to their target group that is available in the market. Likewise, TV which has been one of the most dominant media mediums in Thailand also needs to develop its platform in order to compete with other media, particularly against those that are more flexible in integrating its product with consumer's lifestyle such as OOH Media.

In 2013, TV sector was all about "digital" as Thailand has started to liberalise its digital TV system. In terms of the landscape of media industry after the liberalisation, it is expected that advertising spending in the TV sector will be more equally distributed as advertisements will no longer be clustered in the free TV channels. In the next 3 – 5 years, the transition to digital TV will create a competitive environment in the TV sector itself as the key success of digital TV business will rely heavily on the quality of content. Therefore, the market share of the media industry is believed to follow the current trend where TV has the highest market share. Nevertheless, the TV sector will be more competitive as there is lower entry to barriers and operators have to compete in terms of the media content to stay in business.

Taking into account trends such as this, the Company believes that its media network has an advantage over its competitors as its media network conforms to the modern lifestyle of consumers and interweaves itself with out-of-home lifestyles of consumers. Moreover, advertisers can select specific target groups in terms of geography and demography. Findings from the Company's survey show that the reason product owners and agencies choose the Company's media is due to its ability to enhance the image of modernisation and product image, to boost repeated views in order to build brand loyalty and to promote brand distinction.

The Company's media is also perceived to have the ability to reach its target market effectively and to consistently communicate the properties of the product or services. In line with the Company's vision to be the leader in lifestyle media network, the Company is constantly developing its media network to response to customer demands and to keep pace with the digital change (see more information on the updated digital media in *section 3.4.2 Industry and Business Overview: Office Building and Other media*).

3.4.1 Transit Media

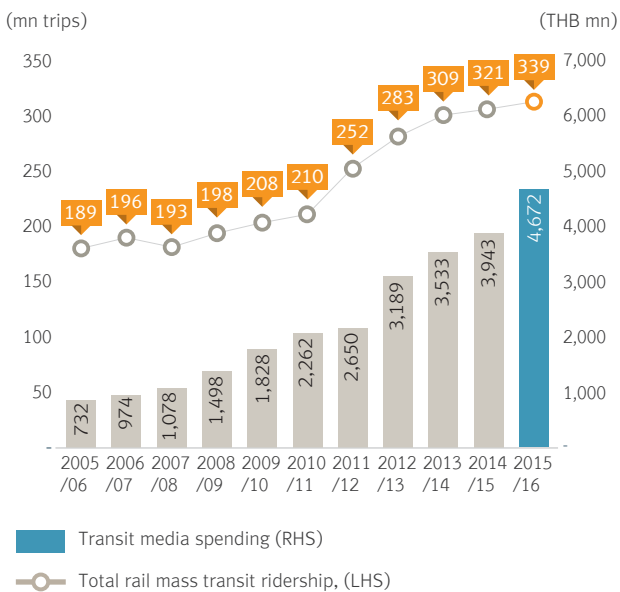


1. Transit Media in 2015/16

Transit advertising expenditures stood at THB 4,672mn, a growth of THB 728mn or 18.5% from the previous year. Above-trend growth was partly attributed to the aviation media sector benefiting from the surge in tourist arrivals and robust increase in aircraft movements. Transit sector

market share increased from 3.3% in 2014/15 to 3.9% in 2015/16 of total advertising expenditures, reflecting a strong demand for media in this particular sector despite the slowdown in overall advertising expenditures.

Figure 1: Total ridership on rail mass transit system vs Transit media spending



Source: The Nielsen Company (Thailand) Co., Ltd, BTSC and Bangkok Metro Plc
 * Included BTS Skytrain (Core Network and green line extensions) and MRT Subway Ridership (fiscal year starts 1 April and 1 January, respectively)

2. Key Trends

2.1 Change in commuting patterns support Transit media advertising spending growth

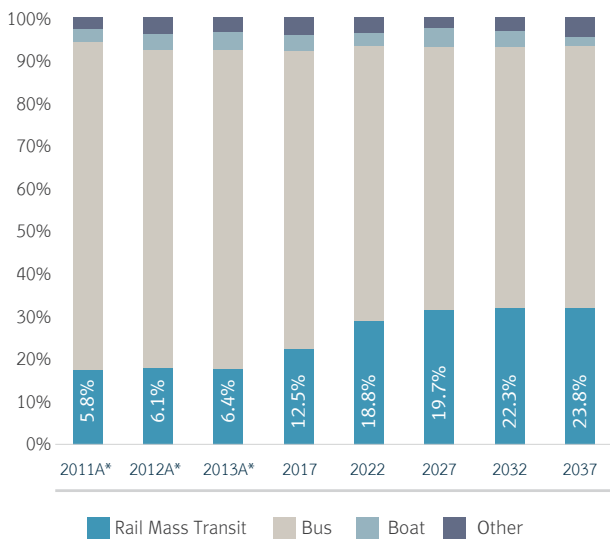
In recent years there has been a shift in media landscape brought on by the change of people’s lifestyle. Bangkok commuting patterns have shifted towards increased usage of rail mass transit, as it is more reliable and is a less time-consuming form of transit. Advertisers have recognised this shift and adjusted their budget allocation accordingly. This is evident from the increase of Transit media advertising spending, which increased from THB 732mn in 2005/06 to THB 4,672mn in 2015/16, or a CAGR of 20.4%. This increase was assisted by the growth in total ridership on rail mass transit system, which grew from 189mn passengers in 2005/06 to 339mn passengers in 2015/16, or a CAGR of 6.0%. The positive correlation between Transit media advertising spending and ridership growth demonstrates that more advertising spending is reallocated to mass transit sector as a result of change in commuting patterns.



2.2 Expansion of Rail Mass Transit Network and the Opportunity in Transit Media

The Ministry of Transport’s Office of Transport and Traffic Policy and Planning (OTP) had conducted a study and forecasted that rail mass transit demand in Bangkok will start to replace bus transit demand significantly between now and 2032 driven by the expansion of rail network length. Mass transit market share in Bangkok is projected to rise from 6.4% in 2013 to 23.8% in 2037. Consequently, we expect Transit Media to increase market share as its key strengths are a rapidly growing audience (driven by the broader network coverage area) and the increased opportunity for it to be seen repeatedly by target groups as they tend to commute along the same routes every day.

Figure 2: Bangkok’s rail mass transit market share (forecast 2017 - 2037)



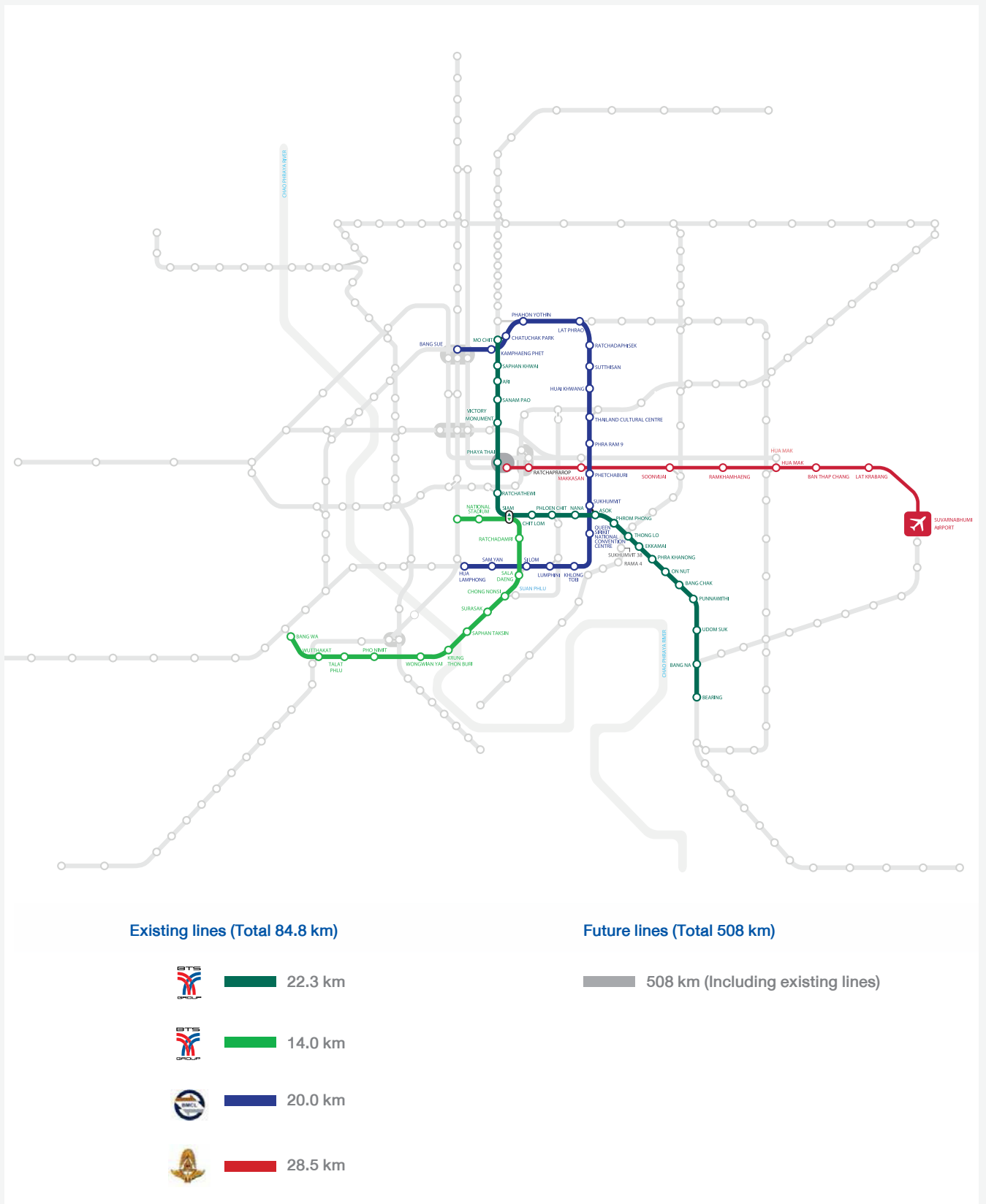
Source: OTP’s transport data and model integrated with multi-model transport and logistics (TDML II)
*Actual data

Currently, the length of existing rail mass transit lines totals only 84.8km (including BTS SkyTrain, MRT Subway and Airport Rail Link) which mainly covers areas around the city centre. The pervasion (defined as rail mass transit length per million population) in Bangkok has reached merely 8.2km per million of the Bangkok population, far behind those of other developed countries. As such, the government has made the expansion of public transportation infrastructure a top priority on the national agenda. The latest Mass Rapid Transit Master Plan in the Bangkok



Metropolitan Region (M-MAP, 2010 – 2029) outlines an aggressive plan to develop rail mass transit into a more mature network. The OTP targets to have 12 routes with a total rail length of 508km across Bangkok and vicinities by 2029. The expansion of the rail mass transit network such as the BTS SkyTrain, MRT Subway and Airport Rail Link can all expect to receive mutual benefits as the lines act as a feeder to each other, which gives potential opportunities for Transit media companies to tap into the rail mass transit expansion network

Figure 3: Current Rail Mass Transit System Routes in Bangkok and the Vicinity (total of 84.8km in 2014) and Future Routes (total of 508 km in 2029)



Source: Office of Transport and Traffic Policy and Planning



3. Competitive Environment

Transit media covers all formats of advertisements that are installed in or on modes of public transportation or in public transportation areas.

In Thailand, there are media companies that manage mass transit media are as follows:-

Company	Transit Media Revenue (THB mn)
VGI Global Media Public Company Limited (“VGI”)*	1,813
Plan B Public Company Limited (“Plan B”)	510
JC Decaux Thailand Company Limited (“JC Decaux”)	n/a
Bangkok Metropolitan Networks Limited (“BMN”)	n/a

*fiscal year ends March

Key players within the Thai Transit media market are divided according to transportation type. For example, BTS SkyTrain advertising is exclusively operated by VGI, bus advertising is mainly operated by Plan B and MRT underground advertising is mainly operated by BMN. Since BTS SkyTrain’s route is located within Bangkok’s central business district and key commercial and residential areas, the Company has competitive advantages from being strategically located, from having increasing viewership from the number of growing passengers on the rail mass transit and from being a highly effective media that caters directly to the target group.

4. BTS-related Media Overview

The Company possesses exclusive rights to manage advertising spaces on the Core Network and 7 extension stations, which expires in 2029 and has the first right to extend the contract.

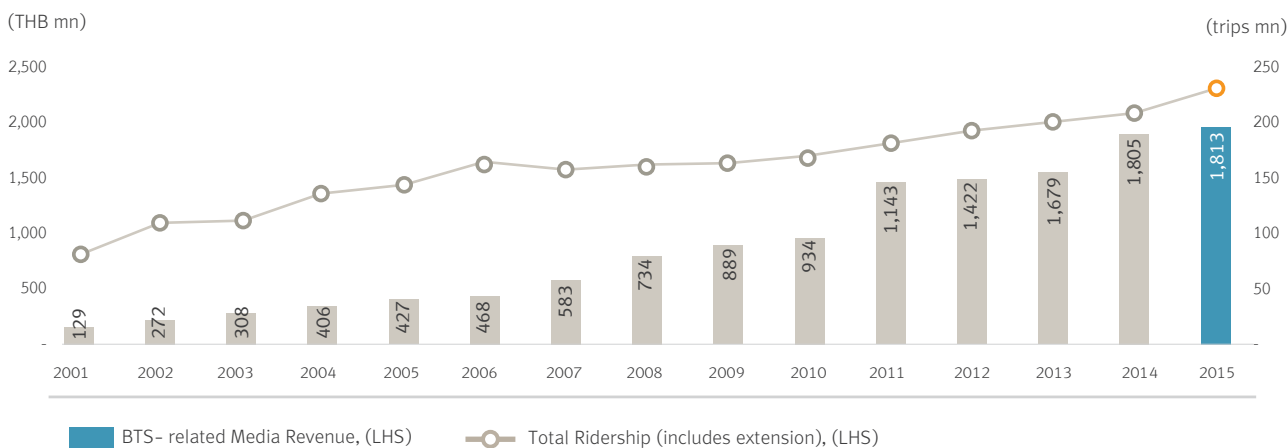
Altogether, VGI has the rights to manage 23 stations on the Core Network, 7 stations on BTS extension lines and all BTS trains, which run through the key commercial, residential and office areas of central Bangkok. The BTS-related media’s profile is listed below:

Number of locations:	30 stations & 208 carriages
Static Media:	>4,000 in-train & on-station displays
Digital Media:	2,029 screens
Viewer reach per day:	720,155 people/day
Area coverage:	CBD
Target viewer:	<ul style="list-style-type: none"> • Working people and younger generation • Ages 15 - 35 • Middle income



Strong growth in ridership, new train capacity, expansion of the rail mass transit network and new advertising technologies are the main contributing factors to the growth of BTS-related media. Over the past 14 years, VGI has enjoyed impressive revenue CAGR of 20.8% from the BTS-related media.

Figure 4: BTS-related Media Revenue vs BTS Total Ridership (2001 - 2015/16)



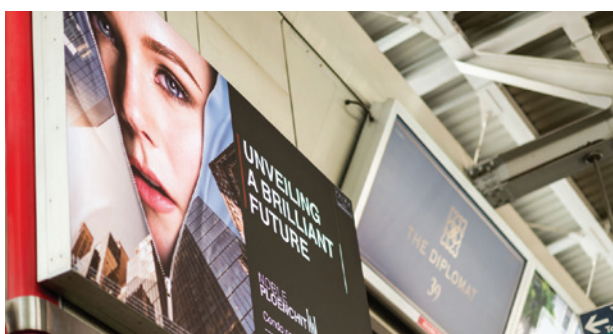
Source: BTS and VGI



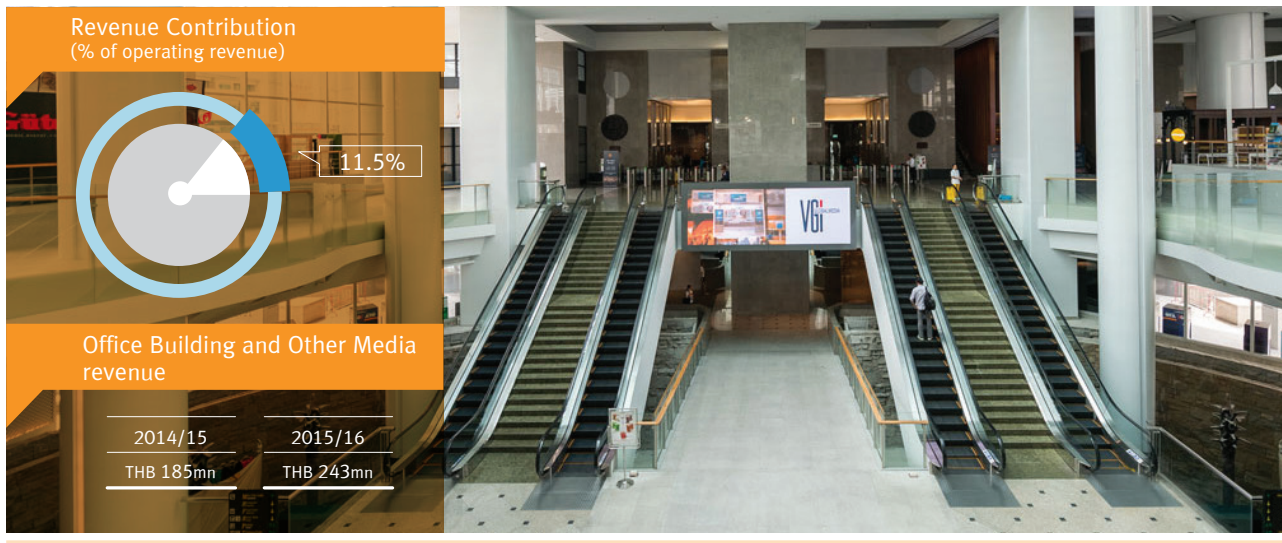
4.1 2015/16 BTS-related Media Performance

In 2015/16, BTS-related media represented 86.1% of the Company’s revenues. BTS-related media revenue remained steady, showing 0.4% growth to THB 1,813mn in 2015/16 compared to THB 1,805mn in 2014/15. BTS-related media continues to demonstrate underlying strength with stable results over the year in contrast to the overall decline in advertising expenditures.

Revenue increased mainly from the increase in occupancy from media on BTS Station and merchandising space coupled with the revenue generated from 7 new BTS extension stations, and digital media such as Platform Truss LEDs and E-Posters. Please find more detail of the performance this year in *Section 4.4: Management Discussion & Analysis*.



3.4.2 Office Building and Other Media



1. Overview of Office Building Media in Bangkok

The total office supply in Bangkok in 2015 was approximately 8.5mn sq.m. The high demand for office rental space was reflected by the occupancy rate, which edged up to 91.4% in 2015. It is expected that additional 318,000 sq.m. of new office spaces are expected to be completed between 2016 to 2018¹. Office Building media is one segment within the Out-of-Home (“OOH”) media and one of the Company’s media network categories. This network consists of digital screens which are installed inside elevators of office buildings or other waiting areas inside office buildings such as lobbies. Office building media, particularly inside the elevator are considered a captive media as there is limited space. Further, the media is presented when people are usually idle; therefore, the audiences’ attention tends to be more focused. Advertisements in the elevators are extremely successful at being viewed frequently because they are high traffic areas, the only practical means of accessing high-rise office buildings and are seen several times a day.

2. Competitive Environment

The key success factor of Office Building media is the size of the network and viewer base. To gain a sizable network,

media operators need to negotiate with each building owner individually as each building is usually owned by different landlords. This serves as a barrier to entry for competitors to step into the Company’s Office Building media segment. The Company is the only player in the Office Building media business, with approximately 63%² overall market share in the segment (other players are individual buildings themselves). Given the aforementioned high barriers to entry for other media players to enter the market, the incumbency advantage in having a sizeable network and the Company’s strong relationship with advertising agencies, the Company expects to further cement its leadership in this market segment.

3. Office Building and Other Media Overview

3.1 Office Building Media

At the end of 2015/16, the Company owned the largest Office Building media network with 135 office buildings in Bangkok under management, including 1,091 screens which are centrally-controlled from VGI’s head office. The Company receives the rights to install and manage LCD screens in elevators in office building by entering into agreements with each office building landlord.

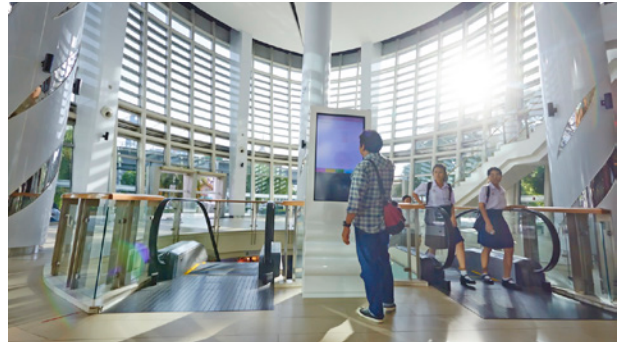
¹ CB Richard Ellis (Thailand) Co., Ltd.

² Includes Grade A and B office buildings



The duration of each contract is typically 3 to 5 years and it has sole exclusive rights during the contractual term. Other individuals are not permitted to advertise inside the elevators, at the lift lobby or within 20-30 metres from the lift lobby area. Remunerations for the landlords' building depend upon each agreement; some landlords require annual fixed rate while other landlords require revenue sharing with annual minimum guarantees.

Our Office Building media is also being complemented by our new complementary media segment. The Company became an exclusive sale agent for Artista Media Limited Partnership ("ARTISTA") across 219 residential buildings making VGI the largest media company in the country to provide advertising services in office and residential buildings, covering 354 buildings with over 1,640 screens. Office Building media proves to be a resilient business unit as evidenced from 48.2% compounded annual growth rate in the past 6 years.



Summary of the Company's Office Building as of 31 March 2016 is shown below:

Number of locations:	135 office buildings in Bangkok
Multimedia:	1,091 digital screens
Viewer reach:	average 660,000 viewers per day
Area coverage:	Bangkok
Target viewer:	<ul style="list-style-type: none"> • White collar workers • Ages 24 - 45 • Middle - high income

Summary of the Company's Residential Building as of 31 March 2016 is shown below:

Number of locations:	219 residential buildings in Bangkok
Multimedia:	549 digital screens
Viewer reach:	average 200,000 viewers per day
Area coverage:	Bangkok



3.2 Other Media

Aside from Office building media, the Company has the rights to be the sole sales agent of several Mega LED Screens. The contract terms are for the duration of approximately 3 years and the Company receives compensation on a revenue sharing basis from the LED screen owners.

Moreover, the Company has exclusive rights to manage all of the advertising spaces inside and outside Chamchuri Square, which covers more than 270,000 sq.m. Chamchuri Square is a high-rise complex consisting of a commercial tower, a residential tower and a shopping mall located in a CBD area in Bangkok, where more than 150,000 cars and 400,000 people have repeated exposure to the advertising on a daily basis.

The Company continues to seek new business and projects, which will serve as a positive catalyst for the Company's future growth. On 17 March 2016, the Company announced its intention to evolve into a **Nationwide Integrated Media Platform**, and took its first strategic step by announcing an agreement to acquire an additional 12.46%* of Master Ad Public Company Limited ("MACO") from the existing shareholders. MACO is a rapidly growing company with significant media inventory of 658 Billboards and Networking Billboards and 678 Street Furniture in the portfolio as of the end of March 2016.

The transaction will raise the Company's stake to a total of 37.42% of MACO. The acquisition will trigger a mandatory tender offer for all of the remaining MACO shares per SEC regulations. The Company expects to acquire at least a 50% stake in MACO after the tender offer. The transaction is subject to approval at the Extraordinary General Meeting on 30 May 2016.

Post-transaction, the Company will have 100% control on the Board of Directors and will nominate 80% of management in the Executive Committee. Therefore, the Company will automatically consolidate MACO regardless

of the results of the tender offer. By consolidating MACO's financial performance, the revenue contribution from outdoor media is expected to grow significantly. Therefore, we will report the performance of outdoor media as a separate unit from other media from 2016/17 and onwards.

In addition, the Company has expanded our media network to aviation media through investing 20% in Aero Media, whose business is providing advertising media service across 13 domestic airports including Suvarnabhumi and Don Muang airport, Thailand's main airports. In 2015/16, Aero Media could secure more advertising contracts for additional 310 LCD screens at all gates in Suvarnabhumi airport, combining existing contracts of 32 LCD screens result in total of 342 LCD screens in the portfolio. Moreover, they also have contracts to manage media at 57 aerobridges, and being a sales agent for 19 aircraft of Lion Air. The Company has an option to increase stake in Aero Media up to 30%.



3.3 2015/16 Performance

In 2015/16, Office Building and Other media once again demonstrated its resilience despite the economic slowdown, showing a growth of 28.6% YoY, mainly due to the full year revenue recognition of the additional office buildings from the previous year coupled with revenues generated from 32 new buildings (a total of 135 buildings as of end of FY 2015/16). Please find more detail of the performance this year in *Section 4.4: Management Discussion and Analysis*.

3.5 Subsidiaries, Associated Companies and Jointly Controlled Entities Information

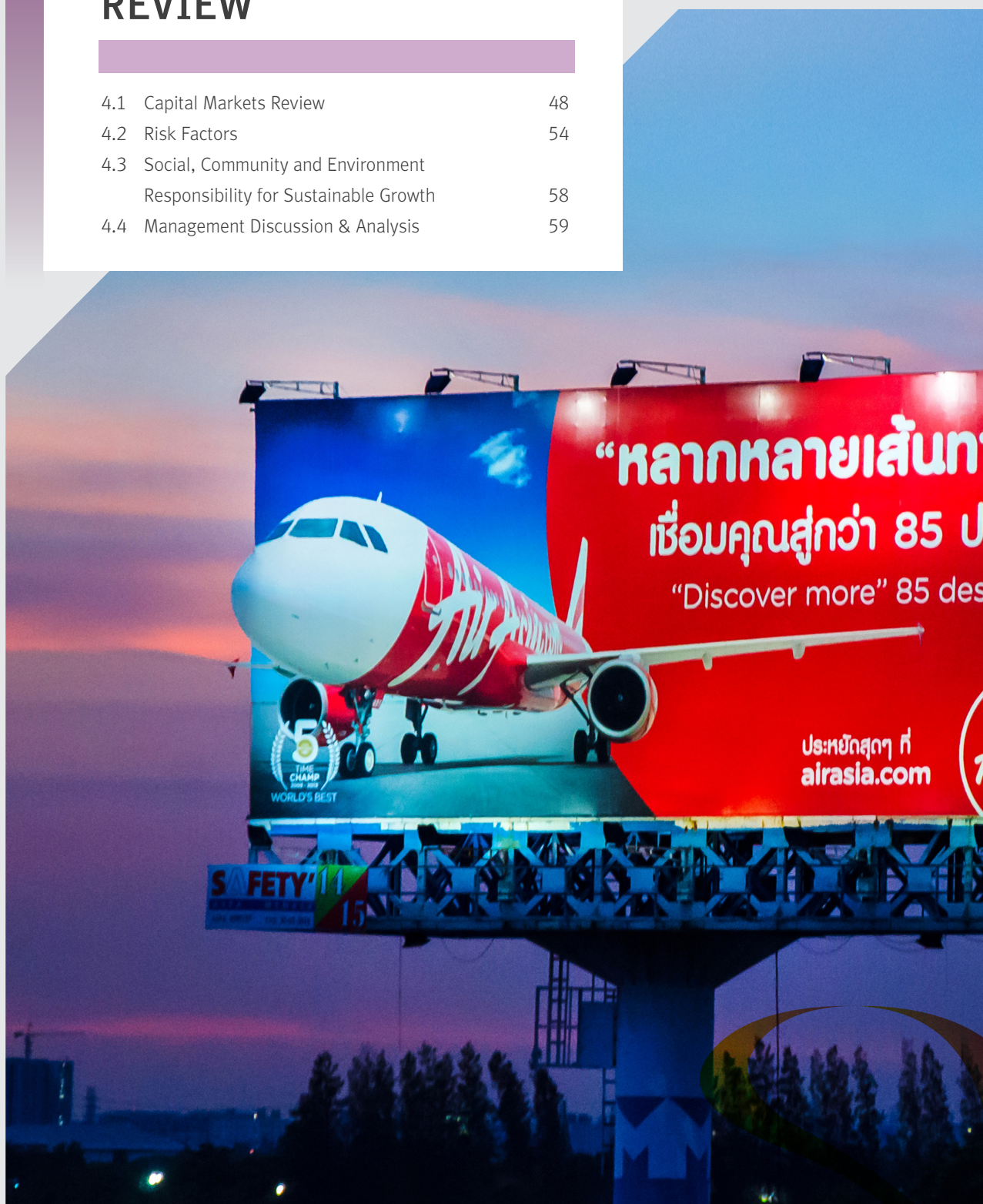
(as of 31 March 2016)

Company	Address	Type of Business	Registered Capital (THB)	Total Issued Shares	Type	Shareholding (%)
VGI Advertising Media Co., Ltd.	21 TST Tower, 9 th Floor, Viphavadi-Rangsit Road, Chomphon, Chatuchak, Bangkok 10900 Tel: +66 (0) 2273 8884 Fax: +66 (0) 2273 8883	Providing advertising media service (ceased to operate due to termination of agreement in Tesco Lotus)	10,000,000	100,000 (par value of THB 100 per share)	Ordinary Shares	100.00
888 Media Co., Ltd.	21 TST Tower, 9 th Floor, Viphavadi-Rangsit Road, Chomphon, Chatuchak, Bangkok 10900 Tel: +66 (0) 2273 8884 Fax: +66 (0) 2273 8883	Providing advertising media and production services	20,000,000	2,000,000 (par value of THB 10 per share)	Ordinary Shares	100.00
Point of View (POV) Media Group Co., Ltd.	21 TST Tower, 9 th Floor, Viphavadi-Rangsit Road, Chomphon, Chatuchak, Bangkok 10900 Tel: +66 (0) 2273 8884 Fax: +66 (0) 2273 8883	Providing advertising media service in office buildings	10,000,000	1,000,000 (par value of THB 10 per share)	Ordinary Shares	100.00
Master Ad Plc.	4 th - 6 th Floor, 1 Soi Ladprao 19, Ladprao Road, Chomphon, Chatuchak, Bangkok 10900 Tel: +66 (0) 2938 3388 Fax: +66 (0) 2938 3489	Providing out-of-home advertising media and production services and entertainment	376,121,187.50	3,008,969,500 (par value of THB 0.10 per share)	Ordinary Shares	24.96
Aero Media Group Co., Ltd. (Formerly known as LED Advance Co., Ltd.)	540, Mercury Tower, 11 th Floor, Ploenchit Road, Lumpini, Pathumwan Bangkok 10330 Tel: +66 (0) 2697 9944 Fax: +66 (0) 2697 9945	Providing marketing service and media space within the airport areas	75,000,000	75,000 (par value of THB 1,000 per share)	Ordinary Shares	20.00
Midas Global Media Co., Ltd.	349 ,SJ Infinite One Business Complex, 12 th Floor, Room 1204-1205, Viphavadi-Rangsit Road, Chomphon, Chatuchak, Bangkok, 10900 Tel: +66 (0) 2019 5619 Fax: +66 (0) 2019 5618	Providing services in relation to sales, marketing and managing advertising space	360,000,000	36,000,000 (par value of THB 10 per share)	Ordinary Shares	11.11

4.0

ANNUAL BUSINESS REVIEW

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4.1 Capital Markets Review

1. Historical Share Price Analysis and Trading Summary

Despite outperforming several regional indices, the Thai stock market was under downward pressure throughout 2015/16. This was caused by several factors including: the ongoing domestic economic woes, the slowdown global growth and trade, particularly in China—the world’s second-largest economy as well as Bangkok bomb blasts during August 2015. In such an environment, the Stock Exchange of Thailand Index (“SET Index”) fell 7.7% from 1,525.58 on 1 April 2015 to 1,407.70 on 31 March 2016. The SET Media and Publishing Index (“SETENTER Index”) fell 20.1% from 77.21 to 61.67, while VGI’s share price fell 11.5% from THB 5.40 to THB 4.78 over the same period. As of 31 March 2016, the Company’s market capitalisation was THB 32,811.5mn (USD 931.4mn)¹.

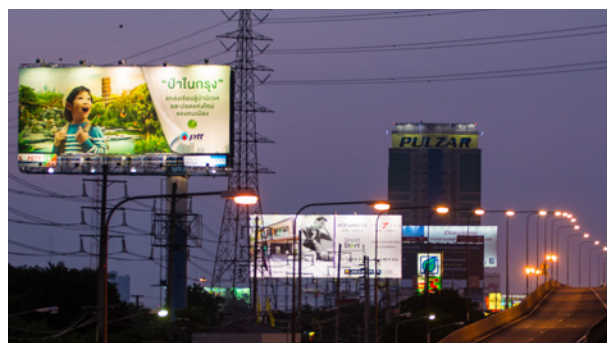
During the first quarter of 2015/16, VGI share price fell after the payment of stock dividend on 31 March 2015, reaching its quarterly trough of THB 4.30. The share price later rebounded to THB 5.00 range towards the end of the quarter spurred by a series of positive news, including an interim dividend announcement and additional advertising rights on 7 BTS Green Line extension stations. Moreover, BTS Group Holdings Public Company Limited (“BTSG”) increased its shareholding in VGI by accumulating an additional 96.3mn shares, bringing the total shareholding held by BTSG to 73.8% as of 15 July 2015.

Thereafter, the second quarter saw VGI shares underperforming the SET Index and SETENTER Index, which also fell as a result of bearish sentiment led by concerns of decelerating growth in China and a rout in global equity markets (Black Monday on 24 August 2015) with Bangkok bombings during August 2015. As a result, SET Index fell to a year-low of 1,224.83 while VGI’s share price fell to a quarterly trough of THB 3.56 in the second quarter.

During the third quarter of 2015/16, the SET Index continued to fall as foreign investors continued to leave

the Thai market in anticipation of the United States Federal Reserve raising interest rates for the first time in almost a decade. The Federal Open Market Committee (FOMC) decided to do so on 16 December 2015, causing the SET Index to fall to close at 1,299.1 points the day after an announcement. During the same period, VGI’s share price fell briefly to its year-low of THB 3.44 on 2 October 2015, but began to recover some of its losses shortly thereafter.

Throughout the fourth quarter, investors reacted favourably to the cash dividend announcement on 26 January 2016, strong growth in the Company’s Office Building media business (please refer *section 3.4.2 for more details*). Further, the Company announced its intention to acquire 375mn shares or 12.46% of total shares in Master Ad Public Company Limited (“MACO”) from major shareholders and to commence a tender offer to purchase up to 1,484.0mn publicly held shares or 48.79% of total shares².



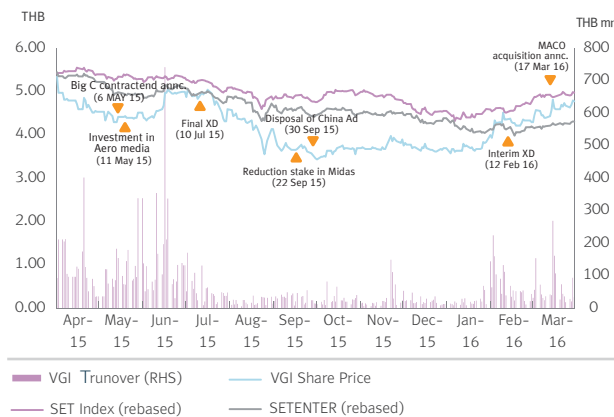
The acquisition announcement of MACO marks a further important strategic step for VGI to become a **“Nationwide Integrated Media Platform”** (please find more detail in *section 2.4: 2-Year Strategy “Nationwide Integrated Media Platform”*) where MACO will be a vehicle to cement our leadership in outdoor media segment. Consequently, VGI share prices continued to rally and outperform the market, rising strongly to end the year at THB 4.78 on 31 March 2016.

¹ Exchange rate at THB 35.23 per USD as of 31 March 2016.

² Excluded 13.79% held by founder group. The transaction is subject to the resolution of Extraordinary General Meeting, which will be held on 30 May 2016.

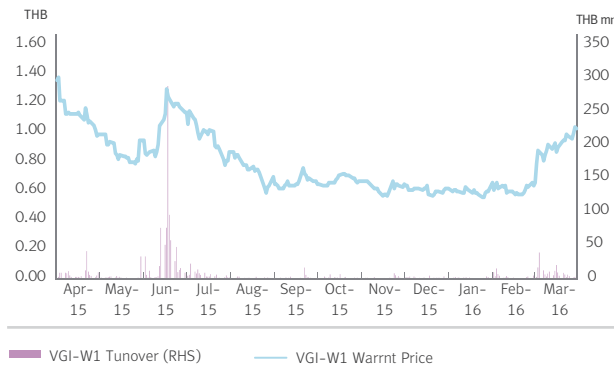
From 1 April 2015, VGI' shares average traded volume was 14.2mn shares per day with the average daily value being THB 62.5mn or USD 1.8mn. In the same period, the SET Index and SETENTER Index average trading volume were 9,277.4mn and 165.6mn shares per day and average daily value being THB 40,134.3mn and THB 611.8mn, or USD 1,139.2mn and USD 17.4mn, respectively.

Figure 1: VGI Annual Stock Performance



Source: www.setsmart.com

Figure 2: VGI-W1 Warrant Performance



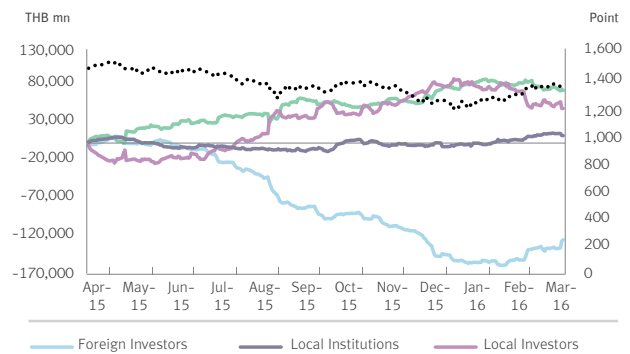
Source: www.setsmart.com

2. Indices Performance Comparison

Following the year ended 31 March 2015 (in which the SET Index increased 9.4%), the SET Index fell by 7.7% for the year ended 31 March 2016, a directional trend that was mirrored across other emerging markets. Foreign investors continued to leave the Thai market since June 2015, selling THB 126.9bn net value across a 12-month period. In contrast, local retail and local institutions bought

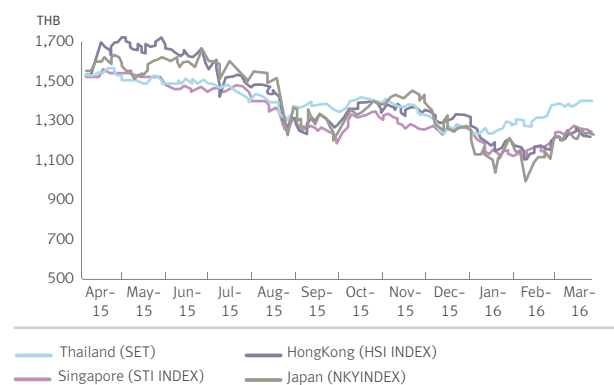
THB 116.4bn net value and were joined by proprietary investors, who bought THB 10.5bn net value. Within the sectors of SET Index, the outperforming sectors had exposed to the services segment: the SET Health Care Services (SETHELTH) (+23.4%) and the SET Transportation and Logistic (SETTRANS) (+21.2%). The underperforming sectors had exposed to the commodity markets and were more susceptible to the economy: the SET Information & Communication Technology (SETCOMUN) (-28.2%), the SET Steel (SETSTEEL) (-27.9%) and the SETENTER (-20.1%). Equity markets in ASEAN generally underperformed compared to the previous year as a result of USD currency headwinds. The SET Index outperformed other regional peers such as Singapore's Strait Times (-17.6%), Hong Kong's Hang Seng (-17.2%) and Japan's Nikkei (-12.0%) over the equivalent time.

Figure 3: Cumulative Investor Flow



Source: www.setsmart.com

Figure 4: SET Versus Regional Indices



Sources: www.setsmart.com, www.hsi.com.hk, indexes.nikkei.co.jp and www.straittimes.com/stindex

Figure 5: Summary of VGI Stock Performance and Indices in regional

	2015/16	2014/15	2013/14 ³
Share price (THB)			
Year-end	4.78	5.45	11.40
Year-high	5.40	7.05 ⁴	15.35
Year-low	3.44	5.40	8.35
Average daily traded value (THB mn)	62.5	174.3	144.9
Average daily traded volume (mn shares)	14.2	14.5	9.8
Number of shares outstanding at year-end (mn)	6,864.3	6,864.3	3,432.0
Market capitalisation at year-end (THB mn)	32,811.5	37,410.6	39,124.5
Change (YoY)			
VGI	-11.5%	-4.4% ⁴	-13.3%
SETENTER Index	-20.1%	-2.3%	-20.0%
SET Index	-7.7%	+9.4%	-12.3%
Japan (Nikkei 225)	-12.0%	+29.5%	+19.6%
Singapore (STI)	-17.6%	+8.1%	-3.6%
Hong Kong (Hang Seng)	-17.2%	+12.4%	-0.7%

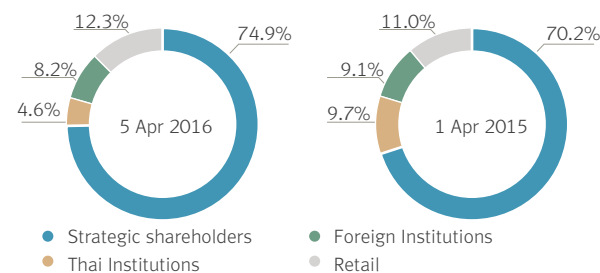
Sources: www.setsmart.com, www.hsi.com.hk, indexes.nikkei.co.jp and www.straitstimes.com/stindex

³ Assume par value of THB 0.10 per share from the beginning of the fiscal year.
⁴ The Extraordinary General Meeting of Shareholders no. 1/2015 held on 11 March 2015 approved a share dividend payment at rate of 1:1 and the XD date was set to 17 March 2015. As a result, share price from XD date dropped on anticipation of a doubling in the number of shares of 6,864.3mn shares. For like-for-like comparison, share price before XD date shown are adjusted by dividing by two.

3. Shareholder Structure

As of 5 April 2016, the Company had 14,652 shareholders. The major shareholders are Bangkok Mass Transit System Public Company Limited (“BTSC”) and BTSG, who owned 51.0% or 3,500.6mn shares, and 23.3% or 1,599.3mn shares respectively (for more details of major shareholders, please see the Top 10 Major Shareholders table). Non-Thai shareholding represented 8.2% of total shares. The Company actively engaged both Thai and overseas shareholders throughout the year. For more details, please see the subsequent heading “Investor Relations”. The Company’s free float shareholding stood at 25.1% of total paid-up capital as of 5 April 2016.

Figure6: Shareholding by Shareholder Type



Source: www.setsmart.com

Figure 7: Shareholder Distribution

No. of share held	No. of shareholder(s)	% of all shares
> 100mn	5	80.5%
> 50mn - 100mn	3	3.1%
> 1mn - 50mn	129	10.4%
100,001 - 1mn	827	3.3%
10,001 - 100,000	4,634	2.3%
1,001 - 10,000	5,890	0.4%
1 - 1,000	3,164	0.0%
Total	14,652	100.0%

Figure 8: Top 10 Major Shareholders (as of 5 April 2016)

Name	No. of shares	% of Total
1 BTSC*	3,500,640,000	51.0%
2 BTSG**	1,599,345,392	23.3%
3 Mr. Nares Ngamapichon	184,725,300	2.7%
4 STATE STREET BANK EUROPE LIMITED	130,339,432	1.9%
5 Thai NVDR Co., Ltd.	107,669,166	1.6%
6 NORTRUST NOMINEES LIMITED-GUERNSEY RE UKDPP RE: AIF CLIENTS 10 PERCENT NON TREATY ACCOUNT	97,257,400	1.4%
7 CHASE NOMINEES LIMITED	61,964,908	0.9%
8 UOB KAY HIAN PRIVATE LIMITED	55,390,936	0.8%
9 Krungsri Long-term Dividend Fund	45,314,082	0.7%
10 Mr. Keeree Kanjanapas	37,188,458	0.5%
Total (Top 10)	5,819,835,074	84.8%

Remark:

* Bangkok Mass Transit System Public Company Limited (“BTSC”), a subsidiary company of BTS Group Holdings Public Company Limited (“BTSG”), holding 97.46% of BTSC’s total shares. BTSC’s core business is mass transit.

** BTSG comprises of 4 businesses which are Mass Transit Business, Media Business, Property Business and Service Business

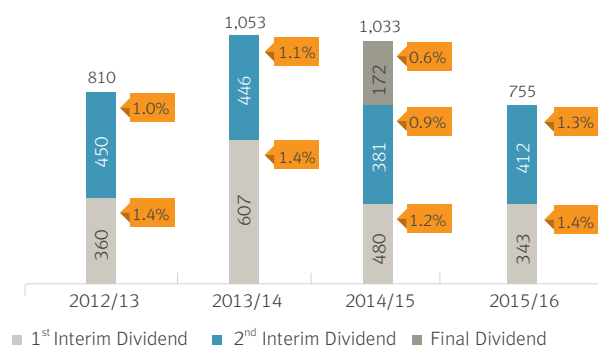
As of 31 March 2016, Major shareholders of BTSG, holding 41.29%, is Mr. Keeree Kanjanapas Group, which consists of:

- (1) Mr. Keeree Kanjanapas holding:-
 - 3,281,164,652 shares on his own name,
 - 350,000,000 shares through the custodian, UBS AG HONG KONG BRANCH, and
 - 260,000,000 shares through the custodian, CREDIT SUISSE AG, SINGAPORE BRANCH
- (2) Mr. Kavin Kanjanapas holding 602,459,295 shares,
- (3) Ms. Susan Kanjanapas holding 32,460,000 shares,
- (4) K2J Holding Co., Ltd. holding 360,000,000 shares, and
- (5) Amsfield Holdings Pte. Ltd. holding 51,092 shares.

4. Dividend Policy

The Company has a policy to pay dividends of no less than 50% of net profit (company only basis). The dividend payment policy takes into consideration the current cash flow and financial status, future business plan and investment capital requirement. The Company intends to pay dividends at least twice yearly. In accordance with this policy, in 2015/16 the Company paid out an interim dividend in the form of cash of THB 0.05 per share. For the final dividend, the board of directors has approved to propose a cash dividend of THB 0.06 per share for shareholders' approval. Assuming the final dividend is approved by shareholders, the total dividend payment for the full year translates into a dividend pay-out ratio of approximately 85.3% of net profit for 2015/16 and a dividend yield of 2.7%.

Figure 9: VGI Dividend Record (THB mn)



Note:

- Dividend yield is calculated using VGI closing share price one day before the date of Board of Director Meeting approving the relevant dividend.
- 2012/13 final dividend and 2013/14 and 2014/15 interim dividend included stock dividend (at par value) of 10:1, 25:1 and 1:1, respectively
- 2015/16 final dividend is subject to shareholders' approval at the shareholders' meeting on 5 July 2016.

5. Other Capital Markets Activity

5.1 Issuance of Warrant (VGI-W1)

On 3 July 2014, the Annual General Meeting of the Company's shareholders passed a resolution to issue 858.0mn units of VGI-W1 to be allocated to the existing shareholders of the Company at no cost with an allocation ratio 1 warrant to every 4 existing ordinary shares. VGI-W1 was issued on 1 August 2014 and has a term of 4 years from the issuance date. The exercise ratio of VGI-W1 is 1 unit of warrant for 1 ordinary share and the exercise price is THB 14 per share.

5.2 Adjustment of exercise price and exercise ratio of the warrants (VGI-W1)

On 11 March 2015, the Extraordinary General Meeting of the Company's shareholders No. 1/2015 passed a resolution to pay a second interim dividend in form of cash at rate THB 0.011 per share and stock dividend at rate of 1 new share for every 1 existing share. The XD date (which determines the shareholders eligibility to such dividends) was set as 17 March 2015. To comply with the terms and conditions governing the rights and obligations of VGI-W1, the Company adjusted the exercise price of the warrants, from THB 14 per share to THB 7 per share, and the exercise ratio of the warrants, from 1 warrant per ordinary share to 1 warrant per 2 ordinary shares which was effective from 17 March 2015 onwards.

SET Index Constituent Member: since the beginning of July 2013, VGI was included as a constituent member of SET100 Index. Subsequently, VGI was included as a constituent member of the SET50 Index since January 2014 to June 2015. The SET50 and SET100 Indices comprise Thailand's largest 50 and 100 companies by market capitalisation which also conforms to certain turnover and free float conditions. For turnover, the monthly turnover value of the company stock must be at least 50% of the average turnover for each company in the SET and for the free float, a minimum threshold of 20% of paid-up capital must be maintained. The SET re-assesses the Index constituents on a twice-yearly basis (during June and December for inclusion in the Index in July and January, respectively). As a result of the inclusion in both the SET50 and SET100 Indices, VGI's potential shareholder base expanded. For example, VGI automatically became eligible under certain investment funds criteria.

MSCI Thailand Small Cap Constituent Member: On 20 May 2013, MSCI announced VGI as a constituent member of MSCI Global Small Cap Indices, effective since 1st June. To qualify for inclusion in the MSCI Indices, a company must first meet all the necessary criteria for the MSCI Global Investable Market Indices (IMI), which comprises size-segment (in terms of full company market capitalisation), free float-adjusted market capitalisation, and liquidity requirements at the time of the review. The appropriate size-segment for inclusion is then determined from the IMI. MSCI Small Cap Indices cover all investable small cap securities with a market capitalisation below that of the companies in the MSCI Standard Indices, targeting approximately 14% of each market's free-float adjusted market capitalisation. The MSCI GIMI Indices are reviewed on a quarterly basis and the results are announced mid of February, May, August, and November.

Source: MSCI (www.msci.com) and SET (www.set.or.th)

6. Investor Relations

The Company has placed a high priority on investors' access to the Company. The Investor Relations (IR) Department is responsible for communications between the Company and investors, including shareholders, analysts and potential investors. The IR Department functions as the channel for two-way communications, the first of which is to publicise the accurate, complete and timely information of the Company, which includes business operations, performance and key events that affect the Company's performance. The other aspect is to report the investment community's opinions and suggestions to the Executive Committee and the Board of Directors on a quarterly basis in order to acknowledge (and respond where relevant to) the viewpoints that investors have on the Company.

Key performance indicators are established in order to align the goals of the division with the goals of the Company. In short, these are related to enlarged visibility (such as number of meetings held, number of roadshows attended, website traffic) as well as quality and timeliness of product and service offerings (taking into account product delivery times, response times as well as results from surveys).

In 2015/16, the Company met domestic and overseas institutional buy-side investors a total of 72 times, of which

34 were domestic buy-side and 38 were overseas investors. Additionally, the Company has maintained its marketing efforts by attending 6 non-deal roadshows (NDRs)/conferences in 2015/16, divided into 1 overseas NDR/conference and 5 domestic NDRs/conferences.

The Company hosted several investor-centric activities, including 4 quarterly earnings review meetings for analysts and fund managers, 1 Investor Day site visits for analysts and investors. Additionally, the Company also participated in 'SET Opportunity Day' hosted by The Stock Exchange of Thailand during the year in order to increase its exposure to retail investors.

The Company continued to hold quarterly earnings review conferences (each within 3 business days following the release of financial statements) and the webcasts of these are available both on the Company's website within 24 hours from the meeting as well as on the SET website. For 2016/17, the Company not only expects to maintain its communication efforts across all areas but also to increase certain IR activities. For example, the Company has plans to attend domestic and overseas NDRs/conference at least 8 times a year and continue to arrange site visits for investment community.

Event: Investor Day 2015



Event: Nationwide Integrated Media Platform



Figure 10: Investor Relations Key Statistics

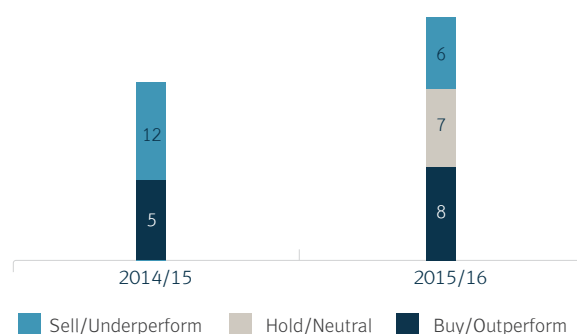
Investor Relations Key Statistics	2015/16	% attended by Top Management	2014/15	% attended by Top Management
Domestic Institutional Investors met (Buy-side)	34	67.6%	25	96.0%
Overseas Institutional Investors (Buy-side) met	38	71.7%	134	89.6%
Domestic Sell-side met	43	79.1%	8	87.5%
Overseas Sell-side met	10	80.0%	7	85.7%
Total	125	73.6%	174	90.2%
Analyst Earnings Review meeting / Opportunity day	6	100.0%	6	100.0%
No. of Roadshow / Conference	6	100.0%	9	100.0%
Company Visit/Conference call	44	54.5%	60	55.0%

The Company website represents one of the key communications channels with the investment community. The website is the definitive source of information on the Group and has been designed based on Best Corporate Governance Practices. Its contents include live share price feeds, download versions of publications (including annual reports, Form 56-1, financial statements, MD&A and company presentations), financial calendar and webcasts of analyst meetings. In 2015/16, the website was mainly accessed by visitors from Thailand, USA and Singapore.

As of 31 March 2016, the Company was covered by 21 research companies. Of these, Kasikorn Securities and Deutsche Tisco Investment Advisory initiated coverage of VGI during the year, whilst the remaining 19 research companies, namely AEC Securities, Asia Plus Securities, Asia Wealth Securities, Bualuang Securities, CIMB Securities, Credit Suisse Securities, DBS Vickers Securities, Finansia Syrus Securities, IV Global Securities, MayBank KimEng Securities, Krungsri Securities, KT Zmico Securities, KTB Securities, Nomura Securities, Phatra Securities, Phillip Securities, RHB OSK Securities, Thanachart Securities and Trinity Securities covered VGI in the year 2014/15 and continued to maintain coverage of VGI in 2015/16. As of 31 March 2016, 8 out of the 21 companies placed a buy or outperform recommendation on VGI, 7 placed a hold or

neutral recommendation and 6 placed a sell or underperform recommendation with average consensus target price of THB 4.15 per share.

Figure 11: Analyst Recommendation Summary



Investor Relations Contact Details

For enquiries by shareholders and investors, please contact our Investor Relations Department

Head of Investor Relations Daniel Ross
(Chief Investment Officer,
BTS Group Holdings)

Investor Relations Chama Savetbodi,
Pinyada Saengsakdaharn

Contact Telephone +66 (0) 2273 8615 ext 1513

Email ir@vgi.co.th

Website <http://www.vgi.co.th>

SET Share Symbol VGI

SET Warrant Symbol VGI-W1

4.2 Risk Factors

The Board of Directors assigns the Executive Committee to consider the overall risks of the Company, evaluate and prepare a risk assessment matrix so as to manage and minimize the impact of the risks to an appropriate and acceptable level. In this respect, the results of the risk assessment will be integrated into the preparation of the Company's annual business plan in order to determine guidelines for risk management in accordance with the Company's objectives, targets, and strategy. The results of the risk assessment, its mitigation measure and the overall outcome will be reported to the Board of Directors.

The Company's risks can be analysed into 4 aspects, i.e. strategic risks, operational risks, financial risks and compliance risks. The following sets out the key risks that the Board of Directors has identified as having material impact on the Company's current business operation; however, they do not represent an exhaustive list of the Company's risks.

1. Reliance on few business partners

Core revenues of the Company derive from providing media services and merchandising areas in the BTS SkyTrain system, of which in the fiscal year ended 31 March 2016 was at approximately Baht 1,813.17 million, or equivalent to 78.88 percent of the Company's total revenue. If the Company loses the right to manage media services and merchandising areas in the BTS SkyTrain system from BTSC, this may cause a material adverse effect on the business, financial position and results of operations of the Company.

The License to Manage Marketing Services Agreement entered into between the Company and BTSC for a period of 17 years, which will end on 4 December 2029, may be terminated due to certain events as follows:

(a) BTSC exercises its right to terminate the License to Manage Marketing Services Agreement, if the Company is in breach of any material obligations under such Agreement, i.e. (1) the Company fails to pay

concession fee to BTSC within 30 days after the payment due date; (2) the Company is in material default or gives misrepresentation and does not provide any remedy within the specified period; or (3) the Company is insolvent or become bankrupt. The Company views that these termination clauses are general commercial terms and would be unlikely to occur. In the case of concession fee payment, the Company firmly believes that the Company is able to perform such obligation, since the Company has enough liquidity from collection of service charges from the customers on a monthly basis, while the payment to BTSC under the License to Manage Marketing Services Agreement is made on a quarterly basis. In the past, the Company's bad debt and doubtful debt from collection of service charges from the customers was in the lower level. In addition, cash and cash equivalents, including investment in private fund, of the Company is at a relatively high level, which as of 31 March 2016 was in the amount of Baht 359.77 million, higher than the concession fee paid to BTSC for a period of 31 March 2016 of Baht 168.27 million.

(b) The License to Manage Marketing Services Agreement may be terminated if the Concession Agreement between BTSC and BMA is terminated. BMA is entitled to exercise the right to terminate the Concession Agreement only under two grounds, i.e. (1) BTSC is ordered into receivership in the bankruptcy case; or (2) BTSC is deliberately and continuously in material breach of the Concession Agreement unless such breach is remedied within the specified period. These grounds are out of the Company's control. However, there is a remote possibility that BTSC would go into receivership, since BTSC continuously has a good result of operation and a strong financial position. Moreover, BTSC has strictly complied with the terms and conditions of the Concession.

In order to mitigate this risk, the Company has a policy to expand its business into new media platforms to cover more consumer groups. In the past year, the Company expanded its media network to residential condominium and aviation media through the investment in Aero Media Group Company Limited.

2. Reliance on major media agencies

The Company's customers can be categorised into two groups, i.e. media agencies and product and service owners. Generally, the product and service owners engages the media agencies to provide advertising strategy plan, including advertising budget and media type selection.

At present, the Company has more than 20 media agencies as its customers, of which 10 are major media agencies. In the fiscal year ended 31 March 2016, the Company's revenue contributed from the media agencies was approximately Baht 1,453.17 million, or equivalent to 77.40 percent, of the total advertising revenue. The Company's revenue contributed from the top 5 media agencies was 60.96 percent of the total advertising revenue. Therefore, if the Company could not maintain a good relationship with these media agencies, they may not recommend the Company's media to the product and service owners. This may cause a material adverse effect on the business, financial position, results of operation and business opportunity of the Company.

However, the Company does not rely on any media agency more than 28 percent of the total advertising revenue. Furthermore, the Company strongly believes that the Company can manage this risk because the Company has (1) transparent and fair business operation, (2) media network coverage that can reach the current modern lifestyle and a wide customer base that covers all target consumer groups with an increased popularity and (3) priority on customer relationship management, whereby the Company arranges activities to strengthen its relationship with the customers.

3. Media business varies by the overall economic situation

Media business varies by the overall economic situation of the country. At present, the Thailand economy has been


affected by negative domestic and global factors, i.e. the slowdown of various sectors, such as manufacturing, export, and tourism sectors, unemployment problem, and political situation. These factors cause a material adverse effect on the income and purchasing power, spending behavior, and consumer confidence.

Such economic situation also causes the slowdown in advertising spending of product and service owners, resulting in a significant negative impact on the overall media industry. The current structure of the media industry has changed from the past. Product and service owners tend to allocate their advertising budget to new media types which can cover wider target groups and has high visibility in the daily life, for instance, Mass Transit media, which grows significantly higher than the overall media industry. This is consistent with the Company's nature of business that focuses on modern lifestyle media, i.e. travelling by BTS SkyTrain, working in office building, and living in condominium. The Company firmly believes that with the locations, characteristics, and types of media, especially BTS related media, the Company will be less affected by the current economic situation. Moreover, to increase its business opportunity, the Company has an ambition to expand its media network to other new platforms and into oversea businesses.

However, if such economic situation continues, the Company cannot assure that the business, financial position, and results of operation of the Company would not be materially and adversely affected.

4. Business expansion

The Company has a strategy to expand into new businesses that support and are beneficial to the Company's business operations, both in Thailand and overseas, in order to build on the existing business and to increase the Company's long-term growth opportunities. However, given that each business expansion may require a significant amount of fund and resources, if the return from such business expansion does not meet the target as estimated by the Company, it may cause an adverse effect on the overall business, financial position and results of operation of the Company.



To minimize this risk, the Company will invest in projects which have high potential and a strong strategic partner, as well as investing in certain businesses which the Company has an expertise. In this respect, before making the decision on each investment, the Company will conduct a feasibility study based on 3 assumptions, i.e. (a) base case, (b) worst case, and (c) best case and submit to the Board of Directors or any persons authorized by the Board of Directors to consider the reasonableness of such business expansion taking into consideration the best interest of the Company and its shareholders.

In 2015/16, the Company acquired the shares of Aero Media Group Company Limited, whose business is providing advertising media in 13 domestic airports in order to expand the Company's out of home media network to cover media space in airports since the Company foresees (a) the number of passengers growth, especially in low cost airlines, and (b) limited players in aviation media industry. This allows the Company to better respond to the market and the customers' demand, both media agencies and product and service owners and results in the increase in the return to the shareholders.

Moreover, the Company is in the process of purchasing shares and making a tender offer for all securities in MACO, which is a leading company engaging in billboard media business and out-of-home media advertising services and production, in order to expand the Company's media network and maintain the Company's leadership in the out of home advertising media business.

5. Revenue growth varies by number and behaviors of consumers

An increase in the number of ridership on the BTS SkyTrain system, including the consumers' behaviors, is a key factor for media agencies and product and service owners in considering the allocation of advertising budget, both in the aspects of advertising space utilization and negotiation power on media sales price.

The Company's core revenues derive from providing media services and merchandising areas in the BTS SkyTrain system. Thus, any factors having a material negative impact on the number of ridership, e.g. political protest or

demonstration, or change of BTS passengers' behaviors, e.g. a favor in watching news or TV programs through smartphones or tablets, may cause a material adverse effect on the revenue, negotiation power on media sales price and results of operation of the Company.

However, the Company firmly believes that this risk is quite low because (1) the current BTS SkyTrain route passes through the central business districts of Bangkok and connect to other transits, such as MRT, BRT, Airport Rail Link, and the development of new real estate projects are along the BTS SkyTrain route, which contribute to the increase in the number of ridership; (2) the Company's media still have an impact on BTS passengers through voice message; and (3) the Company constantly improves and develops its media to be modernised and correspond with the consumers' behaviors.

6. Competition with other media service providers

At present, there are many new media service providers in the market, which results in an intensified competition, especially price competition, in the market as all media service providers want to maintain or increase their market share. If the Company could not response to such competition in a timely and cost-effective manners, such competition may cause a material adverse effect on the business, financial position and results of operation of the Company. However, the Company firmly believes that the Company's media network covers and corresponds with the current modern lifestyle and is able to effectively reach all groups of consumers.

7. Reliance on personnel with specialized expertise and good relations with customers

The Company's media business relies on its personnel to contact and offer products to the media agencies and the product and service owners. Thus, the personnel in sales and marketing division, including the Company's executives, are required to have good relationship with the media agencies and the product and service owners. In addition, efficiency management to optimize the usage of the advertising space and media creativity to meet the product and service owners' need depend on the executives and personnel who have knowledge, expertise and experience in media planning. Thus, if the Company cannot retain these

executives and personnel with the Company, it may cause an adverse effect on the business and business opportunity of the Company.

As a result, the Company gives priority to human resources management and development. The Company arranges the work into teams, whereby any team member could work as a substitute for the other members. In addition, the Company provides training courses to its personnel and encourages the mid-level management to participate in the planning of the Company's business plan so as to increase their potential, knowledge, and experience. Furthermore, the Company stresses on the importance of remuneration and long-term benefits given to its personnel. All of these are to minimize the risk on reliance on its personnel in the business operation of the Company. Besides, the Company has prepared a succession plan in order to build the next generation of executives, in order to maintain and support the long-term growth of the Company.

8. Reliance on few service providers to maintain media network

The Company offers both static media and multimedia. For the multimedia, the Company uses central control systems, some of which are imported technologies. Maintenance and repair of these technologies must be carried out continuously, resulting in the Company having high maintenance expenses. Additionally, the Company's staff still lack necessary skill to maintain and repair certain specific designed systems, e.g. operating system, software and network development. As a result, the Company has to rely on external service providers for the maintenance of the media network. If the service providers abandon the work or are unable to carry out their duties according to the terms mutually agreed between the Company and the service providers, which as a result causes the disruption in the Company's systems, this may cause a material adverse effect on the business, revenue and results of operation of the Company.

However, the Company uses the control systems from different service providers for the multimedia. A failure of one system would not affect the other systems. Moreover, the Company has recruited permanent employees who are

competent and knowledgeable to perform basic maintenance and repair of the systems. The Company also makes regular examinations of the service providers' inventories keeping, system stability, system management, and service to the Company. After comparing the standard of the current service providers with the others, it was found that the current service providers are reliable and acceptable by other leading companies.


9. Change in advertising laws

Change in advertising laws may cause an adverse effect on the Company's business operations. As such, the Company follows up on the change in advertising laws regularly in order to set guidelines for operations and prepare back up plans. In addition, to operate the Company's media business in compliance with the laws, the Company examines media contents, including media quality to be in accordance with the standards required by laws, before installation.

10. Major shareholders may have influence on decisions of the Company

BTS Group, which consists of BTSG and BTSC, is the major shareholder of the Company, holding in aggregate 74.30 percent of the total issued shares of the Company (information as of 31 March 2016). As a result, BTS Group may have control and could exert influence over the Company's business direction, management, and corporate decisions both at the Board of Directors' meeting and the shareholders' meeting.

In this regard, the Company has set up an organizational structure with a clear scope of duties, responsibilities and authorizations for directors and executives, as well as establishing policies and procedures for related party transactions regarding its directors, executives, major shareholders, controlling persons, or persons who may have a conflict of interest, and appointing independent directors for checks and balances and to review the Board of Directors' performance and audit the operation and management of the executives, in order to assure the shareholders' and general investors' confidence in the organizational structure of the Company.



4.3 Social, Community and Environment Responsibility for Sustainable Growth

The Company has laid the foundation for growth and sustainable success in the future, which was as a result of the commitment and devotion of its employees and the fair and transparent administration and management of the Board of Directors and the executives, taking into account the roles of every stakeholder group, including having a management process that is in compliance with the environmental standards, as well as the social and community development.

This is the first year that the Company has prepared the **“Sustainability Report 2015/16”** in accordance with the G4 Sustainability Reporting Guidelines of the Global Reporting Initiative (GRI). For information on performance relating to sustainable development, please refer to the Sustainability Report 2015/16.

4.4 Management Discussion and Analysis

Media Industry and Business Impact Analysis

Slow economic growth continued to undermine business confidence and consumer spending. In a tough growth environment, businesses tend to cut expenditures, and advertising expenditure is often one of the first expenses to be cut. Overall media spending fell 1.2% YoY. A decline

in media spending usually intensifies competition among industry players. Revenue growth becomes challenging and margins may be affected from package prices being slashed. In spite of this, VGI Global Media continued to see growth across its core business. Revenue, excluding the impact of the modern trade business termination, grew 3.1% YoY to THB 2,056mn.

Important Events In 2015/16

Please refer to *Section 2.1: Important Events*

2015/16 Snapshot & Analysis

Consolidated P&L Snapshot

THB (mn)	2015/16	2014/15	YoY (%)
Operating revenue	2,106	2,963	-28.9%
Cost of sales	769	1,325	-41.9%
Gross profit	1,337	1,638	-18.4%
EBITDA	1,336	1,225	9.0%
Net profit from operation	838	1,010	-17.0%
Net profit (inc. extra items)	941	838	12.3%
GP margin	63.5%	55.3%	
EBITDA margin	63.5%	41.4%	
NPAT margin (from operation)	39.8%	34.1%	
NPAT margin (inc. extra items)	44.7%	28.3%	

Consolidated P&L Snapshot (as if no Modern Trade Media)

THB (mn)	2015/16	2014/15	YoY (%)
Operating revenue	2,056	1,994	3.1%
Cost of sales	710	532	33.7%
Gross profit	1,346	1,462	-8.0%
EBITDA*	1,245	1,356	-8.2%
Net profit from operation	851	972	-12.4%
Net profit (inc. extra items)	954	799	19.4%
GP margin	65.4%	73.3%	
EBITDA margin	60.6%	68.0%	
NPAT margin (from operation)	41.4%	48.8%	
NPAT margin (inc. extra items)	46.4%	40.1%	

* excludes extra items

2015/16 Performance Analysis (YoY)

In order to enable an analysis of underlying performance on a comparable basis to previous quarters, the following section analyses the Company's earnings excluding the Modern Trade media business.

In a challenging environment, the Company has proven once again the strength of our business model. In 2015/16, the Company's **operating revenue** increased 3.1% YoY from THB 1,994mn to THB 2,056mn. **BTS-related media** revenue

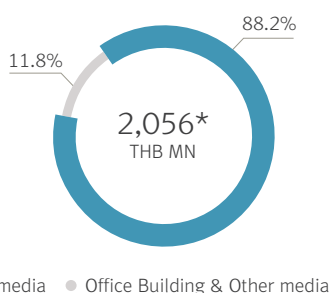
increased by 0.4% YoY, mainly from higher occupancy of merchandising space. BTS-related media revenue rose less than expected as it faced challenges from overall media spending decline, nevertheless, in the future, we stand to benefit immensely from mass transit network expansion over the long-run.

In the **Office Building media** segment we exceeded our target (to secure rights for 123 buildings) by securing rights to 135 buildings and growing revenues by 23.6%. Office buildings continue to benefit from stable occupancy rates and limited supply growth, particularly in Grade A spaces.

Our partnership with Artista Media Limited Partnership in the residential building space is a natural expansion of our services and opens a large and lucrative market, considerably increasing our potential media inventory.

Our **Other media** revenue increased 61.4% YoY from the expansion to other venues, mainly from being a sales agent of 20 digital clock towers in 10 main provinces for Midas Global Media Company Limited (“MIDAS”) and LED screens at Chamchuri square and Empire tower. In 2015/16, BTS-related media contributed 88.2% to total revenue whilst Office Building and Other media contributed the remaining 11.8%.

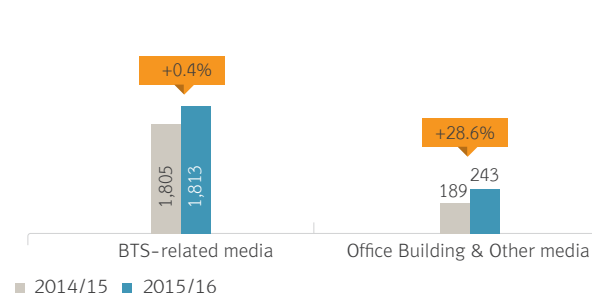
Revenue Contribution



● BTS-related media ● Office Building & Other media

* excludes Modern Trade revenue

Revenue (THB mn)



Cost of sales increased from last year to THB 710mn due to 1) an increase in maintenance cost of equipment and system for the new digital media (Platform Truss LED, Platform Screen Door and E-Poster), which were launched in 2014, 2) rental cost of digital screens at Victory Monument, 3) expenses from rights to manage the media and merchandising spaces of the 7 new BTS extension

stations, which the Company secured the contract on 6 May 2015 and 4) higher depreciation of the new digital media installed across the existing BTS SkyTrain network as well as in additional office buildings, static media and on the 7 BTS extension stations. These consequently led to a reduction in **net profit margin from operations**, which fell to 41.4% in 2015/16 from 48.8% in the previous year.

Financial Position

Assets

Assets Breakdown	31 Mar 15		31 Mar 16	
	(THB mn)	% out of total	(THB mn)	% out of total
Cash & cash equivalents and short-term investments	494	15.0%	360	11.6%
Trade & other receivables	519	15.8%	399	12.9%
Equipment - net	1,262	38.4%	1,211	39.1%
Investment in JVs and associates	695	21.1%	772	24.9%
Other assets	317	9.6%	357	11.5%
Total assets	3,286	100.0%	3,099	100.0%



Total assets as of 31 March 2016 were THB 3,099mn, which decreased by 5.7% YoY from THB 3,286mn. The decrease was mainly attributable to cash and cash equivalents and trade & other receivables, which decreased by THB 134mn and THB 120mn, respectively. (see *assets breakdown*)

Cash and cash equivalents and short-term investments stood at THB 360mn, decreasing 27.1% YoY from THB 494mn. The decrease in cash was mainly attributable to the cash from operations (see *liquidity and cash flow section*)

Trade and other receivables decreased to THB 399mn, down 23.1% YoY from THB 519mn. The decline was in-line with lower sales in 2015/16. The Company gives 60 - 90 days credit terms to customers. For accounts receivables of more than 120 days, the Company has a policy for allowance for doubtful accounts, which also considers the customers' payment history and creditability. As of 31 March 2016, the allowance for doubtful accounts was maintained at THB 10mn, which was the same amount as of 31 March 2015, accounting for 2.4% of total account receivables.

Ageing of Trade Receivables (THB mn)	31 Mar 15	31 Mar 16
Not yet due	478	340
Up to 6 months	30	34
Over 6 months	10	10
Total	517	384
% of total receivables	99.6%	96.2%
Allowance for doubtful debt	10	10
% of total receivables	1.9%	2.4%

Total equipment - net's proportion to total assets slightly increased to 39.1% from 38.4% of total assets. The value of total equipment-net was THB 1,211mn, a reduction from

THB 1,262mn at the end of the previous year due to depreciation associated with the existing assets coupled with the minimal amount of investment in new assets during the year.

Liabilities and Shareholders' Equity

Liabilities and Equity Breakdown	31 Mar 15		31 Mar 16	
	(THB mn)	% out of total	(THB mn)	% out of total
Short term loans	530	16.1%	240	7.7%
Trade & other payables	151	4.6%	123	4.0%
Accrued expenses	318	9.7%	277	8.9%
Other current liabilities	435	13.3%	182	5.9%
Non-current liabilities	24	0.7%	35	1.1%
Total liabilities	1,457	44.3%	857	27.7%
Shareholders' equity	1,829	55.7%	2,242	72.3%
Total liabilities and equity	3,286	100.0%	3,099	100.0%

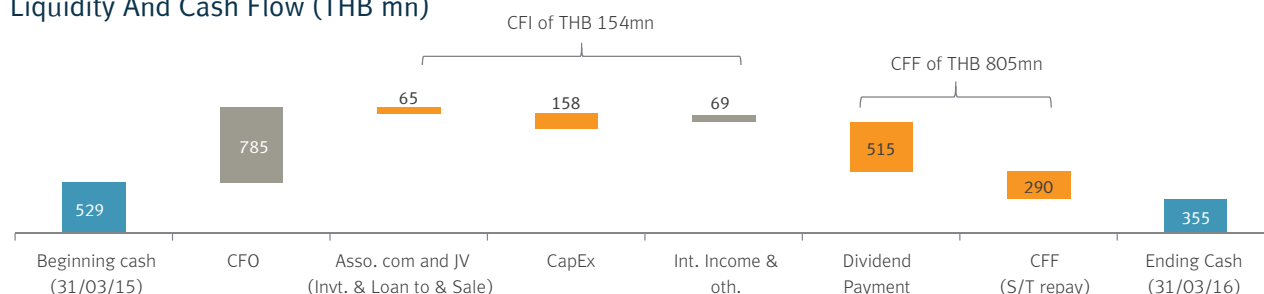
Total liabilities were THB 857mn, a decrease of THB 600mn or 41.1% from THB 1,457mn at the end of the previous year mainly from a reduction in short term loans and reversal of provision.

Total equity was THB 2,242mn, an increase of THB 413mn or 22.6%. This was attributable to an increase in retained earnings from the 12 months operating performance. Return on equity for 2015/16 was 46.2%, which increased

from 44.3% in 2014/15. This is attributable to the capital increase in the past 12 months from warrants conversion

(VGI-W1) and stock dividend payments at the ratio of 1:1.

Liquidity And Cash Flow (THB mn)



Note: Beginning/ Ending cash included Cash, Cash equivalents and short-term investment.

As of 31 March 2016, **cash and cash equivalents** stood at THB 112mn and **net short-term investments** stood at THB 243mn, totaling THB 355mn. This represents a decrease by THB 174mn or 32.9% from THB 529mn at the end of the previous year. During the year, the Company had **cash inflow from operating activities** of THB 785mn. Total **cash outflow from investing activities** was THB 154mn, of which THB 39mn was proceeds from sale of investments in MIDAS,

THB 64mn was proceeds from sale of investments in VGI China, THB 100mn was paid for investment in Aero Media and THB 158mn was **CapEx**, which was mainly used for investing in 7 extension stations, new office building and maintenance of media equipment. In addition, Company made a short-term loan repayment of THB 290mn this year. The Company paid cash dividend totaling THB 515mn in 2015/16¹.

Financial Ratios

Profitability Ratios		2014/15	2015/16
Gross profit ¹	(%)	55.3%	63.5%
Operating EBITDA	(%)	41.4%	63.5%
Cash-to-net profit	(%)	100.4%	67.9%
Net profit	(%)	28.3%	44.7%
Return on equity ²	(%)	44.3%	46.2%

Efficiency Ratios		2014/15	2015/16
Return on assets ³	(%)	27.8%	29.5%
Return of fixed assets ⁴	(%)	91.3%	98.7%
Asset turnover	(times)	1.0	0.7

Liquidity Ratios		2014/15	2015/16
Current ratio	(times)	0.7	1.0
Quick ratio ⁵	(times)	0.7	1.0
Account receivable turnover	(times)	5.3	4.6
Average collection period	(days)	69.5	79.6
Payable days	(days)	41.5	65.0

Leverage Ratios		2014/15	2015/16
Liability to equity	(times)	0.8	0.4
Debt to equity	(times)	0.3	0.1

¹ Calculated from revenue from services

² Net Profit (Annualised) / Average Total Shareholders' equity (average of outstanding at end of the same period in the previous year and at end of this year)

³ Net Profit (Annualised) / Average Total Assets (average of outstanding at end of the same period in the previous year and at end of this year)

⁴ (Net Profit + Depreciation) / Net Average Non-current Asset (average of outstanding at end of the same period in the previous year and at end of this year)

⁵ (Current Assets - Other Current Assets) / Average Current Liabilities (average of outstanding at end of the same period in the previous year and at end of this year)

Management Outlook

Please refer to *Section 2.3: Business Outlook 2016/17*

5.0

CORPORATE GOVERNANCE REPORT

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5.1 Management Structure

Board of Directors

As of 31 March 2016, the Board of Directors consists of 9 members, as follows:

No.	Name	Title	Date of Appointment as Directors
1.	Mr. Keeree Kanjanapas	Chairman	30 March 2012
2.	Mr. Marut Arthakaivalvatee	Vice Chairman*	15 November 2007
3.	Mr. Kavin Kanjanapas	Director	28 May 2003
4.	Mr. Kong Chi Keung	Director	15 June 2000
5.	Mr. Surapong Laoha-Unya	Director	10 November 2006
6.	Mr. Chan Kin Tak	Director	15 November 2007
7.	Assoc. Prof. Jaruporn Viyanant	Independent Director	30 March 2012
8.	Mrs. Maneeporn Siriwatanawong	Independent Director	30 March 2012
9.	Mr. Mana Jantanayingyong	Independent Director	30 March 2012

Remark:

* The Board of Directors' Meeting No. 1/2016 held on 26 January 2016 passed a resolution to approve the appointment of Mr. Marut Arthakaivalvatee as the Vice Chairman, with the effect from 26 January 2016.

Authorised Directors

Authorised directors of the Company consist of Mr. Keeree Kanjanapas, Mr. Kavin Kanjanapas, Mr. Kong Chi Keung, Mr. Surapong Laoha-Unya, Mr. Marut Arthakaivalvatee and Mr. Chan Kin Tak, in which any two of these six directors signing jointly with the Company's seal affixed.

Executives

As of 31 March 2016, there were 8 executives.

No.	Name	Title
1.	Mr. Kavin Kanjanapas	Chairman of the Executive Committee
2.	Mr. Marut Arthakaivalvatee	Chief Executive Officer
3.	Mr. Chan Kin Tak	Chief Operating Officer
4.	Mrs. Oranuch Rujirawona	Chief Sales and Marketing Officer
5.	Mr. Chavin Kalayanamitr	Chief Technology Officer
6.	Mrs. Suparanan Tanviruch	Chief Financial Officer
7.	Mrs. Pitchapaksorn Jit-Opas	Billing and Accounting Director
8.	Ms. Daranee Phanklin	Financial Controller

Remark:

- Ms. Catharin Jirarudee resigned from the position of Chief Legal and Compliance Officer on 25 September 2015. The Company is currently in the process of recruiting a qualified person for this position.
- The Board of Directors' Meeting No. 4/2016 held on 11 May 2016 passed a resolution to approve the appointment of Mr. Surachet Bumrongsuk as the Chief Executive Officer in replacement of Mr. Marut Arthakaivalvatee, who had reached the retirement age as an employee of the Company. The appointment shall be effective from July 1, 2016.

Company Secretary

Ms. Taraket Thawornpanich holds the Company Secretary position since 1 December 2015. The scope of duties and responsibilities of the Company Secretary are as follows:

- (1) To organise the Executive Committee's meetings, the Board of Directors' meetings and shareholders' meetings in accordance with the applicable laws and the Company's Articles and Association and regulations;
- (2) To prepare and keep the following documents:
 - (a) The register of directors;
 - (b) The invitations to the Board of Directors' and the Executive Committee's meetings, and the minutes of the Board of Directors' and the Executive Committee's meetings, including the Annual Reports of the Company;
 - (c) The invitations to the shareholders' meetings and the minutes of the shareholders' meetings;
- (3) To keep the reports on conflicts of interest as reported by directors and the executives;
- (4) To provide advice to the directors as regards the laws and regulations in relation to the maintenance of listing status on the SET and the good corporate governance, including the laws and regulations relevant to the Company's businesses;
- (5) To ensure that the disclosure of information is in accordance with the laws and/or the regulations of the SET, the Office of the SEC, and other relevant authorities as well as the good corporate governance principles;

- (6) To perform other tasks as stipulated by the Capital Market Supervisory Board or as assigned by the Board of Directors.

The Company Secretary attended various training courses, e.g. Corporate Secretary Program (CSP) organised by Thai Institute of Directors, and Fundamental Practice for Corporate Secretary organised by Thai Listed Companies Association. The Company Secretary also regularly enrolls in training or seminar courses organised by the SET, the Office of the SEC and other relevant organizations to understand the scope of duties and responsibilities of the Company Secretary and to be able to fully support the roles of the Board of Directors. (The profile of the Company Secretary can be found in Form 56-1.)

Report on securities holding by the Directors and Executives

The Company has a policy which requires the Company's directors and executives (including their spouse and minor children) to report any changes in their holding of the Company's securities to the Office of the SEC within 3 business days from the date of such change, and provide a copy of such report (Form 59-2) to the Company Secretary Office. The Company Secretary Office will prepare and present a summary of the same to the Board of Directors' meeting on a quarterly basis. Report of changes in securities holding by the directors and executives between the fiscal year ended 31 March 2016 and 31 March 2015 can be summarized as follows:

Table summarising changes in shareholding of the directors and executives in 2015/16

No.	Name	Number of Shares		Percentage of Shareholding	
		31 March 2015	31 March 2016	31 March 2015	31 March 2016
1.	Mr. Keeree Kanjanapas	37,188,458	37,188,458	0.542	0.542
	Spouse and minor children	-	-	-	-
2.	Mr. Kavin Kanjanapas	-	-	-	-
	Spouse and minor children	-	-	-	-
3.	Mr. Kong Chi Keung	193,896	193,896	0.003	0.003
	Spouse and minor children	-	-	-	-
4.	Mr. Surapong Laoha-Unya	336,440	336,440	0.005	0.005
	Spouse and minor children	-	-	-	-
5.	Mr. Marut Arthakaivalvatee	-	200,000	-	0.003
	Spouse and minor children	244,088	244,088	0.004	0.004
6.	Mr. Chan Kin Tak	-	-	-	-
	Spouse and minor children	-	-	-	-
7.	Assoc. Prof. Jaruporn Viyanant	-	-	-	-
	Spouse and minor children	-	-	-	-
8.	Mrs. Maneeporn Siriwatanawong	-	-	-	-
	Spouse and minor children	-	-	-	-
9.	Mr. Mana Jantanayingyong	-	-	-	-
	Spouse and minor children	-	-	-	-
10.	Mrs. Oranuch Rujirawona	2,000,000	2,300,000	0.029	0.034
	Spouse and minor children	-	-	-	-
11.	Mr. Chavin Kalayanamitr	657,776	536,776	0.01	0.008
	Spouse and minor children	-	-	-	-
12.	Mrs. Suparanan Tanviruch	-	400,000	-	0.006
	Spouse and minor children	-	-	-	-
13.	Mrs. Pitchapaksorn Jit-Opas	-	-	-	-
	Spouse and minor children	-	-	-	-
14.	Ms. Daranee Phanklin	-	-	-	-
	Spouse and minor children	-	-	-	-

Remark:

Mr. Surachet Bumrongsuk, who has been appointed as the Chief Executive Officer in replacement of Mr. Marut Arthakaivalvatee, who had reached the retirement age as an employee of the Company, pursuant to the Board of Directors' Meeting No. 4/2016 held on 11 May 2016, does not hold any shares in the Company.

Table summarising changes in VGI-W1 holding of the directors and executives in 2015/16

No.	Name	Number of VGI-W1		Percentage of VGI-W1 holding	
		31 March 2015	31 March 2016	31 March 2015	31 March 2016
1.	Mr. Keeree Kanjanapas	4,148,557	4,148,557	0.484	0.484
	Spouse and minor children	-	-	-	-
2.	Mr. Kavin Kanjanapas	-	-	-	-
	Spouse and minor children	-	-	-	-
3.	Mr. Kong Chi Keung	24,237	24,237	0.003	0.003
	Spouse and minor children	-	-	-	-
4.	Mr. Surapong Laoha-Unya	42,055	42,055	0.005	0.005
	Spouse and minor children	-	-	-	-
5.	Mr. Marut Arthakaivalvatee	-	-	-	-
	Spouse and minor children	30,511	30,511	0.004	0.004
6.	Mr. Chan Kin Tak	-	-	-	-
	Spouse and minor children	-	-	-	-
7.	Assoc. Prof. Jaruporn Viyanant	-	-	-	-
	Spouse and minor children	-	-	-	-
8.	Mrs. Maneeporn Siriwatanawong	-	-	-	-
	Spouse and minor children	-	-	-	-
9.	Mr. Mana Jantanayingyong	-	-	-	-
	Spouse and minor children	-	-	-	-
10.	Mrs. Oranuch Rujirawona	50,000	50,000	0.006	0.006
	Spouse and minor children	-	-	-	-
11.	Mr. Chavin Kalayanamitr	82,222	82,222	0.01	0.01
	Spouse and minor children	-	-	-	-
12.	Mrs. Suparanan Tanviruch	-	-	-	-
	Spouse and minor children	-	-	-	-
13.	Mrs. Pitchapaksorn Jit-Opas	-	-	-	-
	Spouse and minor children	-	-	-	-
14.	Ms. Daranee Phanklin	-	-	-	-
	Spouse and minor children	-	-	-	-

Remark:

Mr. Surachet Bumrongsuk, who has been appointed as the Chief Executive Officer in replacement of Mr. Marut Arthakaivalvatee, who had reached the retirement age as an employee of the Company, pursuant to the Board of Directors' Meeting No. 4/2016 held on 11 May 2016, does not hold any VGI-W1 .

Employees

As of 31 March 2016, there were totally 236 employees, a significant decrease in 2015/16 (as of 31 March 2015, there were totally 466 employees), which resulted from the cessation of the Modern Trade Media business.

Given that, the Company offered severance pay and facilitated those terminated employees an opportunity to apply for positions within the affiliates.

Table on Remuneration, Training Hours, Rates of Leaves and Accidents or Serious Injuries from Work and Labor Disputes in 2015/16

Remuneration (THB mn)	259.55
Training Hours (Hours)	13,421
Average Training Hours per employee per year (Hours)	56.9
Average Sick Leaves per year (Days)	5.7
Average Personal Leaves per year (Days)	0.7
Average Annual Leaves per year (Days)	7.1
Average Other Types of Leaves (Times)	3.0
Accidents or serious injuries from work (Times)	0
Labor disputes (Times)	0

Employee Welfare and Development

Other than remuneration in the forms of salary and bonus, VGI Group provides other forms of benefits to the employees, for example, the establishment of a provident fund as a form of security for the employees and their family, the setting up of the BTS Group Savings and Credit Cooperative as an alternative for the employees to make their savings and investment and get credit support, the provision of housing loan welfare to support the employees to have their own residence, the arrangement of health insurance, life insurance and personal accident insurance, the support of other occasional monetary subsidies.

In addition, since all employees are valuable resources who will propel VGI Group to achieve its goal and business plan, VGI Group has established the human resources management guidelines and guidelines for skill and competence development in order to retain qualified employees and instill awareness within the organization that they are an important part of the Company. (Please see additional details in Form 56-1 under *Section 8.5 Employees.*)

5.2 Corporate Governance

Corporate Governance report 2015/16

The Board of Directors has established a policy on corporate governance that is in accordance with the principles and guidelines on good corporate governance of the SET and recommendations of the Thai Institute of Directors (Thai IOD). The Board of Directors regularly develops the policy on corporate governance and recognizes the importance of good corporate governance in the Company's pursuit of sustainable growth and strengthening the value to the Company and the shareholders in the long run, as well as, discloses and communicates the policy through the Company's website at www.vgi.co.th and the Company's intranet.

The Company's corporate governance policy is divided into 5 sections covering good corporate governance principles as follows:

- (1) Rights of Shareholders
- (2) Equitable Treatment of Shareholders
- (3) Role of Stakeholders
- (4) Disclosure and Transparency
- (5) Board Responsibilities

Section 1: Right of Shareholders

The Company places emphasis on the rights of shareholders as the Company's owners. All shareholder groups, whether minority or institutional shareholders, are encouraged to exercise their fundamental rights, e.g. sale and purchase or transfer of shares, receipt of profit sharing, receipt of adequate information whether via the SET's or the Company's websites or other channels, attending shareholders' meetings to acknowledge the Company's annual business performance, and voting at the shareholders' meetings to approve significant matters as required by laws, such as the appointment or removal of directors, directors' remuneration, the appointment of

auditor and determination of the auditor's fee, dividend payment or suspension of dividend payment, capital increase and issuance of new shares, as well as making enquires or comments on the matters that are relevant to the Company.

In 2015/16, the Company held the 2015 Annual General Meeting of Shareholders (2015 AGM) on 6 July 2015, which was within four months from the end of the Company's fiscal year. The Company organised the shareholders' meeting in accordance with the good governance practices as follows:

- The Company assigned the Company Secretary to ensure that the meeting was called and held as required by laws and in accordance with the guidelines for shareholders' meetings as stipulated by the SET. In this regard, the Company engaged a legal advisor to provide legal advice and inspect the vote counting process, as well as invited minority shareholders to act as witnesses to the vote counting process. In addition, the Company arranged for the Company's auditor to attend the meeting in order to answer any enquiries on the agenda item regarding the approval of the Company's financial statements.

Furthermore, the Company encouraged the shareholders to send any questions in relation to the agenda items in advance of the meeting during the period from 4 June 2015 to 30 June 2015.

- The Company assigned Thailand Securities Depository Company Limited, its securities registrar, to deliver the invitation, which stated the venue, date and time of the meeting together with the agenda items, supporting documents and opinion of the Board of Directors for all agenda items, to the shareholders.



In order for the shareholders and/or investors to be able to access and have sufficient time to review the invitation and its supporting documents, the Company publicised the Invitation to the 2015 AGM both Thai and English on its website 30 days prior to the meeting, i.e. on 4 June 2015. Such invitation, together with Annual Report 2014/15 (in CD-ROM format) was sent to the shareholders 21 days in advance of the meeting, i.e. on 12 June 2016, and published in the newspaper on 15-17 June 2016.

- The Company encouraged the shareholders to use Proxy Form B, which is an explicit form that sets out specific details of authorisation.
- The Company equally facilitated all shareholders and proxies. There were no specific conditions or requirements which may restrict the shareholders' opportunity to attend the meeting. In this regard, the Company avoided setting the date of the meeting during any long holidays or on public holidays, and set an appropriate meeting time and a convenient meeting venue. The 2015 AGM was held at Eastin Hotel Makkasan Bangkok, which locates close to the Airport Rail Link and the expressway exits and has sufficient parking area. In this respect, the Company also provided shuttle buses to pick up and drop off the meeting attendants between the Airport Rail Link, Ratchaprarop Station, and the meeting venue.

In addition, the Company opened for the shareholders and proxies to register for the meeting two hours prior to the meeting time. There were officers of the Company in attendance to verify the documents and the registration was arranged by types of shareholders, i.e. individual shareholders attending in person, proxies, and institutional shareholders and custodians. The Company used the barcode system for the registration and votes counting in order to allow the meeting to be carried out transparently and efficiently. Furthermore, the registration remained open to the shareholders

throughout the meeting, thereby allowing the shareholders to register and vote on the remaining agenda items.

- Before proceeding to consider the agenda items, the Company Secretary introduced to the meeting the Board of Directors, the executives, the Company's auditor and legal advisor. The Company Secretary also informed the meeting about the vote casting and vote counting procedures.
- During the meeting, the Chairman of the Meeting equally provided the opportunities to all attendants to ask questions and express opinions that were relevant to the agenda items. The enquiries were answered and given adequate time for discussion. For the agenda item on the appointment of directors, the shareholders were allowed to vote for each director individually and separately. In addition, there were no changes to the information provided or additional agenda items proposed to the meeting.
- After the meeting, the Company correctly and completely recorded the minutes. The resolutions were recorded with details of approved, disapproved, and abstained votes, together with a summary on significant enquiries and opinions relating to each agenda item. The Company disclosed the resolutions via the SET's website within the same day of the meeting. The minutes was submitted to the SET and publicised on the Company's website within 14 days from the date of the meeting, i.e. on 20 July 2015.

Section 2 Equitable Treatment of Shareholders

(1) Proposing Agenda and Nominating Candidate to be elected as Director

To promote equitable treatment of shareholders, the Company allows shareholders to propose agenda and nominate candidates to be elected as directors of the Company in advance. Shareholders who collectively hold shares and having voting rights of at least 5

percent of the Company's total voting rights and continually holding such shares for at least 6 months prior to the date of proposal of agenda or nomination of candidates, are entitled to propose agenda and nominate candidates to be elected as directors of the Company at the annual general meeting. The Company has publicised such criteria on the Company's website as well as making an announcement through the SET's website in order to give the shareholders the opportunity to propose agenda and nominate candidates to be elected as directors within the period set forth by the Company.

For the 2015 AGM, the Company invited the shareholders to propose agenda or nominate candidates to be elected as directors of the Company during the period from 22 December 2014 and 23 March 2015. However, there were no shareholders proposing any agenda or nominating any candidates to be elected as directors of the Company.

(2) Appointing Proxies

To maintain the rights of shareholders who cannot attend the shareholders' meeting in person, the Company encloses Proxy Form B, which is an explicit form that sets out specific details of authorisation, to the invitation and clearly states the list of documents and evidence required for the appointment of a proxy. The shareholders may appoint a representative or the Company's independent director to attend the meeting and cast the vote on their behalf. The Company also discloses the proxy forms, together with the details and procedures for the appointment of proxy on the Company's website.

The Company has a policy to facilitate and encourage the shareholders to attend the shareholders' meeting by giving the shareholders the opportunity to submit the proxy forms and the supporting documents to appoint the Company's independent director in advance of the meeting. In addition, to encourage the

institutional shareholders and/or custodians to attend the shareholders' meeting, the Company arranges for the verification of shareholders' names and documents for registration in advance of the meeting. Besides, the Company makes available duty stamps for the shareholders who appoint a representative or the Company's independent director to attend the meeting and cast the vote on their behalf for free of charge.

(3) Access to Information

The Company favors no particular groups of stakeholders and gives all equal access to its information, which is available to the shareholders and the general public through the Company's website at www.vgi.co.th or through the Investor Relations Department at telephone no. +66 (0) 2273 8611-15 ext. 1513 or email address ir@vgi.co.th.

Section 3 Roles of the Stakeholders


(1) Treatment of Stakeholders

The Company is aware of the role of the stakeholders and places emphasis on the rights of all groups of stakeholders, e.g. shareholders, employees, customers, business partners, competitors, creditors, as well as the society, community and the environment, by ensuring that they are treated properly, equitably and fairly. The Company realizes that good relationship with all groups of stakeholders is vital for the long-term development and sustainable growth of VGI Group. Therefore, the Company has established a written policy and guideline on treatment of stakeholders as set forth in the Company's Corporate Governance Policy and the Code of Conduct and distributed the same to all directors, executives and employees of the Company for their acknowledgement and implementation.

Policy and guidelines on treatment of stakeholders are as follows:

Shareholders

VGI Group is determined to operate its business with due care in order to generate returns to the shareholders at an



appropriate level and in a sustainable way based on good operating results and by taking into consideration the current and future risk factors. VGI Group shall ensure transparency in its business operation and shall strive to protect its assets and maintain its reputation.

Customers

VGI Group places emphasis on its customers and is determining to build customer satisfaction and gaining customer confidence, which form an important part to the Company's success. The Company has set up a guideline to present and deliver quality services that are in accordance with or higher than the customers' expectation and at a fair price. VGI Group also focuses on attention and responsibility to its customers by giving accurate and sufficient data to the customers in order to prevent the customers from misunderstanding of the product or service quality or any other conditions, as well as continuously and regularly developing the quality and features of the products and services to meet the customers' needs and to maintain good relationships with the customers in the long run. VGI Group conducts surveys on customer satisfaction to take their comments or complaints and uses the same as a guideline for improvement of services and operations. In addition, VGI Group arranges for training development to its customer service personnel by providing training courses to its employees both before they begin their duties and thereafter to enhance their skills and knowledge so as to provide the best services to the customers.

In addition, VGI Group has a policy and guideline to keep confidentiality of the customers' information and will not use such information to seek undue benefits for itself or others, unless the customers' consent has been obtained or VGI Group is required by laws to disclose such information.

Employees

VGI Group believes that employees are the key factor and valuable resources in its business operation and, therefore, places a lot of emphasis on its employees. VGI Group treats

all levels of employees equally and without discrimination and respects the rights of employees under the fundamental principles of human rights and under the laws and regulations. VGI Group also values the wellness and occupational health, safety of life and property and the work environment of its employees, and promotes good corporate culture and work environment and working as a team. All employees are equally provided with an opportunity for career growth. VGI Group also places emphasis on the potential of its employees by focusing on personnel development. There are functional and quality of life training courses both internally and externally, as well as activities to build good relationship within the organisation, both among the employees or between the employees and the executives (please find more details in Form 56-1 under *Section 8.5 Personnel*).

Business Partners

VGI Group places emphasis on its business partners as the key supporters to build its growth, including creating value to the customers and the shareholders. VGI Group, therefore, equally and fairly selects the business partners by taking into consideration their reputation, capability, laws and regulations and traditions. Besides, VGI Group also places emphasis on fairness, transparency and straightforwardness in doing businesses and strictly treats its business partners in accordance with the agreements and its business ethics. Furthermore, the Company annually arranges events to build relationship with its business partners. In the previous year, VGI Group arranged a friendly football match between the Group and its business partners under the program "VGI Cup".

Competitors

VGI Group treats its competitors within the scope of laws and good business ethics with an emphasis on fair competition. VGI Group will not discredit or seek confidential information of its competitors in bad faith or in an unfair manner but will operate its business honestly and professionally. VGI Group also supports and promotes free and fair trade and will not monopolise or require its customers to do businesses only with the Group.

Creditors

VGI Group focuses on building creditors' confidence and places emphasis on honesty and strictly conforming to the conditions and agreements entered into with its creditors. VGI Group always pays all due loans and interests thereon in a timely manner and will not use proceeds of the loans in any way that is contrary to the objectives of such loans. In addition, VGI Group will not conceal any information or facts that may cause damages to its creditors.

Society, Community and Environment

VGI Group concentrates on the sustainable development of its business growth together with the development of society, community and environment, and the quality of life in Thailand. Being aware of the ongoing nature of social responsibility, VGI Group strives to ensure that the policy on social responsibility exists in every part of the organization from the policy level to the operational level. VGI Group believes that conducting business with a good conscience towards the society at large will create a powerful driving force which leads to sustainable development at the community and national levels.

In this regard, VGI Group considers as its important duty and responsibility to support and arrange activities that are beneficial to the society in various aspects. VGI Group continuously arrange activities that are beneficial to the society covering the macro level, community level and operational level so as to provide contribution and return profits to the society (additional details can be found in the Sustainability Report 2015/16, which is available on the Company's website at www.vgi.co.th).

Moreover, VGI Group has also established various policies related to business ethics to promote good corporate governance of the Group, such as the policy and guideline on human rights violation, policy and guideline on anti-corruption and bribery, policy and guideline on non-infringement of intellectual property or copyright, policy and guideline on the use of information technology and communications. The details can be summarised as follows.

Human Rights Violation

The Company has a policy to treat all stakeholders fairly by adhering to the laws and regulations concerning employees and the international fundamental principles of human rights, without discriminating on grounds of place of birth, race, gender, age, skin color, religious belief, physical ability, marital status, educational institution, or other status irrelevant to the work performance. VGI Group also respects individualism and human dignity.

Anti-Corruption and Bribery

VGI Group is opposed to all forms of corruption and bribery and has a policy to encourage its employees to abide by laws and be a good citizen of the country. VGI Group also encourages its business partners to operate their businesses in accordance with the laws and in a transparent manner. The objective is to improve and support the sustainable development of the society as per the Company's declaration to join the Collective Action Coalition Against Corruption: CAC.

To state the Company's position on anti-corruption and bribery as well as to provide rules and guidelines for the directors, executives and employees to comply with, VGI Group has established a set of written policies and procedures regarding anti-corruption and bribery as set forth in the Corporate Governance Policy and the Code of Conduct and the Human Resources Management Rules and Procedures. The principles are as follows:

Giving or acceptance of gifts

- Employees shall not demand gifts, properties or any other kinds of benefit from contractors, dealers, sellers, joint investors, or any persons related to VGI Group's business.
- Employees shall not give or accept gifts, properties or any other kinds of benefit which may influence their decisions, except where they given on traditional occasions and having an appropriate value. In the case of doubt that such acceptance may not be appropriate, the supervisor can demand the employees to return the same to the giver.

Charitable contributions

- As part of corporate social responsibility, the Company and/or VGI Group may make charitable contributions, in forms of monetary or others.
- To ensure that charitable contributions are not used as a subterfuge for bribery, when making each contribution, the employees and/or relevant departments are required to provide documents specifying details of such charitable contributions and submit them to the Chief Executive Officer for consideration and approval.

In this respect, any suspicion of corruption and bribery activities can be reported via CAC@vgi.co.th, where the complainant can be assured that the person in charge of receiving the complaint will keep the complainant's information confidential in order to protect the complainant's right and will appoint a person to verify and monitor all sources of information given. VGI Group also regularly assesses the risk of activities that are in connection with or may lead to corruption and bribery.

The Company has publicised the policy and guideline on anti-corruption and bribery on the Company's intranet and has communicated and provided training courses of the same to its executives and employees for acknowledgement, which include orientation programs for new employees and annual training programs for existing employees. In the previous year, the Company arranged 14 orientation and annual training programs for its employees.

Non-Infringement of Intellectual Property and Copyright

VGI Group has established a policy against infringement of intellectual property, in which the directors, executives and employees are required to not infringe on computer software by downloading and/or installing any programs that have not been procured by the Information Technology Department. In addition, the Company has assigned its Information Technology Department to conduct an inspection on a regular basis in order to prevent any copyright infringement of computer software.

Use of Information Technology and Communications

VGI Group places emphasis on the use of information technology and communications and has established information security and safety measures to prevent and minimise the chance of significant or confidential information being leaked intentionally or negligently. Guidelines on the use of information technology and communications have been established based on the internationally accepted standard, e.g. the ISO 12207 standard of the Institute of Electrical and Electronics Engineers (IEEE), and the Control Objectives for Information and Related Technology (COBIT) of the IT Governance Institute.

Any document or information that is confidential of the Company will be kept in the system of the relevant divisions and cannot be accessed by other divisions, and therefore are limited to only relevant employees within the working group.

Moreover, VGI Group also requires its Information Technology Department to record its employees' usage information as required by the Computer-Related Crime Act B.E. 2550 (2007) and the Notification of the Ministry of Information and Communication Technology re: Rules on the Record of Computer Traffic Information by Service Providers.

(2) Complaint Channels

The Company provides channels for all stakeholders to contact or lodge their complaints to (1) the Board of Directors through the Company Secretary Office or (2) the Audit Committee through the Internal Audit Office. In this regard, the complainants can be assured that the Company shall keep his/her information confidential. The details are as follows:

Company Secretary Office : Tel: +66 (0) 2273 8884 ext. 554, 556 or 557
Fax: +66 (0) 2273 8883
Email: companysecretary@vgi.co.th
Or by post to the Company Secretary Office at the Company's address

Internal Audit Office : Tel: +66 (0) 2273 8611-15 # 1539, 1544 or 1547
Fax: +66 (0) 2273 8616
Email: internalaudit@vgi.co.th
Or by post to the Internal Audit Office at the Company's address

VGI Group believes that employees are the key factor and valuable resources in its business operation. Therefore, to ensure fair and equitable investigation process, VGI Group has set up channels for the employees to file complaints, as well as determining the methods and procedures in relation thereto. In this respect, VGI Group has established measures to protect the employees who file the complaints and/or the witnesses who give testimony about the unfair treatment, e.g. placement or transfer, disciplinary punishment, etc. There are provided in writing in the Human Resources Management Rules and Procedures, which are disclosed to all employees on the Company's intranet.

Section 4 Disclosure and Transparency

(1) Financial and Non-financial Disclosure

The Board of Directors has a duty to disclose accurate, complete and reliable financial and non-financial information to all shareholders and stakeholders in an appropriate and timely manner to ensure that the shareholders and stakeholders receive the information equally, including developing and regularly and promptly updating the information on the Company's website to ensure that it is complete and consistent. In this respect, the information of the Company has been prepared with due care, accuracy, and transparency and conveyed in a simple and concise language.

(2) Investor Relations

The Company places high importance on the investors' and the public's perceptions and opinions towards the

Company. The Company therefore has established the Investor Relations Department to be responsible for the communication between the Company and the investors, which includes the shareholders, analysts and the general public. For additional information, please refer to *Section 4.1 Capital Market Review*.

(3) Policy on Disclosure of Significant Information

The Company has a policy to disclose significant information to the public, namely the Company's objectives, financial position and business performance; organisation and shareholding structures; names and profiles of the Board of Directors, the sub-committees and the executives; factors and policies on risk management; corporate governance policies and structures; responsibilities of the Board of Directors for the financial reports; sub-committees' reports; information on meeting attendance of the Board of Directors and the sub-committees; criteria for determining remuneration of the Board of Directors and senior executives, including the remuneration of each director; the Company's performance; and other information having an impact on the Company's share price, investment decisions, or other rights and benefits of the shareholders pursuant to the notifications of the SET and other relevant laws and regulations, including the disclosure of the financial statements and annual reports, through different disclosure channels and medium of the SET and the Company's website so that the shareholders and the investors can use the same to support their investment decisions.

Section 5 Board Responsibilities

The Board of Directors has an ambition for the Company to be a leading organization in the media business in Thailand, with innovative lifestyle media networks and solutions and engaging in a variety of businesses under a strong management and competent personnel that play a key role in determining the Company's vision, mission and strategy. The Board of Directors has the necessary leadership, vision, and independence to make any decisions and has the duties and responsibilities to oversee the business in the best interest of the Company and the shareholders.

(1) Composition of the Board of Directors

The Board of Directors shall consist of not less than 5 members, but not exceeding 12 members. As of 31 March 2016, the Board of Directors consisted of 9 members, which is a suitable number for the Company's size and nature of business. The composition of the

Board of Directors was 3 executive directors, 3 non-executive directors and 3 independent directors, 2 of whom were women and 7 of whom were men. All of whom are qualified members with diversified professional backgrounds, including business administration, engineering, advertising and marketing, financing, accounting and auditing, and other experience that is relevant to the media business industry. All directors are independent to give opinion on the Company's business operation so as to monitor and oversee the performance of the management to be carried out in an efficient, accurate and transparent way. Besides, for the purpose of performing their duties and the transparency of the business operation, as well as to limit the authorities of each person, the Company clearly separates the duties, responsibilities and the persons who take the positions of the Chairman of the Board of Directors and the Chief Executive Officer from one another.

List of directors and meeting attendance in 2015/16

No.	Name	Title	Meeting Attendance in 2015/16
1.	Mr. Keeree Kanjanapas	Chairman of the Board of Directors	10/10
2.	Mr. Marut Arthakaivalvatee	Vice Chairman of the Board of Directors*	10/10
3.	Mr. Kavin Kanjanapas	Director	8/10**
4.	Mr. Kong Chi Keung	Director	10/10
5.	Mr. Surapong Laoha- Unya	Director	10/10
6.	Mr. Chan Kin Tak	Director	10/10
7.	Assoc. Prof. Jaruporn Viyanant	Independent Director	10/10
8.	Mrs. Maneeporn Siritwatanawong	Independent Director	9/10**
9.	Mr. Mana Jantanayingyong	Independent Director	10/10

Remarks:

* The Board of Directors' Meeting No. 1/2016 held on 26 January 2016 resolved to appoint Mr. Marut Arthakaivalvatee as the Vice Chairman of the Board of Directors with the effect from 26 January 2016.

** Absent due to business trip aboard.

(2) Authorities, Duties and Responsibilities of the Board of Directors

1. To perform their duties in accordance with the laws, the Company's objectives and Articles of Association, and the resolutions of the shareholders' meetings with loyalty and due care for the Company's interest;
2. To determine the Company's vision, policy and business direction, to monitor and supervise the management to ensure the implementation of these policies effectively and efficiently so as to maximise the value for the Company and the shareholders, and to consider, review and approve the Company's vision, mission and strategy on a yearly basis;
3. To determine the Company's policy, strategy, business plan, and annual budget; to monitor and supervise the management's business administration, including reviewing quarterly performance and results of operation of the Company in comparison with the plan and budget; and to consider the future trends for the next periods;
4. To evaluate the management's performance regularly and to ensure appropriate remuneration mechanism for high level executives;
5. To establish a framework and policy for salary determination, salary adjustment, bonus and compensation payments to the Company's employees;
6. To supervise the Management to ensure that the accounting system, financial reporting and audit system are reliable, and to ensure that the Company has an appropriate and sufficient internal control system;
7. To consider and approve the acquisition and disposal of assets, investment in new businesses and any matters as required by the relevant laws, notifications, regulations and rules;
8. To consider and/or provide an opinion on the Company's and its subsidiaries connected transactions and/or the entering into transactions

(in the event that the transaction size does not require approval of the shareholders' meeting) of the Company and its subsidiaries so as to ensure compliance with the relevant laws, notifications, regulations and rules;

9. To monitor and prevent conflicts of interest among the stakeholders of the Company;
10. To consider and approve the payment of interim dividends to shareholders;
11. To consider the Company's affairs by taking into account the interest of the shareholders and all groups of stakeholders equitably, whereby a director shall report to the Company, without delay, if he/she has any conflicts of interest in relation to an agreement entered by the Company or if there is an increase or decrease in his/her shareholding in the Company or its subsidiaries; and as regards the transactions entered into with a director or any person who may have a conflict, an interest or any other conflicting benefits with the Company or its subsidiaries, such director who is an interested person shall not be entitled to vote on such transactions;
12. To oversee the business operations with morality and business ethics, to review the corporate governance policy and to evaluate the implementation of such policy at least once a year;
13. To report the responsibilities of the Board of Directors for the preparation of the financial statements by disclosing the same along with the external auditor's report in the Company's annual report, covering important matters under the SET's Code of Best Practice for Directors of Listed Companies;
14. To delegate one or more directors or any other persons to perform any tasks on behalf of the Board of Directors; however, such delegation shall not be an authorisation or sub-authorisation that allows the director(s) or the person designated by the director(s), to approve any transaction that he/she or any person who may have a conflict of interest, has an interest or any conflicts of interest with the Company or its subsidiaries;

15. To appoint sub-committees to assist and monitor the management system and the internal control system to ensure the compliance with the Company's policies, such as the Executive Committee and the Audit Committee;
16. To appoint a Company Secretary to ensure that the Board of Directors and the Company comply with the laws and relevant regulations;

17. To evaluate the performance of the Board of Directors on an annual basis, both in the forms of group evaluation and individual evaluation, in order to be used as a guideline for the review of the Board of Directors' performance.

Roles and responsibilities of the Chairman and the Vice Chairman of the Board of Directors are as follows:

Chairman of the Board of Directors	Vice Chairman of the Board of Directors
<ol style="list-style-type: none"> 1. To call the meetings of the Board of Directors, whereby the Chairman or the person designated by the Chairman shall send an invitation to all directors at least 7 days prior to the meeting date, except in the case of urgency, and such invitation shall specify the venue, date and time of the meeting and the nature of businesses to be discussed; 2. To act as the chairman of the Board of Directors' meeting and to cast a deciding vote in case of a tie vote at the Board of Directors' meeting; 3. To act as the chairman of the shareholder's meeting, and to conduct the meeting in compliance with the Company's Articles of Association and the agenda items; 4. To perform any other duties as specified by laws as the duties of the Chairman. 	<ol style="list-style-type: none"> 1. To act in the capacity of the Chairman in the event that the Chairman is not present or is unable to perform his duty; 2. To perform or undertake any other tasks as the Chairman and/or the Board of Directors may assign; 3. To perform any other acts as stipulated by laws or regulations of the governmental authorities.

Duties and responsibilities of the Chief Executive Officer are as follows:

1. To supervise, manage, operate and conduct the day-to-day business operations for the Company's interest in accordance with the policy, vision, target, business plan and budget as determined by the Board of Directors' meetings and/or as assigned by the Executive Committee;
2. To manage the Company's operations to be in line with the missions as determined by the Executive Committee and in accordance with the Company's business plan, budget and strategy as specified by the Board of Directors and/or the Executive Committee;

3. To supervise the operations on finance, marketing and human resource management and other operations in general to be in accordance with the policy and operation plans of the Company as specified by the Board of Directors and/or the Executive Committee;
4. To employ, appoint, transfer, dismiss, terminate, and determine the rate of wages and remuneration for the employees in the ranks below the Executive Committee, and may assign such responsibility to other person to act on his/her behalf;
5. To determine the rewards, the adjustment of salary, remuneration and special bonus, other than the regular salary and bonus, of the employees, as approved by the Board of Directors and/or the Executive Committee;

6. To negotiate and enter into any agreements and/or transactions concerning the Company's normal course of business (e.g. the purchase of machinery and other assets pursuant to the budget approved by the Board of Directors, purchase of inventory and sales of goods, etc.), where the value of each transaction shall be in accordance with the authority approved by the Board of Directors;
7. To consider and approve intercompany loans among the Company and its subsidiaries;
8. To issue orders, policies, announcements and memorandums in order to ensure that the operations of the Company are in accordance with the policies and for the interest of the Company, including maintaining the discipline within the organisation; and
9. To perform other tasks as assigned by the Board of Directors and/or the Executive Committee, and to have the authority to perform any tasks that are necessary in relation thereto.

The determination of authorities, duties and responsibilities of the Chief Executive Officer shall not be an authorisation or sub-authorisation that allows the Chief Executive Officer and/or the person designated by the Chief Executive Officer, to approve any transaction that he/she or any person who may have a conflict of interest, has an interest or any conflicts of interest with the Company or its subsidiaries and/or related companies. In this regard, the Chief Executive Officer has no authority to approve the transaction and must propose such transaction to the Board of Directors and/or the shareholders' meeting (as the case may be) for further consideration and approval, unless such transaction is in the Company's normal course of business and has general commercial terms.

(3) Term of Directorship

At the annual general meeting of shareholders in each year, one-third of the total number of directors must retire by rotation, and if the number of directors cannot be exactly divided into three, the closest number to one-third shall be applied.

The retired directors are allowed for re-election.

For the first and second year following the Company's registration, the directors who must retire by rotation shall draw lots. For the years after, the longest serving directors shall retire by rotation.

(4) Qualifications of the Board of Directors and Independent Directors

Qualifications of Directors

1. Must possess qualifications of directors pursuant to the Public Limited Companies Act B.E. 2535 (as amended), the Securities and Exchange Act B.E. 2535 (as amended) and relevant notifications of the SET and the Capital Market Supervisory Board;
2. Must have knowledge, capability, skill, experience and diversified expertise beneficial to the Company's business operation;
3. Must be independent and perform the director's duty with due care and loyalty, be mentally and physically healthy, and be able to fully commit to work for the Company; and
4. Must have a good work profile and must not engage in a business or be a partner in a general partnership or be a partner having unlimited liabilities in a limited partnership or a director in other private or public company, which engages in a business of the same nature and in competition with the Company's business, unless the shareholders' meeting has been advised of the same before passing a resolution to elect such person and all relevant laws have been complied with.

Qualifications of Independent Directors

A person who will be nominated as the Company's independent director shall possess the qualifications under the Company's Definition of Independent Director, which is more stringent than the requirements of the Office of the SEC and the SET as follows:

1. Holding not more than 0.5 percent of the total number of shares with the voting rights of the Company, parent company, subsidiaries, associated companies,



major shareholders, or controlling persons of the Company. For the purpose of calculation, the number of shares held by related persons of such independent director shall also be included.

2. Neither being a director who takes part or used to take part in management, nor being or used to be an employee, staff, an advisor who receives regular salary, nor the controlling person of the Company, parent company, subsidiaries, associated companies, subsidiaries ranked in the same level, major shareholders or the controlling person of the Company.
3. Not being a person related by blood nor legal registration as father, mother, spouse, brother, sister and children, including being the spouse of the children of the executives, major shareholders, controlling persons or the persons who will be nominated as the executive or controlling person of the Company or subsidiaries.
4. Neither having, nor used to have any business relationship with the Company, parent company, subsidiaries, associated companies, major shareholders, or controlling persons of the Company in the manner that may obstruct the exercise of independent judgment as an independent director, and neither being, nor used to be a key shareholder or controlling person of the entities having business relationship with the Company, parent company, subsidiaries, associated companies, major shareholders, or the controlling persons of the Company.
5. Neither being, nor used to be the auditor of the Company, parent company, subsidiaries, associated companies, major shareholders, controlling persons of the Company, nor being a key shareholder, controlling person or partner of the audit office having the auditor providing auditing service to the Company, parent company, subsidiaries, associated companies, major shareholders, or the controlling persons of the Company.
6. Neither being, nor used to be a provider of any professional services including legal advisory or financial advisory services that received fees in the amount of more than Baht 2 million per year from the Company, parent company, subsidiaries, associated companies, major shareholders,

or controlling persons of the Company, nor being a key shareholder, controlling person, or partner of such professional services provider.

7. Not being a director who has been appointed as a representative of the Company's directors, major shareholders or shareholders who are related persons of the major shareholders.
8. Neither operating the business having the same nature which significantly competes with the business of the Company or its subsidiaries, nor being a key partner or a director who involves in the management, nor being an employee, staff, and a consultant who receives regular salary, or holds more than 1 percent of the total number of shares with the voting rights of a company that operates the business having the same nature and significantly competes with the businesses of the Company or its subsidiaries.
9. Having no other conditions that may obstruct the expression of independent opinion on the Company's operation.

(5) Meeting of the Board of Directors and the Sub-Committees

The Board of Directors will hold at least 6 meetings in each fiscal year to consider and oversee various matters of the Company, by having the independent directors to act as checks and balances and to review the administration of the Board of Directors. In this regard, the Company has a policy to require a quorum of at least 2/3 of the total number of directors at the time of casting a vote at the Board of Directors' meeting.

In addition, to facilitate the directors to organize their time availability, the Company sets out an annual meeting schedule and provides the same to the Board of Directors in advance every year. In order to allow the directors to have sufficient time to study the information and have adequate information for their decision making, the Company provides and delivers the invitations together with the meeting materials to the directors at least 5 business days in advance or at least 7 days prior to the meeting.

As regards the sub-committees, the Company will hold at least the following number of meetings in each year and

may consider calling additional meetings as necessary and appropriate:

Sub-Committees	Number of Meetings per Year
Audit Committee	4 meetings
Nomination and Remuneration Committee	2 meetings
Corporate Governance Committee	2 meetings
Executive Committee	12 meetings (Monthly basis)

In addition, the non-executive directors are able to hold a meeting as appropriate without the attendance of the executive directors or the management in order to allow them to have a discussion on any matters related to the Company's business and of their concern. In 2015/16, the non-executive directors held 1 meeting.

Details of the number of meetings and the attendance of the Board of Directors, the Audit Committee, the Nomination and Remuneration Committee, the Corporate Governance Committee and the Executive Committee are as set out in each section of the sub-committees.

(6) Assessment of the performances of the Board of Directors and the sub-committees

The Board of Directors requires that there shall be an annual assessment of its performance through group evaluation and individual evaluation so as to review its work, problems, and other obstacles in order to correct or improve its performance to be more effective and efficient, which can be summarised as follows.

Assessment of the performance of the Board of Directors through group evaluation

In 2015/16, the Board of Directors conducted its performance assessment through group evaluation, which covered 6 criteria, i.e. (1) structure and characteristics of the Board of Directors, (2) roles, duties, and responsibilities of the Board of Directors, (3) the Board of Directors' meetings, (4) performance of the Board of Directors' duties, (5) relationship with the management, (6) personnel development of directors and executives. In this regard, the Board of Directors together considered and conducted

its performance assessment through group evaluation in the Board of Directors' Meeting No. 4/2016 held on 11 May 2016. The average score was equivalent to 100 percent.

Assessment of the performance of the Board of Directors through individual evaluation

In 2015/16, the Board of Directors conducted a performance assessment through individual evaluation, which covered the performance of their duties, preparation for attending the Board of Directors' meetings and contribution of independent and useful opinions to the Management. After each director completed the self-assessment form, the Company Secretary Office collected and presented a summary of the scores of the performance assessment through individual evaluation to the Board of Directors at the Board of Directors' Meeting No. 4/2016 held on 11 May 2016 for acknowledgement. The average score was equivalent to 98.29 percent.

Assessment of the performance of the sub-committees

The Company's sub-committees, i.e. the Audit Committee, the Nomination and Remuneration Committee, the Corporate Governance Committee and the Executive Committee, also conducted an assessment of their performances so as to review their work, problems, and other obstacles in order to correct or improve their performances to be more effective and efficient. The Company Secretary Office presented a summary of the scores of the assessment of the performance of the sub-committees to the Board of Directors at the Board of Directors' Meeting No. 4/2016 held on 11 May 2016 for acknowledgement. The details were as follows:

- (1) The average score of the assessment of the Audit Committee's performance was equivalent to 94.20 percent;
- (2) The average score of the assessment of the Nomination and Remuneration Committee's performance was equivalent to 98.00 percent;
- (3) The average score of the assessment of the Corporate Governance Committee's performance was equivalent to 95.00 percent;
- (4) The average score of the assessment of the Executive Committee's performance was equivalent to 86.89 percent.

(7) Assessment of the performance and determination of the remuneration of the Chairman of the Executive Committee and the Chief Executive Officer

The Nomination and Remuneration Committee (by the members having no conflicts of interest) at the Nomination

and Remuneration Committee's Meeting No. 2/2016 held on 6 May 2016 evaluated the performance of the Chairman of the Executive Committee and the Chief Executive Officer in the past year through the criteria and key performance indicators as detailed in Section 5.3(2) Determination of the directors' and executives' remuneration, with the scores of 81 percent and 84 percent, respectively, and proposed the same together with the details of the salary adjustment and bonus payment of the Chairman of the Executive Committee and the Chief Executive Officer, which correspond with the scores, to the Board of Directors for consideration and approval.

(8) Development of directors' skill and knowledge

The Company has a policy to encourage the directors to attend the training programs in order to enhance their knowledge regularly. In 2015/16, there were 3 directors who attended the training programs, of which details were as follows:

Name	Training Program
Mr. Marut Arthakaivalvatee	CG Forum 2/2015: Responsibility of the Board of Directors and the management in internal control, organised by the SET
Assoc. Prof. Jaruporn Viyanant	<ul style="list-style-type: none"> - Basic Training Course: New Standard of Independent Auditor's Report, organised by the Office of the SEC, Federation of Accounting Professions, and the SET - Training Course: The UK Experience from Implementing the Enhanced Auditor Reporting, organised by the Office of the SEC, Federation of Accounting Professions, and the SET - Anti-Corruption for Executive Program (ACEP), organised by the Thai Institute of Directors
Mr. Chan Kin Tak	Executive Briefing 1/2016: Collective Action Coalition Against Corruption (CAC), organised by the Thai Institute of Directors

Moreover, the Board of Directors requires that there shall be an orientation for new directors to present a brief summary on the Company's vision, mission and core value, as well as providing documents for the new directors to support their performance as directors of the Company, i.e. Memorandum and Articles of Association of the

Company and the Company's latest annual report. These documents consist of material information, such as roles and responsibilities of the Board of Directors and the sub-committees, the Corporate Governance Policy and the Code of Conduct of VGI Group.

(9) Succession Plan

The Board of Directors requires the Company to establish a succession plan for the senior executive level with the purpose of (1) having successors in the key positions in order for the operation to run smoothly and continually, (2) supporting the Company's business plan on the preparation and readiness of manpower and (3) increasing career path opportunity and providing work encouragement as priority will be given to personnel within the organisation. In this respect, the Company has selected the key positions that are required for the succession plan. To select the successors, the Company considers various factors, e.g. age, experience, knowledge, expertise, and past performance.

(10) Policy on holding positions in other companies of the directors and the Chief Executive Officer

The Board of Directors has established a policy limiting the number of listed companies which the directors may hold the directorship position to not more than 5 companies so that the directors could devote their time to effectively perform their duty as the directors of the Company.

For the Chief Executive Officer, the Board of Directors determines that the Chief Executive Officer should not hold positions in other companies, except for the companies within VGI Group and/or associated companies of the Company.

Sub-Committees

To ensure appropriate checks and balances and to be in compliance with the good corporate governance policy, the Board of Directors has appointed the sub-committees, namely (1) Audit Committee, (2) Nomination and Remuneration Committee, (3) Corporate Governance Committee, and (4) Executive Committee.

(1) Audit Committee

The Audit Committee shall consist of at least 3 independent directors and at least 1 member must have knowledge and experience in reviewing the financial statements. As of 31 March 2016, the Audit Committee consisted of 3 members as follows:

No.	Name	Title	Meeting Attendance in 2015/16
1.	Assoc. Prof. Jaruporn Viyanant*	Chairman of the Audit Committee	8/8
2.	Mrs. Maneeporn Siriwatanawong*	Member of the Audit Committee	7/8
3.	Mr. Mana Jantanayingyong	Member of the Audit Committee	8/8

Remarks:

* Assoc. Prof. Jaruporn Viyanant and Mrs. Maneeporn Siriwatanawong are members of the Audit Committee, who have knowledge and experience in reviewing the Company's financial statements.

Scope of Duties and Responsibilities of the Audit Committee

1. To review the Company's financial reporting process to ensure that it is accurate and adequate;
2. To review the Company's internal control system and internal audit system to ensure their appropriateness and efficiency, to consider the adequacy of the budget for manpower, and to review the independence of the Internal Audit Office, as well as to approve the appointment, transfer and dismissal of the head of the Internal Audit Office or the head of any other units in charge of internal audit;

3. To review the Company's compliance with the securities and exchange laws, the regulations of the SET and other laws relevant to the Company's businesses;
4. To consider, select, nominate and dismiss an independent person(s) to be the Company's external auditor(s), to propose their remuneration, and to attend a meeting with the external auditor(s) without the management at least once a year;
5. To review connected transactions or transactions that may lead to a conflict of interest to ensure that they are in compliance with the laws and regulations of the

- SET, are reasonable and for the best interest of the Company;
6. To prepare and disclose in the Company's annual report an Audit Committee's report, which must be signed by the Chairman of the Audit Committee and must consist of at least the following information:
- An opinion on the accuracy, completeness and creditability of the Company's financial report;
 - An opinion on the adequacy of the Company's internal control system;
 - An opinion on the compliance with the securities and exchange laws, the regulations of the SET and the Capital Market Supervisory Board, or the laws relevant to the Company's businesses;
 - An opinion on the suitability of the external auditor(s);
 - An opinion on the transactions that may lead to a conflict of interest;
 - The number of the Audit Committee's meetings and the attendance of each committee member;
 - An opinion or overall observation of the Audit Committee from performing its duties under the Audit Committee Charter;
 - Other matters which, according to the Audit Committee's opinion, should be made known to the shareholders and general investors as per the scope of duties and responsibilities assigned by the Board of Directors;
7. To perform any other acts as assigned by the Board of Directors as the Audit Committee may agree;

8. To seek independent advisors to provide opinion as the Audit Committee deems it appropriate under the Company's expenses; and
9. To review the Audit Committee Charter and its performance in the previous year at least once a year.

Qualifications of Members of the Audit Committee

In addition to being independent directors, members of the Audit Committee shall possess the following qualifications:

1. Being appointed by the Board of Directors to be a member of the Audit Committee;
2. Not being a director who has been assigned by the Board of Directors to make decisions in the business operations of the Company, the parent company, the subsidiaries, the associated companies, the subsidiaries ranked in the same level, the major shareholders or the controlling person of the Company;
3. Not being a director of the parent company, the subsidiaries, or the subsidiaries ranked in the same level, which are listed companies;
4. Having knowledge and experience in performing the duty as a member of the Audit Committee, and at least one member must have knowledge and experience sufficient to review the reliability of the financial statements;
5. Having other qualifications in accordance with the laws and regulations of the supervisory authorities.

(2) Nomination and Remuneration Committee

As of 31 March 2016, the Nomination and Remuneration Committee consisted of 5 members as follows:

No.	Name	Title	Meeting Attendance in 2015/16
1.	Mrs. Maneeporn Siriwatanawong	Chairman of the Nomination and Remuneration Committee	3/3
2.	Assoc. Prof. Jaruporn Viyanant	Member of the Nomination and Remuneration Committee	3/3
3.	Mr. Mana Jantanayingyong	Member of the Nomination and Remuneration Committee	3/3
4.	Mr. Marut Arthakaivalvatee	Member of the Nomination and Remuneration Committee	3/3
5.	Mr. Chan Kin Tak	Member of the Nomination and Remuneration Committee	3/3

Scope of Duties and Responsibilities of the Nomination and Remuneration Committee

1. To consider and provide opinion on the Board of Directors' structure, such as the size and composition of the Board of Directors, taking into consideration the Company's size and business strategy in comparison with the current size and composition of the Board of Directors, as well as reviewing the independence of each independent director so as to adjust the Board of Directors' structure to correspond with the Company's strategy;
2. To determine the criteria and process for nominating a candidate for the directorship position by considering:
 - Qualifications of the director which must be suitable and correspond with the Company's strategy, structure, size and composition of the Board of Directors as determined by the Board of Directors;
 - Appropriateness of his/her knowledge, experience, expertise and availability, as well as other requirements as stipulated by laws or regulations of the government authorities;
3. To nominate a candidate who has the qualifications in accordance with the specified criteria for the directorship position in the following events:
 - In the event that a director retires by rotation, for the Board of Directors' approval and recommendation to the shareholders' meeting for election;
 - In the event that there is a vacancy in the Board of Directors for any reasons (other than retirement by rotation), for the Board of Directors' election as a new director of the Company in replacement of the vacant position; and
 - In the event that there is a need for an election of a new director to correspond with the Board of Directors' structure, for the Board of Directors' approval and recommendation to the shareholders' meeting for election;
4. To consider the appropriate structure, amount, form and criteria for all types of remuneration (monetary and non-monetary) for the Chairman of the Board of Directors, directors of the Company and members of the sub-committees, to review the appropriateness of the current criteria, taking into account the remuneration paid by other companies within the same industry and other listed companies with a similar market capitalisation in order to incentivise and retain valuable directors with the Company, and to propose the same to the Board of Directors for approval and for further proposal to the shareholders' meeting for consideration and approval;
5. To consider the evaluation criteria for the performance of the Chairman of the Executive Committee and the Chief Executive Officer, to propose the results of such evaluation to the Board of Directors for approval, and to propose the amount and form of remuneration of the Chairman of the Executive Committee and the Chief Executive Officer, which correspond with the results of the evaluation, to the Board of Directors for approval;
6. To consider the appropriateness and conditions for offering of new shares, warrants, or other types of securities to the directors and the employees as an incentive for the directors and the employees to perform their duties in order to create value for the shareholders in the long run, as well as retaining qualified personnel with the Company, under the conditions that are fair to the shareholders;
7. To report its performance to the Board of Directors and/or the shareholders' meeting; and
8. To perform any other acts in relation to the nomination and determination of remuneration as assigned by the Board of Directors and to perform any other tasks as stipulated by laws and regulations of the governmental authorities.

(3) Corporate Governance Committee

As of 31 March 2016, the Corporate Governance Committee consisted of 3 members as follows:

No.	Name	Title	Meeting Attendance in 2015/16
1.	Assco. Pof. Jaruporn Viyanant	Chairman of the Corporate Governance Committee	3/3
2.	Mr. Marut Arthakaivalvatee	Member of the Corporate Governance Committee	3/3
3.	Mr. Chan Kin Tak	Member of the Corporate Governance Committee	3/3

Scope of Duties and Responsibilities of the Corporate Governance Committee

1. To consider, determine, review, and update the Corporate Governance Policy and the Code of Conduct to be in line with the international standard practices and to propose the same to the Board of Directors for consideration and approval, and to monitor the implementation of the Corporate Governance Policy and the Code of Conduct;
2. To consider, determine, review, and update the corporate social responsibility (CSR) policy and to propose the same to the Board of Directors for consideration and approval, and to monitor the implementation of the corporate social responsibility policy;
3. To consider, determine, review, and update the policy and guidelines on anti-corruption and bribery and to propose the same to the Board of Directors for consideration and approval, and to monitor the implementation of the policy and guidelines on anti-corruption and bribery;
4. To report its performance to the Board of Directors and/or the shareholders' meeting;
5. To conduct an evaluation of the performance of the Corporate Governance Committee on an annual basis and to report the result of the evaluation to the Board of Directors;
6. To appoint working groups to assist the Corporate Governance Committee in performing its duties and to appoint independent advisors who have knowledge and expertise to provide advice, recommendation, and assistance in performing of its duties; and
7. To perform or undertake any other acts as assigned by the Board of Directors and to perform any other tasks as stipulated by laws or regulations of the governmental authorities.

(4) Executive Committee

As of 31 March 2016, the Executive Committee consisted of 7 members as follows:

No.	Name	Title	Meeting Attendance in 2015/16
1.	Mr. Kavin Kanjanapas	Chairman of the Executive Committee	19/19
2.	Mr. Marut Arthakaivalvatee	Chief Executive Officer	19/19
3.	Mr. Chan Kin Tak	Chief Operating Officer	19/19
4.	Mrs. Oranuch Rujirawona	Chief Sales and Marketing Officer	17/19
5.	Mr. Chavin Kalayanamitr	Chief Technology Officer	15/19
6.	Mrs. Suparanan Tanviruch	Chief Financial Officer	17/19
7.	M.L. Kriengkrai Hastindra	Deputy Chief Sales and Marketing Officer	18/19

Remark:

Ms. Catharin Jirarudee has resigned from the position of Chief Legal and Compliance Officer and a member of the Executive Committee on 25 September 2015.

Scope of Duties and Responsibilities of the Executive Committee

1. To determine policy, direction, strategy and management structure for the Company's businesses operation to correspond to the economic and competitive environment, and to propose the same to the Board of Directors for consideration and approval;
2. To prepare a business plan, budget, and the management authority of the Company and to propose the same to the Board of Directors for consideration and approval;
3. To review and monitor the Company's performance to be in line with the approved policy and business plan and to be carried out in an efficient and effective manner and to report the same to the Board of Directors;
4. To consider and approve the entry into any agreements and/or transactions concerning the Company's normal course of business or to support the Company's normal course of business (e.g. sales and purchases, investments, or joint investments for the purposes of carrying out the business in accordance with the Company's objectives), under a transaction value as approved by the Board of Directors;
5. To consider and approve the borrowing of any loans or the arrangement of credit facilities from financial institutions, as well as lending money, pledging, mortgaging, creating encumbrance or becoming surety by the Company and its subsidiaries, under a transaction value as approved by the Board of Directors;
6. To consider and approve transactions between the Company or its subsidiaries and the directors, executives, or any related persons thereof, where such transactions are (1) the Company's normal course of business and having general commercial terms or (2) to support the Company's normal course of business and having general commercial terms, and where the consideration can be calculated, under a transaction value as approved by the Board of Directors;
7. To consider and approve any communications and registrations with the governmental authorities or supervisory authorities, as well as making payments as required by laws, including but not limit to fees and/or taxes on behalf of the Company for the purposes of carrying out the business in accordance with the Company's objectives;
8. To manage the overall risks of the Company and to evaluate and prepare a risk assessment matrix;
9. To consider and approve the opening/closing of bank accounts and the usage for other banking related services, including determining the authorised signatories for the Company's bank accounts;
10. To consider, approve, operate and monitor any matters related to the Company's normal course of business or the Company's day-to-day business operation, including but not limited to the remuneration policy, salary structure, the Company's normal expenses and lawsuits filed by the Company or against the Company (as the Executive Committee deems it necessary and appropriate to report for acknowledgement);
11. To consider projects, agreements, transactions and/or any other operations, which are beyond the Executive Committee's authority and to propose the same to the Board of Directors for consideration and approval, unless such matters fall under the responsibility and/or authority of the other sub-committees, which shall consider and propose the same to the Board of Directors directly;
12. To consider and approve the implementation of the Company's projects that have been approved by the Board of Directors, and to report the progress of such projects to the Board of Directors;
13. To consider and approve the engagement of advisors for the implementation of the Company's projects that are in the Company's normal course of business or to support the Company's normal course of business;
14. To consider, approve or acknowledge any matters that the Executive Committee deems it necessary or urgently to be solved, which otherwise may have caused damages to the Company, and to report the same to the Board of Directors immediately;
15. To delegate one or more persons to perform any tasks under the Executive Committee's supervision, or to empower such person to have the authorisation for a



certain period of time as the Executive Committee deems it appropriate, which the Executive Committee may terminate, revoke, amend or replace such designated person or authorisation as appropriate; and

16. To consider and approve any other matters and to perform any other acts as assigned by the Board of Directors from time to time.

The determination of the authorities, duties and responsibilities of the Executive Committee shall not be an authorisation or sub-authorisation that allows the Executive Committee and/or any person designated by the Executive Committee, to approve any transaction that the Executive Committee or any person who may have a conflict of interest, has an interest or any conflicts of interest with the Company or its subsidiaries. In this regard, the Executive Committee has no authority to approve the transaction and must propose such transaction to the Board of Directors and/or the shareholders' meeting (as the case may be) for further consideration and approval, unless such transaction is in the Company's normal course of business and has general commercial terms.

Oversight of the subsidiaries' and the associated companies' operations

The Company has a mechanism to monitor and supervise the management and operation of the subsidiaries and the associated companies so as to protect its return on investment as follows:

1. The Board of Directors will consider and designate the Company's directors, executives, or authorised persons to be the representatives in the subsidiaries and the associated companies as per the Company's shareholding in such entities so as to monitor, supervise

and determine important policies and/or engage in the management of such businesses for the best interest of the Company. In this respect, the Executive Committee and/or the Board of Directors (as the case may be) will give instructions to the Company's representatives on the voting direction for any significant agenda items of the subsidiaries' and the associated companies.

2. The Company has a mechanism to monitor the disclosure of financial information and results of operation, the entry into connected transactions, acquisition and disposal of assets, or any other significant transactions of the subsidiaries and the associated companies to be accurately and completely made in compliance with the Office of the SEC's and the SET's regulations.
3. The Company requires the subsidiaries and the associated companies to have a suitable and adequate internal control system.

Auditors' Fee

The Company and its subsidiaries (including subsidiaries which were disposed by the Company during the 2015/16 fiscal year, i.e., 999 Media and VGI Ad China) paid the audit fee for the fiscal year ended 31 March 2016 to (a) EY Office Limited in the amount of approximately Baht 2.53 million and (b) Shanghai Shangshen Certified Public Account., Ltd. in the amount of approximately Baht 0.14 million.

In addition, in the fiscal year ended 31 March 2016, the Company and its subsidiaries engaged EY Office Limited and other related company of the auditor and EY Office Limited to provide other services, i.e. conducting due diligence, in the amount of approximately Baht 2.70 million.



Compliance with Other Principles of Good Corporate Governance

Whereas the SET has promoted and encouraged listed companies in Thailand to consider the benefits arisen from operating the business based on good corporate governance by recommending them to comply with the “Principles of Good Corporate Governance for Listed Companies 2012” provided by SET in order to enhance the

corporate governance standard to be comparable with the international standard. These principles can be adopted by each company to be suitable for its particular nature, or if the company chooses not to comply with any of these principles, it should thoroughly explain the reasons for such incompliance. In 2015/16, the Company has complied with the aforementioned principles, except for the followings:

SET Recommendation	Explanation
1. Chairman of the Board should be an independent director.	The Company does not require the Chairman of the Board of Directors to be an independent director as the Company’s business characteristic is complex, diverse, and specifically unique, which requires a leader who has capability, experience, expertise and true understanding of the business operation of the Company. Even though the Chairman of the Board of Directors is not an independent director, the Company has set in place a suitable and adequate internal control system and a mechanism of checks and balances of its business operation that is transparent and verifiable. Besides, all directors adhere to their duties and responsibilities with due care and loyalty, and are independent to give opinion on the Company’s business operation so as to monitor and oversee the performance of the management to be carried out in an efficient, accurate and transparent way, in order to protect the best interest of the Company and the shareholders.
2. The Board should set a policy limiting the term of independent directors to not more than 9 years.	The Board of Directors does not set a policy limiting the term of the independent directors because the Board of Directors is of the opinion that all directors adhere to their duties and responsibilities with due care and loyalty, and are independent to give opinion on the Company’s business operation so as to monitor and oversee the performance of the management to be carried out in an efficient, accurate and transparent way. At present, there are no independent directors whose terms exceed 9 years.
3. Members of the Nomination Committee should entirely be independent directors.	As of 31 March 2016, the Nomination and Remuneration Committee consisted of 5 members, 3 of whom were independent directors, representing 60 percent of the total members of the Nomination and Remuneration Committee, and 2 of whom were executive directors. Based on the past performance of the Nomination and Remuneration Committee, these 5 members were independent to perform their duties and responsibilities assigned by the Board of Directors, and were able to approve or disapprove any matters without the management’s interference. The composition of the Nomination and Remuneration Committee, therefore, is appropriate and adequate.

5.3 Nomination and Remuneration of Directors and Executives

(1) Nomination of Directors and Executives

The Nomination and Remuneration Committee is responsible for determining the criteria and process for nominating a person for the position of director by considering the qualifications therefor, which must be suitable and correspond with the Company's strategy, structure, size, and composition of the Board of Directors as determined by the Board of Directors. In this respect, such nominated person must have knowledge, capability, experience, expertise, and time availability and possesses the qualifications under the Public Limited Companies Act B.E. 2535 (as amended), the Securities and Exchange Act B.E. 2535 (as amended) and the relevant notifications of the SET and the Capital Market Supervisory Board. The appointment of a director requires approval from the meeting of the Board of Directors (by the directors not having a conflict of interest) and/or the shareholders' meeting (as the case maybe). The Nomination and Remuneration Committee may engage an external professional search firm or obtain information from the directors' pools of various agencies, or any other means as the Nomination and Remuneration Committee considers appropriate to assist in identifying a new director.

In the case of an independent director, such nominated person must possess the qualifications under the Definition of Independent Director of the Company, which is more stringent than the minimum requirements of the Office of the SEC and the SET (Please see details in *Section 5.2 Corporate Governance*).

To nominate a director, the Nomination and Remuneration Committee (by the members not having a conflict of interest) shall consider the structure of the Board of Directors by making a board skill matrix to ensure (i) the diversity of the Board of Directors, (ii) the appropriateness of the qualifications, and (iii) the capability that is necessary but lacking in the Board of Directors. In addition, to promote good corporate governance principles, the Company provides an opportunity to shareholders who collectively

hold shares at least 5 percent of the Company's total voting rights and continually holding such shares for at least 6 months, to nominate candidates for election as directors of the Company at the annual general meeting of shareholders.

In relation to the Executive Committee, the members of such committee will be appointed from the directors and the executives, with the duties to lighten the Board of Directors' workload on managerial and routine works that exceed the authorisation of the Chief Executive Officer in order to allow the Board of Directors to focus more on policy and governance related works. In this regard, the person to be appointed as a member of the Executive Committee will be considered based on knowledge, experience and expertise that are suitable for the position, and propose to the Board of Directors for consideration and approval.

(2) Remuneration of Directors and Executives

Directors Remuneration

• Monetary Remuneration

The Nomination and Remuneration Committee has determined the 2015 directors' remuneration by taking into account the business size and the Board of Directors' responsibilities in comparison with that of other companies that are listed on the SET with a similar market capitalisation. The 2015 Annual General Meeting of Shareholders held on 6 July 2015 passed a resolution to approve the 2015 directors' remuneration and the directors' bonus in the amount of not exceeding THB2.10mn or equivalent to 0.3 percent of the cash dividend for the fiscal year ended 31 March 2015 (decreased by approximately 60 percent when comparing with the previously year, in which the directors' bonus was in the amount of THB5.265mn or equivalent to 0.5 percent of the annual dividend of the Company), where the directors shall allocate the same among themselves after obtaining approval from the shareholders' meeting.

Directors' Remuneration (including the executives who take the position of director) in 2015 and 2016 are as follows:

	2015	2014
Monthly Remuneration		
Chairman of the Board of Directors	THB60,000 / Month	THB60,000 / Month
Chairman of the Audit Committee	THB50,000 / Month	THB50,000 / Month
Directors	THB30,000 / Month	THB30,000 / Month
Meeting Allowance		
Board of Directors	None	None
Audit Committee		
- Chairman of the Audit Committee	THB20,000 / Attendance	THB20,000 / Attendance
- Members of the Audit Committee	THB20,000 / Person / Attendance	THB20,000 / Person / Attendance
Nomination and Remuneration Committee		
- Chairman of the Nomination and Remuneration Committee	THB20,000 / Attendance	THB20,000 / Attendance
- Members of the Nomination and Remuneration Committee	THB20,000 / Person / Attendance	THB20,000 / Person / Attendance
Corporate Governance Committee*		
- Chairman of Corporate Governance Committee	THB20,000 / Attendance	-
- Members of Corporate Governance Committee	THB20,000 / Person / Attendance	-
Executive Committee	None	None

Remark:

* The Corporate Governance Committee was established in accordance with the resolution of the Board of Directors' Meeting No. 4/2015 held on 20 March 2015 and commenced their duties in 2015/16.

Breakdown of directors' remuneration in 2015/16 is as follows:

Name	Remuneration	Meeting Allowance	Bonus	Total
1. Mr. Keeree Kanjanapas	720,000	-	420,000	1,140,000
2. Mr. Kavin Kanjanapas	360,000	-	210,000	570,000
3. Mr. Kong Chi Keung	360,000	-	210,000	570,000
4. Mr. Surapong Laoha-Unya	360,000	-	210,000	570,000
5. Mr. Marut Arthakaivalvatee	360,000	120,000	210,000	690,000
6. Mr. Chan Kin Tak	360,000	120,000	210,000	690,000
7. Assoc. Prof. Jaruporn Viyanant	600,000	280,000	210,000	1,090,000
8. Mrs. Maneeporn Siriwatanawong	360,000	200,000	210,000	770,000
9. Mr. Mana Jantanayingyong	360,000	220,000	210,000	790,000
Total	3,840,000	940,000	2,100,000	6,880,000

• **Non-monetary remuneration**

- None -

Executives Remuneration

The Nomination and Remuneration Committee shall consider and determine the amounts and forms of remuneration of the Chairman of the Executive Committee and the Chief Executive Officer on both short-term and

long-term basis, taking into account the performance assessments through various key performance indicators and a comparison with other companies within the same industry, as well as the Company's performance, both short-term and long-term, and propose the same to the meeting of the Board of Directors for consideration and approval on an annual basis.

Key performance indicators are as follows:

Key Performance Indicators	
Chairman of the Executive Committee	<ul style="list-style-type: none"> - Shareholder's Wealth - Corporate Governance - Corporate Social Responsibilities - Relationship with customers, landlords, and business alliance
Chief Executive Officer	<ul style="list-style-type: none"> - Financial Performance - Service and products from customers' perspective - Operational Excellence - People Development

As for high-level executives, the Chief Executive Officer shall consider the appropriateness of the executives' remuneration individually based on their performance by using various indicators. The overall annual salary adjustment will be in line with the economic situation and

the Company's operating results. Executives' remuneration (excluding the remuneration received as a director or members of the sub-committees) in 2015/16 and 2014/15 are as follows:

	2015/16	2014/15
Number of Executives (Person)	9*	9
Remuneration (THB mn)	62.75	47.97

Remark

* Ms. Catharin Jirarudee resigned from the position of Chief Legal and Compliance Officer on 25 September 2015.



5.4 Internal Control and Risk Management

The Board of Directors places emphasis on the importance of good internal control system because the Board of Directors believes that having a good internal control system will support and lead the Company to achieve its objectives and targets, in particular, the matters relating to (1) the effectiveness and efficiency of business operations; (2) the reliability of financial reports; and (3) the compliance with applicable laws and regulations. In this regard, the Board of Directors assigns the Audit Committee to review and evaluate the internal control system, and report to the Board of Directors in order to determine the guidelines for corporate governance as well as the effectiveness and efficiency of the internal control system. The internal control system evaluation covers various aspects, i.e., Control Environment, Risk Management, Control Activities, Information and Communication, and Monitoring Activities.

The Board of Directors, at the Board of Directors' Meeting No. 4/2016 held on 11 May 2016, acknowledged the evaluation results and the Audit Committee's opinion on the sufficiency of the Company's internal control system, and is of the opinion that the Company's internal control system is sufficient and suitable for the business operation and there is no material deficiency in the internal control system. The details can be summarized as follows:

1. Control Environment

The Company has set up an organization structure that effectively supports the business operation of the Company by clearly determining the chain of command and the scope of duties and responsibilities for each chain of command, and regularly reviewing and adjusting the organization structure to be suitable for the business operation of the Company so that each department could perform in accordance with the Company's objectives and targets. Furthermore, the Company has established the policies and procedures for approval of finance, procurement, and general management transactions, the corporate governance policy and the code of conduct, and the rules and regulations regarding human resources management and the work rules, as well as the penalties in relation


thereto, so as to prevent fraudulent activities, unduly use of inside information, and conflict of interests. The Company has communicated these rules and regulations to all employees and disclosed the same on the Company's intranet. In addition, the Company places emphasis on employee development by arranging training courses and encouraging the mid-level management to participate in the planning of the Company's business plan so as to increase their potential, knowledge, and experience.

2. Risk Management

The Company identifies and evaluates factors that may affect the Company's business, financial position, and results of operation on a regular basis in order to prepare a risk management plan to minimize the impact of the risks to an appropriate and acceptable level. The Company applies the risk management principles of the COSO (The Committee of Sponsoring Organization of Tradeaway Commission) in evaluating and preparing the Company's risk management plan. In this regard, the Board of Directors assigns the Executive Committee to consider the overall risks of the Company, evaluate and prepare a risk assessment matrix so as to manage and minimize the impact of the risks to an appropriate and acceptable level. In this respect, the results of the risk assessment will be integrated into the preparation of the Company's annual business plan. The Executive Committee reports the results of the risk assessment, its mitigation measure and the overall outcome to the Board of Directors. The Company has established the Internal Audit Office to be responsible for reviewing the risk management process and evaluating the sufficiency of the internal control system on a regular basis. Moreover, the Company has constantly stressed that all employees must bear the responsibility for risk management and has conveyed the risk management plan to all level of employees for acknowledgement and implementation in the same direction.

3. Control Activities

The Company has created policies, procedures and operation manuals in writing, and strictly monitoring the compliance of such policies, procedures and operation



manuals on a regular basis. The Company has set out the scope of authority and threshold of approval in each level of management, dividing into (a) the procurement function; (b) the accounting record function; and (c) the assets keeping function, so as to effectively monitor and verify. In addition, the Company has also established policies and procedures for the entry into transactions with its directors, executives, major shareholders, or any related persons, which includes connected transactions or transactions that may have a conflict of interest, and the use of inside information and the Company's assets for their own interest, which are consistent and in compliance with the SET's and the SEC's rules and regulations.

Moreover, the Company has set up policies and procedures to monitor the operations of its subsidiaries on a regular basis, as well as providing guidelines or directions for its representatives in the subsidiaries to be responsible for monitoring, supervising, and determining important policies in order for the subsidiaries to achieve their objectives and targets and to operate their businesses in compliance with the applicable laws.

4. Information and Communication

The Company places emphasis on information and communication system in order to ensure that accurate and sufficient information is provided to the directors, executives, shareholders, and other stakeholders in a timely manner. The Company adopts accounting policies that are in accordance with the generally accepted accounting standards and are suitable for the Company's nature of business. All accounting records and its supporting documents have been properly kept and maintained for verification. The Company also prepares and delivers meeting invitations and supporting documents, including taking minutes of meetings with correct and accurate information, to propose to the Board of Directors and/or shareholders in a timely manner and in accordance with the laws. Besides, the Company also prepares and discloses the report on management discussion and analysis, and any other important information or information that is price sensitive according to the specified regulations.

In this regard, the Company has set up the Investor Relations Department to be responsible for providing information and responding to investors' enquiries. The Company also provides communication channels for all

stakeholders to contact or complain via email or mail. These complaints shall be collected and presented to the Audit Committee and/or the Board of Directors (as the case may be).

5. Monitoring Activities

The Company has set up procedures to monitor the implementation of the internal control system, which will support and lead the Company to achieve its objectives and targets. Such procedures have been reviewed on a regular basis to be in line with the Company's business operation. The Internal Audit Office is responsible for reviewing and evaluating the Company's internal control system, and providing any recommendations to improve the operation processes in order to ensure that the internal control system is fully effective and efficient. The Internal Audit Office reports the results of the evaluation directly to the Audit Committee. In the event that any material deficiencies have been discovered, the relevant persons in charge must report to the Audit Committee and/or the Board of Directors in order to clarify causes and suggest an effective solution to correct the problems. Furthermore, the Company has set up procedures to monitor the progress of the corrective actions and report the same to the Board of Directors or the Audit Committee in a timely manner.

Opinion of the Audit Committee and the Auditor on the Company's internal control system

The Audit Committee has evaluated the sufficiency of the Company's internal control system in the following 5 aspects, namely Control Environment, Risk Management, Control Activities, Information and Communication, and Monitoring Activities and is of the opinion that the Company's internal control system is sufficient and suitable for the business operation, capable of preventing unduly or unauthorized use of the Company's assets by the directors and the executives, and there is no material deficiency in the internal control system. In addition, the Company's auditor reviewed the internal control system as regards the preparation and presentation of the Company's financial statements in order to provide an opinion whether the financial statements present correctly, in all material aspects, the financial position, results of operation, and cash flows in accordance with the financial reporting standards. In this regard, the Company's auditor did not make any material observation on the financial statements of the Company.

Internal Audit Office

The Company has established the Internal Audit Office to be responsible for evaluating the sufficiency and reliability of the Company's internal control system, as well as reviewing the financial and non-financial information, risk management process, compliance with applicable laws and regulations, and the Company's policies and procedures, and providing advice for improvement of the Company's operations in order for the Company to achieve its objectives and targets.

The Internal Audit Office prepares an annual internal audit plan and a 3-year long-term plan based on the risk assessment that might affect the business operation. These plans are approved by the Audit Committee. The scope of Internal Audit Office's works covers the examination, review, and assessment of the sufficiency and the effectiveness of the Company's internal control system, including the quality of following matters:

- Reliability of the internal control system, as well as compliance with the accounting and financial standards and policies to ensure that the accounting and financial information is accurate and reliable, the organization plan, procedures, and measures for protecting the Company's assets from unduly or unauthorized use by the directors and the executives;
- Reliability of the internal control system in terms of management and operation, to ensure that they are consistent with the policies, plans, and are in accordance with the applicable laws and regulations of the government and the supervisory authorities, including the Company's regulations which cover activities such as management, operation, procurement, marketing, administration, finance, accounting and human resources;
- Reliability of the internal control system as regards information technology by reviewing the structure of the Information Technology Division, access to information and programs, data processing, system development, data backup, backup plans in case of emergency, authority for operation in the system, and storage of documents, manuals, and computer system flowchart.

The Internal Audit Office presents the audit report to the Audit Committee on a quarterly basis, and regularly monitoring the progress of the corrective actions as per the recommendations provided. The Internal Audit Office is independent from the other departments and is able to access the information and assets of the Company, as well as having the authority to request for explanation from the relevant persons on the subject matters as assigned by the Audit Committee. This is to ensure that the internal control system is effective and efficient and the mechanism of checks and balances is proper in order for the Company to achieve its objectives and targets.

In addition, the personnel of the Internal Audit Office are encouraged to develop their competency by attending both internal and external training courses regularly in order to enhance their knowledge and expertise on internal auditing, as well as any other skills necessary for performing their work.

Head of Internal Audit Office

The Company appointed Mr. Pipop Intaratut as the Head of Internal Audit Office. Mr. Pipop Intaratut has extensive experience on internal auditing in the business of similar nature and has enrolled in various internal audit training programs, e.g., (a) training programs organised by the Thai Institute of Directors, namely Audit Committee Program (ACP), Monitoring Fraud Risk Management Program (MFM), Monitoring the System of Internal Control and Risk Management Program (MIR), Monitoring the Internal Audit Function Program (MIA), Monitoring the Quality of Financial Reporting Program (MFR), Company Secretary Program (CSP), Anti-Corruption for Executive Program (ACEP), Director Accreditation Program (DAP), and (b) training programs organised by the Institute of Internal Auditors of Thailand, namely Audit Change from Internal Auditor to Consultant Program. Furthermore, Mr. Pipop Intaratut has knowledge and good understanding of the Company's business activities and operations and is able to perform his duties effectively.

The appointment, transfer, or dismissal of the Head of Internal Audit must be considered and approved by the Audit Committee.

5.5 Related Party Transactions

1. Related party transactions between the Company and persons who may have conflicts of interest for the fiscal year ended 31 March 2015 and 31 March 2016

Persons with Conflict of Interest / Relationship	Transactions	Transaction Value for the fiscal year ended		Necessity and Rationale of Transactions
		31 March 2015 (THB mn)	31 March 2016 (THB mn)	
BTS Group Holdings Public Company Limited (“BTSG”) - BTSG is a major shareholder and a controlling person of the Company. - The Company and BTSG have 4 directors in common, namely: (1) Mr. Keeree Kanjanapas (2) Mr. Kavin Kanjanapas (3) Mr. Surapong Laoha-Unya (4) Mr. Kong Chi Keung.	Expenses from using investor relations service	4.21	4.21	BTSG is the Company’s parent company that is listed on the SET and has its own investor relations department. Given that BTSG and the Company share certain parts of the business information database, using investor relations service from BTSG can create work flexibility and enable the working team to arrange for both BTSG’s and the Company’s investor relations activities. The investor relations service fee is reasonable when comparing with the case where the Company conducts the investor relations work by itself, or engaging other service providers.
Bangkok Mass Transit System Public Company Limited (“BTSC”) - BTSC is a major shareholder and a controlling person of the Company. - The Company and BTSC have 3 directors in common, namely: (1) Mr. Keeree Kanjanapas (2) Mr. Kavin Kanjanapas (3) Mr. Surapong Laoha-Unya.	Revenue from providing advertising media and commercial space	13.61	8.40	It is the Company’s normal course of business transaction. The service fee charged to BTSC by the Company is the same rate charged to other major customers.
	Revenue from LCD screen service for BTSC to use for advertisement and communication	0.51	0.51	The Company gains revenue contribution from unused assets at a reasonable service fee, which is beneficial to the Company.
	Concession fee and management fee	127.68	155.45	BTSC grants the Company the right to manage marketing service in the BTS SkyTrain System. The Company is required to pay concession fee to BTSC. The concession fee payable to BTSC is comparable and close to the rate paid by other companies engaging in similar business.
	Expenses from maintenance service for platform screen door system and its signaling	7.35	12.82	The Company engages BTSC to provide maintenance services for the platform screen door system and its signaling, because such services relate to the BTS SkyTrain System, which require a particular expertise and BTSC was involved in designing the signaling system. Therefore, BTSC has a good understanding of the system. The maintenance service fee is reasonable when comparing with other service providers and BTSC’s expertise.

Persons with Conflict of Interest / Relationship	Transactions	Transaction Value for the fiscal year ended		Necessity and Rationale of Transactions
		31 March 2015 (THB mn)	31 March 2016 (THB mn)	
Bangkok Smart Card System Company Limited (“BSS”) - BSS is a subsidiary of BTSC, which is a major shareholder and a controlling person of the Company. - The Company and BSS have 3 directors in common, namely: (1) Mr. Keeree Kanjanapas (2) Mr. Kavin Kanjanapas (3) Mr. Surapong Laoha-Unya.	Revenue from providing advertising media and commercial space	26.05	30.58	It is the Company’s normal course of business transaction. The service fee charged to BSS by the Company is the same rate charged to other major customers.
	Concession fee for the exclusive right to manage advertising space on rabbit cards distributed on BTS stations	5.00	1.00	It is the Company’s normal course of business transaction, with the purpose to expand the Company’s media platform. The concession fee payable to BSS is reasonable when comparing with the fees paid to other grantors.
Rabbit Rewards Company Limited (“Rabbit”) (formerly known as Carrot Rewards Company Limited) - Rabbit is a subsidiary of BTSG, which is a major shareholder and a controlling person of the Company. - The Company and Rabbit have 3 directors in common, namely: (1) Mr. Keeree Kanjanapas (2) Mr. Kavin Kanjanapas (3) Mr. Surapong Laoha-Unya.	Revenue from providing advertising media and commercial space	13.77	7.56	It is the Company’s normal course business transaction. The service fee charged to Rabbit by the Company is the same rate charged to other major customers.
	Concession fee for the exclusive right to manage multimedia installed on Carrot Rewards Kiosks	2.67	3.09	It is the Company’s normal course of business transaction, with the purpose to expand the Company’s media platform. The concession fee payable to Rabbit is reasonable when comparing with the fees paid to other grantors.
BSS Holding Company Limited (“BSS Holdings”) - BSS Holdings is a subsidiary of BTSG, which is a major shareholder and a controlling person of the Company. - The Company and BSS Holdings have 3 directors in common, namely: (1) Mr. Keeree Kanjanapas (2) Mr. Kavin Kanjanapas (3) Mr. Surapong Laoha-Unya.	Revenue from providing advertising media and commercial space	0.00	0.86	It is the Company’s normal course business transaction. The service fee charged to BSS Holdings by the Company is the same rate charged to other major customers.
Dnal Company Limited (“Dnal”) - Dnal is a subsidiary of BTSG (holding indirectly through Unicorn Enterprise Company Limited), which is a major shareholder and a controlling person of the Company. - BTSG and Dnal have 1 director in common, namely Mr. Rangsin Kritaluk.	Office building space rental	22.17	17.28	It is a transaction to support the Company’s normal course of business, which is office building space rental used as the Company’s and its subsidiaries’ office and storage. Given that the office building is close to the BTS trains’ depot, it is convenient for BTS-related media equipment installation. The rent charged by Dnal is the same as that offered to the other tenants and similar to the rate offered by the nearby office buildings.
	Expenses for advertising media through LCD screens in office building for the Company’s customers	0.21	0.21	It is the Company’s normal course of business transaction. The concession fee payable to Dnal is comparable and similar to the fee paid to the other owners of large-sized office buildings.

Persons with Conflict of Interest / Relationship	Transactions	Transaction Value for the fiscal year ended		Necessity and Rationale of Transactions
		31 March 2015 (THB mn)	31 March 2016 (THB mn)	
<p>Man Kitchen Company Limited (“Man Kitchen”)</p> <ul style="list-style-type: none"> - Man Kitchen is a subsidiary of BTSG, which is a major shareholder and a controlling person of the Company. - The Company and Man Kitchen have 1 director in common, namely Mr. Kavin Kanjanapas. 	Expenses for food and services at Chef Man Restaurant for customer entertainment	8.34	4.95	It is a transaction to support the Company's normal course of business, which is service fee for customer entertainment at Chef Man Restaurant. The service fee charged to the Company by Chef Man Restaurant is the same rate charged to the third parties.
<p>Little Corner Company Limited (“Little”)</p> <ul style="list-style-type: none"> - Little is a subsidiary of BTSG, which is a major shareholder and a controlling person of the Company. - The Company and Little have 1 director in common, namely Mr. Kavin Kanjanapas. 	Expenses for food and services at M Krub Restaurant for customer entertainment	0.00	0.05	It is a transaction to support the Company's normal course of business, which is service fee for customer entertainment at M Krub Restaurant. The service fee charged to the Company by M Krub Restaurant is the same rate charged to the third parties.
<p>Muangthong Assets Company Limited (“Muangthong”)</p> <ul style="list-style-type: none"> - Muangthong is a subsidiary of BTSG (holding indirectly through Unicorn Enterprise Company Limited), which is a major shareholder and a controlling person of the Company. - The Company and Muangthong have 2 directors in common, namely: <ul style="list-style-type: none"> (1) Mr. Keeree Kanjanapas (2) Mr. Kavin Kanjanapas. 	Service fee for directors' meeting at U Sathorn Bangkok	0.05	0.02	It is a transaction to support the Company's normal course of business, which is meeting facility rental for the directors' meeting at U Sathorn Bangkok. The service fee charged to the Company by U Sathorn Bangkok is the same rate charged to the third parties.
<p>Hwakay Thai (Thailand) Company Limited (“Hwakay Thai”)</p> <ul style="list-style-type: none"> - Ms. Susan Kanjanapas, who is a daughter of Mr. Keeree Kanjanapas, Chairman of the Board of Directors of the Company, is a director of, and has more than 10 percent interest in, and control over Oriental Field Ltd., which holds 49 percent shares in Hwakay Thai. 	Room rental and service fees for shareholders' meeting at Eastin Hotel Makkasan Bangkok	0.24	0.22	It is a transaction to support the Company's normal course of business, which is room and meeting facility rental at Eastin Hotel Makkasan Bangkok, for the Company's customers and the shareholders' meeting. The service fee charged to the Company by Eastin Hotel Makkasan Bangkok is the same rate charged to the third parties.

2. Measures or Procedures for Approval of Related Party Transactions

The Company has set up measures and procedures for approval of related party transactions. The entry into a related party transaction with a person who may have a conflict of interest must be considered and reviewed by the Audit Committee in order to give opinion on the necessity and appropriateness of such transaction for the best interest of the Company. If the Audit Committee does not have the expertise to review such transaction, the Company shall engage an independent expert or the Company's auditor provide opinion on such transaction, so that the Audit Committee and/or the Board of Directors and/or the shareholders, as the case may be, can use such opinion to support their decision-making. To approve the related party transaction, any person who may have a conflict of interest will not be entitled to vote for such transaction. The Company will disclose any related party transactions in the notes to the financial statements as audited by the Company's auditor, the Annual Report, and the Annual Registration Statement (Form 56-1).

3. Policy on entering into Related Party Transactions

- (1) Directors and executives of the Company and the subsidiaries shall prepare a report on conflicts of interest, including their related person(s), and submit the same to the Company as information for compliance with the requirement on related party transactions;
- (2) The entry into a related party transaction that may lead to a conflict of interest must be avoided;
- (3) In the case that it is necessary to enter into a related party transaction, the Company and its subsidiaries are required to propose such related party transaction to the Executive Committee, the Audit Committee, the Board of Directors, or the shareholders' meeting (as the case may be) for approval, except for the transaction having general commercial terms, which have been approved in principle by the Board of Directors;
- (4) To enter into a related party transaction, the

Company's internal procedures and the regulations of the Office of the SEC and the SET must be complied with;

- (5) Prices and conditions of a related party transaction shall be determined on an arm's length basis, which shall be fair, reasonable, and on the best interest of the Company. In the case that there is no comparable price, the Company will compare the price with the products or services having the same or similar nature;
- (6) Any person who has an interest in a related party transaction is not entitled to approve or vote for such transaction;
- (7) To consider a related party transaction, the Company or its subsidiaries may appoint an independent expert to appraise and compare the price in order to ensure that such related party transaction is reasonable and for the best interest of the Company.

4. Tendency on related party transactions with a person who may have a conflict of interest

The Company has a policy to avoid the entry into any related party transactions that may lead to conflicts of interest. However, the Company may need to enter into a related party transaction with a person(s) who may have a conflict of interest in the future because of the commercial agreements which the Company entered into in the past, or under the Company's normal course of business.

In this respect, the Board of Directors shall comply with the securities and exchange law, relevant regulations, notification, orders, or requirements relating to the entry into related party transactions, and the acquisition and disposition of assets, so that the decision to enter into these transactions will not create any conflict of interest and will be made for the best interest of the Company and the shareholders. The Company will disclose the related party transactions in the Annual Registration Statement (Form 56-1), the Annual Report and the notes to financial statements audited by the Company's auditor.

5.6 Profiles of Director and Executive

(As of 31 March 2016)

Shares held by Director and Executive, including shares held by their spouse and minor child. As of 31 March 2016, the Company has 6,864,321,852 total issued shares.

Mr. Keeree Kanjanapas

age 66

Position

Chairman / Authorized Director

Education

- Top Executive Program (CMA 10) Year 2010, Capital Market Academy
- Director Accreditation Program (DAP) Year 2011, Thai Institute of Directors

Shareholding in the Company (%)

37,188,458 (0.542%)

Family Relationship between Director and Executive

Father of Mr. Kavin Kanjanapas

Date of Appointment as Director

30 March 2012

Working experience for 5-years period

Position in Listed Company

2012 - Present	Chairman, VGI Global Media Plc
2012 - Present	Chairman of the Corporate Governance Committee, BTS Group Holdings Plc
2010 - Present	Chairman of the Executive Committee, BTS Group Holdings Plc
2006 - Present	Chairman, BTS Group Holdings Plc
1993 - Present	Director, BTS Group Holdings Plc
1993 - 2006	Managing Director, BTS Group Holdings Plc

Position in Other Company and/or Organisation

2015 - Present	Chairman of the Executive Committee, Bangkok Mass Transit System Plc
2015 - Present	Director, BSS Holdings Co., Ltd.
2010 - Present	Director, Rabbit Rewards Co., Ltd.
2010 - Present	Chairman, Bangkok Mass Transit System Plc
2009 - Present	Director, BTS Land Co., Ltd.
2009 - Present	Director, Bangkok Smartcard System Co., Ltd.
1996 - Present	Director, Bangkok Mass Transit System Plc
1994 - Present	Director, Tanayong International Limited
1993 - Present	Director, PrannaKiri Assets Co., Ltd.
1992 - Present	Director, Tanayong Food and Beverage Co., Ltd.
1991 - Present	Director, Thana City Golf & Sports Club Co., Ltd.
1990 - Present	Director, Siam Paging and Communication Co., Ltd.
1990 - Present	Director, Tanayong Property Management Co., Ltd.

1988 - Present	Director, Muangthong Assets Co., Ltd.
2010 - 2015	Director, Kamkoong Property Co., Ltd.
2010 - 2012	Director, Kampoo Property Co., Ltd.
2009 - 2015	Director, Nuvo Line Agency Co., Ltd.
2009 - 2010	Director, BTS Assets Co., Ltd.
2007 - 2012	Director, Kamala Beach Resort & Hotel Management Co., Ltd.
1996 - 2015	Chief Executive Officer, Bangkok Mass Transit System Plc

Mr. Marut Arthakaivalvatee

age 60

Position

Vice Chairman / Member of the Nomination and Remuneration Committee / Member of the Corporate Governance Committee / Member of the Executive Committee / Chief Executive Officer / Authorized Director

Education

- Bachelor Degree of Communication Arts, Chulalongkorn University
- Master Degree of Business Administration, Chulalongkorn University
- Director Accreditation Program (DAP) Year 2009, Thai Institute of Directors
- Anti-Corruption for Executive Program (ACEP) Year 2014, Thai Institute of Directors
- Academy of Business Creativity (ABC2), Year 2014, Sripatum University

Shareholding in the Company (%)

444,088 (0.007%)

Family Relationship between Director and Executive

-

Date of Appointment as Director

15 November 2007

Working experience for 5-years period

Position in Listed Company

2016 - Present	Vice Chairman, VGI Global Media Plc
2015 - Present	Member of the Corporate Governance Committee, VGI Global Media Plc

2012 – Present Member of the Nomination and Remuneration Committee, VGI Global Media Plc
 2012 – Present Member of the Executive Committee, VGI Global Media Plc
 2007 – Present Director, VGI Global Media Plc
 1999 – Present Chief Executive Officer **, VGI Global Media Plc

Position in Other Company and/or Organisation

2009 – Present Director, Point of View (POV) Media Group Co., Ltd.
 2007 – Present Director, VGI Advertising Media Co., Ltd.
 2010 – 2015 Director, 999 Media Co., Ltd.
 2010 – 2015 Director, 888 Media Co., Ltd.
 2010 – 2015 Director, VGI Advertising China Company Limited
 2007 – 2015 Director, Midas Global Media Co., Ltd.

Remark:

**Mr. Marut Arthakaivalvatee will retire from the position of Chief Executive Officer of VGI Global Media Plc from 1 July 2016.

Mr. Kavin Kanjanapas

age 41

Position

Director / Chairman of the Executive Committee / Authorized Director

Education

- Stonyhurst College, U.K.
- Director Accreditation Program (DAP) Year 2007, Thai Institute of Directors
- Top Executive Program (CMA 16) Year 2013, Capital Market Academy

Shareholding in the Company (%)

-

Family Relationship between Director and Executive

Son of Mr. Keeree Kanjanapas

Date of Appointment as Director

28 May 2003

Working experience for 5-years period

Position in Listed Company

2015 – Present Chief Executive Officer, BTS Group Holdings Plc
 2012 – Present Chairman of the Executive Committee, VGI Global Media Plc
 2010 – Present Executive Director, BTS Group Holdings Plc
 2007 – Present Director, BTS Group Holdings Plc
 2003 – Present Director, VGI Global Media Plc
 2007 – 2010 Managing Director, BTS Group Holdings Plc

Position in Other Company and/or Organisation

2016 – Present Director, Nine Square Property Co., Ltd.
 2015 – Present Director, The Community Two Co., Ltd.

2015 – Present Director, The Community One Co., Ltd.
 2015 – Present Director, Kingkaew Assets Co., Ltd.
 2015 – Present Director, Ratburana Property Co., Ltd.
 2015 – Present Director, Keystone Estate Co., Ltd.
 2015 – Present Director, Unicorn Enterprise Co., Ltd.
 2015 – Present Director, BSS Holdings Co., Ltd.
 2015 – Present Executive Director, Bangkok Smartcard System Co., Ltd.
 2014 – Present Director, Little Corner Co., Ltd.
 2014 – Present Director, Primary Kitchen Co., Ltd.
 2014 – Present Director, Mak8 Co., Ltd.
 2013 – Present Director, Man Kitchen Co., Ltd.
 2010 – Present Director, Tanayong Hong Kong Limited
 2010 – Present Director, Absolute Hotel Services Hong Kong Limited
 2010 – Present Director, Rabbit Rewards Co., Ltd.
 2010 – Present Director, BTS Land Co., Ltd.
 2009 – Present Director, Bangkok Smartcard System Co., Ltd.
 2009 – Present Director, Bangkok Mass Transit System Plc
 2009 – Present Director, Point of View (POV) Media Group Co., Ltd.
 2009 – Present Director, VGI Advertising Media Co., Ltd.
 2008 – Present Director, Thana City Golf & Sports Club Co., Ltd.
 2008 – Present Director, Tanayong Property Management Co., Ltd.
 2008 – Present Director, Muangthong Assets Co., Ltd.
 2008 – Present Director, PrannaKiri Assets Co., Ltd.
 2008 – Present Director, Siam Paging and Communication Co., Ltd.
 2008 – Present Director, Tanayong Food and Beverage Co., Ltd.
 2008 – Present Director, Absolute Hotel Services Co., Ltd.
 2010 – 2015 Director, VGI Advertising China Company Limited
 2010 – 2015 Director, 888 Media Co., Ltd.
 2010 – 2015 Director, 999 Media Co., Ltd.
 2010 – 2015 Executive Chairman / Director, BTS Assets Co., Ltd.
 2010 – 2015 Director, Kamkoong Property Co., Ltd.
 2010 – 2012 Director, Kampoo Property Co., Ltd.
 2009 – 2015 Managing Director, Bangkok Smartcard System Co., Ltd.
 2009 – 2015 Director, Nuvo Line Agency Co., Ltd.
 2009 – 2014 Director, Midas Global Media Co., Ltd.
 2007 – 2012 Director, Kamala Beach Resort & Hotel Management Co., Ltd.

Mr. Surapong Laoha-Unya

age 54

Position

Director / Authorized Director

Education

- Bachelor of Engineering (Civil Engineering), Kasetsart University
- M.M.E. Civil Engineering, Chulalongkorn University
- Director Accreditation Program (DAP) Year 2010, Thai Institute of Directors
- The Senior Executive Bangkok Management Program Year 2013, Urban Green Development Institute

Shareholding in the Company (%)

336,440 (0.005%)

Family Relationship between Director and Executive

-

Date of Appointment as Director

10 November 2006

Working experience for 5-years period

Position in Listed Company

2010 - Present Executive Director / Director,
BTS Group Holdings Plc

2006 - Present Director, VGI Global Media Plc

Position in Other Company and/or Organisation

2015 - Present Director, Rabbit Internet Co., Ltd.

2015 - Present Director, ASK Direct Group Co., Ltd.

2015 - Present Director, RabbitPay System Co., Ltd.

2015 - Present Executive Director / Chief Executive Officer /
Chief Operating Officer (acting) /
Chief Administrative Officer (acting) ,
Bangkok Mass Transit System Plc

2015 - Present Director, BSS Holdings Co., Ltd.

2014 - Present Director, Bangkok Payment Solutions Co., Ltd.

2013 - Present Director, Profession Standard and Professional
Qualification for Rail System and
High Speed Rail

2010 - Present Director, Rabbit Rewards Co., Ltd.

2010 - Present Advisory to the Academic Subcommittee of
Traffic and Transportation Engineering
Program, The Engineering Institute of Thailand
Under the Royal Patronage of H.M. the King

2009 - Present Director, BTS Land Co., Ltd.

2009 - Present Executive Director / Director,
Bangkok Smartcard System Co., Ltd.

2006 - Present Director, Bangkok Mass Transit System Plc

2010 - 2015 Director, Kamkoong Property Co., Ltd.

2010 - 2012 Director, Kampoo Property Co., Ltd.

2009 - 2015 Director, Nuvo Line Agency Co., Ltd.

2009 - 2010 Director, BTS Assets Co., Ltd.

2006 - 2015 Chief Operating Officer, Bangkok Mass Transit
System Plc

Mr. Kong Chi Keung

age 41

Position

Director / Authorized Director

Education

- BA (Honorary Degree) Business Administrative, University of Greenwich, U.K.
- MBA (Executive) Sasin Graduate Institute of Business Administration of Chulalongkorn University
- Director Accreditation Program (DAP) Year 2007, Thai Institute of Directors

Shareholding in the Company (%)

193,896 (0.003%)

Family Relationship between Director and Executive

-

Date of Appointment as Director

15 June 2000

Working experience for 5-years period

Position in Listed Company

2015 - Present Deputy Chief Executive Officer,
BTS Group Holdings Plc

2010 - Present Executive Director, BTS Group Holdings Plc

2010 - Present Member of the Nomination and
Remuneration Committee,
BTS Group Holdings Plc

2007 - Present Director, BTS Group Holdings Plc

2000 - Present Director, VGI Global Media Plc

2008 - 2010 Deputy Managing Director,
BTS Group Holdings Plc

Position in Other Company and/or Organisation

2016 - Present Director, Nine Square Property Co., Ltd.

2016 - Present Director, The Community Two Co., Ltd.

2016 - Present Director, The Community One Co., Ltd.

2016 - Present Director, Kingkaew Assets Co., Ltd.

2016 - Present Director, Ratburana Property Co., Ltd.

2016 - Present Director, Keystone Estate Co., Ltd.

2016 - Present Director, Unicorn Enterprise Co., Ltd.

2016 - Present Director, BTS Sansiri Holding Fourteen Co., Ltd.

2016 - Present Director, BTS Sansiri Holding Twelve Co., Ltd.

2016 - Present Director, BTS Sansiri Holding Eleven Co., Ltd.

2015 - Present Director, ASK Direct Group Co., Ltd.

2015 - Present	Director, Rabbit Internet Co., Ltd.
2015 - Present	Director, BTS Sansiri Holding Nine Co., Ltd.
2015 - Present	Director, BTS Sansiri Holding Eight Co., Ltd.
2015 - Present	Director, BTS Sansiri Holding Seven Co., Ltd.
2015 - Present	Director, BTS Sansiri Holding Six Co., Ltd.
2015 - Present	Director, BTS Sansiri Holding Five Co., Ltd.
2015 - Present	Director, BTS Sansiri Holding Four Co., Ltd.
2015 - Present	Director, BTS Sansiri Holding Three Co., Ltd.
2015 - Present	Director, BTS Sansiri Holding Two Co., Ltd.
2015 - Present	Director, BTS Sansiri Holding One Co., Ltd.
2015 - Present	Director, Nuvo Line Agency Co., Ltd.
2015 - Present	Member of the Executive Committee, Bangkok Mass Transit System Plc
2015 - Present	Director, ATS Rabbit Special Purpose Vehicle Co., Ltd.
2014 - Present	Director, Bangkok Payment Solutions Co., Ltd.
2012 - Present	Chief Financial Officer, Bangkok Mass Transit System Plc
2010 - Present	Director, Tanayong Hong Kong Limited
2008 - Present	Director, Absolute Hotel Services Co., Ltd.
2010 - 2015	Director, VGI Advertising China Company Limited
2010 - 2015	Director, BTS Assets Co., Ltd.
2010 - 2013	Director, Bangkok Mass Transit System Plc

Mr. Chan Kin Tak

age 50

Position

Director / Member of the Nomination and Remuneration Committee / Member of the Corporate Governance Committee / Member of the Executive Committee / Chief Operating Officer / Authorized Director

Education

- St. Louis Old Boy College
- Director Accreditation Program (DAP) Year 2010, Thai Institute of Directors
- Director Certification Program (DCP) Year 2013, Thai Institute of Directors

Shareholding in the Company (%)

-

Family Relationship between Director and Executive

-

Date of Appointment as Director

15 November 2007

Working experience for 5-years period

Position in Listed Company

2015 - Present	Member of the Corporate Governance Committee, VGI Global Media Plc
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2012 - Present	Member of the Executive Committee, VGI Global Media Plc
2012 - Present	Member of the Nomination and Remuneration Committee, VGI Global Media Plc
2007 - Present	Director, VGI Global Media Plc
2003 - Present	Chief Operating Officer, VGI Global Media Plc

Position in Other Company and/or Organisation

2009 - Present	Director, Point of View (POV) Media Group Co., Ltd.
2007 - Present	Director, VGI Advertising Media Co., Ltd.
2010 - 2015	Director, 999 Media Co., Ltd.
2010 - 2015	Director, 888 Media Co., Ltd.
2010 - 2015	Director, VGI Advertising China Company Limited
2007 - 2015	Director, Midas Global Media Co., Ltd.

Assoc. Prof. Jaruporn Viyanant

age 71

Position

Independent Director / Chairman of the Audit Committee / Chairman of the Corporate Governance Committee / Member of the Nomination and Remuneration Committee

Education

- Bachelor Degree of Accounting, Thammasat University
- Master Degree of Financial Economics, Middle Tennessee State University, U.S.A.
- Director Certification Program (DCP) Year 2009, Thai Institute of Directors
- Audit Committee Program (ACP) Year 2009, Thai Institute of Directors
- Top Executive Program (CMA 10) Year 2010, Capital Market Academy
- Advanced Certificate Course, King Prajadhipok's Institute
- Monitoring the Internal Audit Function (MIA) Year 2010, Thai Institute of Directors
- Role of the Compensation Committee (RCC) Year 2010, Thai Institute of Directors
- Improving the Quality of Financial Reporting (QFR) Year 2010, Thai Institute of Directors
- Monitoring Fraud Risk Management (MFM) Year 2011, Thai Institute of Directors
- Monitoring the System of Internal Control and Risk Management (MIR) Year 2011, Thai Institute of Directors
- Advanced Audit Committee Program (AACP) Year 2014, Thai Institute of Directors
- Anti-Corruption for Executive Program (ACEP) Year 2015, Thai Institute of Directors

Shareholding in the Company (%)

-

Family Relationship between Director and Executive

-

Date of Appointment as Director

30 March 2012

Working experience for 5-years period

Position in Listed Company

2015 - Present	Chairman of the Corporate Governance Committee, VGI Global Media Plc
2015 - Present	Member of the Nomination and Remuneration Committee, VGI Global Media Plc
2015 - Present	Chairman of the Corporate Governance and Social Responsibilities Committee, Inoue Rubber (Thailand) Plc
2015 - Present	Member of the Audit Committee, Inoue Rubber (Thailand) Plc
2015 - Present	Independent Director, Inoue Rubber (Thailand) Plc
2012 - Present	Chairman of the Audit Committee, VGI Global Media Plc
2012 - Present	Independent Director, VGI Global Media Plc
2012 - 2015	Chairman of the Nomination and Remuneration Committee, VGI Global Media Plc

Position in Other Company and/or Organisation

2014 - Present	Independent Director / Member of the Audit Committee, Ocean Life Insurance Plc
2014 - Present	Senior Advisor, Electronic Government Agency (EGA)
2009 - Present	Expert Director, Federation of Thai Insurance
2011 - 2014	Financial Institution Policy Committee, Bank of Thailand
2011 - 2014	Executive Director, Electronic Government Agency (EGA)
2011 - 2012	Director, Anti-Money Laundering Office (Resignation)
2009 - 2011	Director and Chairman of the Audit Committee, The Stock Exchange of Thailand
1973 - 2009	Permanent Professional, Thammasat University

Mrs. Maneeporn Siriwatanawong

age 67

Position

Independent Director / Member of the Audit Committee / Chairman of the Nomination and Remuneration Committee

Education

- Bachelor Degree of Accounting, Thammasat University
- Director Accreditation Program (DAP) Year 2012, Thai Institute of Directors

Shareholding in the Company (%)

-

Family Relationship between Director and Executive

-

Date of Appointment as Director

30 March 2012

Working experience for 5-years period

Position in Listed Company

2015 - Present	Chairman of the Nomination and Remuneration Committee, VGI Global Media Plc
2012 - Present	Member of the Audit Committee, VGI Global Media Plc
2012 - Present	Independent Director, VGI Global Media Plc
2012 - 2015	Member of the Nomination and Remuneration Committee, VGI Global Media Plc

Position in Other Company and/or Organisation

2010 - Present	Advisor, Singhapattana Chiang Mai Co., Ltd.
2010 - Present	Advisor, Chiang Mai Pattana Group Co., Ltd.
1979 - 2009	Head of Audit and Compliance Office, The Revenue Department
1973 - 1979	Auditor, Bank of Ayudhya Plc

Mr. Mana Jantanayingyong

age 56

Position

Independent Director / Member of the Audit Committee / Member of the Nomination and Remuneration Committee

Education

- Bachelor Degree of Marketing, The Institute of Technology and Vocational Education
- Director Accreditation Program (DAP) Year 2012, Thai Institute of Directors
- Anti-Corruption for Executive Program (ACEP) Year 2013, Thai Institute of Directors

Shareholding in the Company (%)

-

Family Relationship between Director and Executive

-

Date of Appointment as Director

30 March 2012

Working experience for 5-years period

Position in Listed Company

2012 - Present	Member of the Nomination and Remuneration Committee, VGI Global Media Plc
2012 - Present	Member of the Audit Committee, VGI Global Media Plc
2012 - Present	Independent Director, VGI Global Media Plc

Position in Other Company and/or Organisation

2005 - 2007	Chief Executive Officer, Group M
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Mrs. Oranuch Rujirawona

age 55

Position

Member of the Executive Committee /
Chief Sales and Marketing Officer

Education

- Bachelor Degree of Business Administration, Bangkok University
- Academy of Business Creativity (ABC1), Year 2013, Sripatum University

Shareholding in the Company (%)

2,300,000 (0.034%)

Family Relationship between Director and Executive

-

Working experience for 5-years period

Position in Listed Company

2012 - Present	Member of the Executive Committee, VGI Global Media Plc
1999 - Present	Chief Sales and Marketing Officer, VGI Global Media Plc

Position in Other Company and/or Organisation

-None-

Mr. Chavin Kalayanamitr

age 53

Position

Member of the Executive Committee /
Chief Technology Officer

Education

- Bachelor Degree of Engineering, California State Polytechnic University, Pomona, U.S.A.
- Master Degree of Business Administration, University of Phoenix, U.S.A.
- Director Certification Program (DCP) Year 2011, Thai Institute of Directors

Shareholding in the Company (%)

536,776 (0.008%)

Family Relationship between Director and Executive

-

Working experience for 5-years period

Position in Listed Company

2014 - Present	Director, Master Ad Plc
2012 - Present	Member of the Executive Committee, VGI Global Media Plc
2000 - Present	Chief Technology Officer, VGI Global Media Plc

Position in Other Company and/or Organisation

-None-

Mrs. Suparanan Tanviruch

age 50

Position

Member of the Executive Committee /
Chief Financial Officer

Education

- Bachelor Degree of Accounting, Thammasat University
- Master Degree of Accounting, Thammasat University
- TLCA Executive Development Program (EDP11) Year 2014, Thai Listed Companies Associate
- Academy of Business Creativity (ABC3), Year 2015, Sripatum University
- Director Certification Program (DCP) Year 2016, Thai Institute of Directors

Shareholding in the Company (%)

400,000 (0.006%)

Family Relationship between Director and Executive

-

Working experience for 5-years period

Position in Listed Company

2012 - Present	Member of the Executive Committee, VGI Global Media Plc
2008 - Present	Chief Financial Officer, VGI Global Media Plc
2000 - 2008	Chief Financial Officer, ITV Plc
1998 - 1999	Chief Financial Officer, Shin Satellite Plc (Thaicom)
1991 - 2000	AVP - Portfolio Management, Shin Corporation Plc (Intouch)

Position in Other Company and/or Organisation

1987 - 1991	Budget Accounting, Siam Kraft Industry Co., Ltd. (Company in SCG Group)
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M.L. Kriengkrai Hastindra

age 71

Position

Member of the Executive Committee /
Deputy Chief Sales and Marketing Officer

Education

- Rajamangala University of Technology Krungthep

Shareholding in the Company (%)

-

Family Relationship between Director and Executive

-

Working experience for 5-years period

Position in Listed Company

- | | |
|----------------|---|
| 2012 - Present | Member of the Executive Committee,
VGI Global Media Plc |
| 2007 - Present | Deputy Chief Sales and Marketing Officer,
VGI Global Media Plc |

Position in Other Company and/or Organisation

- | | |
|----------------|--|
| 2015 - Present | Director, Midas Global Media Co., Ltd. |
| 2015 - Present | Director, Aero Media Group Co., Ltd. |

Mrs. Pitchapaksorn Jit-Opas

age 48

Position

Billing and Accounting Director

Education

- Bachelor Degree of Accounting, Rammkhamhaeng University
- Master Degree of Accounting, Rammkhamhaeng University

Shareholding in the Company (%)

-

Family Relationship between Director and Executive

-

Working experience for 5-years period

Position in Listed Company

- | | |
|----------------|--|
| 2008 - Present | Billing and Accounting Director,
VGI Global Media Plc |
| 2000 - 2008 | Accounting Manager, VGI Global Media Plc |

Position in Other Company and/or Organisation

- | | |
|----------------|--|
| 2015 - Present | Director, Aero Media Group Co., Ltd. |
| 2014 - 2015 | Financial and Accounting Director,
Midas Global Media Co., Ltd. |

Ms. Daranee Phanklin

age 51

Position

Financial Controller

Education

- Bachelor Degree of Accounting, Dhurakij Pundit University
- Master Degree of Business Administration,
Dhurakij Pundit University
- Director Certification Program (DCP) Year 2015,
Thai Institute of Directors

Shareholding in the Company (%)

-

Family Relationship between Director and Executive

-

Working experience for 5-years period

Position in Listed Company

- | | |
|----------------|--|
| 2014 - Present | Director, Master Ad Plc |
| 2008 - Present | Financial Controller, VGI Global Media Plc |
| 2000 - 2008 | Financial Manager, VGI Global Media Plc |

Position in Other Company and/or Organisation

-None-

5.7

Positions of Directors and Executives in the Company, Subsidiaries, Associated Companies, Jointly Controlled Entities and Related Companies

(as of 31 March 2016)

Directors and Executives															
	Mr. Keeree Kanjanapas	Mr. Marut Arthakaivalee	Mr. Kavin Kanjanapas	Mr. Surapong Laoha-Unya	Mr. Kong Chi Keung	Mr. Chan Kin Tak	Assoc. Prof. Jaruporn Viyanant	Mrs. Maneeporn Siriwatanawong	Mr. Mana Jantanayingyong	Mrs. Oranuch Rujirawona	Mr. Chavin Kalayanamitr	Mrs. Suparatan Tanviruch	M.L. Kriengkrai Hastindra	Ms. Daranee Phanklin	Mrs. Pitchapaksorn Jit-Opas
Companies	A	B, F, K	C, G, K	G	G	F, G, K	H, J	I, J	I, J	F, K	F, K	F, K	F	K	K
VGI Global Media Plc.	A	B, F, K	C, G, K	G	G	F, G, K	H, J	I, J	I, J	F, K	F, K	F, K	F	K	K
Subsidiaries															
1. VGI Advertising Media Co., Ltd.		G	G			G									
2. 888 Media Co., Ltd.															
3. Point of View (POV) Media Group Co., Ltd.		G	G			G									
Associated Companies															
1. Master Ad Plc.										G				G	
2. Aero Media Group Co., Ltd.													G		G
Jointly Controlled Entities															
1. Midas Global Media Co., Ltd.													G		
Related Companies															
1. BTS Group Holdings Plc.	A, C		D, F, G	F, G	E, F, G										
2. Bangkok Mass Transit System Plc.	A, C		G	D, F, G	F, K										
3. Siam Paging and Communication Co., Ltd.	G		G												
4. PrannaKiri Assets Co., Ltd.	G		G												
5. BTS Land Co., Ltd.	G		G	G											
6. Muangthong Assets Co., Ltd.	G		G												
7. Tanayong Food and Beverage Co., Ltd.	G		G												
8. Tanayong Property Management Co., Ltd.	G		G												
9. Nuvo Line Agency Co., Ltd.					G										
10. Thana City Golf & Sports Club Co., Ltd.	G		G												
11. Tanayong International Limited	G														
12. Tanayong Hong Kong Limited			G		G										
13. Bangkok Smartcard System Co., Ltd.	G		F, G	F, G											
14. Rabbit Rewards Co., Ltd.	G		G	G											
15. Absolute Hotel Services Co., Ltd.			G		G										
16. Absolute Hotel Services Hong Kong Limited			G												
17. Mak8 Co., Ltd.			G												
18. Man Kitchen Co., Ltd.			G												
19. Primary Kitchen Co., Ltd.			G												

Companies	Directors and Executives														
	Mr. Keeree Kanjanapas	Mr. Marut Arthakaivalvatee	Mr. Kavin Kanjanapas	Mr. Surapong Laoha-Unya	Mr. Kong Chi Keung	Mr. Chan Kin Tak	Assoc. Prof. Jaruporn Viyanant	Mrs. Maneeporn Siriwatanawong	Mr. Mana Jantanayingyong	Mrs. Oranuch Rujirawona	Mr. Chavin Kalayanamitr	Mrs. Supatarnan Tanviruch	M.L. Kriengkrai Hastindra	Ms. Daranee Phanklin	Mrs. Pitchapaksorn Jit-Opas
20. Little Corner Co., Ltd.			G												
21. BSS Holdings Co., Ltd.	G		G	G											
22. Bangkok Payment Solutions Co., Ltd.				G	G										
23. ATS Rabbit Special Purpose Vehicle Co., Ltd.					G										
24. Nine Square Property Co., Ltd.			G		G										
25. The Community Two Co., Ltd.			G		G										
26. The Community One Co., Ltd.			G		G										
27. Kingkaew Assets Co., Ltd.			G		G										
28. Ratburana Property Co., Ltd.			G		G										
29. Keystone Estate Co., Ltd.			G		G										
30. Unicorn Enterprise Co., Ltd.			G		G										
31. Rabbit Internet Co., Ltd.				G	G										
32. ASK Direct Group Co., Ltd.				G	G										
33. RabbitPay System Co., Ltd.				G											
34. BTS Sansiri Holding Fourteen Co., Ltd.					G										
35. BTS Sansiri Holding Twelve Co., Ltd.					G										
36. BTS Sansiri Holding Eleven Co., Ltd.					G										
37. BTS Sansiri Holding Nine Co., Ltd.					G										
38. BTS Sansiri Holding Eight Co., Ltd.					G										
39. BTS Sansiri Holding Seven Co., Ltd.					G										
40. BTS Sansiri Holding Six Co., Ltd.					G										
41. BTS Sansiri Holding Five Co., Ltd.					G										
42. BTS Sansiri Holding Four Co., Ltd.					G										
43. BTS Sansiri Holding Three Co., Ltd.					G										
44. BTS Sansiri Holding Two Co., Ltd.					G										
45. BTS Sansiri Holding One Co., Ltd.					G										

A = Chairman

D = Chief Executive Officer

G = Director

J = Independent Director

B = Vice Chairman

E = Deputy Chief Executive Officer

H = Chairman of the Audit Committee

K = Executive

C = Chairman of the Executive Committee

F = Member of the Executive Committee

I = Member of the Audit Committee Member

6.0

FINANCIAL REPORT

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6.1 Director's Responsibility Report

The Board of Directors of VGI Global Media Public Company Limited is responsible for the financial statements of the Company and its subsidiaries provided in this Annual Report, which have been prepared in accordance with generally accepted accounting standards (GAAP) in Thailand under the Accounting Profession Act B.E. 2547, and the presented in compliance with stipulations under Notification of Department of Business Development dated 28 September 2011 by virtue of Accounting Act B.E. 2543. In this regard, the Board is aware of the accounting policies and believes that these are appropriate and have been consistently applied. The notes to the financial statements disclose details of useful and material financial information supported by reasonable and prudent judgments and estimations where necessary. The Company's external auditor has audited the financial statements and expressed an unqualified opinion in the auditor's report.

The Board of Directors further recognises the importance of presenting a comprehensive view of the Company's financial position and has reviewed and included in this annual report, the Management's discussion and analysis report on the Company's business performance for the benefit of shareholders and other stakeholders.

The Board is also responsible for overseeing that an effective system of corporate governance, including risk

management, internal controls and compliance is put in place in order to have reasonable assurance that the financial records of the Company are accurate and complete. The Board evaluates the adequacy of the internal controls system on an annual basis.

The Board of Directors has also appointed the Audit Committee, entirely comprised of Independent Directors, to oversee the accuracy and adequacy of the financial reporting process as well as review the suitability and efficiency of the internal control and independence of the internal audit system. The opinion of the Audit Committee is shown in the Audit Committee Report contained in this Annual Report.

In the opinion of the Board, the audited financial statements and the notes to the financial statements show essential and accurately the financial status, performance and cash flow of the Company during the reporting period in accordance with GAAP, and that the management discussion and analysis offer a fair and relevant view of the business performance of the Company. Further, that the Company has established and maintains a system of corporate governance and internal controls that give reasonable assurance on the integrity of the financial reporting procedures.



Mr. Kavin Kanjanapas
Chairman of Executive Committee



Mr. Marut Arthakaivalvatee
Member of Executive Committee and Chief Executive Office

6.2 Independent Auditor's Report

To the Shareholders of VGI Global Media Public Company Limited

I have audited the accompanying consolidated financial statements of VGI Global Media Public Company Limited and its subsidiaries, which comprise the consolidated statement of financial position as at 31 March 2016, and the related consolidated statements of comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information, and have also audited the separate financial statements of VGI Global Media Public Company Limited for the same period.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Thai Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with Thai Standards on Auditing. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of VGI Global Media Public Company Limited and its subsidiaries and of VGI Global Media Public Company Limited as at 31 March 2016, and their financial performance and cash flows for the year then ended, in accordance with Thai Financial Reporting Standards.



Supachai Phanyawattano
Certified Public Accountant (Thailand) No. 3930

EY Office Limited
Bangkok: 11 May 2016

6.3 Financial Statement

VGI Global Media Public Company Limited and its subsidiaries

Statement of financial position

As at 31 March 2016

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2016	2015	2016	2015
Assets					
Current assets					
Cash and cash equivalents		112,154,325	187,042,309	83,227,261	149,679,382
Current investments	7	247,617,346	306,568,636	247,617,346	306,568,636
Trade and other receivables	8	399,130,094	519,104,880	424,983,054	481,984,956
Short-term loans to subsidiaries	6	-	-	16,000,000	48,000,000
Current portion of long-term loan to a related party	6	53,662,500	3,925,000	53,662,500	3,925,000
Prepaid expenses		14,893,682	11,890,521	14,893,682	11,543,692
Other current assets		9,593,443	9,662,764	12,106,258	11,912,632
		837,051,390	1,038,194,110	852,490,101	1,013,614,298
Non-current assets held for sale	9	-	4,265,004	-	63,189,000
Total current assets		837,051,390	1,042,459,114	852,490,101	1,076,803,298
Non-current assets					
Long-term investment - deposit at a financial institution		-	40,000,000	-	40,000,000
Long-term loan to a related party - net of current portion	6	53,662,500	35,325,000	53,662,500	35,325,000
Investments in subsidiaries	9	-	-	52,635,345	31,013,587
Investment in a joint venture	10	-	64,289,228	-	78,750,000
Investments in associates	11	742,192,726	630,582,639	727,119,253	626,732,964
Other long-term investment	12	30,000,000	-	40,000,000	-
Goodwill		78,656,476	78,656,476	-	-
Equipment	13	1,210,936,409	1,262,440,145	1,147,309,918	1,273,238,336
Intangible assets - computer software	14	33,114,710	23,305,985	33,114,693	22,967,609
Deferred tax assets	22	34,674,637	77,672,252	31,796,838	80,523,286
Other non-current assets		79,060,670	31,721,811	79,060,670	30,050,102
Total non-current assets		2,262,298,128	2,243,993,536	2,164,699,217	2,218,600,884
Total assets		3,099,349,518	3,286,452,650	3,017,189,318	3,295,404,182

The accompanying notes are an integral part of the financial statements.

VGI Global Media Public Company Limited and its subsidiaries

Statement of financial position (continued)

As at 31 March 2016

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2016	2015	2016	2015
Liabilities and shareholders' equity					
Current liabilities					
Short-term loans from financial institutions		240,000,000	530,000,000	240,000,000	530,000,000
Trade and other payables	15	123,483,611	150,520,676	124,123,722	202,325,154
Accrued expenses		276,750,471	317,703,922	261,591,051	312,125,041
Income tax payable		31,606,432	117,308,472	31,606,432	113,022,543
Unearned revenues		48,328,176	34,089,543	47,381,376	32,740,986
Deposits received from renting spaces		64,939,411	60,645,796	64,939,410	60,336,746
Provisions	16	-	166,729,251	-	166,729,251
Other current liabilities		36,603,010	56,310,202	35,597,746	47,379,445
Total current liabilities		821,711,111	1,433,307,862	805,239,737	1,464,659,166
Non-current liabilities					
Unearned revenues		6,406,933	6,912,252	6,406,932	6,912,252
Provision for long-term employee benefits	17	29,052,021	17,180,704	28,974,980	15,566,746
Total non-current liabilities		35,458,954	24,092,956	35,381,912	22,478,998
Total liabilities		857,170,065	1,457,400,818	840,621,649	1,487,138,164

The accompanying notes are an integral part of the financial statements.

VGI Global Media Public Company Limited and its subsidiaries

Statement of financial position (continued)

As at 31 March 2016

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2016	2015	2016	2015
Shareholders' equity					
Share capital					
Registered					
8,579,932,530 ordinary shares of Baht 0.1 each		857,993,253	857,993,253	857,993,253	857,993,253
Issued and fully paid-up					
6,864,321,852 ordinary shares (2015: 6,863,978,450 ordinary shares) of Baht 0.1 each	18	686,432,185	686,397,845	686,432,185	686,397,845
Share premium	18	865,312,592	862,943,118	865,312,592	862,943,118
Share subscriptions received in advance	18	-	2,402,414	-	2,402,414
Retained earnings					
Appropriated - statutory reserve	19	85,799,325	85,038,967	85,799,325	85,038,967
Unappropriated		596,645,888	193,436,118	531,034,104	173,115,969
Differences on business combination under common control	9	7,989,463	(1,632,295)	7,989,463	(1,632,295)
Other component of shareholders' equity		-	465,665	-	-
Total shareholders' equity		2,242,179,453	1,829,051,832	2,176,567,669	1,808,266,018
Total liabilities and shareholders' equity		3,099,349,518	3,286,452,650	3,017,189,318	3,295,404,182

The accompanying notes are an integral part of the financial statements.

VGI Global Media Public Company Limited and its subsidiaries

Statement of comprehensive income

For the year ended 31 March 2016

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2016	2015	2016	2015
Profit or loss:					
Revenues					
Service income	20	2,105,728,307	2,962,692,819	2,081,848,855	2,423,500,354
Dividend income	6, 9, 11	-	-	59,842,820	138,048,522
Gain on sales of investments in subsidiaries	9	61,620,682	-	1,796,000	-
Gain on sale of investment in a joint venture	10	9,704,742	-	-	-
Gain on sales of warrants in an associate	11	-	53,421,685	-	52,689,913
Gain on sales of equipment	16	79,501,004	-	75,353,714	125,953
Other income		42,107,985	47,228,644	38,756,426	41,197,028
Total revenues		2,298,662,720	3,063,343,148	2,257,597,815	2,655,561,770
Expenses					
Costs of services		769,083,853	1,324,554,648	763,148,282	961,102,853
Selling expenses		52,618,415	72,953,322	52,523,561	68,470,308
Administrative expenses		309,814,780	344,073,471	294,988,148	291,308,370
Impairment loss on assets	13, 16	-	102,361,222	-	127,361,222
Loss on provisions for terminating the agreements (reversal)	16	(94,382,535)	113,291,051	(94,382,535)	113,291,051
Loss on provision for revenues being lower than the minimum guaranteed amounts	6, 16	134,881,270	53,438,200	134,881,270	53,438,200
Other expenses		1,037,900	2,133,796	-	(1,036,291)
Total expenses		1,173,053,683	2,012,805,710	1,151,158,726	1,613,935,713
Profit before share of profit from investments in a joint venture and associates, finance cost and income tax expenses					
		1,125,609,037	1,050,537,438	1,106,439,089	1,041,626,057
Share of profit from investments in a joint venture and associates	10, 11	30,375,170	14,586,281	-	-
Profit before finance cost and income tax expenses					
		1,155,984,207	1,065,123,719	1,106,439,089	1,041,626,057
Finance cost		(11,416,504)	(9,850,434)	(11,404,120)	(11,005,364)
Profit before income tax expenses					
		1,144,567,703	1,055,273,285	1,095,034,969	1,030,620,693
Income tax expenses	22	(204,052,360)	(217,697,376)	(209,433,019)	(187,834,764)
Profit for the year		940,515,343	837,575,909	885,601,950	842,785,929

The accompanying notes are an integral part of the financial statements.

VGI Global Media Public Company Limited and its subsidiaries

Statement of comprehensive income (continued)

For the year ended 31 March 2016

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2016	2015	2016	2015
Other comprehensive income:					
<i>Other comprehensive income to be reclassified to profit or loss in subsequent periods:</i>					
Exchange differences on translation of financial statements in foreign currency		295,039	159,422	-	-
<i>Other comprehensive income not to be reclassified to profit or loss in subsequent periods:</i>					
Actuarial loss - net of income tax	17, 22	(12,099,449)	-	(12,099,449)	-
Other comprehensive income for the year		(11,804,410)	159,422	(12,099,449)	-
Total comprehensive income for the year		928,710,933	837,735,331	873,502,501	842,785,929
Earnings per share					
23					
Basic earnings per share					
Profit attributable to equity holders of the Company		0.14	0.12	0.13	0.12

The accompanying notes are an integral part of the financial statements.

VGI Global Media Public Company Limited and its subsidiaries

Cash flow statement

For the year ended 31 March 2016

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
Cash flows from operating activities				
Profit before tax	1,144,567,703	1,055,273,285	1,095,034,969	1,030,620,693
Adjustments to reconcile profit before tax to net cash provided by (paid from) operating activities:				
Depreciation	170,085,446	153,110,851	179,014,941	151,937,484
Amortisation	10,050,644	7,190,220	10,016,900	6,912,622
Allowance for doubtful accounts (reversal)	-	(2,779,250)	-	(1,114,088)
Allowance for impairment loss on assets	-	102,361,222	-	127,361,222
(Gain) loss on sales / write-off of assets	(79,501,004)	4,835,249	(75,353,714)	(125,953)
Provisions for terminating the agreements (reversal)	(94,382,535)	113,291,051	(94,382,535)	113,291,051
Provision for revenues being lower than the minimum guaranteed amounts	134,881,270	53,438,200	134,881,270	53,438,200
Provision for long-term employee benefits	6,046,489	4,698,414	5,873,821	3,953,708
Dividend income	-	-	(59,842,820)	(138,048,522)
Gain on sales of investments in subsidiaries	(61,620,682)	-	(1,796,000)	-
Gain on sale of investment in a joint venture	(9,704,742)	-	-	-
Gain on sales of warrants in an associate	-	(53,421,685)	-	(52,689,913)
Gain on sales of current investments	(548,945)	(44,129)	(548,945)	(44,129)
Unrealised gain on changes in value of current investments in trading securities	238,689	(2,984,797)	238,689	(2,984,797)
Share of profit from investments in a joint venture and associates	(30,375,170)	(14,586,281)	-	-
Interest income	(17,983,753)	(21,533,483)	(17,577,443)	(24,332,074)
Interest expenses	10,527,211	7,196,822	10,527,211	8,402,292
Profit from operating activities before changes in operating assets and liabilities	1,182,280,621	1,406,045,689	1,186,086,344	1,276,577,796
Operating assets (increase) decrease				
Trade and other receivables	137,753,426	89,086,008	111,091,805	5,174,214
Other current assets	(2,877,963)	(41,233,325)	(3,543,616)	(48,390,287)
Other assets	12,766,114	(8,282,491)	11,275,391	(7,304,365)
Operating liabilities increase (decrease)				
Trade and other payables	(37,370,486)	(58,927,481)	(92,078,742)	(21,124,891)
Accrued expenses	(40,185,175)	(45,640,171)	(50,533,990)	(20,333,200)
Unearned revenues	13,810,313	(9,867,756)	14,135,070	(2,791,363)
Deposits received from renting spaces	4,293,615	5,925,950	4,602,664	5,616,900
Provisions	(207,227,986)	-	(207,227,986)	-
Other current liabilities	(18,960,805)	3,976,033	(11,781,699)	6,887,246
Provision for long-term employee benefits	(7,868,008)	(13,385,657)	(7,589,899)	(12,134,804)
Cash flows from operating activities	1,036,413,666	1,327,696,799	954,435,342	1,182,177,246
Cash paid for interest expenses	(10,527,211)	(7,196,822)	(10,534,005)	(8,395,497)
Cash paid for corporate income tax	(241,157,780)	(250,951,053)	(239,097,820)	(223,820,218)
Net cash flows from operating activities	784,728,675	1,069,548,924	704,803,517	949,961,531

The accompanying notes are an integral part of the financial statements.

VGI Global Media Public Company Limited and its subsidiaries

Cash flow statement (continued)

For the year ended 31 March 2016

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
Cash flows from investing activities				
Purchase of current investments	(236,596,355)	(414,865,517)	(236,596,355)	(414,865,517)
Proceeds from sales of current investments	335,857,902	617,132,361	335,857,902	617,132,361
Increase in long-term investment - deposit at a financial institution	-	(40,000,000)	-	(40,000,000)
Decrease in short-term loans to subsidiaries	-	-	32,000,000	49,000,000
Increase in long-term loan to a related party	(80,000,000)	(39,250,000)	(80,000,000)	(39,250,000)
Decrease in long-term loan to a related party	11,925,000	-	11,925,000	-
Cash paid for investment in a subsidiary	-	-	(15,000,000)	-
Cash paid for investment in a joint venture	-	(33,750,000)	-	(33,750,000)
Cash paid for investments in associates	(100,000,000)	(696,535,015)	(100,386,289)	(703,256,267)
Cash received from share capital reduction of subsidiaries	-	-	-	45,000,000
Net cash received from sales of investments in subsidiaries	64,005,291	-	67,985,000	-
Cash received from sale of investment in a joint venture	38,750,000	-	38,750,000	-
Cash received from sales of warrants in an associate	-	129,213,216	-	129,213,216
Net cash paid from change in status of investment	-	(329,656)	-	-
Acquisition of equipment	(155,266,864)	(519,324,685)	(155,266,864)	(518,745,889)
Acquisition of intangible assets	(2,591,345)	(1,754,200)	(2,591,345)	(1,541,200)
Dividend income	24,003,413	18,725,000	59,842,820	138,048,522
Interest income	18,160,173	22,192,449	17,936,138	24,998,674
Proceeds from sales of equipment	26,663,695	4,521,874	59,110,963	380,200
Net cash flows from (used in) investing activities	(55,089,090)	(954,024,173)	33,566,970	(747,635,900)
Cash flows from financing activities				
Increase (decrease) in short-term loans from financial institutions	(290,000,000)	530,000,000	(290,000,000)	530,000,000
Proceeds from exercise of warrants	1,400	2,811,914	1,400	2,811,914
Dividend paid	(514,824,008)	(964,764,517)	(514,824,008)	(964,764,517)
Net cash flows used in financing activities	(804,822,608)	(431,952,603)	(804,822,608)	(431,952,603)
Increase in translation adjustments	295,039	13,336	-	-
Net decrease in cash and cash equivalents	(74,887,984)	(316,414,516)	(66,452,121)	(229,626,972)
Cash and cash equivalents at beginning of year	187,042,309	503,456,825	149,679,382	379,306,354
Cash and cash equivalents at end of year	112,154,325	187,042,309	83,227,261	149,679,382
Supplemental disclosures of cash flow information				
Non-cash transactions				
Payable of acquisition of equipment	14,700,925	58,189,385	14,700,925	96,189,385
Receivable from sales of equipment	54,000,000	-	90,448,598	-
Transfer equipment to intangible assets	17,572,640	4,346,618	17,572,640	4,346,618

The accompanying notes are an integral part of the financial statements.

VGI Global Media Public Company Limited and its subsidiaries

Statement of changes in Shareholders' equity

For the year ended 31 March 2016

(Unit: Baht)

Consolidated financial statements

	Issued and fully paid-up share capital	Share premium	Share subscriptions received in advance	Retained earnings		Differences on business combination under common control	Other component of shareholders' equity		Total shareholders' equity
				Appropriated	Unappropriated		Other comprehensive income	Total other component of shareholders' equity	
Balance as at 1 April 2014	343,197,363	862,536,543	-	40,000,000	708,861,250	(1,632,295)	306,243	306,243	1,953,269,104
Profit for the year	-	-	-	-	837,575,909	-	-	-	837,575,909
Other comprehensive income for the year	-	-	-	-	-	-	159,422	159,422	159,422
Total comprehensive income for the year	-	-	-	-	837,575,909	-	159,422	159,422	837,735,331
Exercised warrants (Note 18)	2,925	406,575	2,402,414	-	-	-	-	-	2,811,914
Stock dividend issued (Note 26)	343,197,557	-	-	-	(343,197,557)	-	-	-	-
Dividend paid (Note 26)	-	-	-	-	(964,764,517)	-	-	-	(964,764,517)
Retained earnings transferred to statutory reserve	-	-	-	45,038,967	(45,038,967)	-	-	-	-
Balance as at 31 March 2015	686,397,845	862,943,118	2,402,414	85,038,967	193,436,118	(1,632,295)	465,665	465,665	1,829,051,832
Balance as at 1 April 2015	686,397,845	862,943,118	2,402,414	85,038,967	193,436,118	(1,632,295)	465,665	465,665	1,829,051,832
Profit for the year	-	-	-	-	940,515,343	-	-	-	940,515,343
Other comprehensive income for the year	-	-	-	-	(12,099,449)	-	295,039	295,039	(11,804,410)
Total comprehensive income for the year	-	-	-	-	928,415,894	-	295,039	295,039	928,710,933
Exercised warrants (Note 18)	34,340	2,369,474	(2,402,414)	-	-	-	-	-	1,400
Dividend paid (Note 26)	-	-	-	-	(514,824,008)	-	-	-	(514,824,008)
Retained earnings transferred to statutory reserve	-	-	-	760,358	(760,358)	-	-	-	-
Sales of investments in subsidiaries (Note 9)	-	-	-	-	(9,621,758)	9,621,758	(760,704)	(760,704)	(760,704)
Balance as at 31 March 2016	686,432,185	865,312,592	-	85,799,325	596,645,888	7,989,463	-	-	2,242,179,453

The accompanying notes are an integral part of the financial statements.

VGI Global Media Public Company Limited and its subsidiaries

Statement of changes in Shareholders' equity (continued)

For the year ended 31 March 2016

(Unit: Baht)

	Separate financial statements						
	Issued and fully paid-up share capital	Share premium	Share subscriptions received in advance	Retained earnings		Differences on business combination under common control	Total shareholders' equity
				Appropriated	Unappropriated		
Balance as at 1 April 2014	343,197,363	862,536,543	-	40,000,000	683,331,081	(1,632,295)	1,927,432,692
Profit for the year	-	-	-	-	842,785,929	-	842,785,929
Other comprehensive income for the year	-	-	-	-	-	-	-
Total comprehensive income for the year	-	-	-	-	842,785,929	-	842,785,929
Exercised warrants (Note 18)	2,925	406,575	2,402,414	-	-	-	2,811,914
Stock dividend issued (Note 26)	343,197,557	-	-	-	(343,197,557)	-	-
Dividend paid (Note 26)	-	-	-	-	(964,764,517)	-	(964,764,517)
Retained earnings transferred to statutory reserve	-	-	-	45,038,967	(45,038,967)	-	-
Balance as at 31 March 2015	686,397,845	862,943,118	2,402,414	85,038,967	173,115,969	(1,632,295)	1,808,266,018
Balance as at 1 April 2015	686,397,845	862,943,118	2,402,414	85,038,967	173,115,969	(1,632,295)	1,808,266,018
Profit for the year	-	-	-	-	885,601,950	-	885,601,950
Other comprehensive income for the year	-	-	-	-	(12,099,449)	-	(12,099,449)
Total comprehensive income for the year	-	-	-	-	873,502,501	-	873,502,501
Exercised warrants (Note 18)	34,340	2,369,474	(2,402,414)	-	-	-	1,400
Dividend paid (Note 26)	-	-	-	-	(514,824,008)	-	(514,824,008)
Retained earnings transferred to statutory reserve	-	-	-	760,358	(760,358)	-	-
Sale of investment in a subsidiary (Note 9)	-	-	-	-	-	9,621,758	9,621,758
Balance as at 31 March 2016	686,432,185	865,312,592	-	85,799,325	531,034,104	7,989,463	2,176,567,669

The accompanying notes are an integral part of the financial statements.

6.4 Notes to Consolidated Financial Statements

VGI Global Media Public Company Limited and its subsidiaries

For the year ended 31 March 2016

1. General information

VGI Global Media Public Company Limited (“the Company”) is a public company incorporated and domiciled in Thailand. Its parent company is Bangkok Mass Transit System Public Company Limited, which is incorporated in Thailand. The parent company of the Group is BTS Group Holdings Public Company Limited. The Company is principally engaged in the arrangement and provision of advertising services in BTS stations, inside BTS trains, on BTS train bodies, in department stores, and in office buildings, and the rental of retail space at BTS stations. The registered office of the Company is at 21, 9th Floor, TST Tower, Viphavadi-Rangsit Road, Chomphon, Chatuchak, Bangkok.

2. Basis of preparation

2.1 The financial statements have been prepared in accordance with Thai Financial Reporting Standards enunciated under the Accounting Professions Act B.E. 2547 and their presentation has been made in compliance with the stipulations of the Notification of the Department of Business Development dated 28 September 2011, issued under the Accounting Act B.E. 2543.

The financial statements in Thai language are the official statutory financial statements of the Company. The financial statements in English language have been translated from the Thai language financial statements.

The financial statements have been prepared on a historical cost basis except where otherwise disclosed in the accounting policies.

2.2 Basis of consolidation

a) The consolidated financial statements include the financial statements of VGI Global Media Public Company Limited (“the Company”) and the following subsidiary companies (“the subsidiaries”):

Company’s name	Nature of business	Country of incorporation	Percentage of shareholding (Percent)	
			2016	2015
VGI Advertising Media Company Limited	The management and provision of advertising services in department stores	Thailand	100	100
999 Media Company Limited	The manufacture of radio media	Thailand	-	100
888 Media Company Limited	The management and provision of advertising services in department stores	Thailand	100	100
Point of View (POV) Media Group Company Limited	The management and provision of advertising services	Thailand	100	100
VGI Advertising China Company Limited	The management and provision of advertising services	The People’s Republic of China	-	100

As discussed in Note 9 to the consolidated financial statements, the Company sold its investment in 999 Media Company Limited on 5 June 2015 and its investment in VGI Advertising China Company Limited on 29 September 2015, and already received full settlements of the selling prices and transferred the shares to the buyers.

- b) The Company is deemed to have control over an investee or subsidiaries if it has rights, or is exposed, to variable returns from its involvement with the investee, and it has the ability to direct the activities that affect the amount of its returns.
- c) Subsidiaries are fully consolidated, being the date on which the Company obtains control, and continue to be consolidated until the date when such control ceases.
- d) The financial statements of the subsidiaries are prepared using the same significant accounting policies as the Company.
- e) The assets and liabilities in the financial statements of an overseas subsidiary are translated to Baht using the exchange rate prevailing on the end of reporting period, and revenues and expenses translated using monthly average exchange rates. The resulting differences are shown under the caption of “Exchange differences on translation of financial statements in foreign currency” in the statement of changes in shareholders’ equity.
- f) Material balances and transactions between the Company and its subsidiaries have been eliminated from the consolidated financial statements.

2.3 The separate financial statements present investments in subsidiaries, a joint venture and associates under the cost method.

3. New financial reporting standards

Below is a summary of financial reporting standards that became effective in the current accounting year and those that will become effective in the future.

a) Financial reporting standards that became effective in the current accounting year

The Company and its subsidiaries have adopted the revised (revised 2014) and new financial reporting standards issued by the Federation of Accounting Professions which became effective for fiscal years beginning on or after 1 January 2015. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards, with most of the changes directed towards revision of wording and terminology, and provision of interpretations and accounting guidance to users of standards. The adoption of these financial reporting standards did not have any significant impact on the Company’s and its subsidiaries’ financial statements. However, some of these standards involve changes to key principles, which comprise of the following standards.

Accounting Standard:

TAS 19 (revised 2014) Employee Benefits

Financial Reporting Standards:

TFRS 10 Consolidated Financial Statements
TFRS 11 Joint Arrangements
TFRS 12 Disclosure of Interests in Other Entities
TFRS 13 Fair Value Measurement

These standards did not have any significant impact on the Company’s and its subsidiaries’ financial statements.

b) Financial reporting standards that will become effective in the future

During the current year, the Federation of Accounting Professions issued a number of the revised (revised 2015) and new financial reporting standards and accounting treatment guidance which is effective for fiscal years beginning on or after 1 January 2016. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards. The Company's and its subsidiaries' management believes that the revised and new financial reporting standards and accounting treatment guidance will not have any significant impact on the financial statements when they are initially applied.

4. Significant accounting policies

4.1 Revenue recognition

Rendering of services

Service income consists of advertising income, income from renting of spaces on BTS stations and other service income. Service income is recognised when services have been rendered taking into account the stage of completion. Service rate charged is in accordance with service area, service rate charged per area and service period as stipulated in the contract.

Interest income

Interest income is recognised on an accrual basis based on the effective interest rate.

Dividends

Dividends are recognised when the right to receive the dividends is established.

4.2 Cash and cash equivalents

Cash and cash equivalents consist of cash in hand and at banks, and all highly liquid investments with an original maturity of three months or less and not subject to withdrawal restrictions.

4.3 Accounts receivable


Accounts receivable are stated at the net realisable value. Allowance for doubtful accounts is provided for the estimated losses that may be incurred in collection of receivables. The allowance is generally based on collection experience and analysis of debt aging.

4.4 Investments

- a) Investments in securities held for trading are stated at fair value. Changes in the fair value of these securities are recorded in profit or loss.
- b) Investments in non-marketable equity securities, which the Company classifies as other investments, are stated at cost net of allowance for impairment loss (if any).
- c) Investments in a joint venture and associates are accounted for in the consolidated financial statements using the equity method.
- d) Investments in subsidiaries, a joint venture and associates are accounted for in the separate financial statements using the cost method, less allowance for impairment of investments (if any).

The fair value of marketable securities is based on the latest bid price of the last working day of the year. The fair value of debt instruments is determined based on yield rates quoted by the Thai Bond Market Association or by other relevant bodies.

The weighted average method is used for computation of the cost of investments.



In the event the Company and its subsidiaries reclassify investment from one type to another, such investment will be readjusted to the fair value as at the reclassification date. The difference between the carrying amount of the investment and the fair value on the date of reclassification are recorded in profit or loss or recorded as other components of shareholders' equity, depending on the type of investment that is reclassified.

On disposal of an investment, the difference between net disposal proceeds and the carrying amount of the investment is recognised in profit or loss.

4.5 Equipment / Depreciation

Equipment is stated at cost less accumulated depreciation and allowance for loss on impairment of assets (if any). Depreciation of equipment is calculated by reference to its costs on the straight-line basis over the following estimated useful lives:

Equipment	- 3-10 years and remaining period of concession
Fixtures and office equipment	- 3-5 years
Motor vehicles	- 5 years

Depreciation is included in profit or loss.

No depreciation is provided on assets under installation.

An item of equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on disposal of an asset is included in profit or loss when the asset is derecognised.

4.6 Intangible assets - computer software

Computer software is carried at cost less accumulated amortisation and allowance for impairment losses (if any).

Computer software is amortised on a systematic basis over the economic useful life of 5 years and tested for impairment whenever there is an indication that the computer software may be impaired. The amortisation period and the amortisation method of such computer software are reviewed at least at each financial year end. The amortisation expense is charged to profit or loss.

4.7 Goodwill

Goodwill is initially recorded at cost, which equals to the excess of cost of business combination over the fair value of the net assets acquired. If the fair value of the net assets acquired exceeds the cost of business combination, the excess is immediately recognised as gain in profit or loss.

Goodwill is carried at cost less any accumulated impairment losses. Goodwill is tested for impairment annually and when circumstances indicate that the carrying value may be impaired.

For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the Company's cash generating units (or group of cash-generating units) that are expected to benefit from the synergies of the combination. The Company estimates the recoverable amount of each cash-generating unit (or group of cash-generating units) to which the goodwill relates. Where the recoverable amount of the cash-generating unit is less than the carrying amount, an impairment loss is recognised in profit or loss. Impairment losses relating to goodwill cannot be reversed in future periods.

4.8 Related party transactions

Related parties comprise enterprises and individuals that control, or are controlled by, the Company and its subsidiaries, whether directly or indirectly, or which are under common control with the Company and its subsidiaries.

They also include associated companies and individuals which directly or indirectly own a voting interest in the Company and its subsidiaries that gives them significant influence over the Company and its subsidiaries, key management personnel, directors, and officers with authority in the planning and direction of the operations of the Company and its subsidiaries.

4.9 Long-term leases

Leases of equipment which transfer substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lower of the fair value of the leased assets and the present value of the minimum lease payments. The outstanding rental obligations, net of finance charges, are included in long-term payables, while the interest element is charged to profit or loss over the lease period. The assets acquired under finance leases are depreciated over the useful life of the assets.

Leases of office building space and equipment which do not transfer substantially all the risks and rewards of ownership are classified as operating leases. Operating lease payments are recognised as an expense in profit or loss on a straight line basis over the lease term.

4.10 Foreign currencies

The consolidated and separate financial statements are presented in Baht, which is also the Company's functional currency. Items of each entity included in the consolidated financial statements are measured using the functional currency of that entity.

Transactions in foreign currencies are translated into Baht at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into Baht at the exchange rate ruling at the end of reporting period.

Gains and losses on exchange are included in profit or loss.

4.11 Impairment of assets

At the end of each reporting period, the Company and its subsidiaries perform impairment reviews in respect of the equipment and other intangible assets whenever events or changes in circumstances indicate that an asset may be impaired. The Company also carries out annual impairment review in respect of goodwill. An impairment loss is recognised when the recoverable amount of an asset, which is the higher of the asset's fair value less costs to sell and its value in use, is less than the carrying amount.

An impairment loss is recognised in profit or loss.

4.12 Employee benefits

Short-term employee benefits

Salaries, wages, bonuses and contributions to the social security fund are recognised as expenses when incurred.

Post-employment benefits

Defined contribution plans

The Company, its subsidiaries and their employees have jointly established a provident fund. The fund is monthly contributed by employees and by the Company and its subsidiaries. The fund's assets are held in a separate trust fund and the contributions of the Company and its subsidiaries are recognised as expenses when incurred.

Defined benefit plans

The Company and its subsidiaries have obligations in respect of the severance payments they must make to employees upon retirement under labor law. The Company and its subsidiaries treat these severance payment obligations as a defined benefit plan.

The obligation under the defined benefit plan is determined by a professionally qualified independent actuary based on actuarial techniques, using the projected unit credit method.

Actuarial gains and losses arising from post-employment benefits are recognised immediately in other comprehensive income.

4.13 Provisions

Provisions are recognised when the Company and its subsidiaries have a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

4.14 Income tax

Income tax expense represents the sum of corporate income tax currently payable and deferred tax.

Current tax

Current income tax is provided in the accounts at the amount expected to be paid to the taxation authorities, based on taxable profits determined in accordance with tax legislation.

Deferred tax

Deferred income tax is provided on temporary differences between the tax bases of assets and liabilities and their carrying amounts at the end of each reporting period, using the tax rates enacted at the end of the reporting period.

The Company and its subsidiaries recognise deferred tax liabilities for all taxable temporary differences while they recognise deferred tax assets for all deductible temporary differences and tax losses carried forward to the extent that they are probable that future taxable profit will be available against which such deductible temporary differences and tax losses carried forward can be utilised.

At each reporting date, the Company and its subsidiaries review and reduce the carrying amounts of deferred tax assets to the extent that they are no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised.

The Company and its subsidiaries record deferred tax directly to shareholders' equity if the tax relates to items that are recorded directly to shareholders' equity.

4.15 Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between buyer and seller (market participants) at the measurement date. The Company and its subsidiaries apply a quoted market price in an active market to measure their assets and liabilities that are required to be measured

at fair value by relevant financial reporting standards. Except in case of no active market of an identical asset or liability or when a quoted market price is not available, the Company and its subsidiaries measure fair value using valuation technique that are appropriate in the circumstances and maximise the use of relevant observable inputs related to assets and liabilities that are required to be measured at fair value.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy into three levels based on categorise of input to be used in fair value measurement as follows:

- Level 1 Use of quoted market prices in an observable active market for such assets or liabilities
- Level 2 Use of other observable inputs for such assets or liabilities, whether directly or indirectly
- Level 3 Use of unobservable inputs such as estimates of future cash flows

At the end of each reporting period, the Company and its subsidiaries determine whether transfers have occurred between levels within the fair value hierarchy for assets and liabilities held at the end of the reporting period that are measured at fair value on a recurring basis.

5. Significant accounting judgements and estimates

The preparation of financial statements in conformity with financial reporting standards at times requires management to make subjective judgements and estimates regarding matters that are inherently uncertain. These judgements and estimates affect reported amounts and disclosures; and actual results could differ from these estimates. Significant judgements and estimates are as follows:

Leases

In determining whether a lease is to be classified as an operating lease or finance lease, the management is required to use judgement regarding whether significant risk and rewards of ownership of the leased asset has been transferred, taking into consideration terms and conditions of the arrangement.

Allowance for doubtful accounts

In determining an allowance for doubtful accounts, the management needs to make judgement and estimates based upon, among other things, past collection history, aging profile of outstanding debts and the prevailing economic condition.

Impairment of investments

The Company treats investments as impaired when there has been a significant or prolonged decline in the fair value below their costs or where other objective evidence of impairment exists. The determination of what is “significant” or “prolonged” requires judgement of the management.

Equipment / Depreciation

In determining depreciation of equipment, the management is required to make estimates of the useful lives and residual values of the equipment and to review estimate useful lives and residual values when there are any changes.

In addition, the management is required to review equipment for impairment on a periodical basis and record impairment losses when it is determined that its recoverable amount is lower than the carrying amount. This requires judgements regarding forecast of future revenues and expenses relating to the asset subject to the review.



Goodwill and intangible assets

The initial recognition and measurement of goodwill and intangible assets, and subsequent impairment testing, require management to make estimates of cash flows to be generated by the asset or the cash generating unit and to choose a suitable discount rate in order to calculate the present value of those cash flows.

Deferred tax assets

Deferred tax assets are recognised for deductible temporary differences and unused tax losses to the extent that it is probable that taxable profit will be available against which the temporary differences and losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of estimate future taxable profits.

Post-employment benefits under defined benefit plans

The obligation under the defined benefit plan is determined based on actuarial techniques. Such determination is made based on various assumptions, including discount rate, future salary increase rate, mortality rate and staff turnover rate.

6. Related party transactions

During the years, the Company and its subsidiaries had significant business transactions with related parties. Such transactions, which are summarised below, arose in the ordinary course of business and were concluded on commercial terms and bases agreed upon between the Company, its subsidiaries and those related parties.

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements		Transfer pricing policy
	2016	2015	2016	2015	
<u>Transactions with subsidiaries</u> (eliminated from the consolidated financial statements)					
Service income	-	-	1	31	Contract rate
Dividend income	-	-	36	119	Announced rate
Interest income	-	-	-	4	Contract rate
Other income	-	-	1	-	Contract price
Costs of services	-	-	7	81	Contract rate
Interest expenses	-	-	-	1	Contract rate
<u>Transactions with the ultimate parent company</u>					
Investor relation expenses	4	4	4	4	Contract rate
<u>Transactions with the parent company</u>					
Service income	9	14	9	14	Contract rate
Concession fees and other costs of services	168	135	168	135	Contract rate
<u>Transactions with a jointly controlled entity *</u>					
Revenue sharing payments	1	1	1	1	Contract rate
Interest income	1	1	1	1	Contract rate
<u>Transactions with associates</u>					
Dividend income	-	-	24	19	Announced rate
Loss on provision for revenues being lower than the minimum guaranteed amounts	135	53	135	53	Contract rate
<u>Transactions with related companies</u>					
Service income	36	37	35	37	Contract rate
Revenue sharing payments	25	-	25	-	Contract rate
Interest income	4	-	4	-	Contract rate
Costs of services	1	5	1	5	Contract rate
Rental and service expenses	17	22	17	19	Contract rate

* On 1 July 2015, Midas Global Media Company Limited changed its status from a jointly controlled entity to a related party.

As at 31 March 2016 and 2015, the balances of the accounts between the Company, its subsidiaries and those related companies were as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
<u>Trade and other receivables - related parties (Note 8)</u>				
Ultimate parent company	-	3	-	3
Parent company	1,498	1,498	1,498	1,498
Subsidiaries	-	-	40,239	1,179
Related companies (related by common shareholders and/or directors, or related as the Company is a shareholder)	5,283	6,172	4,320	6,157
Total trade and other receivables - related parties	6,781	7,673	46,057	8,837
<u>Short-term loans to subsidiaries</u>				
Subsidiaries	-	-	16,000	48,000
<u>Prepaid expenses - a related party</u>				
Parent company	11,170	11,987	11,170	11,987
<u>Long-term loan to a related party</u>				
Jointly controlled entity *	-	39,250	-	39,250
Related company (related as the Company is a shareholder)	107,325	-	107,325	-
Total long-term loan to a related party	107,325	39,250	107,325	39,250
<u>Deposits - related parties</u>				
Parent company	518	537	518	537
Related company (related by common shareholders and directors)	3,043	4,295	3,043	3,507
Total deposits - related parties	3,561	4,832	3,561	4,044
<u>Trade and other payables - related parties (Note 15)</u>				
Parent company	35,742	33,407	35,742	33,407
Subsidiaries	-	-	781	58,701
Jointly controlled entity *	-	459	-	459
Related companies (related by common shareholders and/or directors, or related as the Company is a shareholder)	13,925	8,848	13,925	8,688
Total trade and other payables - related parties	49,667	42,714	50,448	101,255
<u>Unearned revenues - a related party</u>				
Parent company	6,912	7,563	6,912	7,563
<u>Deposits received from renting spaces - a related party</u>				
Related company (related by common shareholders and directors)	2,388	2,323	2,388	2,323
<u>Provisions - a related party (Note 16)</u>				
Associate	-	53,438	-	53,438

* On 1 July 2015, Midas Global Media Company Limited changed its status from a jointly controlled entity to a related party.

Short-term loans to subsidiaries

As at 31 March 2016 and 2015, the balances of short-term loans between the Company and those subsidiaries and the movements were as follows:

(Unit: Thousand Baht)

Short-term loans to subsidiaries	Separate financial statements			
	Balance as at 31 March 2015	Increase during the year	Decrease during the year	Balance as at 31 March 2016
VGI Advertising Media Company Limited ¹⁾	48,000	-	(48,000)	-
888 Media Company Limited ²⁾	-	16,000	-	16,000
Total	48,000	16,000	(48,000)	16,000

¹⁾ Clean loans, carrying interest at a rate of 3.45 percent per annum and due at call

²⁾ Clean loans, carrying interest at rates between 2.5 and 3 percent per annum and due not more than three months

Long-term loan to a related party

As at 31 March 2016 and 2015, the balances of long-term loan between the Company and a related company and the movements were as follows:

(Unit: Thousand Baht)

Long-term loan to a related party	Consolidated / Separate financial statements			
	Balance as at 31 March 2015	Increase during the year	Decrease during the year	Balance as at 31 March 2016
Midas Global Media Company Limited ³⁾	39,250	80,000	(11,925)	107,325

³⁾ The loan carries interest at a rate as stipulated in the agreement. The loan is payable from December 2015 by reference to the amounts and payment terms as stipulated in the agreement, and is secured by assets and transfers of rights as stipulated in the agreement. In addition, Midas Global Media Company Limited changed its status from a jointly controlled entity to a related party on 1 July 2015.

Directors and management's benefits

During the years ended 31 March 2016 and 2015, the Company and its subsidiaries had employee benefit expenses payable to their directors and management as detailed below.

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
	Short-term employee benefits	60	56	60
Post-employment benefits	3	3	3	3
Total	63	59	63	59

7. Current investments

(Unit: Thousand Baht)

	Consolidated / Separate financial statements	
	2016	2015
Fixed deposits with maturity date more than three months	20,000	30,000
Investments in trading securities		
Government and state-owned enterprise bonds	47,960	75,191
Private sector debt securities	179,657	201,378
Total	247,617	306,569

8. Trade and other receivables

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
<u>Trade receivables - related parties</u>				
Aged on the basis of due dates				
Not yet due	6,705	7,538	6,812	8,506
Past due				
Up to 3 months	76	135	76	135
Total trade receivables - related parties	6,781	7,673	6,888	8,641
<u>Trade receivables - unrelated parties</u>				
Aged on the basis of due dates				
Not yet due	333,208	470,328	321,262	438,748
Past due				
Up to 3 months	33,629	26,124	32,184	20,641
3 - 6 months	606	3,284	606	3,260
6 - 12 months	-	131	-	73
Over 12 months	9,630	9,630	9,473	9,473
Total	377,073	509,497	363,525	472,195
Less: Allowance for doubtful debts	(9,654)	(9,654)	(9,496)	(9,496)
Net	367,419	499,843	354,029	462,699
Cheques awaiting deposit	-	8,914	-	7,785
Total trade receivables - unrelated parties - net	367,419	508,757	354,029	470,484
Total trade receivables - net	374,200	516,430	360,917	479,125
<u>Other receivables</u>				
Other receivables - a subsidiary	-	-	39,155	-
Other receivables - unrelated parties	22,773	342	22,740	331
Interest receivable from financial institutions	2,157	2,333	2,157	2,333
Interest receivable - related parties	-	-	14	196
Total other receivables	24,930	2,675	64,066	2,860
Total trade and other receivables - net	399,130	519,105	424,983	481,985

9. Investments in subsidiaries

Details of investments in subsidiaries as presented in the separate financial statements are as follows:

(Unit: Thousand Baht)

Company's name	Paid-up capital		Cost		Allowance for impairment of investment		Carrying amounts based on cost method - net		Dividend received during the year	
	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015
VGI Advertising Media Co., Ltd.	10,000	10,000	10,000	10,000	-	-	10,000	10,000	28,699	66,999
999 Media Co., Ltd.	-	7,500	-	3,000	-	-	-	3,000	7,140	49,125
888 Media Co., Ltd.	20,000	5,000	20,000	5,000	-	-	20,000	5,000	-	3,200
Point of View (POV) Media Group Co., Ltd.	10,000	10,000	60,000	60,000	(45,354)	(45,354)	14,646	14,646	-	-
VGI Advertising China Co., Ltd.	-	63,189	-	63,189	-	-	-	63,189	-	-
Total			90,000	141,189	(45,354)	(45,354)	44,646	95,835	35,839	119,324
Differences on business combination under common control							7,989	(1,632)		
							52,635	94,203		
Non-current assets held for sale							-	(63,189)		
Investments in subsidiaries							52,635	31,014		

999 Media Company Limited

On 5 June 2015, the Company entered into a share sale and purchase agreement with an unrelated party to sell its investment in 999 Media Company Limited at a price of Baht 3 million, in accordance with a resolution passed by the Company's Board of Directors meeting No. 7/2015 on the same day. The Company received payment and transferred the shares to the buyer on 5 June 2015, on which 999 Media Company Limited had cash and cash equivalents amounting to Baht 4 million.

In addition, the Company transferred a difference on business combination under common control of Baht 10 million in the consolidated financial statements to retained earnings and reversed a difference on business combination under common control, amounting to Baht 10 million, in the separate financial statements. The Company had loss on sale of the investment in 999 Media Company Limited under the equity method amounting to Baht 1 million, and this was included under the caption of "Gain on sales of investments in subsidiaries" in the statement of comprehensive income.

888 Media Company Limited

On 17 July 2015, the Extraordinary General Meeting of the subsidiary's shareholders No. 1/2015 passed a resolution to increase its share capital from Baht 5 million (0.5 million ordinary shares with a par value of Baht 10 each) to Baht 20 million (2 million ordinary shares with a par value of Baht 10 each). The subsidiary registered the corresponding increase in its share capital with the Ministry of Commerce on 22 July 2015.

VGI Advertising China Company Limited

On 2 March 2015, the Company entered into a share sale and purchase agreement with an unrelated party to sell its investment in VGI Advertising China Company Limited at a price of USD 2 million. As at 31 March 2015, the Company reclassified the investment in VGI Advertising China Company Limited in the separate financial statements and the assets and liabilities of VGI Advertising China Company Limited in the consolidated financial statements as non-current assets held for sale. Subsequently, on 29 September 2015, the Company received payment of USD 2 million, equivalent to approximately Baht 65 million, and transferred the shares to the buyer. The Company had gains on sale of the investment in VGI Advertising China Company Limited under the equity method amounting to Baht 62 million and under the cost method amounting to Baht 2 million, and these were included under the caption of “Gain on sales of investments in subsidiaries” in the statement of comprehensive income.

10. Investment in a joint venture

10.1 Details of investment in a joint venture

Investment in a joint venture represents investment in an entity which is jointly controlled by the Company and another company. Details of this investment are as follows:

(Unit: Thousand Baht)

Joint venture	Nature of business	Consolidated financial statements					
		Shareholding percentage		Cost		Carrying amounts based on equity method	
		2016 (%)	2015 (%)	2016	2015	2016	2015
Midas Global Media Company Limited	The provision of services, rental and management of advertising media space, including electronic and new technology media	-	30	-	79,079	-	64,289

(Unit: Thousand Baht)

Joint venture	Nature of business	Separate financial statements					
		Shareholding percentage		Cost		Carrying amounts based on cost method	
		2016 (%)	2015 (%)	2016	2015	2016	2015
Midas Global Media Company Limited	The provision of services, rental and management of advertising media space, including electronic and new technology media	-	30	-	78,750	-	78,750

On 27 January 2014, the Company's Board of Directors meeting No. 1/2014 passed a resolution to invest in a joint venture with another local company, and on 5 February 2014, the Company entered into the shareholder agreement with Deelight Multimedia Company Limited ("Deelight").

As stipulated in the shareholder agreement, on 20 February 2014, the Company sold 70% of the share capital of Midas Global Media Company Limited ("Midas") held by the Company to Deelight at a price of Baht 11.83 per share. As a result, the shareholding of the Company remained at 30%. However, since the agreement stipulates that the Company and Deelight jointly control Midas, the Company changed the status of Midas from a subsidiary to a jointly controlled entity and reclassified its investment in the jointly controlled entity from investment in a subsidiary, for which consolidated financial statements were prepared, to investment in a joint venture, which has been accounted for in the consolidated financial statements using the equity method since 20 February 2014, the date since which the entity has been jointly controlled by the Company and Deelight.

Subsequently, on 30 March 2015, the Extraordinary General Meeting of Midas' shareholders No. 2/2015 approved an increase in Midas' registered capital from Baht 262.5 million (26.25 million ordinary shares of Baht 10 each) to Baht 350 million (35 million ordinary shares of Baht 10 each), through the issuance of 8.75 million additional ordinary shares with a par value of Baht 10 each, to the existing shareholders of Midas, at a price of Baht 10 per share.

On 6 July 2015, the Company's Board of Directors meeting No. 8/2015 passed resolutions to sell the Company's 3,875,000 ordinary shares in Midas, at a price of Baht 10 per share, or for a total of Baht 38.75 million, and to not buy any additional ordinary shares of Midas, in order to reduce its shareholding in Midas. In addition, the meeting passed a resolution to terminate Midas' shareholders agreement dated 5 February 2014 between the Company and Deelight, the sole licensing agreement granting a license to find customers for advertising media dated 5 February 2014 between the Company and Midas, and the sole licensing agreement granting a license to find customers for advertising media dated 5 February 2014 between the Company and Deelight, effective from 1 July 2015.

In accordance with the above resolution passed by the Company's Board of Directors meeting, on 10 July 2015, the Company entered into a share sale and purchase agreement with an unrelated party to sell its 3,875,000 ordinary shares in Midas, at a price of Baht 10 per share, or for a total of Baht 38.75 million,. The Company received a payment of Baht 19.375 million and transferred the first half of 1,937,500 shares to the buyer on the same date.

As a result, the Company changed the status of Midas from a jointly controlled entity to a related party and reclassified its investment in Midas from investment in a joint venture, which was accounted for in the consolidated financial statements using the equity method, to other investment, which has been stated at cost (at fair value at the date when the control in the jointly controlled entity ceased in the consolidated financial statements and at the book value of the investment at the date when the control in the jointly controlled entity ceased in the separate financial statements) net of allowance for impairment loss, since 1 July 2015 (Note 12).

In addition, the Company received the remaining payment of Baht 19.375 million and transferred the second half of 1,937,500 shares to the buyer on 31 October 2015.

However, in accordance with a resolution passed by the Extraordinary General Meeting of Midas' shareholders No. 2/2015 on 30 March 2015, Midas issued 3 million additional ordinary shares and registered the corresponding increase in its share capital to Baht 292.5 million (29.25 million ordinary shares of Baht 10 each) with the Ministry of Commerce on 4 August 2015. As a result, Midas had 5.75 million ordinary shares that remained unissued.

In addition, on 28 August 2015, the Extraordinary General Meeting of Midas' shareholders No. 3/2015 passed a resolution to cancel the outstanding additional registered capital of Midas, amounting to Baht 57.5 million (5.75 million ordinary shares of Baht 10 each), in accordance with a resolution passed by the Extraordinary General Meeting of Midas' shareholders No. 2/2015 on 30 March 2015, and approved an increase in Midas' registered capital from Baht 292.5 million (29.25 million ordinary shares of Baht 10 each) to Baht 482.5 million (48.25 million ordinary shares of Baht 10 each), through the issuance of 19 million additional ordinary shares with a par value of Baht 10 each. Subsequently, Midas issued 3 million additional ordinary shares and registered the corresponding increase in its share capital to Baht 322.5 million (32.25 million ordinary shares of Baht 10 each) with the Ministry of Commerce on 17 September 2015. Moreover, Midas issued 3.75 million additional ordinary shares and registered the corresponding increase in its share capital to Baht 360 million (36 million ordinary shares of Baht 10 each) with the Ministry of Commerce on 14 December 2015. As at 31 March 2016, the shareholding of the Company remained at 11.11%.

10.2 Share of comprehensive income and dividend received

During the years, the Company recognised its share of comprehensive income from investment in the joint venture in the consolidated financial statements as follows:

(Unit: Thousand Baht)

Jointly controlled entity	Share of loss from investment in a joint venture during the year	
	2016	2015
Midas Global Media Company Limited	(5,244)	(13,978)

The Company did not have any dividend received from Midas in the separate financial statements during the year.

10.3 Summarised financial information about the material jointly venture

Summarised information about financial position

(Unit: Million Baht)

	2016	2015
Cash and cash equivalents	-	18
Other current assets	-	23
Non-current assets	-	220
Current portion of long-term loan from a related party	-	(4)
Other current liabilities	-	(8)
Long-term loan from a related party - net of current portion	-	(35)
Net assets	-	214
Shareholding percentage (percent)	-	30
Carrying amounts of the joint venture based on equity method	-	64

Summarised information about comprehensive income

(Unit: Million Baht)

	For the three-month period ended 30 June 2015	For the year ended 31 March 2015
Service income	1	4
Other income	-	1
Cost of services - depreciation	(5)	(19)
Cost of services - others	(9)	(20)
Administrative expenses	(4)	(11)
Interest expenses	(1)	(1)
Loss	(18)	(46)
Other comprehensive income	-	-
Total comprehensive income	(18)	(46)

11. Investments in associates

11.1 Details of the associates

(Unit: Thousand Baht)

Company's name	Consolidated financial statements					
	Shareholding percentage		Cost		Carrying amounts based on equity method	
	2016 (%)	2015 (%)	2016	2015	2016	2015
Master Ad Public Company Limited	24.96	24.96	620,738	620,744	635,778	630,583
Aero Media Group Company Limited (formerly known as "LED Advance Company Limited")	20	-	100,000	-	106,415	-
Total			720,738	620,744	742,193	630,583

(Unit: Thousand Baht)

Company's name	Separate financial statements					
	Shareholding percentage		Cost		Carrying amounts based on cost method	
	2016 (%)	2015 (%)	2016	2015	2016	2015
Master Ad Public Company Limited	24.96	24.96	626,733	626,733	626,733	626,733
Aero Media Group Company Limited (formerly known as "LED Advance Company Limited")	20	-	100,386	-	100,386	-
Total			727,119	626,733	727,119	626,733

Master Ad Public Company Limited (“MACO”)

On 12 May 2014, the Company invested in 73.5 million ordinary shares of Master Ad Public Company Limited (“MACO”), at a price of Baht 9 per share, or for a total of Baht 661.5 million, through the big lot board in the Stock Exchange of Thailand, in accordance with a resolution passed by the Company’s Board of Directors meeting No. 3/2014 on 9 May 2014. As a result, the Company held 24.43 percent of all issued shares of MACO, and classified this investment as investment in an associate.

Management believed that the assets and liabilities of the associate as at 30 June 2014 and at the share acquisition dates were not significantly different. Details of the fair and book values of identifiable assets and liabilities of the associate as at 30 June 2014 were as follows.

(Unit: Thousand Baht)

	Fair value	Book value
Assets		
Cash and cash equivalents	191,744	191,744
Short-term investments	188,738	188,738
Trade and other receivables	197,095	197,095
Inventories	6,695	6,695
Other current assets	8,882	8,882
Investments in a joint venture and associates	27,457	27,457
Restricted deposits at financial institutions	6,452	6,452
Investment property	64,920	35,317
Buildings and equipment	123,882	123,882
Goodwill	-	13,998
Intangible assets	332,864	301
Deferred tax assets	3,306	3,306
Prepaid rent for billboard space	13,297	13,297
Other non-current assets	48,200	48,200
Total assets	1,213,532	865,364
Liabilities		
Bank overdrafts and short-term loans from financial institutions	35,000	35,000
Trade and other payables	98,447	98,447
Income tax payable	10,345	10,345
Undue output VAT	10,599	10,599
Other current liabilities	2,701	2,701
Provision for long-term employee benefits	13,320	13,320
Deferred tax liabilities	72,433	-
Other non-current liabilities	2,853	2,853
Total liabilities	245,698	173,265
Net asset value	967,834	692,099
Net assets attributable to the Company’s investment	236,442	
Excess of investment cost over net asset value	425,058	
Cost of investment in the associate (consolidated financial statements)	661,500	

During the year ended 31 March 2015, the Company gradually invested in a further number of MACO's ordinary shares through the Stock Exchange of Thailand. As a result, the shareholding of the Company increased from 24.43% to 24.96% of all issued shares of MACO.

In addition, on 26 September 2014, the Extraordinary General Meeting of MACO's shareholders No. 1/2014 passed the following significant resolutions.

- a) Change number and par value of the ordinary shares, whereby the number of the ordinary shares increased by 2,708,072,550 ordinary shares, from 300,896,950 ordinary shares to 3,008,969,500 ordinary shares, and the par value of the ordinary shares reduced from Baht 1 each to Baht 0.1 each. MACO registered the changes in number and par value of its ordinary shares with the Ministry of Commerce on 29 September 2014.
- b) Issue up to 752,242,375 warrants to purchase newly issued ordinary shares of MACO (MACO-W1), to be allocated to the existing shareholders of the associate on a pro rata basis to their respective shareholding (rights offering), at no cost. The allocation ratio is 1 warrant to 4 existing ordinary shares. The term of the warrants is to be 3 years from the issuance date and the warrant holders are entitled to exercise the warrants for the first time on the last business day of the first quarter after 2 years from the issuance date. The exercise ratio is 1 warrant per an ordinary share and the exercise price is Baht 2 per share.

MACO issued and allocated 187,250,000 warrants to the Company on 3 November 2014.

On 19 November 2014, the Company sold 187,250,000 warrants to purchase the newly issued ordinary shares of MACO to unrelated parties through the Stock Exchange of Thailand, at a price of approximately Baht 0.6828 per warrant, or for a total of approximately Baht 128 million. The Company recognised an allocation of costs of the warrants from the cost of investments in the associate, with reference to the fair values of the warrants and the ordinary shares of MACO, and recorded a gain on the sale of the warrants, presenting it as a separate item in the statement of comprehensive income.

Furthermore, during the year ended 31 March 2015, the Company gradually purchased warrants to purchase the newly issued ordinary shares of MACO through the Stock Exchange of Thailand, in accordance with a resolution passed by the Company's Board of Directors meeting No. 9/2014 on 28 November 2014. As a result, the Company held 28,351,500 warrants to purchase the newly issued ordinary shares of MACO, acquired at prices of approximately Baht 0.4 per share, or for a total of Baht 11 million. The Company classifies its investment in these warrants as investment in an associate.

However, on 16 March 2016, the Company's Board of Directors meeting No. 2/2016 passed resolutions to make a share acquisition and a mandatory tender offer for all securities of MACO. Details are below.

- a) The acquisition of 375 million additional shares of MACO with a par value of Baht 0.1, or 12.46% of all issued shares of MACO, from existing shareholders, at a price of Baht 1.1 per share, or for a total of Baht 412.5 million. On 17 March 2016, in accordance with a resolution passed by the Company's Board of Directors meeting No. 2/2016 on 16 March 2016, the Company entered into a conditional share purchase and sale agreement with 3 sellers who are the existing shareholders of MACO based on the forms, agreements and conditions that the counterparties mutually agreed. Significant details of the conditions are below.
 - 1) The Company was granted approval by a meeting of its shareholders to acquire MACO's shares in accordance with the share purchase and sale agreement.

- 2) No changes occur that will have a significant adverse impact on the status of the business, operating results, assets and/or financial position of the MACO Group.
- b) A mandatory tender offer for all securities of MACO since, after the Company acquires MACO's shares in accordance with the share purchase and sale agreement, including the 750,967,400 existing shares of MACO held by the Company, the Company will hold 1,125,967,400 shares of MACO, or 37.42% of all issued shares. In accordance with the Notification of the Capital Market Supervisory Board No. Thor Jor. 12/2554 Re: Rules, Conditions and Procedures for the Acquisition of Securities for Business Takeovers (Chain Principle) dated 13 May 2011 and relevant amendments, the Company thus will have to make a mandatory tender offer for all securities of MACO. This mandatory tender offer will be for all of 1,883,002,100 remaining ordinary shares of MACO, or 62.58% of all issued shares of MACO, at a price of Baht 1.1 per share, or for a total of Baht 2,071 million.

In addition, the Company's Board of Directors meeting No. 2/2016 passed a resolution to hold the Extraordinary General Meeting of the Company's shareholders No. 1/2016 on 30 May 2016 in order to approve the above transactions and the Company's takeover of MACO.

MACO is a public company incorporated and domiciled in Thailand and is principally engaged in advertising, leasing of property and the purchase/sale of electronic billboards.

Aero Media Group Company Limited (formerly known as "LED Advance Company Limited") ("Aero")

On 15 May 2015, the Company invested in 15,000 ordinary shares of Aero, at a price of Baht 6,667 per share, or for a total of Baht 100 million, in accordance with a resolution passed by the Company's Board of Directors meeting No. 6/2015 on 6 May 2015. As a result, the Company holds 20 percent of all issued shares of Aero, and classifies this investment as investment in an associate.

Subsequently, on 1 October 2015, Aero registered a change of its name from LED Advance Company Limited to Aero Media Group Company Limited.

However, the Company is in the process of assessing the fair and book values of Aero's identifiable assets and liabilities at the share acquisition date.

Aero is a limited company incorporated and domiciled in Thailand and is principally engaged in the provision of advertising media in 13 domestic airports.

11.2 Share of comprehensive income and dividend received

During the years, the Company recognised its share of comprehensive income from investments in the associate companies in the consolidated financial statements and dividend income in the separate financial statements as follows:

(Unit: Thousand Baht)

Associates	Consolidated financial statements		Separate financial statements	
	Share of profit from investments in associates during the year		Dividend received during the year	
	2016	2015	2016	2015
Master Ad Public Company Limited	29,204	28,564	24,003	18,725
Aero Media Group Company Limited (formerly known as "LED Advance Company Limited")	6,415	-	-	-
Total	35,619	28,564	24,003	18,725

In addition, on 22 April 2016, the Annual General Meeting of MACO's shareholders passed a resolution to pay to the shareholders a cash dividend for 2015 of Baht 0.03 per share, or a total of Baht 90 million. The dividend will be paid on 13 May 2016 and the Company will receive a dividend of Baht 23 million from MACO on that date.

Share of profit from investment in Aero in the consolidated financial statements for the year ended 31 March 2016 was determined based on the financial statements prepared by management.

11.3 Fair value investments in a listed associate

As at 31 March 2016, the fair value of the investments in MACO, which is listed on the Stock Exchange of Thailand, amounted to approximately Baht 819 million (2015: Baht 910 million).

11.4 Summarised financial information about a material associate

Summarised information about financial position of MACO

(Unit: Million Baht)

	2016	2015
Current assets	632	586
Non-current assets	302	304
Current liabilities	(108)	(133)
Non-current liabilities	(38)	(41)
Net assets	788	716
Shareholding percentage (percent)	24.96	24.96
Share of net assets	197	179
Fair value adjustment of assets acquired and liabilities assumed	55	68
Goodwill	384	384
Carrying amounts of the associate based on equity method	636	631

Summarised information about comprehensive income of MACO

(Unit: Million Baht)

	For the year ended 31 March	
	2016	2015
Revenues	740	657
Profit	173	133
Other comprehensive income	(2)	-
Total comprehensive income	171	133

12. Other long-term investment

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
Investment in Midas Global Media Company Limited (Note 10)	30,000	-	40,000	-

13. Equipment

(Unit: Thousand Baht)

	Consolidated financial statements				
	Equipment	Fixtures and office equipment	Motor vehicles	Assets under installation	Total
Cost:					
1 April 2014	996,684	95,000	1,994	511,756	1,605,434
Additions	5,495	5,191	-	572,655	583,341
Disposals / write-off	(94,097)	(646)	-	-	(94,743)
Transfer in (transfer out)	850,168	15,678	-	(875,171)	(9,325)
Transfer out to intangible assets (Note 14)	-	-	-	(4,347)	(4,347)
Translation adjustment	-	9	10	-	19
Non-current assets held for sale	-	(1,752)	(2,004)	-	(3,756)
31 March 2015	1,758,250	113,480	-	204,893	2,076,623
Additions	894	1,320	-	167,753	169,967
Disposals / write-off	(360,397)	(6,427)	-	(45,072)	(411,896)
Transfer in (transfer out)	197,242	3,823	-	(201,065)	-
Transfer out to intangible assets (Note 14)	-	-	-	(17,573)	(17,573)
Sale of a subsidiary	(11,599)	(4,487)	-	(177)	(16,263)
31 March 2016	1,584,390	107,709	-	108,759	1,800,858
Accumulated depreciation:					
1 April 2014	611,505	70,506	736	-	682,747
Depreciation for the year	142,442	10,299	370	-	153,111
Depreciation on disposals / write-off	(84,144)	(379)	-	-	(84,523)
Translation adjustment	-	(131)	4	-	(127)
Non-current assets held for sale	-	(1,226)	(1,110)	-	(2,336)
31 March 2015	669,803	79,069	-	-	748,872
Depreciation for the year	159,897	10,188	-	-	170,085
Depreciation on disposals / write-off	(314,320)	(6,353)	-	-	(320,673)
Transfer in (transfer out)	(2,281)	2,281	-	-	-
Sale of a subsidiary	(5,871)	(2,491)	-	-	(8,362)
31 March 2016	507,228	82,694	-	-	589,922
Allowance for impairment loss:					
1 April 2014	-	-	-	-	-
Increase during the year	55,722	-	-	9,589	65,311
31 March 2015	55,722	-	-	9,589	65,311
Decrease during the year	(55,722)	-	-	(9,589)	(65,311)
31 March 2016	-	-	-	-	-
Net book value:					
31 March 2015	1,032,725	34,411	-	195,304	1,262,440
31 March 2016	1,077,162	25,015	-	108,759	1,210,936
Depreciation for the year					
2015 (Baht 142 million included in costs of services, and the balance in administrative expenses)					153,111
2016 (Baht 186 million included in costs of services, and the balance in administrative expenses)					170,085

(Unit: Thousand Baht)

	Separate financial statements				
	Equipment	Fixtures and office equipment	Motor vehicles	Assets under installation	Total
Cost:					
1 April 2014	669,367	86,299	-	505,323	1,260,989
Additions	43,834	4,679	-	572,249	620,762
Disposals	-	(646)	-	-	(646)
Transfer in (transfer out)	849,466	15,491	-	(874,282)	(9,325)
Transfer out to intangible assets (Note 14)	-	-	-	(4,347)	(4,347)
31 March 2015	1,562,667	105,823	-	198,943	1,867,433
Additions	895	1,321	-	167,753	169,969
Disposals / write-off	(178,981)	(3,679)	-	(108,194)	(290,854)
Transfer in (transfer out)	130,913	1,256	-	(132,169)	-
Transfer out to intangible assets (Note 14)	-	-	-	(17,573)	(17,573)
31 March 2016	1,515,494	104,721	-	108,760	1,728,975
Accumulated depreciation:					
1 April 2014	287,677	64,649	-	-	352,326
Depreciation for the year	142,755	9,182	-	-	151,937
Depreciation on disposals	-	(379)	-	-	(379)
31 March 2015	430,432	73,452	-	-	503,884
Depreciation for the year	169,239	9,776	-	-	179,015
Depreciation on disposals / write-off	(97,735)	(3,499)	-	-	(101,234)
31 March 2016	501,936	79,729	-	-	581,665
Allowance for impairment loss:					
1 April 2014	-	-	-	-	-
Increase during the year	80,722	-	-	9,589	90,311
31 March 2015	80,722	-	-	9,589	90,311
Decrease during the year	(80,722)	-	-	(9,589)	(90,311)
31 March 2016	-	-	-	-	-
Net book value:					
31 March 2015	1,051,513	32,371	-	189,354	1,273,238
31 March 2016	1,013,558	24,992	-	108,760	1,147,310
Depreciation for the year					
2015 (Baht 142 million included in costs of services, and the balance in administrative expenses)					151,937
2016 (Baht 169 million included in costs of services, and the balance in administrative expenses)					179,015

As at 31 March 2016, certain items of equipment had been fully depreciated but were still in use. The gross carrying amount before deducting accumulated depreciation and allowance for impairment loss of those assets amounted to approximately Baht 288 million (the Company only: Baht 285 million) (2015: Baht 503 million (the Company only: Baht 217 million)).

During the year ended 31 March 2015, the Company recognised allowances of Baht 65 million in the consolidated financial statements and Baht 90 million in the separate financial statements for impairment loss on equipment in relation to the termination of the agreements, as described in Note 16 to the consolidated financial statements.

In addition, on 2 November 2015, the Company entered into a sale and purchase of assets agreement with a subsidiary, to sell advertising equipment at a price of Baht 69 million. The Company is to receive the first payment of Baht 20 million and the balance will be paid in 4 installments of Baht 12 million each within 30 December 2016. The equipment had a net book value of Baht 69 million on the disposal date.

14. Intangible assets - computer software

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2016	2015	2016	2015
Cost:				
Balance at beginning of year	54,364	47,764	52,328	45,940
Acquisitions	2,591	2,253	2,591	2,041
Transfer in from equipment (Note 13)	17,573	4,347	17,573	4,347
Sale of a subsidiary	(398)	-	-	-
Balance at end of year	74,130	54,364	72,492	52,328
Accumulated amortisation:				
Balance at beginning of year	31,058	23,868	29,360	22,447
Amortisation for the year	10,051	7,190	10,017	6,913
Sale of a subsidiary	(94)	-	-	-
Balance at end of year	41,015	31,058	39,377	29,360
Net book value	33,115	23,306	33,115	22,968

15. Trade and other payables

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2016	2015	2016	2015
Trade payables - related parties	49,667	42,714	50,448	60,271
Trade payables - unrelated parties	30,284	51,973	30,143	45,236
Other payables for purchase of equipment - a subsidiary	-	-	-	40,977
Other payables for purchase of equipment - unrelated parties	41,836	55,213	41,836	55,213
Other payables - a subsidiary	-	-	-	7
Other payables - unrelated parties	1,697	621	1,697	621
Total trade and other payables	123,484	150,521	124,124	202,325

16. Provisions

(Unit: Thousand Baht)

	Consolidated / Separate financial statements	
	2016	2015
Provisions for losses from termination of the agreements	-	113,291
Provision for shortfall in revenues compared to minimum guaranteed compensation	-	53,438
Total	-	166,729

Provisions for losses from termination of the agreements

In October 2014, the Company entered into an advertisement concession agreement for exclusive rights to manage and provide advertising space, and relevant amendment agreements, with an unrelated company, which granted exclusive rights to manage and provide advertising space in its department stores. Subsequently, the Company found that the unrelated company breached the agreement. The Company's Board of Directors meeting No. 5/2015 considered and passed a resolution to terminate the agreements with that company. On 31 March 2015, the Company sent that company notification of the termination, effective from 30 April 2015. As a result, as at 31 March 2015, the Company recorded provisions for initial damages incurred from terminating the agreements amounting to Baht 113 million in both the consolidated and separate financial statements. In addition, as at 31 March 2015, the Company recognised allowance of Baht 102 million in the consolidated financial statements and Baht 127 million in the separate financial statements for impairment loss on equipment and other assets in relation to the agreements. Those amounts were valued at the net book values as at 31 March 2015.

Subsequently, both the Company and the unrelated company negotiated and compromised on the argument of the termination of the agreements with those department stores. On 11 August 2015, the unrelated company entered into an agreement with the Company, to purchase the advertising equipment installed in the department stores at a price of Baht 79 million. The Company received the first payment of Baht 25 million in September 2015 and is to receive the balance within December 2018 in 3 installments of Baht 18 million each. The equipment had a net book value of Baht 5 million at the disposal date (after net of allowance for impairment loss amounting to Baht 52 million). As a result, the Company had a gain on the sale of the equipment amounting to Baht 74 million, and this was included under the caption of "Gain on sales of equipment" in the statement of comprehensive income for the year ended 31 March 2016.

The Company's management believes that the termination will not have any significant adverse impact on the Company, except for the actual amounts of severance pay and other certain expenses arising in the current year, amounting to Baht 19 million. Therefore, the Company reversed the provisions for losses from termination of the agreements amounting to Baht 94 million, which is presented separately in the statement of comprehensive income.

Provision for shortfall in revenues compared to minimum guaranteed compensation

The Company recorded provision of approximately Baht 53 million during the year ended 31 March 2015 for revenues being lower than the minimum guaranteed amounts for another agreement that the Company made with a related company, because the Company's revenues were less than the minimum guaranteed amounts stipulated in the agreement.

The Company revisited the provision for shortfall in revenues compared to minimum guaranteed compensation because the actual amounts of certain revenues were lower than the relevant estimates. As a result, the Company recorded additional provision of Baht 135 million, or a total provision of Baht 188 million, which is equal to the actual shortfall in revenues compared to the minimum guaranteed compensation. The Company made full settlements of the difference between revenues and the minimum guaranteed amounts to the related company during the current year.

17. Provision for long-term employee benefits

Provision for long-term employee benefits, which represents compensation payable to employees after they retire, was as follows:

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2016	2015	2016	2015
Provision for long-term employee benefits at beginning of year	17,181	25,868	15,567	23,748
Included in profit or loss:				
Current service cost	4,814	3,638	4,643	2,980
Interest cost	1,232	1,061	1,231	974
Included in other comprehensive income:				
Actuarial (gain) loss arising from				
Demographic assumptions changes	10,513	-	10,513	-
Financial assumptions changes	(954)	-	(954)	-
Experience adjustments	5,565	-	5,565	-
Benefits paid during the year	(7,868)	(13,386)	(7,590)	(12,135)
Sale of a subsidiary during the year	(1,431)	-	-	-
Provision for long-term employee benefits at end of year	29,052	17,181	28,975	15,567

Line item in profit or loss under which long-term employee benefit expenses are recognised is as follow:

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2016	2015	2016	2015
Administrative expenses	6,046	4,699	5,874	3,954

The Company and its subsidiaries expect to pay Baht 0.2 million of long-term employee benefits during the next year (the Company only: Baht 0.2 million) (2015: Baht 5 million (the Company only: Baht 5 million)).

As at 31 March 2016, the weighted average duration of the liabilities for long-term employee benefit is 24 years (the Company only: 24 years) (2015: between 25 and 28 years (the Company only: 25 years)).

Significant actuarial assumptions are summarised below:

	Consolidated / Separate financial statements	
	2016 (% per annum)	2015 (% per annum)
Discount rate	2.4	4.1
Salary increase rate	5 - 6	5
Turnover rate	2 - 10	2 - 9

The result of sensitivity analysis for significant assumptions that affect the present value of the long-term employee benefit obligation as at 31 March 2016 is summarised below.

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	Increase 1%	Decrease 1%	Increase 1%	Decrease 1%
Discount rate	(3)	4	(3)	4
Salary increase rate	4	(3)	4	(3)

18. Warrants

(Unit: Thousand units)

Balance as at 1 April 2014	-
Issued during the year	857,993
Exercised during the year	(201)
Balance as at 31 March 2015	857,792
Balance as at 31 March 2016	857,792

On 3 July 2014, the Annual General Meeting of the Company's shareholders passed a resolution to issue up to 857,993,407 warrants to purchase newly issued ordinary shares of the Company (VGI-W1), to be allocated to the existing shareholders of the Company on a pro rata basis to their respective shareholding (rights offering), at no cost. Subsequently, on 11 March 2015, the Extraordinary General Meeting of the Company's shareholders No. 1/2015 passed a resolution to adjust the exercise price and the exercise ratio of the warrants due to the stock dividend issuance. Details are as follows.

Issuance date	1 August 2014
Number of warrants granted	857,992,640 warrants
Allocation ratio	1 warrant to 4 existing ordinary shares
Term of warrants	4 years from the issuance date
Exercisable date for the first time	The last business day of the first quarter after the issuance date
Exercise ratio	1 warrant per 2 ordinary shares
Exercise price	Baht 7 per share

On 30 September 2014, the warrant holders exercised warrants to acquire 29,250 ordinary shares with a par value of Baht 0.1 each, at an exercise price of Baht 14 per share, or for a total of Baht 409,500. The Company registered the corresponding increase in its issued and fully paid-up share capital with the Ministry of Commerce on 3 October 2014.

Subsequently, on 31 March 2015, the warrant holders exercised warrants to acquire 343,202 ordinary shares with a par value of Baht 0.1 each, at an exercise price of Baht 7 per share, or for a total of share subscriptions received in advance as at 31 March 2015 amounting to Baht 2,402,414. The Company registered the corresponding increase in its issued and fully paid-up share capital with the Ministry of Commerce on 3 April 2015.

In addition, on 30 June 2015 and 30 December 2015, the warrant holders exercised warrants to acquire 160 ordinary shares and 40 ordinary shares, respectively, with a par value of Baht 0.1 each, at an exercise price of Baht 7 per share, or for a total of Baht 1,400. The Company registered the corresponding increase in its issued and fully paid-up share capital with the Ministry of Commerce on 8 July 2015 and 6 January 2016, respectively.

19. Statutory reserve

Pursuant to Section 116 of the Public Limited Companies Act B.E. 2535, the Company is required to set aside to a statutory reserve at least five percent of its net profit after deducting accumulated deficit brought forward (if any), until the reserve reaches ten percent of the registered capital. The statutory reserve is not available for dividend distribution. At present, the statutory reserve has fully been set aside.

20. Service income

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
Advertising income	1,647,600	2,458,672	1,639,238	1,952,193
Income from renting of spaces	317,248	283,780	317,248	283,780
Other service income	140,880	220,241	125,363	187,527
Total	2,105,728	2,962,693	2,081,849	2,423,500

21. Expenses by nature

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
Salaries and wages and other employee benefits	251,878	318,029	247,097	264,284
Depreciation and amortisation	180,136	160,301	189,032	158,850
Concession fees	269,824	726,813	262,138	405,727
Costs of other services	92,029	144,549	81,639	100,452
Signboard and premise taxes	52,523	52,304	52,232	51,653

22. Income tax

Income tax expenses for the years are made up as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
Current income tax:				
Current income tax charge	158,808	278,638	157,682	252,416
Deferred tax:				
Relating to origination and reversal of temporary differences	45,244	(60,941)	51,751	(64,581)
Income tax expenses reported in the statement of comprehensive income	204,052	217,697	209,433	187,835

The amounts of income tax relating to each component of other comprehensive income for the years are as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
Deferred tax on actuarial loss	(3,025)	-	(3,025)	-

The reconciliation between accounting profit and income tax expense is shown below.

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
Accounting profit before tax	1,144,568	1,055,273	1,095,035	1,030,621
Applicable tax rate (percent)	20	20	20	20
Accounting profit before tax multiplied by income tax rate	228,914	211,055	219,007	206,124
Effects of:				
Non-deductible expenses	1,098	9,081	1,097	8,757
Additional expense deductions allowed	(161)	(360)	(161)	(360)
Exemption of income	-	-	(10,541)	(27,609)
Additional taxable income	1,428	-	-	-
Difference in tax rates of a subsidiary in an overseas country	(58)	50	-	-
Tax losses for the year of subsidiaries which deferred tax assets have not been recognised	965	-	-	-
Gain on sales of investments	(13,906)	-	-	-
Share of profit from investments in a joint venture and associates	(6,075)	(2,917)	-	-
Others	(8,153)	788	31	923
Total	(24,862)	6,642	(9,574)	(18,289)
Income tax expenses reported in the statement of comprehensive income	204,052	217,697	209,433	187,835

The components of deferred tax assets are as follows:

(Unit: Thousand Baht)

	Statement of financial position			
	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
Deferred tax assets				
Allowance for doubtful accounts	1,931	1,931	1,899	1,899
Allowance for impairment of investment	9,071	9,071	9,071	9,071
Unrealised gain on sales of warrants in an associate	14,885	14,885	15,032	15,032
Allowance for impairment loss of assets	-	13,062	-	18,062
Provisions	-	33,346	-	33,346
Provision for long-term employee benefits	5,810	3,436	5,795	3,113
Others	2,978	1,941	-	-
Total	34,675	77,672	31,797	80,523

As at 31 March 2016, the subsidiaries had unused tax losses totaling Baht 5 million, on which deferred tax assets have not been recognised. The unused tax losses will expire by the year ended 31 March 2021.

23. Earnings per share

Basic earnings per share is calculated by dividing profit for the year attributable to equity holders of the Company (excluding other comprehensive income) by the weighted average number of ordinary shares in issue during the year.

Diluted earnings per share is calculated by dividing profit for the year attributable to equity holders of the Company (excluding other comprehensive income) by the weighted average number of ordinary shares in issue during the year plus the weighted average number of ordinary shares which would need to be issued to convert all dilutive potential ordinary shares into ordinary shares. The calculation assumes that the conversion took place either at the beginning of the year or on the date the potential ordinary shares were issued.

The following table sets forth the computation of basic earnings per share:

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
Profit for the year attributable to equity holders of the Company (thousand Baht)	940,515	837,576	885,602	842,786
Weighted average number of ordinary shares (thousand shares)	6,864,322	6,863,871	6,864,322	6,863,871
Earnings per share (Baht)	0.14	0.12	0.13	0.12

The exercise price of the warrants (VGI-W1) is higher than the average market price of the Company's ordinary shares for the years ended 31 March 2016 and 2015. Therefore, the Company has not assumed conversion of the warrants in the calculation of diluted earnings per share in the consolidated and separate financial statements.

24. Segment information

Operating segment information is reported in a manner consistent with the internal reports that are regularly reviewed by the chief operating decision maker in order to make decisions about the allocation of resources to the segment and assess its performance, which is measured based on operating profit or loss and total assets and on a basis consistent with that used to measure operating profit or loss and total assets in the financial statements. The chief operating decision maker has been identified as Chief Executive Officer.

The business operations of the Company and its subsidiaries involve 3 principal segments: the elevated mass transit system segment ("BTS segment"), advertising spaces in modern trade segment ("Modern trade segment") and other segment. These operations are mainly carried on in Thailand.

The basis of accounting for any transactions between reportable segments is consistent with that for third party transactions.

The following table presents revenues and profit information regarding the operating segments of the Company and its subsidiaries for the years.

(Unit: Million Baht)

	BTS segment		Modern trade segment		Other segment		Consolidated	
	2016	2015	2016	2015	2016	2015	2016	2015
Revenues								
External customers	1,813	1,805	50	969	243	189	2,106	2,963
Inter-segment	-	-	-	27	2	41	2	68
Total revenues	1,813	1,805	50	996	245	230	2,108	3,031
Adjustments and eliminations	-	-	-	(27)	(2)	(41)	(2)	(68)
Total revenues - net	1,813	1,805	50	969	243	189	2,106	2,963
Results								
Segment profit	1,260	1,361	(15)	129	74	69	1,319	1,559
Adjustments and eliminations	5	12	10	46	3	21	18	79
Segment profit - net	1,265	1,373	(5)	175	77	90	1,337	1,638
Unallocated income and expenses:								
Gain on sales of investments in subsidiaries							62	-
Gain on sale of investment in a joint venture							10	-
Gain on sales of warrants in an associate							-	53
Gain on sales of equipment							80	-
Other income							42	47
Selling expenses							(53)	(73)
Administrative expenses							(310)	(344)
Impairment loss on assets							-	(102)
Reversal of provisions for terminating the agreements (loss)							94	(113)
Loss on provision for revenues being lower than the minimum guaranteed amounts							(135)	(53)
Other expenses							(1)	(2)
Share of profit from investments in a joint venture and associates							30	15
Finance cost							(11)	(10)
Income tax expenses							(204)	(218)
Profit for the year							941	838

Transfer prices between operating segments are set out in Note 6 to the consolidated financial statements.

The following table presents total assets information regarding the operating segments of the Company and its subsidiaries.

(Unit: Million Baht)

	BTS segment		Modern trade segment		Other segment		Adjustments and eliminations		Consolidated	
	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015
Trade and other receivables	308	347	-	117	132	115	(41)	(60)	399	519
Short-term loans to subsidiaries	-	-	-	48	16	-	(16)	(48)	-	-
Investment in a joint venture	-	-	-	-	-	79	-	(15)	-	64
Investments in associates	-	-	-	-	727	627	15	4	742	631
Equipment	1,014	1,094	-	15	207	173	(10)	(20)	1,211	1,262
Goodwill	-	-	-	-	79	79	-	-	79	79
Unallocated assets	-	-	-	-	668	731	-	-	668	731
Total assets	1,322	1,441	-	180	1,829	1,804	(52)	(139)	3,099	3,286

For the year ended 31 March 2016, the Company and its subsidiaries have revenues from top ten major customers in total amount of Baht 1,403 million (2015: Baht 2,020 million), arising from BTS, modern trade and other segments.

25. Provident fund

The Company, its subsidiaries and their employees have jointly established a provident fund in accordance with the Provident Fund Act B.E. 2530. The Company, its subsidiaries and employees contribute to the fund monthly at the rate of five percent of basic salary. The fund, which is managed by Bangkok Bank Public Company Limited, will be paid to employees upon termination in accordance with the fund rules. The contributions for the year ended 31 March 2016 amounting to Baht 6 million (the Company only: Baht 6 million) (2015: Baht 9 million (the Company only: Baht 7 million)) were recognised as expenses.

26. Dividends

Dividends	Approved by	Total dividends	Dividend per share
		(Million Baht)	(Baht)
Final dividends for 2014	Annual General Meeting of the shareholders on 3 July 2014	446	0.130
Interim dividends for 2015	Board of Directors' meeting No. 1/2015 on 30 January 2015	480	0.140
Interim dividends for 2015	Extraordinary General Meeting of the shareholders No. 1/2015 on 11 March 2015		
Stock dividend		343	0.100
Cash dividend		38	0.011
Total for the year ended 31 March 2015		1,307	
Final dividends for 2015	Annual General Meeting of the shareholders on 6 July 2015	172	0.025
Interim dividends for 2016	Board of Directors' meeting No. 1/2016 on 26 January 2016	343	0.050
Total for the year ended 31 March 2016		515	

27. Commitments and contingent liabilities

27.1 Capital commitments

As at 31 March 2016, the Company had capital commitments of Baht 47 million, relating to the acquisition of equipment and software computer.

27.2 Operating lease commitments

The Company and its subsidiaries have entered into several lease agreements in respect of the lease of office building space, motor vehicles and equipment. The terms of the agreements are generally between 1 and 4 years.

Future minimum lease payments required under these non-cancellable operating leases contracts were as follows.

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
Payable:				
In up to 1 year	25	25	25	22
In over 1 and up to 4 years	27	31	27	29

27.3 Long-term commitments

a) The Company and its subsidiaries had outstanding commitments with respect to the concession fees stipulated in the agreements as follows.

- 1) An agreement with the parent company to obtain a 17-year license to manage and provide advertising spaces on BTS stations, BTS trains and to manage the merchandising areas and marketing activities at BTS stations, including commercial broadcasting through plasma screens and LCD screens
- 2) An agreement with the parent company granting a license to manage space supporting travel on the Bangkok Mass Transit System project (on stations and connected space of the 2.2 kilometer long Silom extension line, and the 5.25 kilometer long Sukhumvit extension line of the Bangkok mass transit system)
- 3) Concession agreements for the installation and management of advertising media in buildings with a related company and unrelated companies, whereby it is to install, and manage the provision of advertising through, LCD screens in these buildings
- 4) Concession agreements for the management and provision of advertising space, and other related agreements

As at 31 March 2016, the Company and its subsidiaries had outstanding commitments with respect to minimum guarantees under concession agreements. Fees are payable as follows.

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
Fees payable:				
In up to 1 year	87	113	78	113
In over 1 and up to 5 years	239	87	177	87
In over 5 years	333	11	326	11

These amounts will be adjusted in accordance with actual performance, based on certain rates stipulated in the agreements.

b) As at 31 March 2016, the Company and its subsidiaries had outstanding commitments which future payments are required in respect of service agreements as follows.

(Unit: Million currency units)

Currency	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
Baht	185	165	185	158

27.4 Guarantees

As at 31 March 2016, there were outstanding bank guarantees of approximately Baht 22 million (2015: Baht 24 million) issued by banks on behalf of the Company to guarantee contractual performance in respect of certain performance bonds as required in the normal course of business.

28. Fair value hierarchy

As at 31 March 2016, the Company had the assets that were measured at fair value using different levels of inputs as follows:

(Unit: Million Baht)

	Consolidated / Separate financial statements			
	Level 1	Level 2	Level 3	Total
Assets measured at fair value				
Held for trade investments				
Debt instruments	-	228	-	228
Assets for which fair value is disclosed				
Investments in a listed associate	819	-	-	819

29. Financial instruments

29.1 Financial risk management

Financial instruments of the Company and its subsidiaries, as defined under Thai Accounting Standard No. 107 “Financial Instruments: Disclosure and Presentations”, principally comprise cash and cash equivalents, trade and other receivables, loans, investments, and trade and other payables. The financial risks associated with these financial instruments and how they are managed is described below.

Credit risk

The Company and its subsidiaries are exposed to credit risk primarily with respect to trade and other receivables and loans. The Company and its subsidiaries manage the risk by adopting appropriate credit control policies and procedures and therefore do not expect to incur material financial losses. In addition, the Company and its subsidiaries do not have high concentrations of credit risk since they have a large customer base. The maximum exposure to credit risk is limited to the carrying amounts of trade and other receivables and loans as stated in the statement of financial position.

Interest rate risk

The Company’s and its subsidiaries’ exposure to interest rate risk relates primarily to their cash at banks, loans and investments. Most of the Company’s and its subsidiaries’ financial assets and liabilities bear floating interest rates or fixed interest rates which are close to the market rate.

Foreign currency risk

The Company’s and its subsidiaries’ exposure to foreign currency risk arises mainly from acquisitions of equipment for operations and financial transactions with overseas companies that are denominated in foreign currencies. The Company and its subsidiaries do not utilise forward exchange contracts to hedge the foreign currency risk.

29.2 Fair values of financial instruments

Since the majority of the Company’s and its subsidiaries’ financial instruments are short-term in nature or bear floating interest rates, their fair value is not expected to be materially different from the amounts presented in the statement of financial position.

The methods and assumptions used by the Company and its subsidiaries in estimating the fair value of financial instruments are as follows:

- a) For financial assets and liabilities which have short-term maturity, including cash and cash equivalents, accounts receivable and short-term loans to subsidiaries, accounts payable and short-term loans from financial institutions, their carrying amounts in the statement of financial position approximate their fair value.
- b) For debts securities, their fair value is generally derived from quoted market prices or determined by using the yield curve as announced by the Thai Bond Market Association or by other relevant bodies.
- c) For equity securities, their fair value is generally derived from quoted market prices.
- d) For long-term loans carrying interest approximate to the market rate, their carrying amounts in the statement of financial position approximates their fair value.

During the current year, there were no transfers within the fair value hierarchy.

30. Capital management

The primary objective of the Company's and its subsidiaries' capital management is to ensure that they have appropriate capital structure in order to support their business and maximise shareholder value. As at 31 March 2016, the Group's debt-to-equity ratio was 0.38:1 (2015: 0.80:1) and the Company's was 0.39:1 (2015: 0.82:1).

31. Approval of financial statements

These financial statements were authorised for issue by the Company's Board of Directors on 11 May 2016.

Definitions

Otherwise specified in this document, the following words shall have the following meanings

888 Media	means	888 Media Company Limited
999 Media	means	999 Media Company Limited
BTSC	means	Bangkok Mass Transit System Public Company Limited
BTS	means	BTS Group Holdings Public Company Limited
EBIT	means	Earnings before interest and taxes
EBITDA	means	Earnings before interest and taxes, depreciation and amortisation
MACO	means	Master Ad Public Company Limited
POV	means	Point of View (POV) Media Group Company Limited
VGI Ad	means	VGI Advertising Media Company Limited
VGI Ad China	means	VGI Advertising China Company Limited
Midas	means	Midas Global Media Company Limited
BMA	means	Bangkok Metropolitan Administration, including other agencies that may have the authority to act on behalf of BMA; in this case, it means Krungthep Thanakom Company Limited.
Bangkok	means	Bangkok Province
Member of the Executive Committee	means	Member of the Executive Committee, who may be and/or not be the Company's directors
VGI Group	means	VGI Global Media Public Company Limited and its subsidiaries
SET	means	Stock Exchange of Thailand
Company / VGI	means	VGI Global Media Public Company Limited
VGI-W1 / VGI-W1 Warrants	means	Warrants to Purchase the Newly Issued Ordinary Shares of the Company No. 1 (VGI-W1)
Single Package	means	Selling of advertising media of the same type by combining the locations of the advertisements in each area together
Combined Package	means	Selling of advertising media by combining single packages together, it may be the same type of different places or different media to sell a larger package
Modern Trade	means	Modern retail stores characterised by countrywide network such as Tesco Lotus and Big C
BRT	means	Bus Rapid Transit (BRT) provides the mass transit in the urban and outlying areas. It is a bus using a speed higher than the normal bus by driving on the special lane that is separated from the main road. At present there is 12 stations altogether 16 kilometers, connecting Chong Nonsi along Narathiwas Road through Rama III Road to Ratchapruerk, and having the station connecting to BTS at Chong Nonsi Station

BTS SkyTrain	means	BTS Silom Line and BTS Sukhumvit Line, including BTS Silom Line Extension and BTS Sukhumvit Line Extension
BTS Silom Line	means	Comprising 7 stations (including Siam station) with a combined track length of 6.5 kilometers, connecting National Stadium Station and Saphan Taksin Station
BTS Sukhumvit Line	means	Comprising 17 stations (including Siam station) with a combined track length of 17 kilometers, connecting Mo Chit Station and On Nut Station
BTS Silom Line Extension	means	The 7.5 kilometers extension of BTS Silom Line, comprising 6 BTS stations, connecting Saphan Taksin Station and Bang Wa Station, where BTSC is a operation and maintenance service provider
BTS Sukhumvit Line Extension	means	The 5.25 kilometers extension of BTS Sukhumvit Line, comprising 5 BTS stations, connecting Bang Chak Station and Bearing Station
MRT	means	M.R.T. Chaloem Ratchamongkhon, connecting from Hua Lamphong and Bang Sue, with combined track length of 20 kilometers, totaling 18 stations and having the station connecting to 3 BTS stations, i.e. Sala Deang Station, Asoke Station and Mo Chit Station
Airport Rail Link	means	Train Transportation System connecting to Suvarnabhumi Airport
MRTA	means	Mass Rapid Transit Authority of Thailand
Concession Agreement	means	Bangkok Mass Transit System Concession Agreement between the BMA and BTSC dated 9 April 1992, for the operation of BTS Silom Line and BTS Sukhumvit Line
Right to Manage Marketing Services in the BTS Sky Train System	means	License to Manage Marketing Services Agreement entered with BTSC, for being granted the Company an exclusive right to manage the advertising space and merchandising area in the BTS Skytrain system, both (a) BTS Silom Line and (b) BTS Sukhumvit Line
Right to Advertise in the Office Building Agreement	means	LCD screens installation and management in office building agreement, being granted the Company to manage the advertising space in the passenger lifts and the hall way and lobby of the office buildings
SEC	means	Securities and Exchange Commission
Digital Media	means	Multimedia
Static Media	means	Static picture, such as, vinyl sign, light box, trivision, escalator gateway, sticker on the floor, toilet mirrors
Multimedia	means	Advertising media which can present static picture, movie and sound in the form of short advertising film broadcasted on the digital screens, such as, plasma screen, LCD screen, LED screens
Media Agency	means	Advertising agency who provide strategic planning for use of various types of media as well as media budget planning and media usage decision making



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